

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: APPLICATION OF CITIES SERVICE OIL COMPANY
FOR SPECIAL FIELD RULES FOR THE HAZLIT CREEK
FIELD, WILKINSON COUNTY, MISSISSIPPI.

DOCKET NO. 256-66-247

ORDER NO. 309-66

O R D E R

This day this cause comes on for hearing before the State Oil and Gas Board on the matter for the adoption and promulgation by the Board of Special Field Rules for the Hazlit Creek Field in Wilkinson County, Mississippi; 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 said matter has been given in the manner and way as 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 at Jackson, Mississippi, on December 21, 1966, at which time and place all persons present who desired to be heard on said matters 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 hereby ordered by the State Oil and Gas Board that the following special field rules be and the same are hereby adopted by the State Oil and Gas Board of Mississippi for the Hazlit Creek Field in Wilkinson County, Mississippi, to take effect on and after January 1, 1967, to-wit:

A. The Hazlit Creek Field, as used herein, is that area in Sections 28, 36, and 37, T4N, R2W, lying and being situated in Wilkinson County, Mississippi, including all productive extensions thereof, underlain by one or more of the following pools:

(1) The Walker "A" Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox formation underlying said field productive of oil from the depth of 7,114 feet to 7,146 feet in the Cities Service Oil Company Crosby "T" Well No. 1, located 1,860 feet from the North line and 660 feet from the West line of

Section 36, T4N, R2W, Wilkinson County, Mississippi, and including those strata productive of oil which can be correlated therewith.

(2) The Walker "C" Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox formation underlying said field productive of oil from the depth of 7,165 feet to 7,180 feet in the Cities Service Oil Company Crosby "T" Well No. 1, located 1,860 feet from the North line and 660 feet from the West line of Section 36, T4N, R2W, Wilkinson County, Mississippi, and including those strata productive of oil which can be correlated therewith.

RULE 1 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separation equipment and stock tanks or metering devices and such connections thereto as are necessary to measure the total production from such lease. Where metering devices are used, the production may be commingled in a common storage system with production from other leases in this field or fields in the vicinity. And, if, upon a sale therefrom, a variance exists between the 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 such common storage system proportionately to the production measured from each lease.

RULE 2 - EQUIPMENT FOR TESTS

The operator of each producing lease on which there are two or more producing wells shall maintain proper separation equipment and stock tanks or metering devices and such connections thereto as will permit the adequate testing of each individual well under usual operating conditions. Such separation equipment, stock tanks or metering devices and connections thereto shall be subject to approval by the Supervisor.

RULE 3 - 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. Metering devices shall be of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof.

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 acceptable to the Oil and Gas Board.

3. No meter used for oil producing measurement shall be directly or indirectly by-passed in such manner as to permit oil from separate leases to pass into common storage without first being measured by said meter including wells on test.

4. All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated periodically by means of a calibrated tank, a calibrated meter prover or a master meter. Any deviations found shall be corrected by use of a proper meter factor.

RULE 4 - AUTOMATIC CUSTODY TRANSFER SYSTEMS AUTHORIZED.

Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the transporter are hereby authorized for the Hazlit Creek Field. Such systems may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 1 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 transferred by the automatic custody transfer system.

The automatic custody transfer 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.

The automatic custody transfer system will be equipped with metering devices of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof. In addition to meeting all of the requirements set out in Rule 3 above which deals with the use of meters, said automatic custody transfer metering device will be compensated for temperature, will be so equipped as to provide an accounting of the total oil transferred by such system and will have an accuracy standard equivalent to the accuracy obtained in measurements made in calibrated stock tanks.

RULE 5 - APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201-51, and amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to said field.

The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the above rules and regulations.

These rules shall be effective on and after January 1, 1967, reserving, however, unto all parties the full benefit and protection of any rights accruing which may have become vested by law in such parties prior to the adoption hereof.

ORDERED this 21st day of December, 1966.

STATE OIL AND GAS BOARD

By Robert H. Farwell
C H A I R M A N