

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 95-66-66

ORDER NO. 120-66

O R D E R

This day this cause coming on to be heard on the petition of Pan American Petroleum Corporation, a Delaware corporation, qualified to do and doing business in the State of Mississippi, requesting the amendment by the Board of the Special Field Rules for the Levees Creek Field located in Adams County, Mississippi; 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 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; and

The Board having fully considered said matter and the evidence and recommendations made in said hearing and the Board finding that the automatic custody transfer system of the type to be installed by Pan American Petroleum Corporation in said field is of the same type now operated by Pan American Petroleum Corporation and other oil companies in the State of Mississippi and other oil producing states, and that same has been tested and found to be accurate and dependable; and

The Board further finding that the use of such system will prevent waste, both economic and of the natural resources of the State of Mississippi, and will protect the co-equal and correlative rights of all of the interested parties in the Levees

Creek Field, is of the opinion that the request of petitioner should be granted and that the following Amended Special Field Rules should be adopted.

IT IS, THEREFORE, HEREBY ORDERED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Levees Creek Field located in Adams County, Mississippi, be and the same are hereby amended and, as amended, are hereby adopted by the State Oil and Gas Board of Mississippi for the Levees Creek Field in Adams County, Mississippi, as set out below, said Amended Special Field Rules to take effect on and after 18th day of May, 1966, to wit:

AMENDED SPECIAL FIELD RULES  
FOR THE LEVEES CREEK FIELD,  
ADAMS COUNTY, MISSISSIPPI

A. The Levees Creek Field, as used herein, is that area in Sections 17, 20 and 21, Township 5 North, Range 1 West, Adams County, Mississippi, including all productive extensions thereof, underlain by the following described pool, to wit:

The Minter Pool, as used herein, shall be construed and defined to mean those strata of the Wilcox group productive of oil from the depth of 6676 feet to 6714 feet in the Jett Drilling Company - Annie T. Minter Well No. C-1, located in Section 20, Township 5 North, Range 1 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

B. The characteristics of the producing pool in the Levees Creek 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 pool 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 - AUTOMATIC CUSTODY TRANSFER SYSTEMS AUTHORIZED

Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the transporter are hereby authorized for the Levees Creek Field. Such systems may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 1 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 transferred by the automatic custody

transfer system.

The automatic custody transfer 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.

The automatic custody transfer system will be equipped with metering devices of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof. In addition to meeting all of the requirements set out in Rule 3 above which deals with the use of meters, said automatic custody transfer metering device will be compensated for temperature, will be so equipped as to provide an accounting of the total oil transferred by such system and will have an accuracy obtained in measurements made in calibrated prover tanks.

D. 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 shall apply 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.

ORDERED AND ADJUDGED this 18th day of May, 1966.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

  
Vice-Chairman

GCG:sc  
4/18/66