

Casa No.

889

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF DEFINING BOUNDARIES  
OF POTENTIAL OIL PRODUCING AREAS IN  
EDDY AND LEA COUNTIES, NEW MEXICO,  
WITHIN WHICH POTASH MINERALS ARE BEING  
PRODUCED OR POTENTIAL POTASH PRODUCING  
LANDS ARE LOCATED,

CASE NO. 278  
ORDER NO. R-111

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", on June 21, 1951, and for further hearing on July 10, 1951, and the Commission, a quorum being present, having considered the testimony adduced and the exhibits introduced in evidence and arguments presented and being fully advised in the premises,

FINDS:

(1) That due notice having been given, according to law, and all interested parties having appeared, the Commission has jurisdiction of this cause, and the subject matter thereof.

(2) That an area defining potential oil and gas reserves within which are proved and potential potash deposits, and the promulgation of rules and regulations for the orderly development of oil and gas resources in such an area known to be productive of potash is within the authority of the Commission for the protection of correlative rights, the promotion of conservation, and the prevention of waste.

IT IS THEREFORE ORDERED:

That this order shall be known as THE RULES AND REGULATIONS GOVERNING THE EXPLORATION AND PRODUCTION OF OIL AND GAS IN CERTAIN AREAS AND SUB-AREAS HEREIN DEFINED AND KNOWN TO CONTAIN PROVED AND SEMI-PROVED POTASH MINERALS IN THE AREA AND SUB-AREAS HEREINAFTER SET OUT.

I  
OBJECTIVE

The objective of these Rules and Regulations is to prevent waste, protect correlative rights, assure maximum conservation of Oil and Gas resources of New Mexico and permit the simultaneous economic recovery of potash minerals in the area hereinafter defined.

II  
THE POTASH-OIL AREAS

(1) These Rules and Regulations are applicable to oil and gas operations and to exploration for and production of oil and gas in proven or potential Potash-Oil areas herein as "Area A" and "Area B".

(a) The potash-oil area represents the area in various parts of which potash mining operations are now in progress, or in which core tests indicate potential potash reserves are located and is described, as follows:

T. 19S. R. 29E

Sec. 11 - SE/4  
Sec. 12 - S/2  
Sec. 13 and 14 - all  
Sec. 23 - N/2  
Sec. 24 - N/2

T. 20S. R. 29E

Sec. 12 - NE/4 SE/4 and S/2 SE/4  
Sec. 13 - NE/4 and S/2  
Sec. 22 to 27, inclusive  
Sec. 34 to 36, inclusive

T. 21 S. R. 29E

Sec. 1 and 2, all  
Sec. 3 - E/2  
Sec. 10 - E/2  
Sec. 11 to 14, inclusive  
Sec. 15 - E/2  
Sec. 23 - N/2  
Sec. 24 and 25 - all  
Sec. 35 - E/2  
Sec. 36 - all

T. 22S. R. 29E

Sec. 1 and 2 - all  
Sec. 3 - S/2  
Sec. 9 - E/2  
Sec. 10 to 16, inclusive  
Sec. 17 - E/2  
Sec. 20 - E/2  
Sec. 21 to 28, inclusive  
Sec. 33 to 36, inclusive

T. 23S. R. 29E

Sec. 1 to 3, inclusive  
Sec. 4 - E/2  
Sec. 9 - E/2  
Sec. 10 to 15, inclusive  
Sec. 22 to 27, inclusive  
Sec. 34 to 36, inclusive

T. 18S. R. 30E

Sec. 12-S/2  
Sec. 13 and 14 - all  
Sec. 15 - SE/4  
Sec. 21 - SE/4  
Sec. 22 to 24, inclusive  
Sec. 25 - W/2  
Sec. 26 to 28, inclusive  
Sec. 29 - SE/4

ORDER NO. R-111

PAGE -3-

T. 18S. R. 30E

Sec. 32 - SW/4 and E/2  
Sec. 33 and 34 - all  
Sec. 35 - W/2

T. 19S. R. 30E

Sec. 2 to 5, inclusive  
Sec. 6 - SE/4  
Sec. 7 - NE/4 and S/2  
Sec. 8 to 30, inclusive  
Sec. 32 to 36, inclusive

T. 20S. R. 30E

Sec. 1 to 36, inclusive

T. 21S. R. 30E

Sec. 1 to 11, inclusive  
Sec. 12 - S/2  
Sec. 13 to 22, inclusive  
Sec. 23, - N/2  
Sec. 24 - N/2  
Sec. 27 to 34, inclusive  
Sec. 35 - S/2

T. 22S. R. 30E

Sec. 1 to 24, inclusive  
Sec. 25 - W/2  
Sec. 26 to 35, inclusive  
Sec. 36 - W/2

T. 23S. R. 30E

Sec. 1 - S/2  
Sec. 2 to 36, inclusive

T. 24S. R. 30E

Sec. 1 - N/2  
Sec. 2 - N/2  
Sec. 3 - N/2

T. 18S. R. 31E

Sec. 18 - W/2

T. 19S. R. 31E

Sec. 9 and 10 - all  
Sec. 11 - W/2  
Sec. 14 - W/2  
Sec. 15 to 17, inclusive  
Sec. 19 to 22, inclusive  
Sec. 23 - W/2  
Sec. 25 - S/2  
Sec. 26 to 36, inclusive

T. 20S. R. 31E

Sec. 1 to 36, inclusive

T. 21S. R. 31E

Sec. 1 - N/2  
Sec. 2 - N/2  
Sec. 4 - W/2  
Sec. 5 and 6 - all  
Sec. 18 - S/2  
Sec. 19 - N/2

T. 22S. R. 31E

Sec. 4 to 9, inclusive  
Sec. 17 and 18 - all  
Sec. 19 - N/2

T. 23S. R. 31E

Sec. 7 - all  
Sec. 8 - S/2  
Sec. 16 - SW/4  
Sec. 17 to 20, inclusive  
Sec. 21 - W/2  
Sec. 28 to 33, inclusive

T. 24S. R. 31E

Sec. 4 to 6, inclusive

T. 19S. R. 32E

Sec. 23, S/2  
Sec. 24 to 27, inclusive  
Sec. 28 - S/2  
Sec. 31 - S/2  
Sec. 32 - S/2  
Sec. 33 to 36, inclusive

