

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 166-64-201

ORDER NO. 234-64

ORDER

This day this cause coming on to be heard by the State Oil and Gas Board of Mississippi on application of Chas. F. Hayes & Associates, Inc., a corporation, authorized to do and doing business in the State of Mississippi, requesting the Board to provide for the use of meters for measuring production, prescribe equipment for tests, and authorize commingling of production in common storage in the Morgan's Creek Field, Franklin County, Mississippi, and the Board finding and hereby adjudicating 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 and having fully considered the same, is of the opinion that said petition should be granted.

The Board further finds that the Morgan's Creek Field as referred to herein is comprised of Section 39, Township 7 North, Range 2 East, Franklin County, Mississippi, which is underlain by the Wilcox Formation, including the productive extensions thereof.

The Board further finds that petitioner, Chas. F. Hayes & Associates, Inc., is the operator of two producing wells, one of which is located in the NW $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 39, and one of which is located in the NE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 39, said wells being productive of oil from the Wilcox Formation.

The Board further finds that it is essential that provisions be made in the Morgan's Creek field for measurement of production and prescribing

equipment for tests and authorizing the commingling of production in common storage, as hereinafter set forth; that this system, when installed, will be of the same type now in operation by oil companies in Mississippi and other oil producing states and has been proven to be accurate and dependable and will protect the co-equal and correlative rights of all of the interested parties in the Morgan's Creek Field, Franklin County, Mississippi.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the operator of each producing lease in the Morgan's Creek Field, Franklin County, Mississippi, 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 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.

IT IS FURTHER ORDERED that the operator 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.

IT IS FURTHER ORDERED that 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 of 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.

ORDERED AND ADJUDGED this 16th day of September, 1964.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By *Robert M. Farland*  
CHAIRMAN