

(a) Either written consent from the operators of each well within said 200 feet, waiving any objection to the proposed plug back and re-perforating operations, or

(b) For each well within 200 feet of any well or wells a corporate surety bond in an amount to be fixed by the Commission but in no instance less than \$10,000 for each application indemnifying the State against any loss, damage, claim, demand or action, caused by or connected with the plug back, perforation or re-perforation operations.

#### RULE 503. DRILLING FLUID REQUIREMENTS.

All drilling, re-drilling, perforating, or re-perforation operations within any oil zones shall be done with crude oil of the quality of the oil in the formation being drilled or at the option of the operator may be done with mud provided there is no appreciable loss of circulating fluid. Should circulation be lost, the operator shall immediately change to oil of the quality of the oil in the formation being drilled.

4. Upon motion by Mr. Riley, seconded by Mr. Houser, and unanimously carried a resolution was adopted approving the application of Termo Oil Company to plug back and perforate Well No. 5 on Easement No. 272 to the Jones sand, subject to rules and regulations of the Commission.
5. Upon motion duly made, seconded, and unanimously carried, a resolution was adopted approving the 31st and 32nd revisions. These revisions were previously approved on May 23, 1943, but due to additional technical information they have now been changed in order to reflect the State's interest in the allocation of gas production in the Rio Vista Field, to percentages of 10.030 and 9.991, respectively.
6. Upon motion duly made, seconded, and unanimously carried, a resolution was adopted instructing the Executive Officer to secure an opinion from the Attorney General with reference to whether the State Lands Commission is empowered to advertise for bids and lease tide and submerged lands for oil and gas development where there is no drainage at present from upland wells.
7. Upon motion duly made and carried, resolutions were adopted as follows:
  - (a) Rescinded approval heretofore granted for the issuance of Lease No. 70 to Robert D. Huffaker;
  - (b) Confirmed action of the Executive Officer in his refusal to file application No. 83 for leasing of land to Robert D. Huffaker;
  - (c) Rescinded approval of the assignment of Russell B. Travis, Lease No. 7, to Robert D. Huffaker.
8. Upon motion duly made and carried, the State Lands Commission adopted a resolution approving the termination of Grazing Lease No. 766 issued to Mrs. S. T. Eldridge in accordance with her request, such termination to be