

STATE OIL AND GAS BOARD OF MISSISSIPPI

In the Matter of the Petition of  
Callon Petroleum Company for the  
Adoption of Special Field Rules  
for the Foster Sand Oil Pool and the  
Armstrong Sand Oil Pool in the Cotton  
Valley Field, Adams County, Mississippi:

Docket No. 77-67-253

ORDER NO. 102-67

This day this cause coming on for hearing before the State Oil and Gas Board of Mississippi upon the duly verified Petition of Callon Petroleum Company for the Adoption of Special Field Rules in the Cotton Valley Field, Adams County, Mississippi for the Foster Sand Oil Pool and the Armstrong Sand Oil Pool, which are hereinafter described. The petitioner is the duly appointed, designated and acting operator of the oil and gas lease and/or leases covering the lands which are the subject matter of its petition, more particularly described as the Cotton Valley Field located in Adams County, Mississippi, in Sections 18 and 19, Township 8 North, Range 3 West, and Section 38 and the accretions thereto in Township 9 North, Range 2 West.

The Board finding that due, proper and legal notice of the meeting of this Board for the purpose of considering the petition of Callon Petroleum Company for the Adoption of Special Field Rules for the Cotton Valley Field, Adams County, Mississippi, has been given in the manner and form provided by law and the regulations and rules of this Board, and the proofs of the giving of such notice are on file with this Board, and that this

Board has full jurisdiction of this cause and of the parties and the right to hear this cause and determine the same at this meeting; and,

The petitioner having filed a proper verified Petition for the Adoption of Special Field Rules in the Cotton Valley Field, Adams County, Mississippi; and,

WHEREAS, pursuant to said notice given, a Public Hearing was held by this Board in the Second Floor Auditorium of the Woolfolk Office Building in Jackson, Mississippi, on March 15, 1967, 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 taken and adduced at 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 owners in said field;

IT IS, THEREFORE, HEREBY ORDERED by the Mississippi 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 Cotton Valley Field located in Adams County, Mississippi, to take effect on and after April 1, 1967:

SPECIAL FIELD RULES  
FOR THE COTTON VALLEY FIELD  
ADAMS COUNTY, MISSISSIPPI

The Cotton Valley Field, as used herein, is defined as that area located in Sections 18 and 19, Township 8 North, Range 3 West, and Section 38, Township 9 North, Range 2 West,

and accretions to Section 38, Township 9 North, Range 2 West, Adams County, Mississippi, including all extensions thereof underlain by any of the Wilcox Sand Pools hereinafter described.

1. The Foster Sand Oil Pool: The Foster Sand Oil Pool, as used herein shall be construed to mean those strata of the Wilcox Formation productive of oil which are equivalent to the interval between the depths of 5304 feet and 5359 feet in the Callon Petroleum Company - Junkin Well No. A-14, located in Section 19, Township 8 North, Range 3 West, Adams County, Mississippi, as indicated on the electric log of said well.

2. The Armstrong Sand Oil Pool: The Armstrong Sand Oil Pool as used herein shall be construed to mean those strata of the Wilcox Formation productive of oil which are equivalent to the interval between the depths of 5387 feet and 5420 feet in the Callon Petroleum Company - Junkin Well No. A-14, located in Section 19, Township 8 North, Range 3 West, Adams County, Mississippi, as indicated on the electric log of said well.

RULE I: All existing producing units and well locations are hereby approved.

RULE II: No well shall be drilled less than 100 feet from any other well regardless of the pool from which it is producing.

RULE III: MEASUREMENT OF PRODUCTION.

The operator of each producing lease shall maintain proper separators and calibrated stock tanks and/or metering devices and such connections thereto as are necessary to continuously measure the total production from such lease. Where metering devices and/or calibrated stock tanks are used, the production from the separate pools in the field may be commingled in a common storage system.

RULE IV: USE OF METERS.

A. The use of meters for testing and for measurement of lease or unit 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. When a meter is found to deviate in its recording by more than two percent (2%), it must be adjusted to conform to the said tolerance limitation of two percent (2%) or the meter calibration factor corrected.

(5) The corrected meter reading at 7:00 A.M. on the first day of each month for each meter shall be reported on the bottom of the form used in reporting the monthly production from the wells being measured by such meter.

RULE V: AUTOMATIC CUSTODY TRANSFER SYSTEM AUTHORIZED.

An automatic custody transfer system which automatically tests, samples, measures and transfers the production from the operator to the purchaser is hereby authorized for the Cotton Valley Field. Such system may be used to transfer production from individual leases or from common storage facilities as authorized in Rule III 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 VI: 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 this the 16th day of March, 1967.

STATE OIL AND GAS BOARD OF MISSISSIPPI



CHAIRMAN