T. 20S. R. 32E

Sec. 1 to 36, inclusive

T. 21S. R. 32E

Sec. 1 to 17, inclusive  
Sec. 21 to 27, inclusive  
Sec. 35 and 36 - all

T. 19S. R. 33E

Sec. 19 - all  
Sec. 30 and 31 - all

T. 20S. R. 33E

Sec. 5 to 9, inclusive  
Sec. 15 to 23, inclusive  
Sec. 25 to 36, inclusive

T. 21S. R. 33E

Sec. 4 to 9, inclusive  
Sec. 16 to 21, inclusive  
Sec. 28 to 33, inclusive

T. 22S. R. 33E

Sec. 4 to 6, inclusive

T. 20S. R. 34E

Sec. 31 - all

(b) Area "A" represents the area in various parts of which potash mining operations are now in progress and is described, as follows:

T. 19S. R. 30E

Sec. 9 - SE/4 NW/4, E/2 SW/4, S/2 NE/4, SE/4  
Sec. 10 - SW/4 NW/4, W/2 SW/4  
Sec. 15 - NW/4 NW/4  
Sec. 16 - N/2 NE/4, NE/4 NW/4  
Sec. 26 - S/2 NW/4, SW/4 NE/4, W/2 SE/4, SW/4  
Sec. 27 - S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, SE/4  
Sec. 28 - SE/4 SE/4  
Sec. 33 - SE/4 NW/4, NE/4 NE/4, S/2 NE/4, E/2 SW/4, SE/4  
Sec. 34 - all  
Sec. 35 - NW/4, W/2 NE/4, NW/4 SE/4, N/2 SW/4, SW/4 SW/4

T. 20S. R. 30E

Sec. 2 - W/2 NW/4, NW/4 SW/4  
Sec. 3 - N/2, SW/4, N/2 SE/4, SW/4 SE/4  
Sec. 4 - E/2, SW/4, E/2 NW/4, SW/4 NW/4  
Sec. 5 - SE/4 NE/4, E/2 SE/4, SW/4 SE/4, SE/4 SW/4  
Sec. 7 - SE/4 SE/4  
Sec. 8 - E/2, E/2 NW/4, E/2 SW/4, SW/4 SW/4  
Sec. 9 - N/2, SW/4, N/2 SE/4, SW/4, SE/4  
Sec. 10 - NW/4, W/2 NE/4, NW/4, NW/4 SE/4, N/2 SW/4  
Sec. 16 - N/2 NW/4, NW/4 NE/4  
Sec. 17 - W/2, N/2 NE/4, SW/4 NE/4, W/2 SE/4  
Sec. 18 - E/2 NE/4, E/2 SE/4  
Sec. 19 - NE/4 NE/4  
Sec. 20 - N/2 NW/4, NW/4 NE/4  
Sec. 25 - SW/4 SW/4  
Sec. 26 - SE/4 SW/4, S/2 SE/4  
Sec. 35 - E/2 NW/4, NE/4, N/2 SE/4, NE/4 SW/4  
Sec. 36 - W/2 NW/4, NW/4 SW/4

T. 21S. R. 29E

Sec. 1 - SE/4, S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4  
Sec. 2 - SE/4 SE/4  
Sec. 11 - NE/4 NE/4, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4  
Sec. 12 - all  
Sec. 13 - N/2, SE/4, N/2 SW/4, SE/4 SW/4  
Sec. 14 - E/2 NW/4, NE/4, NE/4 SW/4, N/2 SE/4  
Sec. 24 - NE/4 NW/4, N/2 NE/4  
Sec. 25 - SE/4 SW/4, S/2 SE/4  
Sec. 36 - E/2 NW/4, E/2 SW/4, E/2

T. 22S. R. 29E

Sec. 1 - E/2 NW/4, SW/4 NW/4, SW/4, E/2  
Sec. 2 - SE/4 NE/4, E/2 SE/4  
Sec. 11 - E/2 NE/4, NE/4 SE/4  
Sec. 12 N/2, N/2 SW/4, N/2 SE/4

T. 21S. R. 30E

Sec. 6 - SW/4 NW/4, W/2 SW/4  
Sec. 7 - NW/4 NW/4, S/2 NW/4, SW/4 NE/4, SW/4, W/2 SE/4  
Sec. 18 - NW/4, W/2 NE/4, N/2 SW/4, SW/4 SW/4, NW/4 SE/4  
Sec. 19 - NW/4 NW/4

T. 21S. R. 30E

Sec. 29 - SW/4 SW/4  
Sec. 30 - S/2 SW/4, S/2 SE/4  
Sec. 31 - all  
Sec. 32 - W/2 NW/4, W/2 SW/4

T. 22S. R. 30E

Sec. 5 - W/2 NW/4, NW/4 SW/4  
Sec. 6 - N/2, SW/4, N/2 SE/4, SW/4 SE/4  
Sec. 7 - N/2 NW/4, SW/4 NW/4, NW/4 NE/4, NW/4 SW/4

(c) Area "B" is defined as that area in which core tests indicate potential potash reserves and includes the entire potash-oil area as described under "The Potash-Oil Areas" Sec. (1) (a), of this order, except and excluding lands defined and described as area "A" in "The Potash-Oil Areas," Sec. (1) (b) of this order.

(2) Area "A" and "B" as hereinabove defined may be contracted or expanded by the Commission from time to time as circumstances or conditions may warrant, after due notice and hearing.

III  
EXPLORATION OF AREAS

(1) Area "A"

(a) Drilling of oil and gas exploratory test wells shall not be permitted in Area "A" except upon leases outstanding as of the effective date of these regulations, provided, that oil and gas exploratory test wells shall not be drilled through any open potash mines or within 1,320 feet thereof unless agreed to in writing by the potash lessee involved.

(b) Any oil or gas leases hereafter issued for lands within Area "A" shall be subject to these regulations.

(c) All future drilling of oil and gas exploratory test wells in Area "A" shall be further subject to these rules and regulations.

(d) Where oil and gas wells are in production in Area "A", no potash mine opening shall be driven to within less than 100 feet of such wells so that protection of both wells and mine can be afforded.

