

IN THE STATE OIL AND GAS BOARD
OF MISSISSIPPI

RE: SPECIAL FIELD RULES FOR THE
HARMONY FIELD, CLARKE COUNTY,
MISSISSIPPI

DOCKET NO. 212-68-282

ORDER NO. 28-69

O R D E R

This day this cause came on for hearing before the State Oil and Gas Board on the Petition of Pachuta Corporation for the adoption by the Board of Special Field Rules for the Harmony Field, Clarke County, Mississippi, such hearing being called for such purpose; and

The Board finding that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to such matter has been given in the manner and way provided by law and the Rules and Regulations of the Board and that due, legal and sufficient proofs of publication are on file with the Board and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, a public hearing was held by said Board in the Second Floor Auditorium of the Woolfolk State Office Building, Jackson, Mississippi, commencing February 19, 1969, at which hearing all persons present who desired to be heard on said matter were heard and all proposed Special Field Rules were fully discussed and duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and is of the opinion that the following Special Field Rules should be adopted for the prevention of waste and the protection of the correlative rights of all owners in said field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the following Special Field Rules be hereby adopted:

SPECIAL FIELD RULES FOR THE
HARMONY FIELD, CLARKE COUNTY, MISSISSIPPI

A. The Harmony Field as used herein is that area consisting of Section 20, Section 21, the N 1/2 of the NW 1/4 of Section 28, and the N 1/2 of the NE 1/4 of Section 29, Township 2 N, Range 15 E, Clarke County, Mississippi, underlain by the Smackover Oil Pool hereinafter defined and all productive extensions thereof.

B. The Smackover Oil Pool in the Harmony Field shall be construed to mean that strata of the Smackover Formation productive of oil in the interval between 12,552 feet and 12,730 feet in the Blaine Dunbar, et al. Masonite-Kirkland No. 1 Well located in the SE 1/4 of the SE 1/4 of Section 20, Township 2 N, Range 15 E, Clarke County, Mississippi, as indicated on the electric log of said well and all intervals correlative of said strata productive of hydrocarbons.

C. The characteristics of said Smackover Oil Pool in said field are such that wells located in conformance with the hereinafter prescribed spacing rules will efficiently drain and produce the recoverable oil from the said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

Every well drilled as an oil well for production from the Smackover Oil Pool:

(a) shall be drilled on a drilling unit consisting of two contiguous governmental quarter-quarter sections containing not less than 72 acres upon which no other drilling or producible well is located with the longest boundary line of said unit running East and West;

(b) shall be located at least 500 feet from every exterior boundary of the drilling unit;

(c) shall be located at least 1,320 feet from every other drilling or producible well to be produced from the same pool;

(d) and, this spacing rule shall continue in force and effect subject to confirmation or amendment at the February, 1970 meeting of this Board.

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 of the production of all the leases commingled in such common storage system, 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 - EQUIPMENTS FOR TESTS:

(a) Each producing well shall be so equipped that gas/oil ratio tests and bottom hole or other pressure tests may be made.

(b) 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 bypassed 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. When a meter is found to deviate in its recording by more than two per cent, it must be adjusted to conform

to the said tolerance limitation of two per cent or the meter calibration factor corrected.

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 Harmony 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. 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, ADJUDGED AND DECREED, this the 19th
day of February, 1969.

STATE OIL AND GAS BOARD
OF MISSISSIPPI

BY:


Vice - Chairman