Caso/Noi

926

Application, Transcript,
5 mall Exhibits, Etc.

union Service Corp. for extension of Area "B" & creation of Area "A" in potash-oil area. Eddy & Lea Counties. N.M.

BEFORE THE

Gil Conservation CommissionSANTA 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 S-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-lll issued in Case 278.
- GASE 590: 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-III 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 extensing of Area "A" in the potash-oil area in Eddy County, as defined by Order R-Ill 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

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

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)

I, THURNAH 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.

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

Court Reporter.

BEFORE THE

Gil Conservation Commission

Santa Fe. New Mexico September 15, 1955

IN THE MATTER OF:

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

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 September 15, 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 Relll issued in Case 278.))) Case 889
IN THE MATTER OF:	{
Application of International Minerals and Chemical Corporation for extension of Area "A" of the potasheoil area in Eddy County, as defined by Order Relll issued in Case 278.	} } Case 890 }
M In the PM SM	,
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-Ill issued in Case 278.	} } Case 891
60 500 M 607 60 300 M 60 60 M 100 M) \
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 County, New Mexico, as defined by Order R-111 issued in Case 278.))) Case 926)
**************************************	}
IN THE MATTER OF:	, }
Application of U.S. Potash Company for extension of Area "A" of the potashwoil area in Eddy County, as defined by Order Rwlll issued in Case 278.) }) 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-Ill 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.

CERTIFICATE

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 Notary Public - Court Reporter

ADA DEARNLEY & ASSOCIATES

atenotype reporters

ALBUQUERQUE, NEW MEXICO

TELEPHONE 3-6691

BEFORE THE

Generalism CommissionSanta Fe. New Mexico July 14, 1955

IN THE MATTER OF:

CASE NO. 926 and 927

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 July 14, 1955

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 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 927

BEFORE:

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

TRANSCRIPT OF PROCEEDINGS

MR. MACEY: Before we adjourn for lunch, I would like the record to show that applicants in Cases 926 and 927 have requested continuance of their cases to August 17th hearing.

Without objection, we will continue those to August 17th.

* * * * * * * * *

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 WITHESS WHEREOF I have affixed my hand and notarial seal this 19th day of July, 1955.

Notary Public, Court Reporter

My Commission expires: June 19, 1959. 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

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 previsions of Order R-III, 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 Am of the potash-oil area in Eddy County, as defined by Order R-Ill 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-Ill 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.

Before:

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

ADA DEARNLEY & ASSOCIATES
STENOTYPE 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.

Notary Public, Court Reporter

My Commission Expires: June 19, 1959

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



National Farmers Union Service Corporation

1575 Sherman St., Deurer 3, Colorado

June 3, 1955

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

Dear Sirs:

This is an application for the incorporation of additional land in the so called "potash - oil" area as defined in the Oil Conservation Commission Order R-111 dated November 9, 1951. We are planning the mining and processing of potash in the area of the following described lands on the major portion of which either leases or prospecting permits are held, and request that the Area B as defined in Order R-111 be extended to include these lands:

T21S-R30E Section 12 - N $\frac{1}{2}$ Section 23 - S $\frac{1}{2}$ Section 24 - S $\frac{1}{2}$ Section 25 - All Section 26 - All Section 35 - N $\frac{1}{2}$ Section 36 - All

T22S-R30E Section 25 - $\mathbb{E}_{2}^{\frac{1}{2}}$ Section 36 - $\mathbb{E}_{2}^{\frac{1}{2}}$

T21S-R31E
Section 1 - $S_{\frac{1}{2}}$ Section 2 - $S_{\frac{1}{2}}$ Section 3 - All
Section 4 - $E_{\frac{1}{2}}$ Section 7-17 - Inc.All
Section 18 - $N_{\frac{1}{2}}$ Section 19 - $S_{\frac{1}{2}}$ Section 20-36 - Inc. All

T22S-R31E
Section 1, 2, 3 - All
Section 10 - 16 Inc. - All
Section 19 - S2
Section 20 - 36 Incl. - All

The above described areas are identified on the attached map.

We are presently performing core drilling exploration work in this area in anticipation of selecting a site for a shaft, and proceeding with development operations. It is considered advisable, in the interest of our proposed mining operations to have the above described lands included in the area requiring protective measures to be taken in any oil drilling operation.

