

BEFORE THE OIL & GAS BOARD OF THE STATE OF MISSISSIPPI

PETITION OF CITIES SERVICE OIL COMPANY TO  
AMEND THE SPECIAL FIELD RULES OF THE LAGRANGE  
FIELD SO AS TO AUTHORIZE AUTOMATIC CUSTODY  
TRANSFER OF PRODUCTION TO THE PIPELINE AND TO  
PROVIDE FOR THE USE OF METERS, TEST EQUIPMENT  
AND THE GENERAL OPERATION OF AUTOMATIC CUSTODY  
TRANSFER SYSTEM.

DOCKET NO. 77-59-19

ORDER NO. 104-59

PROPOSED ORDER

This day this cause came on for hearing on the petition of Cities Service Oil Company requesting the Board to amend the special field rules for the LaGrange Field located in Adams County, Mississippi, to authorize the installation and operation of automatic custody transfer system which automatically transfers custody of the oil produced in said field from the operator to the purchaser and to authorize the installation and use of test equipment, samplers, meters and other necessary equipment for the general operation of automatic custody transfer system in said field, and after examining the petition, proofs of publication and after hearing all of the evidence offered upon the hearing of said cause and considering the exhibits presented and having considered the arguments of counsel and being fully advised in the premises, the Board finds as follows:

I.

Due, legal and sufficient notice of this meeting and of the hearing of this docket has been given for the time and in manner prescribed by the statutes and by the rules and regulations of this Board and due, legal and sufficient proofs of publication of said notice are on file with the Board and the Board has full jurisdiction of the parties and of the subject matter.

II.

By its petition Cities Service Oil Company is requesting authority to install and operate an automatic custody transfer system in the LaGrange Field which will automatically test the oil as to its basic sediment and water content, take a continuous sample of the oil being produced through said system which will be used to determine the specific gravity and basis sediment and water content, automatically measure the amount of oil produced

by the use of meters which will print on a run ticket a cumulative total of all oil being transferred by such system to the purchaser.

### III.

The Board finds that automatic custody transfer system of the type which will be installed by Cities Service Oil Company in the LaGrange Field has been authorized by the regulatory bodies and laws of other oil producing states and has been tested and found to be accurate and dependable not only by Cities Service Oil Company but by other producing companies and pipe line companies. The Board finds that the use of such system will prevent economic waste in that the capital investment for equipment will be lower and the operating costs will be less, surface waste will be prevented in that less surface space will be necessary for tank batteries and the space not used will be available for the growth of timber, pasturage, cultivation of row crops or any other use which may be desirable or advantageous. Waste of the oil and gas resources of the State of Mississippi will be prevented because of a lesser amount of spillage and evaporation and the reduced operating costs will mean that the ultimate life of the field can be continued beyond that which can be expected with present methods of operation. The Board further finds that the coequal and correlative rights of all of the interested parties in the LaGrange Field will be protected by the use of such a system.

### IV.

The Board finds that the request of petitioner should be granted and automatic custody transfer system should be authorized for the LaGrange Field.

IT IS THEREFORE ORDER AND ADJUDGED by the State Oil and Gas Board that the special field rules for the LaGrange Field located in Adams County, Mississippi, which were promulgated on July 15, 1952, by Order No. 137-52, under Docket No. 94-52-19 be hereby amended by inserting a new Rule to read as follows:

**"RULE". AUTOMATIC CUSTODY TRANSFER SYSTEM AUTHORIZED:**

Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the purchaser are hereby authorized for the LaGrange Field.

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 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. 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".

ORDERED AND ADJUDGED THIS THE 20 day of May 1959.

STATE OIL AND GAS BOARD

BY James McElune  
Chairman