DOCKET NO. 217-67-259

ORDER NO. 3-67

ORDER

This day this cause coming on to be heard by the State Oil and Gas Board of Mississippi on the matter of the adoption and promulgation by the Board of Special Field Rules for the Morgan Fork Field in Franklin County, Mississippi, on the application of Chas. F. Hayes & Associates, Inc.; and

The Board finding and hereby adjudicating 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.

The Board having fully considered the matter of the adoption and promulgation by the Board of Special Field Rules for the Morgan Fork Field in Franklin County, Mississippi, and the evidence and recommendations made with reference to said matter, 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 of Mississippi that the following Special Field Rules be and the same are hereby adopted by the State Oil and Gas Board for the Morgan Fork Field, located in Franklin County, Mississippi, to-wit:

SPECIAL FIELD RULES FOR THE MORGAN FORK FIELD FRANKLIN COUNTY, MISSISSIPPI

The Morgan Fork Field, as used herein, is that area consisting of Sections 1, 2, 3, 15, 16, 17 and 18, Township 6 North, Range 2 East, Franklin County, Mississippi, underlain by the McKittrick Sand Oil Pool, the Armstrong Sand Oil Pool, the Benbrook Sand Oil Pool, the Barksdale Sand Oil Pool, and the McShane Sand Oil Pool, as hereinafter defined, and all productive extensions thereof.

- I. The McKittrick Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons from the Schlumberger Induction-Electrical Log depth of 5914 feet to 5936 feet in the Chas. F. Hayes & Associates, Inc. No. 1 Loflin Well located in Section 2, Township 6 North, Range 2 East, Franklin County, Mississippi, and including those strata productive of oil which are correlatable therewith.
- II. The Armstrong Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons from the Schlumberger Induction-Electrical Log depth of 5938 feet to 5948 feet in the Chas. F. Hayes & Associates, Inc. No. 1 Loflin Well located in Section 2, Township 6 North, Range 2 East, Franklin County, Mississippi, and including those strata productive of oil which are correlatable therewith.
- III. The Benbrook Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons from the Schlumberger Induction-Electrical Log depth of 5934 feet to 6044 feet in the Chas. F. Hayes & Associates, Inc. -and Harry Hurt, Inc. No. 3 McLemore Well located in Section 16, Township 6 North, Range 2 East, Franklin County, Mississippi, and including those strata productive of oil which are correlatable therewith.

IV. The Barksdale Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons from the Schlumberger Induction-Electrical Log depth of 6096 feet to 6118 feet in the Chas. F. Hayes & Associates, Inc. and Harry Hurt, Inc. - No. 2 Loflin Well located in Section 2, Township 6 North, Range 2 East, Franklin County, Mississippi, and including those strata productive of oil which are correlatable therewith.

V. The McShane Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons from the Schlumberger Induction-Electrical Log depth of 6124 feet to 6138 feet in the Chas. F. Hayes & Associates, Inc. and Harry Hurt, Inc. - No. 2 Loflin Well located in Section 2, Township 6 North, Range 2 East, Franklin County, Mississippi, and including those strata productive of oil which are correlatable therewith.

RULE 1 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separation equipment and stock tanks and/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. 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 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 and/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 separation equipment, stock tanks and/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 production 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 monthly 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 - 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; and
- (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.

SO ORDERED AND ADJUDGED this 20th day of September, 1967.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By WELL THAT VICE - CHAIRMAN