The outlined ore body in which mining operations are to be carried on is in the northern part of T21S - R31E and the southern part of T20S-R32E. It is further requested that this area, as described below and outlined on the attached map, be incorporated in the Potash - Oil area designated as Area "A". This proposed new Area "A" is partly in existing Area "B" and partly in the above requested extension to Area "B":

T20S-R32E

Section 32 - S_2^1 , S_2^1 N_2^1 , NE_4^1 NE_4^1 NE_4^1 Section 33 Section 34

T21S-R31E

Section 2 - 5 Incl. - All Section 7 - 10 Incl. - All Section 16

We will be glad to furnish any additional information required to process this application.

Yours very truly

NATIONAL FARMERS UNION SERVICE CORPORATION

Charles F. Brannan

General Manager

CFB/mn Encs.(2 cc)

cc -3- to Sec'y. of Interior



National Farmers Union Service Corporation

1575 Sherman St., Beaver 3, Colorado

August 11, 1955

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

RE: Case No. 926

Dear Mr. Macey:

We hereby respond to your recent request that all interested parties indicate their desire to have their applications to extend areas "A" and "B" of the potash-oil and gas area held in abeyance until the revisions of Order R-lll have been completed.

It appears to me that the best interests of National Farmers Union Service Corporation would be served by such a procedure. Therefore, we request that our application, identified as Case No. 926, be held in abeyance until said Order has been revised.

Yours very truly,

NATIONAL FARMERS UNION SERVICE CORPORATION

General Manager

GRC/mn

Cons

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

June 9, 1955

Hr. Charles F. Brannan Hatianal Farmers Union Service Corp. 1575 Sherman Street Denver 3, Colorado

Dear Sire

Reference is made to your application of June 3, 1955, pertaining to the enlargement of Area B and the creation of a new Area A in the so called oil - potash area of Eddy and Lea Counties. This case will be assigned a case number in the near future and will be set for hearing on July lith.

I would like to call your attention to the fact that three cases are pending before the Commission pertaining to the enlargement of Area A. These cases are 889, 890 and 891. At the May hearing on these cases it was deemed advisable to set up a committee to be composed of two representatives of the oil industry, two representatives of the petash industry and myself to reselve the situation and to determine the best course of action to be followed in hemiling the entire question of joint operation in the potash — oil area. We are planning on having a meeting of this committee in the near future, and in the event you or any representative of your company desires to observe the proceedings, we would be more than happy to have you present. At the first meeting of this committee I will acquaint them of the facts concerning your application.

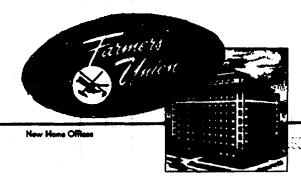
If there is anything further you desire concerning these matters, please advise.

Very truly yours,

W. B. Macey Secretary - Director

WBM; orp

Y



National Farmers Union Service Corporation

5 (13), 13 (3) (5): 24 Section 51, Deaver 3, Colorado

July 12, 1955

Mr. W. B. Macey Oil Commissioner Mabrey Hall Santa Fe, New Mexico

Dear Mr. Macey:

On the basis of our pleasant telephone discussion this morning, it appears to me that the best interests of my clients, the Mational Farmers Union Service Corporation, would be served by a continuance of the hearing in <u>Case Mo. 926</u> now scheduled for July 14th to the regular hearing date in <u>August</u>, which I understand to be <u>August 17th</u>, when the provisions of your Order Ill as it applied to all potash companies operating in the State of New Mexico will be fully reviewed. Therefore, I request such a continuance.

Yours truly,

Charles F. Brannan

General Manager

CFB: jm

Air Mail

OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

July 13, 1955

Petash-Cil Committee, Cases 889, 890, 891, 926, 927 & 278

The countities 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 Morth Halaguene, Carlebad, New Mercico.