(e) Proposals to unitize with respect to land within Area "A", as herein defined and described, will be considered on their merits.

(2) Area "B"

(a) Oil and gas exploratory test wells may be drilled in Area "B" in accordance with these rules and regulations.

(3) Upon the discovery hereafter of oil and gas in Areas "A" or "B", the Oil Conservation Commission shall promulgate field or pool rules for the affected area after due notice and hearing.

(4) Nothing herein shall be construed to prevent unitization agreements involving lands in Areas "A" or "B", or both.

IV  
DRILLING AND CASING PROGRAM

(1) For the purpose of the regulations and the drilling of oil and gas exploratory test wells, shallow and deep zones are defined, as follows:

(a) The shallow zone shall include all formations above the base of the Delaware sand or above a depth of 5,000 feet, whichever is the lesser.

(b) The deep zone shall include all formations below the base of the Delaware sand or below a depth of 5,000 feet, whichever is the lesser.

(2) Surface Casing String:

(a) A Surface casing string of new, second-hand, or reconditioned pipe shall be set in the "Red Bed" section of the Basal Rustler formation immediately above the salt section, or in the anhydrite at the top of the salt section, as determined necessary by the regulatory representative approving the drilling operations and shall be cemented with not less than one hundred and fifty percent (150) percent of calculated volume necessary to circulate cement to the ground surface.

(b) Cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

(c) Casing and water-shut-off tests shall be made both before and after drilling the plug and below the casing seat as follows:

(i) If rotary tools are used, the mud shall be displaced with water and a hydraulic pressure of six hundred (600) pounds per square inch shall be applied. If a drop of one hundred (100) pounds per square inch or more should occur within thirty (30) minutes, corrective measures shall be applied.

(ii) If cable tools are used, the mud shall be bailed from the hole, and if the hole does not remain dry for a period of one hour, corrective measures shall be applied.

(d) The above requirements for the surface casing string shall be applicable to both the shallow and deep zones.

(3) Salt Protection String:

(a) A salt protection string of new, second-hand, or reconditioned pipe shall be set not less than one hundred (100) feet nor more than two hundred (200) feet below the base of the salt section.



(b) The salt protection string shall be cemented, as follows:

(i) For wells drilled to the shallow zone, the string may be cemented with a nominal volume of cement for testing purposes only. If the exploratory test well is completed as a productive well, the string shall be recemented with sufficient cement to fill the annular space back of the pipe from the top of the first cementing to the surface or to the bottom of the cellar, or may be cut and pulled if the production string is cemented to the surface as provided in sub-section IV (5), (a), (i) below.

(ii) For wells drilled to the deep zone, the string must be cemented with sufficient cement to fill the annular space back of the pipe from the casing seat to the surface or to the bottom of the cellar.

(c) If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or gamma ray survey and additional cementing shall be done until the cement is brought to the point required.

(d) The fluid used to mix with the cement shall be saturated with the salts common to the zones penetrated and with three (3 percent) percent of calcium chloride by weight of cement.

(e) Centralizers shall be spaced on at least every one hundred fifty (150) feet of the salt protection string below the surface casing string.

(f) Cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four hours (24) before drilling the plug or initiating tests.

(g) Casing tests shall be made both before and after drilling the plug and below the casing seat, as follows:

(i) If rotary tools are used, the mud shall be displaced with water and a hydraulic pressure of one thousand (1000) pounds per square inch shall be applied. If a drop of one hundred (100) pounds per square inch or more should occur within thirty (30) minutes, corrective measures shall be applied.

(ii) If cable tools are used, the mud shall be bailed from the hole and if the hole does not remain dry for a period of one hour, corrective measures shall be applied.

(h) The above requirements for the salt protection string shall be applicable to both the shallow and deep zones except for sub-section IV (3), (b), (i) and (ii) above.

(4) Intermediate String:

(a) In the drilling of oil and gas exploratory test wells to the deep zone, an intermediate string shall be set at sufficient depth to case-off all formations in the shallow zone and shall be cemented with sufficient cement to fill the annular space back of the pipe from the casing seat to the surface or to the bottom of the cellar.

(b) Cementing procedures and casing tests for the intermediate string shall be the same as provided under sub-sections IV (3), (c), (f) and (g) for the salt protection string.

(5) Production String:

(a) A production string shall be set on top or through the oil or gas pay zone and shall be cemented as follows:

(i) For wells drilled to the shallow zone the production string shall be cemented to the surface if the salt protection string was cemented only with a nominal volume for testing purposes, in which case the salt protection string can be cut and pulled before the production string is cemented; provided, that if the salt protection string was cemented to the surface, the production string shall be cemented with a volume adequate to protect the pay zone and the casing above such zone.

(ii) For wells drilled to the deep zone, the production string shall be cemented with a volume adequate to protect the pay zone and the casing above such zone; provided, that is, no intermediate string shall have been run and cemented to the surface, the production string shall be cemented to the surface.

(b) Cementing procedures and casing tests for the production string shall be the same as provided under sub-sections IV (3) (c), (f) and (g) for the salt protection string.

V

DRILLING FLUID FOR SALT SECTION

The fluid used while drilling the salt section shall consist of water, to which has been added sufficient salts of a character common to the zone penetrated to completely saturate the mixture. Other admixtures may be added to the fluid by the operator in overcoming any specific problem. This requirement is specifically intended to prevent enlarged drill holes.

VI

PLUGGING AND ABANDONMENT OF WELLS

All wells heretofor and hereafter drilled within Areas "A" and "B" shall be plugged in a manner that will provide a solid cement plug through the salt section and prevent liquids or gases from entering the hole above or below the salt section.

VII

LOCATIONS FOR TEST WELLS

Before drilling for oil or gas on lands in Areas "A" or "B", a map or plat showing the location of the proposed well shall be prepared by the well operator and copy sent by registered mail to the potash lessee involved, if any. Upon proper showing of such notice and if no objection to the location of the proposed well is made by the potash lessee within ten days, a drilling permit may be issued and the work may proceed. If, however, the location of the proposed well is objected to by the potash lessee on the grounds that the location of the well is not in accordance with the foregoing regulations, the potash lessee may file a written objection within ten days for consideration and decision by the Oil Conservation Commission.

