

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 43-70-220

ORDER NO. 62-7c

ORDER

This cause came on this day for hearing before the State Oil and Gas Board on the petition of PAN AMERICAN PETROLEUM CORPORATION requesting that the Board adopt Special Field Rules for the Stamps Field, Wilkinson County, Mississippi, defining the Miller Sand, Armstrong Sand and Parker Sand, authorizing the use of meters for measuring production and the commingling of production from the various wells and leases in the field in common storage; and further requesting that the Board authorize the use of meters for measuring production and the commingling of production from the B. W. Stricker A No. 3 Well located in Section 8, Township 2 North, Range 5 West, North Stamps Field in common storage with production from the Stamps Field; 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 accordance with law and the rules and regulations of the Board, and that the Board has jurisdiction of the subject matter; and

After public hearing held by the Board in the Woolfolk State Office Building, Jackson, Mississippi, on February 18, 1970, at which time and place all persons present who desired to be heard were heard and all evidence received; and the Board, having fully considered the evidence and recommendations presented, being of the opinion that the relief sought by the Petitioner should be granted;

IT IS, THEREFORE, Ordered by the State Oil and Gas Board of Mississippi that the relief sought by Petitioner be granted; that the production from the B. W. Stricker A No. 3 Well located in Section 8, Township 2 North, Range 5 West, North Stamps Field be commingled with production from the Stamps Field in accordance with the Special Field Rules which are hereby adopted for the Stamps Field located in Wilkinson County, Mississippi, to-wit:

**SPECIAL FIELD RULES
FOR THE STAMPS FIELD
WILKINSON COUNTY, MISSISSIPPI**

A. The Stamps Field, as used herein, is that area in Sections 11, 12 and 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, including all productive extensions thereof, underlain by the following oil sands, to-wit:

The Miller Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,525 feet to 7,549 feet in the R. M. Stricker No. 1 Well located 2,886 feet from the South line and 800 feet from the East line of Section 11, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

The Armstrong Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,818 feet to 7,845 feet in the R. M. Stricker No. 2 Well located 3,546 feet from the South line and 460 feet from the East line of Section 11, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

The Parker Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,920 feet to 7,943 feet in the W. H. Pritchard No. 1 Well, surface location 330 feet from the North line and 800 feet from the West line of the Northwest Quarter of the Southwest Quarter of Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and bottomhole location 381 feet from the North line and 455 feet from the West line of the Northwest Quarter of the Southwest Quarter of Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

B. The characteristics of each producing sand in the Stamps Field are such that one well drilled on a regularly formed 40-acre drilling unit will efficiently drain and produce the recoverable oil from such unit in said sand without avoidable waste.

C. RULES

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/or fields in the vicinity. 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 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 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 - 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.

So Ordered and Adjudged this 18th day of February, 1970.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

By *W. H. ...*
CHAIRMAN

DMS:dj