Kr. F. G. Devie Vice President & Treasurer Potest Company of America Carlabad, Now Mexico

Er. Harvey E. Tates P.O. Box 397 Artesia, New Mexico

Mr. C. A. Arend, Jr., Manager International Minerals & Chemical Corp. Potosh Myledon Carlahed, New Mexico

Fr. Ernest A. Hanson P.O. Bex 852 Roswell, New Mexico (Alternate)

Mr. Howard Journings P.O. Box 450 Rossell, New Mexico

Very truly yours,

N. B. Macey Secretary - Director

WENtbrp

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

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

Mr. Robert S. Pulton U.S.G.S. P.O. Box 829

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

Kr. 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. 0. 90X 871 SANTA FE, NEW MEXICO

August 22, 1955











Mr. Charles F. Brannan Matienal Farmers Union Service Corp. 1575 Sherman Street Denver 3, Colorado

Deer Sir:

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

WHM:brp Engls. OIL CONSERVATION COMMISSION CAS 124

SANTA FE, NEW MEXICO

November 1, 1955

Mr. Charles F. Brannan Matienal Farmers Union Service Corp. 1575 Sherman Street Denver 3, Colorado

Dear Sir:



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

Very truly yours,



W. B. Macey Secretary - Director

Millit pro

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

January 9, 1956



Mr. Charles F. Brannan Matienal Farmers Union Service Corp. 1575 Sherman Street Denver 3, Colorado

Dear Sir:

We enclose a copy of Order R-731 issued December 14, 1956, by the Oil Conservation Commission in Case 926.

Very truly yours,

W. B. Macey Secretary - Director

WEM: brp

Memo 1/17/00 From WWn Re: Case #926

D.K. La write order of dismusal.

METORE THE OIL CONSERVATION COMMISSION OF THE STATE OF MEN MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING!

> CASE NO. 926 ORDER NO. R-731

THE APPLICATION OF NATIONAL PARKERS
UNION SERVICE CORPORATION FOR CHEATION
OF A NEW AREA "A" AND THE EXTENSION OF AREA
"B" OF THE POTASH — OIL AREA IN EDET AND
LEA COUNTIES, NEW MEXICO, AS DEFINED BY
ORDER R-111 ISSUED IN CASE 278.

CREEK OF DISHISSAL

ME THE CONSTISSION:

This cames came on for hearing before the Gil Conservation Commission of New Maxico, hereinafter referred to as the "Commission", on May 18, 1955, and was continued successively to the following dates: June 28, 1955; Angust 17, 1955; September 15, 1955; October 13, 1955, and November 16, 1955.

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

FIRES:

- (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-Ill-A and that no further action is deemed necessary on subject application.

IT IS THEREFORE CRIENTS:

That the application of the National Farmers Union Service Corporation for ereation of a new Area "A" and for extension of Area "B" of the petash — eil area in Nidy and Lea Counties, as presently defined by Order R-111 issued in Gase 478, be and the same is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION CONMISSION