VIII

INSPECTION OF DRILLING AND MINING OPERATIONS

A representative of the potash lessee may be present during drilling, cementing, casing, and plugging of all oil or gas wells on his lease to observe conformance with these regulations. Likewise, a representative of the oil and gas lessee may inspect mine workings on his lease to observe conformance with these regulations.

IX

FILING OF WELL AND MINE SURVEYS

Each oil and gas lessee shall furnish not later than January 31st of each year to the Oil Conservation Commission and to the potash lessees involved certified directional surveys from the surface to a point below the lowest known potash-bearing horizon for each oil or gas well drilled in Area "A" during the preceding calendar year. Each potash lessee shall furnish not later than January 31st of each year to the Oil Conservation Commission and to each oil and gas lessee involved, certified plat of survey of the location of open mine workings underlying outstanding oil and gas leases.

X

APPLICABILITY OF STATEWIDE RULES AND REGULATIONS

All general statewide rules and regulations of the Oil Conservation Commission governing the development, operation, and production of oil and gas in the State of New Mexico not inconsistent or in conflict herewith, are hereby adopted and made applicable to the areas described herein.

XI

ADOPTION

The foregoing Rules and Regulations are hereby adopted by the Oil Conservation Commission and adopted, ratified and confirmed by the Commissioner of Public Lands of the State of New Mexico this \_\_\_\_\_ Day of November, 1951.

DONE at Santa Fe, New Mexico this 9th day of November, 1951.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

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GUY SHEPARD  
Commissioner of Public Lands

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

June 14, 1955

MEMORANDUM

C  
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The Oil Conservation Commission has appointed the following industry representatives to serve on the potash-oil committee in Cases 889, 890 and 891:

Mr. F. O. Davis  
Vice President & Treasurer  
Potash Company of America  
Carlsbad, New Mexico

Mr. Harvey E. Yates  
P.O. Box 397  
Artesia, New Mexico

Mr. C. A. Arend, Jr., Manager  
International Minerals & Chemical Corp.  
Potash Division  
Carlsbad, New Mexico

Mr. Ernest A. Hanson  
P.O. Box 852  
Roswell, New Mexico  
(Alternate)

Mr. Howard Jennings  
P.O. Box 450  
Roswell, New Mexico

The first meeting of this committee will be held on June 21st at 1:30 p.m. in the Oil Conservation Commission Offices, 1200 West Broadway, Hobbs, New Mexico. Your attendance at this meeting will be sincerely appreciated.

Yours very truly,

WBM:brp

W. B. Macey

Secretary - Director

CC-Mr. Fred Moxey  
N.M. Oil & Gas Assoc.  
P.O. Box 1291  
Roswell, New Mexico

Mr. Anderson  
U.S.G.S.  
P.O. Box 6721  
Roswell, New Mexico

Mr. Robert S. Fulton  
U.S.G.S.  
P.O. Box 829  
Carlsbad, New Mexico

Mr. Charles F. Brannan  
National Farmers Union  
1575 Sherman Street  
Denver 3, Colorado

Mr. A. L. Porter  
OCC, Box 2045  
Hobbs, New Mexico

Mr. L. A. Hanson  
OCC, 321 Carper Bldg.  
Artesia, New Mexico

**INTERNATIONAL**  
**MINERALS & CHEMICAL CORPORATION**



GENERAL OFFICES • 20 NORTH WACKER DRIVE • CHICAGO 6

P. O. BOX 71  
CARLSBAD, NEW MEXICO  
May 25, 1955

Mr. W. B. Macey, Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:


Reference is made to the recent hearing of the Oil Conservation Commission held May 18, resulting in the decision that a five-man committee would be appointed to study commission order No. R111 and its attendant problems concerning potash and the oil industry.

A meeting was held in Carlsbad, New Mexico on Tuesday, May 24, for the purpose of nominating two members to serve on this committee, as requested. The following men are submitted for your approval as nominations and it is requested that these be submitted with the right of substitution.

Mr. F. O. Davis, Vice President and Treasurer  
Potash Company of America  
Carlsbad, New Mexico

Mr. C. A. Arend, Jr., Manager  
International Minerals & Chemical Corporation  
Potash Division  
Carlsbad, New Mexico

Very sincerely yours,

  
C. A. Arend, Jr.  
Manager

CAA:mbs

cc: Mr. F. O. Davis  
Mr. Russell Haworth  
Mr. Henry Bruhn  
Mr. Fred Stewart

Mr. George Atwood  
Mr. Tom Ferguson  
Mr. G. C. Weaver

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 18, 1955

Mr. F. H. Stewart  
Southwest Potash Corporation  
Box 472  
CARLSBAD, NEW MEXICO

Dear Sir:

We have your letter of April 14, 1955, which constitutes your company's application for extension of Area "A" of the potash - oil area as set forth in Order R-111 issued by this Commission in Case 278.

This matter will be set for hearing on May 18, 1955, and will be properly advertised for that date. We have another request for extension of Area "A" with International Minerals and Chemical Corporation as applicant, and we will try to keep the two cases close together on the docket so that interested parties may appear for both matters.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:nr

cc: Oil Conservation Commission  
Artesia

U. S. Geological Survey  
Attention: Mr. Frost  
Artesia

State Land Office, Santa Fe  
Attn: Mr. E. S. Walker

*Wm. B. May* ✓  
**SOUTHWEST POTASH CORPORATION**

**CARLSBAD, NEW MEXICO**

**April 14, 1955**

**EXECUTIVE OFFICES  
61 BROADWAY  
NEW YORK 6, N. Y.**

**PLEASE REPLY TO  
P. O. BOX 472  
CARLSBAD, NEW MEXICO**

State of New Mexico  
Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

Case No. 278 - Order No. R-111

As provided under Section II (2) of Order No. R-111, the Southwest Potash Corporation hereby makes application for an extension of Area "A" to include the following described lands in which potash mining operations are now being conducted:

T. 19 S., R. 30 E., N.M.P.M.

Sec. 3 - SW/4

Sec. 4 - SE/4

Sec. 9 - N/2 NE/4

Sec. 10 - NE/4, N/2 NW/4, SE/4 NW/4, E/2 SW/4, SE/4

Sec. 15 - NE/4, E/2 NW/4, SW/4 NW/4

The drilling of oil or gas wells in the above described area at this time would seriously hamper our potash mining operations and it is requested that a hearing on this matter be held as early as possible, with advice to us of the date of such hearing in order that we may be represented.

