

O R D E R

This day this cause came on for hearing before the Mississippi State Oil and Gas Board, and the Board finding that due, legal and sufficient notice of this meeting and hearing of this docket has been given within the time, manner and form as prescribed by statute and the rules and regulations of this Board, and the Board further finding that legal and sufficient proofs of publication are on file with the Board, and that it has full jurisdiction to hear and try this cause for the purpose of considering the petition and application of Texaco Inc. on file in this docket, and the Board having received all evidence offered, having considered argument of counsel both for and against adopting an order pursuant to said petition, and accordingly the Board further finds as follows:

1:

That Texaco Inc. has drilled and is the operator of producing oil wells in the Pool Creek Field, Second Judicial District of Jones County, Mississippi, such wells being Texaco-Alfred Foote Well No. 1 located in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 15, the Texaco-Alfred Foote Well No. 2 located in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 15, the Texaco-Alfred Foote Well No. 3 located in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, the Texaco-Alfred Foote Well No. 4 located in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 15, the Texaco-Jessie Byrd Well No. 1 located in the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, and the Texaco-J. J. Musgrove Well located in the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 22, all in Township 9 North, Range 10 West, Second Judicial District of Jones County, Mississippi.

2:

That petitioner is desirous of installing an automatic custody transfer system to be used in producing from the above named wells and other wells to be drilled and completed in the vicinity thereof. That the automatic custody transfer system,

as proposed, is a method of producing, treating, measuring, handling and delivering oil automatically, which method is a common technique and has been in effective operation in the industry for many years.

3:

That the system, as proposed by the petitioner, has been recognized and approved by the regulatory authorities of several oil producing states, including the State Oil and Gas Board of Mississippi.

4:

That the use of an automatic custody transfer system, as proposed, will prevent waste and will ultimately increase recovery by reduction of evaporation and spillage, and will protect the co-equal and correlative rights of all of the interested parties in the said Pool Creek Field.

5:

The Board finds that the request of petitioner should be granted and an automatic custody transfer system should be authorized in the said Pool Creek Field.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board, insofar as the above named wells are concerned as well as any other wells drilled and completed in the vicinity by petitioner, Texaco Inc., that in addition to other methods and procedures prescribed and authorized by other rules of this Board, for the production, measuring and handling of oil produced, Texaco Inc., is hereby authorized to install and operate an automatic custody transfer system which automatically receives, measures, handles and delivers oil produced from any of the above named wells or separate completions therein, or from any other wells or separate completions presently being drilled or to be drilled by petitioner in the vicinity of the said above named wells, provided that such system is installed and equipped and will operate substantially in accordance with the schematic drawings and description of operation set forth in Exhibit "A" of

of the subject petition which exhibit is made a part hereof by reference as if fully copied herein.

ORDERED AND ADJUDGED this the 15 day of May,
1963.

STATE OIL AND GAS BOARD

By Robert H. McFarland
Chairman