

DEPARTMENT
OF
STATE OIL AND GAS BOARD
1207 WOOLFOLK BUILDING
JACKSON 5, MISSISSIPPI

IN RE: DOCKET NUMBER 72-56-17
ORDER NUMBER 64-56

AMENDMENT TO SPECIAL FIELD RULES FOR THE
FAYETTE FIELD

This day this cause came on for hearing for the purpose of amending Rule 3, Allocation of Production from Gas Wells, of the Special Field Rules for the Fayette Field, Jefferson County, Mississippi, and the State Oil and Gas Board finding that due, proper and legal notice of the hearing of said docket by the Board at this meeting has been given in the manner and way provided by law and by the rules and regulations of this Board and that due and proper proofs of publication of notice are on file with the Board, and that the Board has full jurisdiction of the cause, and the Board having heard the evidence of witnesses and the argument of counsel and being of the opinion that the Special Field Rules of the Fayette Field should be amended;

IT IS THEREFORE HEREBY ORDERED by the State Oil and Gas Board that the Special Field Rules heretofore promulgated and adopted by said State Oil and Gas Board for the Fayette Field be and they are hereby amended so that Rule 3, Allocation of Production from Gas Wells, shall read as follows, to-wit:

RULE 3 ALLOCATION OF PRODUCTION FROM GAS WELLS

- (a) The Board shall determine the pipe line capacity of each gas purchasing company to take gas from the First Wilcox Gas Sand Gas Pool and the Second Wilcox Gas Sand Gas Pool, and no nominations in excess of a gas purchasing company's ability to take gas will be considered by the Board.
- (b) The Board shall determine the amount of the acreage assigned to each gas well in each gas pool in the field to which a gas purchasing company is connected.
- (c) On or before the 20th day of each calendar month each gas purchasing company shall file with the Board nominations in the form of affidavits, stating the volume of gas which will be purchased by it from each pool in the field during the next succeeding calendar month. These nominations must conform to the actual volumes of gas which the gas purchasing company in good faith anticipates it will actually withdraw from each pool during the succeeding month.
- (d) In setting allowables, the Board may take into consideration any and all facts which it may deem pertinent for the purpose of preventing waste and protecting correlative rights of owners in each pool and of carrying out the provisions of Chapter 256 of Laws of 1948. In determining the allowable for each pool for any month, the Board shall also take into consideration the difference between the second previous month's allowable and actual production.
- (e) Allowables for each gas pool and gas producing unit therein shall be fixed by the Board on a monthly basis by determining a pool allowable production of gas which shall be divided and allocated to each gas well in each pool connected to a pipe line and its producing unit in

the proportion that the acreage up to but not exceeding 320 acres allocated to said well bears to the total acreage distributed and allocated to all such wells in each pool and their producing units, but due adjustments shall be made by the Board for deficient wells so that the total pool allowable may be produced from both the deficient and non-deficient wells in the pool. In assigning allowables to particular wells the Board shall not assign to any well an allowable in excess of the amount shown on the latest deliverability test filed with the Board for said well in each pool, but in the event such allowable should cause waste to be committed, or be detrimental to the pool as a whole, such allowable shall be subject to adjustment by the Board.

(f) In addition to the allowable assigned each gas well in each pool in the field, it shall be permitted to produce that quantity of gas necessary for use as fuel and light but not for gas lift or drilling operations in lease operations in the field.

(g) The gas producing companies shall regulate their production of gas from gas wells in each pool in the field so that each well in each pool will produce during each calendar month approximately its proportion of the allowable for said pool, and that all overproduction and underproduction will be kept reasonably in balance among the gas wells in each pool in the field.

(h) Orders fixing allowable production of gas in each pool shall be issued by the Board on or before the 27th day of the month preceding the month for which orders are to be effective; provided, however, that as to wells drilled and wells to be drilled in said field and before an allowable may be given to any ~~said~~ well for any pool in which said well has not heretofore been given an allowable, the operator of said well shall file with the Board for approval a plat showing the location of the well, and the acreage assignable to the well, and such data as may by the Board be required to determine that the well so drilled in said field and connected is properly located upon said unit, and that a certificate of compliance for said well has been filed and approved.

(i) Each operator of each gas well in each pool in the Fayette Field may produce such well in excess of the monthly allowables allocated to such well, and each pipe line purchaser may purchase said gas provided that no waste is occasioned thereby, and no well shall be permitted to produce in excess of the amount shown on the latest deliverability test filed with the Board for said well, subject to the provisions of paragraphs (e) and (g).

(j) Any gas well in the Fayette Field whose cumulative production status is below the cumulative monthly allowable for such well in any pool on the last day of February of any year, as shown by the Production Status Report issued during the month of April covering production through the month of February of each year, shall have the next ensuing six months, beginning April 1 of each year, in which to produce such cumulated underproduction in addition to its regular monthly allowables. At the end of such six months' make-up period, any cumulative underproduction which has not been made up shall be cancelled out with the issuance of monthly gas allowables effective ~~November 1~~ ^{December} 1 of each year.

(k) In making up such underproduction, no well shall be produced at a rate in excess of the amount shown on the latest deliverability test filed with the Board for said well, or produced in such manner that waste is occasioned thereby or that may be detrimental to the well or the field as a whole.

(l) In like manner any gas well whose cumulative production status is in excess of the cumulative monthly allowables for such well on the last day of February of any year, as shown by the Production Status Report issued during the month of April covering production through the month of February of each year, shall cut its production for the next ensuing six months, beginning April 1 of each year, below the regular monthly allowables so as to bring its production in balance with its allowables at the end of such make-up period. If, however,

such overproduction is not made up by the end of such make-up period, effective ~~November~~ ^{December} 1 of each year, the well shall be closed in until all overproduction is in balance with the allowed production.

(m) When a well's overproduction or underproduction equals three times its monthly current allowable, the Board may, after notice and hearing, take such action as it deems necessary and proper to protect the co-equal and correlative rights of producers and owners in the field.

(n) On or before the 20th day of each calendar month the Board shall determine the actual quantity of gas withdrawn from each well in each pool in the field during the month immediately prior to the preceding calendar month and shall issue a Production Status Report showing the status of each gas well or unit as to over or underproduction for such month immediately prior to the preceding month, and also showing the cumulative status of each gas well or unit in the field. The amount of over or underproduction shall be determined by calculating the difference between the allowables and the actual production of each well for each unit. The status of each well as shown by such statement shall be controlling in determining overproduction or underproduction of gas therefrom. The deliverability of each gas well in the pool shall be determined by the Board under the procedure set out in Rule 41 of the Statewide Rules and Regulations and any amendment thereto.

Except as hereinabove amended, the Special Field Rules adopted ^{by the} by the Board for the Fayette Field under Docket Number 90-52-17, Order Number 133-52, on August 20, 1952, shall remain in full force and effect.

ORDERED this the 21st day of March, 1956.

STATE OIL AND GAS BOARD



James McClure, Chairman