

SEP 12 1989

BEFORE THE STATE OIL AND GAS BOARD  
OF THE STATE OF MISSISSIPPISTATE OIL AND GAS BOARD  
A. Richard Henderson, Supervisor

DOCKET NO. 277-89-154

ORDER NO. 398-89

## GILLSBURG FIELD

O R D E RAMENDING THE SPECIAL FIELD RULES FOR THE GILLSBURG  
FIELD FOR THE PURPOSE OF DEFINING AS A SEPARATE POOL  
THE LOWER TUSCALOOSA "LT-5" SAND

This cause this date came on for hearing at the August 1989 regular meeting of the Mississippi State Oil and Gas Board upon the Petition of R & H OIL & GAS, INC. for oral and documentary evidence and on argument of counsel, and upon said hearing the Board finds:

A. That this Board has jurisdiction of the subject matter of this Petition, and that due and legal notice of the meeting of the Board, for the purpose of considering the above Petition has been given in the manner and form so provided by the rules and regulations of this Board, and that due and proper proof of all legal and required notices are on file with the Board in this cause, and that the Board has the right to hear said cause and determine the same at the meeting of this Board held on August 16, 1989, in the offices of the Mississippi State Oil and Gas Board in Jackson, Mississippi.

B. That Petitioner has demonstrated the existence of a stratigraphic interval within the Lower Tuscaloosa formation that is separate and distinct from the Lower Tuscaloosa Oil Pool as defined in the existing Special Field Rules approved by the Mississippi State Oil and Gas Board and that said interval should hereafter be designated as the Lower Tuscaloosa "LT-5" Oil Pool.

C. That all other provisions of the Gillsburg Field Special Field Rules are adequate and should be made applicable to the Lower Tuscaloosa "LT-5" Oil Pool.

IT IS THEREFORE ORDERED AND ADJUDGED THAT IN VIEW OF THE ABOVE FINDINGS THAT:

1. The following Amended Special Field Rules be and are approved and adopted by the State Oil and Gas Board of Mississippi for the Gillsburg Field, located in Amite County,

SPECIAL FIELD RULES  
FOR THE GILLSBURG FIELD  
AMITE COUNTY, MISSISSIPPI

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The Gillsburg Field, as used herein, is that area consisting of Sections 26, 27, 28, 33, 34, and 35, Township 1 North, Range 6 East, Amite County, Mississippi, underlain by the Upper Tuscaloosa Oil Pool, the Lower Tuscaloosa Oil Pool and the Lower Tuscaloosa "LT-5" Oil Pool, as hereinafter defined, and all productive extensions thereof.

I. The Upper Tuscaloosa Oil Pool in the Gillsburg Field shall be construed to mean those strata of the Tuscaloosa Formation productive of oil in the interval between 10,940 feet to 10,990 feet in the Biglane, etal-No. 1 Spears Well, as indicated on the electric log of said well, and all sands correlative of the strata productive of oil, said well being located in the NE1/4 of NW1/4 of Section 34, Township 1 North, Range 6 East, Amite County, Mississippi.

11. The Lower Tuscaloosa Oil Pool in the Gillsburg Field shall be construed to mean those strata of the Tuscaloosa Formation productive of oil in the interval between 11,607 feet to 11,633 feet in the Humble Oil & Refining Company No. 1 Spears Well, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil, said well being located in the SE 1/4 of SW 1/4, Section 27, Township 1 North, Range 6 East, Amite Count, Mississippi.

111. The Lower Tuscaloosa "LT-5" Sand Oil Pool, in the Gillsburg Field, shall refer to the stratigraphic interval of the Lower Tuscaloosa formation productive of oil and gas from the depth of 11,613 feet to the depth of 11,631 feet in the No. 1 Williams-Slaven well, as seen on the Induction Log thereof, and including those stratigraphic intervals in the Gillsburg Field which can be correlated therewith. Said well, R & H Oil & Gas, Inc. Williams-Slaven No. 1 well, is located 330 feet FSL and 330 feet FWL of the E/2 of SE of Section 27-T1N-R6E, Gillsburg Field, Amite County, Mississippi.