Very truly yours,

**SOUTHWEST POTASH CORPORATION**

*F. H. Stewart*

**F. H. Stewart  
Vice President and  
General Manager**

FHS/p

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SOUTHWEST POTASH CORPORATION

Carlsbad, New Mexico

State of New Mexico  
Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

Case No. 278 - Order No. R-111

As provided under Section 2 of Order No. R-111, the Southwest Potash Corporation hereby makes application for an extension of Area "A" to include the following described lands in which potash mining operations are now being conducted:

T. 19 S., R. 30 E., NMPM

Sec. 3 - SW/4

Sec. 4 - SE/4

Sec. 9 - N/2 NE/4

Sec. 10 - NE/4, N/2 NW/4, SE/4 NW/4, E/2 SW/4, SE/4

Sec. 15 - NE/4, E/2 NW/4, SW/4 NW/4

The drilling of oil or gas wells in the above described area at this time would seriously hamper our potash mining operations and it is requested that a hearing on this matter be held as early as possible, with advice to us of the date of such hearing in order that we may be represented.

Very truly yours,

SOUTHWEST POTASH CORPORATION

F. H. Stewart  
Vice President and  
General Manager

FHS:p

C O P Y



# REGISTER

Name

Address

Affiliation

James H. Brown

Wichita, Kan.

C.C.C.

John J. Brown

Wichita, Kan.

W.M. City Club

Charles H. Brown

Wichita, Kan.

Wichita, Kan.

James H. Brown

Wichita, Kan.

Wichita, Kan.

James H. Brown

Wichita, Kan.

Wichita, Kan.

C. A. Brown

Chickadee

Dist. Min. & Comm. Corp

J. O. Davis

✓

Patent Co. of America

R. S. Fuller

✓

U.S.S.B.

R. E. P. E.

✓

Patent Co. of America

R. H. Blackthorn

✓

James A. Anderson

Wichita, Kan.

U.S.G.S

P. E. Campbell

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 13, 1959

MEMORANDUM

SUBJECT: Potash-Oil Committee, Cases 889, 890, 891, 926, 927 & 278

The committee appointed in the above-captioned cases will meet at 9:00 a.m. on July 29th at the offices of the U. S. Potash Company, 101 North Malagueno, Carlsbad, New Mexico.

Mr. F. O. Davis  
Vice President & Treasurer  
Potash Company of America  
Carlsbad, New Mexico

Mr. Harvey W. Yates  
P.O. Box 397  
Artesia, New Mexico

Mr. C. A. Arand, Jr., Manager  
International Minerals & Chemical Corp.  
Potash Division  
Carlsbad, New Mexico

Mr. Ernest A. Hanson  
P.O. Box 852  
Roswell, New Mexico  
(Alternate)

Mr. Howard Jennings  
P.O. Box 450  
Roswell, New Mexico

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp

CC-Mr. Fred Macey  
W.M. Oil & Gas Assoc.  
P.O. Box 1291  
Roswell, New Mexico

Mr. Anderson  
U.S.G.S.  
P.O. Box 6721  
Roswell, New Mexico

Mr. Robert S. Fulton  
U.S.G.S.  
P.O. Box 829  
Carlsbad, New Mexico

Mr. Charles F. Brannan  
National Farmers Union  
1575 Sherman Street  
Denver 3, Colorado

Mr. A. L. Porter  
O.C.C.  
Box 2045  
Hobbs, New Mexico

Mr. L. A. Hanson  
O.C.C.  
321 Carper Bldg.  
Artesia, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 16, 1955

MEMORANDUM

The meeting scheduled for Hobbs at 1:30 p.m. on June 21st of the potash-oil committee has been changed to Mabry Hall, State Capitol, Santa Fe, New Mexico, at 2:00 p.m. Mountain Daylight Time, June 21st.

Mr. F. O. Davis  
Vice President & Treasurer  
Potash Company of America  
Carlsbad, New Mexico

Mr. Harvey E. Yates  
P.O. Box 397  
Artesia, New Mexico

Mr. C. A. Arend, Jr., Manager  
International Minerals & Chemical Corp.  
Potash Division  
Carlsbad, New Mexico

Mr. Ernest A. Hanson  
P.O. Box 852  
Roswell, New Mexico  
(Alternate)

Mr. Howard Jennings  
P.O. Box 450  
Roswell, New Mexico

Yours very truly,

W. B. Macey  
Secretary - Director

WBM:brp

CC-Mr. Fred Macey  
N.M. Oil & Gas Assoc.  
P.O. Box 1291  
Roswell, New Mexico

Mr. Anderson  
U.S.G.S.  
P.O. Box 6721  
Roswell, New Mexico

Mr. Robert S. Fulton  
U.S.G.S.  
P.O. Box 829  
Carlsbad, New Mexico

Mr. Charles F. Brannan  
National Farmers Union  
1575 Sherman Street  
Denver 3, Colorado

Mr. A. L. Porter  
O.C.C.  
Box 2045  
Hobbs, New Mexico

Mr. L. A. Hanson  
O.C.C.  
321 Carper Bldg.  
Artesia, New Mexico

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*Case 889*  
SOUTHWEST POTASH CORPORATION

CARLSBAD, NEW MEXICO

June 6, 1955

EXECUTIVE OFFICES  
61 BROADWAY  
NEW YORK 6, N. Y.

PLEASE REPLY TO  
P. O. BOX 472  
CARLSBAD, NEW MEXICO

Mr. W. R. Macey, Secretary-Director  
Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Sir:

Case No. 889

With reference to the hearing of the Oil Conservation Commission held on May 18, resulting in the decision that a five-man committee be appointed to study Commission Order No. R-111, we request that Case NO. 889, now continued to June 28, be further continued until such time as the above committee shall have completed its studies.

Very truly yours,

SOUTHWEST POTASH CORPORATION



F. H. Stewart  
Vice President and  
General Manager

FHS:b

cc Mr. C. A. Arend, Jr.

