

Entered April 9, 1979
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6495
Order No. **R-111-K**

APPLICATION OF AMAX CHEMICAL
CORPORATION FOR THE EXTENSION
OF THE POTASH-OIL AREA, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 14, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. **Nutter.**

NOW, on this 9th day of April, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, **Amax** Chemical Corporation, seeks
an extension of the Potash-Oil Area as defined in Order No.
R-111-A, as amended, by the addition of the following described
lands in Eddy County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 23: **NE/4 SE/4**
Section 24: **SE/4 NE/4 and N/2 S/2**

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 1: **NW/4 NW/4, S/2 NW/4, SW/4,**
and S/2 SE/4
Section 4: **SE/4 NE/4**
Section 5: **W/2 NW/4 and NW/4 SW/4**
Section 6: **SE/4**
Section 7: **NE/4 NW/4**
Section 11: **S/2 N/2 and E/2 SE/4**
Section 12: **All**
Section 13: **All**

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPPM (continued)

Section 14: E/2 E/2
Section 19: W/2 and SE/4
Section 20: SW/4, N/2 SE/4, and SW/4 SE/4
Section 23: N/2 NE/4
Section 24: N/2 N/2
Section 29: NE/4 NW/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPPM

Section 7: All
Section 8: W/2
Section 17: W/2
Section 18: All
Section 19: N/2

(3) That the evidence establishes that although certain of the lands described in Finding No. (2) above are barren of commercial potash mineralization, certain remaining lands do contain commercial deposits of potash which may reasonably be recovered in commercial quantities.

(4) That the following described lands comprise those lands which, according to the evidence, contain commercial deposits of potash:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPPM

Section 24: N/2 SW/4 and NW/4 SE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPPM

Section 4: SE/4 NE/4
Section 5: SW/4 NW/4 and NW/4 SW/4
Section 6: E/2 SE/4
Section 11: E/2 SE/4
Section 12: SE/4 NW/4 and SW/4
Section 13: W/2
Section 14: E/2 E/2
Section 20: NE/4 SW/4, N/2 SE/4, and SW/4 SE/4
Section 23: N/2 NE/4
Section 24: NW/4 NW/4

(5) That, based upon the evidence submitted at the hearing, it is not established that certain of the lands sought to be included in the Oil-Potash Area contain commercial deposits of potash; that the application for inclusion of said lands in the Oil-Potash Area should be denied; and that said lands are described as follows:

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TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 23: NE/4 SE/4
Section 24: SE/4 NE/4 and NE/4 SE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 1: NW/4 NW/4, S/2 NW/4, SW/4,
and S/2 SE/4
Section 5: NW/4 NW/4
Section 6: W/2 SE/4
Section 7: NE/4 NW/4
Section 11: S/2 N/2
Section 12: W/2 NW/4, NE/4 NW/4, and E/2
Section 13: E/2
Section 19: W/2 and SE/4
Section 20: W/2 SW/4 and SE/4 SW/4
Section 24: NE/4 NW/4 and N/2 NE/4
Section 29: NE/4 NW/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 7: All
Section 8: W/2
Section 17: W/2
Section 18: All
Section 19: N/2

(6) That in order to promote the orderly development of the natural resources in the potash-oil area, and prevent waste and protect correlative rights, Order No. R-111-A, as amended, should be further amended to include in the Potash-Oil Area, as defined by said order, the lands described in Finding No. (4) above.

IT IS THEREFORE ORDERED:

(1) That Order No. R-111-A, as amended, is hereby further amended to include the following-described lands within the Potash-Oil Area in Lea and Eddy Counties, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 24: N/2 SW/4 and NW/4 SE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 4: SE/4 NE/4
Section 5: SW/4 NW/4 and NW/4 SW/4
Section 6: E/2 SE/4
Section 11: E/2 SE/4
Section 12: SE/4 NW/4 and SW/4
Section 13: W/2
Section 14: E/2 E/2
Section 20: NE/4 SW/4, N/2 SE/4, and
SW/4 SE/4
Section 23: N/2 NE/4
Section 24: NW/4 NW/4

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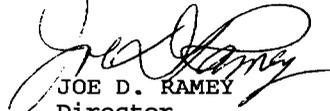
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(2) That the application of **Amax** Chemical Corporation to include in the Potash-Oil Area, as defined by Order No. R-111-A, as amended, the lands described in Finding No. (5) of this order is hereby denied.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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