John F. SIMMS, Chairman

E. S. WALKER, Morn bor

W. B. MACEY, Member and Secretary



cars 926

Memo

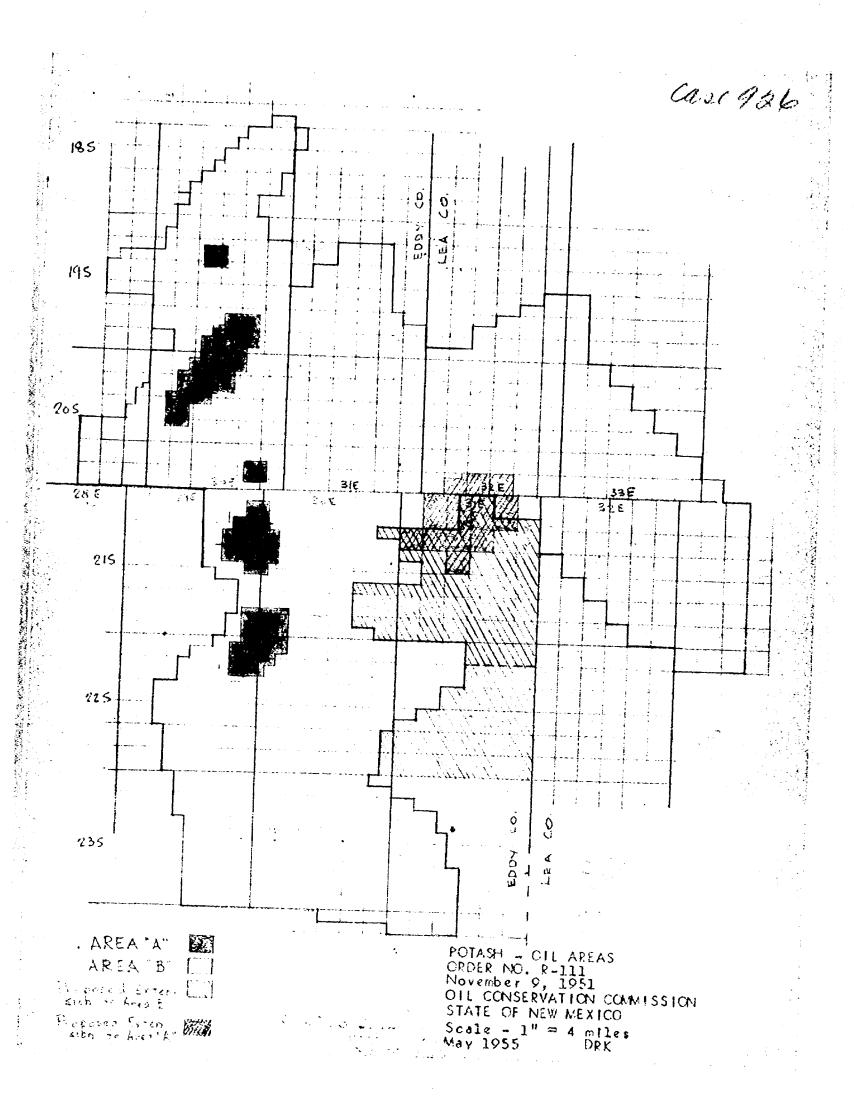
From

W. B. Macey

6-9-55

To Charles Reider

We have another application from the National Farmers Union on the potash - oil area. I believe it would be advisable if you would put this information on our map.



Hovember 4, 1955

011 Comparvation Commission P. O. Non 871 Conta 30, New Mexico

Attention: V. B. Massy, Secretary - Birecter

No: Order R-111-A

Dear Sir:

He are very grateful that you forwarded a copy of Order R-111-A to this effice. We will mise every attempt to prepare the messeery material requested in Section EX (2) and (3); but due to the fact that the thirty day period of time running from the presulgation of this erfer will run out gains shortly, the maps may be a little late getting to your office.

Nould you please forward to this office two additional espies of this erior.

Fours very truly,

HATTORAL PARIGINA UNION SURVICE CONFIDENCE

Charles F. Brewnen General Manager

GRC:dag

cc: Kerr-McGee Oil Industries, Inc.

Sent 11 grass

Can 046

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

June 16, 1955

MERCHANDOM

The morting scheduled for Nothe at 1:30 p.m. on June Mist of the potent-cil commistee has been changed to Makey Hall, State Capital, Santa Fo, New Mexico, at 2:00 p.m. Houstain Daylight Time, June 21st.

Mr. P. O. Mavie Vice Precident & Tressurer Potack Company of America Carlebad, New Mexico

Hr. Hervey E. Tatos P.O. Box 397 Artesia, New Mexico

Mr. C. A. Aromi, Jr., Honager International Minerals & Chemical Corp. n Hyloton Continued, Nov Mentico

Kr. Ernest A. Hanson P.O. Ben 652 Roosell, New Mexico (Alternate)

Nr. Neutri Jennings P.O. Nex 450 homell, Nov Herico

Yours very truly,

W. B. Masey Secretary - Director

Milita ber

CG:Nr. Fred Namey N.M. Oli & Gas Assec. P.O. Sex 1291 Reswell, New Mexico

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

Hr. Robert S. Pulton U.S.G.S. P.O. Box 829 Carlobed, New Hexico

Hr. Charles F. Brannen Mr. A. L. Porter National Parmers Union 1575 Sherman Street Denver 3, Colorado

O.C.C. Bex 2045 Hebbs, New Mexico Mr. L. A. Hencen O.C.C. 321 Carpor Bldg. Artesia, New Mexico