1V. The characteristics of these pools in the Gillsburg Field are such that a well located as hereinafter prescribed and drilled upon a drilling unit containing approximately 80 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable oil from such units in said pools without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

Every well drilled as an oil well:

- (a) shall be located on a drilling unit consisting of eighty (80) surface contiguous acres, or two governmental quarter-quarter sections containing not less than seventy-two (72) acres or more than eighty-eight (88) acres, upon which no other drilling or producible well is located;
- (b) any drilling unit not composed of two governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet. Provided, however, no unit shall be permitted which will create island acreage;
- (c) the well shall be located at least 330 feet from every every other drilling or producible well located in conformity with this rule; and
- (d) the well shall be located at least 330 feet from every exterior boundary of the drilling unit.

RULE 2 - MEASUREMENT OF PRODUCTION:

The operator of each producing lease shall maintain proper separators and stock tanks or metering devices and such connections thereto as are necessary to continuously measure the total production from such lease.

Where metering devices are used, as herein provided, the production may be commingled in a common storage system and if, upon a sale therefrom a variance exists between the measurement from the common storage system and the total measurement, then such variance shall be allocated back to each of the leases producing into the common storage system proportionately to the production measured from each lease.

**RULE 3 - EQUIPMENT FOR TESTS:**

The operator of each producing lease on which there are two or more producing wells shall maintain proper separators and stock tanks or metering devices and such connections thereto as will permit the adequate testing of each individual well under usual operating conditions without the necessity of closing in any other well. Such separators, stock tanks or metering devices and connections thereto shall be subject to approval by the Supervisor.

**RULE 4 - USE OF METERS:**

- A. The use of meters for testing and for measurement of lease production shall be subject to and in accordance with the following provisions:
1. Only a volume displacement type metering device or vessel which registers the volume of oil passed through it in barrels or multiples thereof may be used.
  2. All meters shall be downstream of the necessary separating or treating vessels. All meters shall be designed and installed in conformance with recognized metering practices and shall be subject to the approval of the Supervisor of the Oil and Gas Board.
  3. No meter used for oil production measurement shall be directly or indirectly by-passed in such manner as to permit oil to pass into common storage without first being measured.

4. All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated at least once a month by means of a calibrated tank, a calibrated meter prover or a master meter.

5. The meter reading and meter calibration factor in use at 7:00 a.m. on the first day of each month for each meter shall be reported on the bottom of the Form 9 reporting the monthly production from the wells being measured by such meter.

**RULE 5 - AUTOMATIC CUSTODY TRANSFER SYSTEMS AUTHORIZED:**

Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the purchaser are hereby authorized for the Gillsburg Field. Such system may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 2 above. In the event the transfer is from such a common storage facility, the allocation of production to the leases being produced into such common storage system will be on the basis of the relationship of the measured production from each lease to the total measured production transferred by the automatic custody transfer system.

Each such system will be equipped with a sampling device which will take a representative sample of the total production passing through the system in order that the specific gravity and the basic sediment and water content can be determined.

Each such system will be equipped with a volume displacement type metering device which registers the volume of oil passed through it in barrels or multiples thereof.

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In addition to meeting all of the requirements set out in Rule 4 above which deals with the use of meters, said metering device will be compensated for temperature, will be so equipped as to provide a cumulative total of all oil transferred by such system and will have an accuracy standard equivalent to the accuracy obtained in measurements made in calibrated stock tanks.

RULE 6 - APPLICABILITY OF STATEWIDE RULES:

- A. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to said field.
- B. The Board expressly reserves the right after notice and hearing to alter, amend or repeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED, this the 16<sup>th</sup> day of August, 1989.

STATE OIL AND GAS BOARD  
OF THE STATE OF MISSISSIPPI

By:

L. B. Mays McLebo

Chairman