Entered Hennary 31, 1768

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION TO CONSIDER THE AMENDMENT TO RULE 103 OF THE COMMISSION RULES AND REGULATIONS TO REQUIRE THAT WELL IDENTIFICATION SIGNS FOR WELLS DRILLED HEREAFTER SHALL DESIGNATE THE LOCATION OF SAID WELLS BY QUARTER-QUARTER SECTION RATHER THAN QUARTER SECTION AS NOW REQUIRED.

CASE No. 3713 Order No. R-3371

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 24, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>31st</u> day of January, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Rule 103 of the Commission Rules and Regulations should be amended to provide that well identification signs posted after the effective date of this order shall designate the location of wells by quarter-quarter section rather than quarter section as now required.
- (3) That adoption of the proposed amendment to Rule 103 of the Commission Rules and Regulations will enable the Commission to more efficiently and effectively administer the laws of the State of New Mexico concerning the prevention of waste and the protection of correlative rights.

-2-CASE No. 3713 Order No. R-3371

IT IS THEREFORE ORDERED:

(1) That Rule 103 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 103. SIGN ON WELLS

Every drilling and producible well shall be identified by a sign, posted on the derrick or not more than 20 feet from such well, and such sign shall be of durable construction and the lettering thereon shall be kept in a legible condition and shall be large enough to be legible under normal conditions at a distance of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence. Eash sign shall show the number of the well, the name of the lease (which shall be different or distinctive for each lease), the name of the lessee, owner or operator, and the location by quarter section, township and range. The location, for each sign posted after March 1, 1968, shall indicate the quarter-quarter section, township, and range. "

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

SEAL

A. L. PORTER, Jr., Member & Secretary