SOUTHWEST POTASH CORPORATION

CARLSBAD, NEW MEXICO

November 9, 1955

EXECUTIVE OFFICES  
61 BROADWAY  
NEW YORK 6, N. Y.

PLEASE REPLY TO  
P. O. BOX 472  
CARLSBAD, NEW MEXICO

Mr. W. R. Macey, Secretary-Director  
Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Sir: Case No. 889

As suggested at the Hearing on September 15, 1955,  
we request the dismissal of our Case No. 889, inas-  
much as the situation is now covered by Order No.  
R-111-A.

Very truly yours,

SOUTHWEST POTASH CORPORATION



F. H. Stewart  
Vice President and  
General Manager

kgb

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 19, 1955

C  
O  
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Y

Southwest Potash Corporation  
P.O. Box 472  
Carlsbad, New Mexico

Gentlemen:

Enclosed are six copies of the proposed rules for the Potash - Oil Area as set forth in Case 278. The case will be heard at the regular September 15th hearing of this Commission.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp

Enclosures

Memo

11/17/05  
From  
WWM

To JWG

Case #889

OK to ~~re~~write  
order of dismissal

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 9, 1956

C  
O  
P  
Y

Mr. F. H. Stewart  
Southwest Potash Corporation  
P.O. Box 472  
Carlsbad, New Mexico

Dear Sir:

We enclose a copy of Order R-728 issued December 14, 1955,  
by the Oil Conservation Commission in Case 889.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Encl.



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 1, 1955

C  
O  
P  
Y

Mr. F. H. Stewart  
Southwest Potash Corporation  
P.O. Box 472  
Carlsbad, New Mexico

Dear Sir:

Enclosed please find a copy of Order R-111-A which has been written by the Commission in Case 278. If you desire any further copies of this order, please contact this office or the Artesia Office of the Commission.

Very truly yours,

W. B. Macey  
Secretary - Director

WEM:brp  
Enclosure

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 889  
ORDER NO. R-728

THE APPLICATION OF SOUTHWEST POTASH  
CORPORATION FOR EXTENSION OF AREA "A"  
OF THE POTASH - OIL AREA IN EDDY COUNTY,  
NEW MEXICO, AS DEFINED BY ORDER R-111  
ISSUED IN CASE 278.

ORDER OF DISMISSAL

BY THE COMMISSION:

This cause came on for hearing before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", on May 18, 1955, and was continued successively to the following dates: June 23, 1955; August 17, 1955; September 15, 1955; October 13, 1955, and November 16, 1955.

NOW, on this 14<sup>th</sup> day of December, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice having been given according to law and all interested parties having appeared, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the subject matter of the application herein is now fully covered by Order R-111-A and that no further action is deemed necessary on subject application.

IT IS THEREFORE ORDERED:

That the application of the Southwest Potash Corporation for extension of Area "A" of the potash - oil area in Eddy County, as presently defined by Order R-111 issued in Case 278, be and the same is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W. B. Macey*  
W. B. MACEY, Member and Secretary



BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 889, 890, 891, 926, 927 & 935

**TRANSCRIPT OF PROCEEDINGS**

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

October 13, 1955.

IN THE MATTER OF:

- CASE 889: Application of Southwest Potash Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.
- CASE 890: Application of International Minerals and Chemical Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.
- CASE 891: Application of Duval Sulphur and Potash Company for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.
- CASE 926: Application of National Farmers Union Service Corporation for extension of Area "B" and creation of a new Area "A" in the potash-oil area in Eddy and Lea County, New Mexico, as defined by Order R-11 issued in Case 278.
- CASE 927: Application of U. S. Potash Company for extension of Area "A" in the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.
- CASE 935: Application of National Potash Company for extension of Area "A" of the potash-oil area in Eddy and Lea Counties, New Mexico, as defined by Order R-111 issued in Case 278.

BEFORE: Honorable John F. Simms  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey.

TRANSCRIPT OF HEARING

MR. MACEY: For the record, before going to the next case on the Docket, which is 908, I would like for the record to show in

Cases 889, 890, 891, 926, 927 and 935, that they will be continued until next month pending issuance of the Revised Potash Oil Rules in Case 278.

\* \* \*

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, THURMAN J. MOODY, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings was taken before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, and is a true and correct record to the best of my knowledge, skill and ability.

WITNESS MY HAND, this, the 7th day of November, 1955.

*Thurman J. Moody*  
Court Reporter

BEFORE THE  
Oil Conservation Commission  
SANTA FE, NEW MEXICO  
November 16, 1955

IN THE MATTER OF:

CASE NO. 889, 890, 891, 926, 927,  
935.

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-8691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 16, 1955

IN THE MATTER OF:

Application of Southwest Potash Corporation  
for extension of Area "A" of the potash-oil  
area in Eddy County, as defined by Order  
R-111 issued in Case 278.

Case No. 889

IN THE MATTER OF:

Application of International Minerals and  
Chemical Corporation for extension of Area  
"A" of the potash-oil area in Eddy County,  
as defined by Order R-111 issued in Case 278.

Case No. 890

IN THE MATTER OF:

Application of Duval Sulphur and Potash  
Company for extension of Area "A" of the  
potash-oil area in Eddy County, as defined  
by Order R-111 issued in Case 278.

Case No. 891

IN THE MATTER OF:

Application of National Farmers Union  
Service Corporation for extension of  
Area "B" and creation of a new Area "A"  
in the potash-oil area in Eddy and Lea  
Counties, New Mexico, as defined by Order  
R-111 issued in Case 278.

Case No. 926

IN THE MATTER OF:

Application of U. S. Potash Company for  
extension of Area "A" of the potash-oil  
area in Eddy County, as defined by Order  
R-111 issued in Case 278.

Case No. 927

IN THE MATTER OF:

Application of National Potash Company for  
extension of Area "A" of the potash-oil  
area in Eddy and Lea Counties, New Mexico,  
as defined by Order R-111 issued in Case  
278.

