

BEFORE THE STATE OIL AND GAS BOARD OF THE
STATE OF MISSISSIPPI

RE: SPECIAL FIELD RULES FOR THE
WEST NANCY FIELD, CLARKE AND
JASPER COUNTIES, MISSISSIPPI

DOCKET NO. 29-72-311

ORDER NO. 41-72

O R D E R

This cause coming on this day to be heard upon application of Getty Oil Company for the adoption of permanent Special Field Rules in the West Nancy Field, Clarke and Jasper Counties, Mississippi, upon proof of publication of notice as required by statute and the rules of this Board, upon motion of applicants, Getty Oil Company and others, and upon oral and documentary proof introduced at the hearing on this matter and the Board being of the opinion that the relief asked should be granted does find as follows:

I.

The Board does find and adjudicate that proper, due and legal notice for the meeting of this Board to consider this application has been given as required by law and the rules of this Board and that due, legal and sufficient proofs of publication of notice are on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this application at this time and place as hereinafter set forth.

II.

The Board does find that the areal extent of the West Nancy Field as set forth in the temporary field rules for the West Nancy Field should be reduced and modified but in all other

respects, the temporary field rules for the West Nancy Field as provided in orders of this Board of date May 20, 1970 and August 19, 1970 should be made permanent subject to further review or amendment at any time upon motion of this Board.

III.

The Board having heard all the evidence at this meeting and having fully considered the matter of the adoption of permanent Special Field Rules for the West Nancy Field, Clarke County, Mississippi, is of the opinion that the following Special Field Rules for the Smackover Oil Pool and the Buckner Oil Pool in the West Nancy Field should be adopted for the prevention of waste, the protection of the coequal and correlative rights of all owners in said pool and field and for the development, promotion, conservation and utilization of the natural resources of oil and gas in said field.

IT IS, THEREFORE, ORDERED by this Board that the following Special Field Rules be and they are hereby adopted by this Board for the Smackover Oil Pool and the Buckner Oil Pool in the West Nancy Field, Clarke County, Mississippi, to-wit:

SPECIAL FIELD RULES FOR THE WEST NANCY
FIELD, CLARKE COUNTY, MISSISSIPPI

FIELD LIMITS:

The West Nancy Field as used herein is that area consisting of the South 1/2 and the Northwest 1/4 of Section 5, all of Section 6, the Northeast 1/4 of Section 7 and the North 1/2 of Section 8, Township 1 North, Range 14 East, Clarke County, Mississippi; the South 1/2 of Section 31, Township 2 North, Range 14 East, Clarke County, Mississippi, underlain by the Smackover Oil Pool and the Buckner Oil Pool as hereinafter defined and all productive extensions thereof.

SMACKOVER OIL POOL DEFINED:

The Smackover Oil Pool in the West Nancy Field shall be construed to mean those strata of the Smackover formation productive of oil in the interval between 13,776 feet and 14,064 feet in the Getty Oil Company, J. M. Horn 6-8 Well No. 1, located 630 feet North and 660 feet West of the Southeast corner of S 1/2 of NE 1/4, Section 6, Township 1 North, Range 14 East,

Clarke County, Mississippi, as indicated on electrical log of said well and all intervals correlative of said strata productive of hydrocarbons.

BUCKNER OIL POOL DEFINED:

The Buckner Oil Pool in the West Nancy Field shall be construed to mean those strata of the Buckner formation productive of oil in the intervals between 13,702 feet and 13,732 feet in the Getty Oil Company J. M. Horn 6-8 Well No. 1, located 630 feet North and 660 feet West of the Southeast corner of the S 1/2 of NE 1/4, Section 6, Township 1 North, Range 14 East, Clarke County, Mississippi, as indicated on electrical log of said well and all intervals correlative of said strata productive of hydrocarbons. The characteristics of said Smackover Oil Pool and said Buckner Oil Pool in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit containing approximately 80 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable oil from such unit in said pool without avoidable waste.

RULE 1- SPACING OF OIL WELLS:

Every well drilled as an oil well:

(a) Shall be drilled on a drilling unit consisting of two contiguous governmental quarter-quarter sections containing not less than 72 acres or on a drilling unit consisting of approximately 80 contiguous acres upon which no other drilling or producible well is located;

(b) Shall be located at least 1000 feet from every other drilling or producible well located in the West Nancy Field;

(c) Shall be located at least 500 feet from every exterior boundary of the drilling unit;

(d) The distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 3,200 feet.

RULE 2 - MEASUREMENT OF PRODUCTION:

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

RULE #3 - EQUIPMENT FOR TESTS:

- A. Each producing well shall be so equipped that gas/oil ratio tests and bottom hole or other pressure tests may be made.
- B. The operator of each producing lease on which there are two or more producing wells shall maintain proper separators and stock tanks or metering devices and such connections thereto as will permit the adequate testing of each individual well under usual operations conditions without the necessity of closing in any other well. Such separators, stock tanks or metering devices and connections thereto shall be subject to approval by the Supervisor.

RULE # 4 - 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. 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 per cent, it must be adjusted to conform to the said tolerance limitation of two per cent or the meter calibration factor corrected.
 5. The meter reading and meter calibration factor in use at 7:00 a. m. on the first day of each month for each meter shall be reported on the bottom of the Form 9 reporting the monthly production from the wells being measured by such meter.

RULE 5 - AUTOMATIC CUSTODY TRANSFER SYSTEMS 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 West Nancy Field. Such systems may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 2 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 6 - APPLICABILITY OF STATEWIDE RULES:

- A. All rules and regulations contained in Statewide Orders No. 201-51 and No. 89-69 and all amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to said Field.
- B. These Special Field Rules are adopted upon a permanent basis.
- C. 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 February, 1972.

MISSISSIPPI STATE OIL AND GAS BOARD

By Dean Bruce Heador
Chairman