

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 24, 1968

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

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3713.

MR. HATCH: 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.

George Hatch on behalf of the Commission staff. I will have the same witness, Mr. Nutter, and I would like for the record to show that he has been previously sworn.

MR. UTZ: The record will so show. Any other appearances in this case?

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D A N N U T T E R, called as a witness, having been previously duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q Mr. Nutter, would you state your name and position for the record again, please?

A Dan Nutter, Chief Engineer for the Oil Conservation Commission.

Q And you have already stated it is a duty of yours to make a recommendation to the Commission concerning revisions in rules?

A Yes.

Q Are you familiar with Case 3713, and what it proposes?

A Yes, I am.

Q Would you make your recommendations to the Examiner at this time?

A Yes, sir. Rule 103, as presently constituted, requires that a sign be placed on all drilling wells and producing wells identifying the well by lease name and number and also giving the location of the well. Now, as far as I have been able to find out, the earliest rules of the office of the State Geologist, and I've got a copy right here of one dated November 1st, 1931, and it recites the rules that were provided in 1925, so at least back to 1925 the rule required that a sign be put on the well and that it show the location of the well by quarter section, section, township and range. Since all these wells are located on quarter-quarter sections, I think it's maybe late to require this to be done on a quarter-quarter section basis, but not long ago, this was called to our attention that it is said

quarter section because an operator ordered a number of signs that designated the sign read "quarter-quarter Section" and read the rule and felt he might be in violation because he had his wells designated by "quarter-quarter section" and not quarter section. I propose that the following amendment be made: "each sign posted after some blank date, say February 1st, March 1st, 1968, shall show the location by quarter-quarter section, Township and Range."

Q This is really what the operators are doing at the present time?

A This is what everybody has been doing. I don't propose that any signs that were erected prior to this time and show quarter-quarter section would have to be in violation and be changed, but I think it would be nice in the future if they could show quarter-quarter section.

Q Legally?

A Legally.

MR. HATCH: That's all I have.

MR. UTZ: Any questions of the witness?

MR. PORTER: I have one question.

CROSS EXAMINATION

BY MR. PORTER:

Q Mr. Nutter, your docket here says that on signs

"for wells drilled hereafter". What about new signs for existing wells?

A Well, what I recommend is not exactly what that advertisement was. I was hoping no one would notice that. The ad says "wells drilled hereafter".

Q I see.

A And the proposed revision is for signs posted hereafter. I think that a well that was drilled back in the old days and they buy a new sign, should show quarter-quarter section.

Q Well, as a matter of fact, when you go through the oil fields you'll find that most of them are designated by quarter-quarter section now.

A It surprised me that this well said "quarter section". I thought it said quarter-quarter section. I think most people thought it said quarter-quarter. They hadn't noticed it that closely, but most of the signs do say "quarter-quarter."

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements?

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox.

If the Examiner please, I think as a matter of practice this is a regulation that is already being followed by the operators and should be included in the rules and Standard Oil Company of Texas supports the proposal.

MR. UTZ: Any other statements? We have another letter from Skelly supporting this rule change. The case will be taken under advisement. We'll have a long enough recess so that the regular Examiner can take over the hearing.

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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

Witness my hand the 19th day of February, 1968.

*Ada Mearns*  
Court Reporter

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
<u>DAN NUTTER</u>	
Direct Examination by Mr. Hatch	2
Cross Examination by Mr. Porter	4

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the hearing of Case No. 3713  
heard by me on Jan 29, 1938  
at the New Mexico Oil Conservation Commission