Case No. 935

BEFORE:

Honorable John F. Simms, Jr.  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The hearing will come to order, please. The next cases on the docket are Cases 889, 890, 927 and 935. In each of these cases we have a letter or telegram, as the case may be, from the applicant requesting dismissal of the cases. Without objection we will dismiss Cases 889, 890, 927 and 935.

In Cases 891 and 926, inasmuch as Order R-111 is no longer in effect, those cases likewise will be dismissed, without objection.

\* \* \* \* \*

STATE OF NEW MEXICO )  
: SS.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

  
NOTARY PUBLIC-COURT REPORTER

My commission expires:

June 19, 1959.

ADA DEARNLEY & ASSOCIATES  
STENOTYPE REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691



BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
September 15, 1955

IN THE MATTER OF:

CASE NO. 889, 890, 891, 926, 927, 935

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Case 889

Case 890

Case 891

Case 926

Case 927.

IN THE MATTER OF:

Application of National Potash Company for  
extension of Area "A" of the potash-oil  
area in Eddy and Lea Counties, New Mexico,  
as defined by Order R-111 issued in Case  
278.

Case 935

BEFORE:

Honorable John F. Simms  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: For the purpose of the record in Cases 889, 890, 891, 926, 927, and 935, we will continue those cases until the order is entered in Case 278. At that time the potash companies may request the dismissal of their case if they so desire. We don't want to chop off the possibility that they may not be satisfied with the present order.

Does everyone understand that? We will continue those cases until the next monthly hearing and attempt to get the order out in time.

C E R T I F I C A T E

STATE OF NEW MEXICO )  
 ) SS.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 20th day of September, 1955.

My commission expires:  
June 19, 1959

*Ada Dearnley*  
Notary Public - Court Reporter

ADA DEARNLEY & ASSOCIATES  
STENOTYPE REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
June 28, 1955

IN THE MATTER OF:

CASE NO. 889, 890 & 891(Consolidated)

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 28, 1955

IN THE MATTER OF:

Application of Southwest Potash Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278. Case No. 889

Application of International Minerals Chemical Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278. Case No. 890

Application of Duval Sulphur and Potash Company for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278. Case No. 891  
(Consolidated)

BEFORE:

Honorable John F. Simms  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: Gentlemen, before we bring up the next case on the docket, I want to take up Cases 889, 890 and 891. Those three cases are known as the potash-oil cases. The Committee which has been appointed in those cases has had a meeting and in each instance of Cases 889, 890 and 891, the operators have asked for a continuance in the cases until the August 17th hearing. Therefore, without objection, we will continue those three cases until the August 17th hearing.

STATE OF NEW MEXICO )  
: ss.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby  
certify that the foregoing and attached transcript of proceedings  
before the New Mexico Oil Conservation Commission at Santa Fe,  
New Mexico, is a true and correct record to the best of my  
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial  
seal this 30th day of June, 1958.

Ada Dearnley  
Notary Public, Court Reporter

My Commission Expires:

June 19, 1959

BEFORE THE  
Oil Conservation Commission  
SANTA FE, NEW MEXICO  
May 18, 1955

IN THE MATTER OF:

CASE NO. 889, 890 & 891

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 18, 1955

IN THE MATTER OF:

The application of Southwest Potash Corporation for an amendment to the rules devised for the "potash-oil" area in Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks amendment to the provisions of Order R-111 issued in Case 278 to provide for the expansion of Area "A" delineated therein to include the following acreage:

Case No. 889

Township 19 South, Range 30 East

SW/4 Section 3;  
SE/4 Section 4;  
N/2 NE/4 Section 9;  
NE/4, N/2 NW/4, SE/4 NW/4, E/2 SW/4 and  
SE/4 of Section 10;  
NE/4 E/2 NW/4, SW/4 NW/4 Section 15

The application of International Minerals and Chemical Corporation for amendment to the rules devised for the "potash-oil" area in Eddy County, New Mexico.

Applicant in the above-styled cause, seeks amendment to the provisions of Order R-111 issued in Case 278 to provide for the expansion of Area "A" delineated therein to include the following acreage:

Case 890

Township 21 South, Range 29 East

SE/4 Section 35;  
W/2 SW/4 Section 36

Township 22 South, Range 29 East

NW/4 NW/4 Section 1;  
W/2, N/2 NE/4, W/2 SE/4, SW/4 NE/4  
Section 2;  
all Section 10;  
W/2, W/2 NE/4, W/2 SE/4, SE/4 SE/4  
Section 11;  
W/2 SW/4 Section 13;  
all Sections 14, 15, 22 and 23;  
W/2 Section 24; all Sections 25 and 26  
N/2 Section 27; all Section 36



The application of Duval Sulphur and Potash Company for an amendment to the rules devised for the "potash-oil" area in Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks amendment to the provisions of Order R-111 issued in Case 278 to provide for the expansion of Area "A" delineated therein to include the following acreage:

Township 18 South, Range 30 East

SW/4 Section 13;  
all Section 14;  
SE/4 Section 15;  
all of Sections 22 and 23;  
NW/4, W/2 SW/4 Section 24;  
NW/4 NW/4 Section 25;  
N/2 Section 26;  
NE/4 Section 27

Township 20 South, Range 29 East

S/2 Section 35

Township 20 South, Range 30 East

All Section 1;  
NE/4, N/2 SE/4 Section 11;  
N/2, SW/4 Section 12;  
S/2 Section 22;  
S/2 Section 23;  
N/2, N/2 SE/4, N/2 SW/4, SW/4 SW/4  
Section 26;  
all Section 27;  
N/2 Section 34;  
W/2 NW/4 Section 35

Township 20 South, Range 31 East

All Section 6

Township 21 South, Range 29 East

N/2 SE/4 Section 24

Township 21 South, Range 30 East

Lots 6 and 7, SE/4, E/2 SW/4 Section 19;  
SW/4 Section 20;  
Lots 1, 2, 3 and 4, NE/4, N/2 SE/4,  
E/2 NW/4 of Section 30

Township 22 South, Range 30 East

W/2 Section 26;  
all Sections 27, 28 and 29;  
SE/4 Section 30;  
E/2 Section 31;  
all Sections 32, 33 and 34;  
W/2 Section 35;  
all Section 36

Case No. 891

(Consolidated.)

Township 23 South, Range 30 East  
All of Sections 2 and 3;  
NE/4 NE/4 (Lot 1) of Section 4

BEFORE: Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: For the purpose of taking a record, I understand we are going to have requests for continuances in Cases 889, 890 and 891. I have a telegram in connection with Case 890, from International Minerals and Chemical Corporation, Mr. R. H. Lane, whereby he says: "International Minerals and Chemical Corporation requests the continuation of Case 890 until the regular June hearing. International's personnel will be unable to show, due to coal show and Eastern coal mine inspection trip."

Mr. Herbert, do you have a statement to make?

MR. HERBERT: Ira Herbert, representing the Southwest Potash Corporation. Southwest Potash Corporation requests a continuance of Case 889.

MR. WEAVER: G. C. Weaver, representing Duval Sulphur, and we request the continuance of Case 891 to the June hearing.

MR. MACEY: I understand that Mr. Moxey has a statement that he would like to put into the record in these cases.

MR. MOXEY: Mr. Fred Moxey, the New Mexico Oil and Gas Association Executive Secretary. I appear on behalf of 48 companies and 30 individuals affected directly and indirectly in this matter. We had a meeting concerning these three cases. We concur in the request for continuance, however, we would like to have an indefinite

14  
continuance. We suggest that a committee be appointed, similar in nature to the committee which was appointed in 1951 by the Land Commissioner, for study of this whole problem. This committee to use such sub-committees as it sees fit, and make recommendations from both industries to the Commission, to guide them in their final determination of these cases.

MR. MACEY: Mr. Weaver and Mr. Herbert, would you have any objection to the formation of a committee similar to what Mr. Moxey proposes?

MR. WEAVER: None whatever, we would agree with it.

MR. MACEY: How about you, Mr. Herbert?

MR. HERBERT: All right with us.

MR. MACEY: Do you have any feeling as to what International would feel?

MR. WEAVER: I don't know.

MR. MOXEY: The Committee in 1951 was made up of two members of the potash and two members of the oil industry, the fifth member being the State Geologist. As I see from the files, in going back over the case, there were several sub-committees under that group, and they did some extensive work that seemed to work out pretty good, and the results have been satisfactory up to this period.

The request for extension in these areas, the extent that they are, we think that probably it is time to renegotiate the thing on another basis here. Probably that size committee, as far as our industry is concerned, that would be all. If it please the Commission, that would certainly be all right. We would be guided by your choice on that.

MR. MACEY: Mr. Weaver, Mr. Moxey requested an indefinite

continuance of the case.

MR. MOXEY: May I correct that. I would like the case continued until the committee has had sufficient time to make recommendations.

MR. MACEY: Why couldn't we continue the cases on the docket and then you could make a report the 28th of June, by mail, if you wanted to. We could read it into the record as the progress of the cases. I don't want to get into something that is hanging in the air. The potash companies are interested in getting it straightened up; inasmuch as International has requested the continuance until June and they are not represented, although I feel that they probably would want to go along with the committee all right, we can't chop them off the docket without some notice.

MR. MOXEY: I would say that would be satisfactory, subject to further continuance.

MR. MACEY: The Commission will appoint a committee and advise everyone in the industry, through our mailing list, as to the membership in the committee and see if we can't solve the problem in that manner. Mr. Weaver, do you have any preference as to the size of the committee?

MR. WEAVER: I don't think it should be too large.

MR. MACEY: Mr. Moxey's was two from potash industry and two from the oil industry, plus a member of this Commission.

MR. WEAVER: I had something to do with the hearings in 1951, I think that was about the right size committee.

MR. MACEY: Thank you.

MR. STANLEY: Concerning the study, I would recommend that the United States Geological Survey be incorporated within this

committee and perhaps to furnish information. During my study I have found they have considerable information.


MR. MOXEY: They were members of the committee, an advisory committee in 1951. I don't think they were allowed to serve in an official capacity. We would welcome having them on there, or any other group as an advisory group.

MR. MACEY: Anyone else have any further statements to make in Cases 889, 890 and 891? If not we will continue the cases until June.

STATE OF NEW MEXICO )  
 : SS.  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 23rd day of May, 1955.

  
 Notary Public, Court Reporter

My Commission Expires:  
 June 19, 1955

BEFORE THE  
Oil Conservation Commission  
SANTA FE, NEW MEXICO  
August 17, 1955

IN THE MATTER OF:

935, 278, 889, 890  
CASE NO. 891, 926, 927  
Consolidated

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
August 17, 1955

-----  
IN THE MATTER OF:

Application of National Potash Company for extension of Area "A" of the potash-oil area in Eddy and Lea Counties, New Mexico, as defined by Order R-111 issued in Case 278.

Case No. 935

Application of the Commission upon its own motion for an order revising the existing provisions of Order R-111, issued in Case 278.

Case No. 278

Application of Southwest Potash Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.

Case No. 889

Application of International Minerals and Chemical Corporation for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.

Case No. 890

Application of Duval Sulphur and Potash Company for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.

Case No. 891

Application of National Farmers Union Service Corporation for extension of Area "B" and creation of a new Area "A" in the potash-oil area in Eddy and Lea County, New Mexico, as defined by Order R-111 issued in Case 278.

Case No. 926

Application of U. S. Potash Company for extension of Area "A" of the potash-oil area in Eddy County, as defined by Order R-111 issued in Case 278.

Case No. 927

Consolidated.

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Before:

Honorable John F. Simms  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 935. We will consolidate Case 935, in the absence of any objection, with Cases 889, 890, 891, 926, 927 and Case 278. All the cases pertain to the oil area in Eddy and Lea Counties. The applicants in each case have requested a continuance in the case to the September hearing, but I would like to call your attention to the proposed rules which the Committee and the Commission Staff have devised for the area.

It was deemed advisable to have a 30-day waiting period for everyone to examine the proposed rules and to attempt to dispense with the matter in September.

Does anyone have any comments they wish to make on any of these cases at this time, or any questions they might want to ask about the proposed rules? If not we will continue all those cases until September.

STATE OF NEW MEXICO    )  
                                  : SS.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 18th day of August, 1955.

*Ada Dearnley*  
Notary Public, Court Reporter

My Commission Expires:  
June 19, 1959

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
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