

Entered April 15, 1980
JAP

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. 6838
Order No. R-111-N

APPLICATION OF AMAX CHEMICAL
CORPORATION FOR THE AMENDMENT OF
ORDER NO. R-111-A, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 26, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. **Stamets**.

NOW, on this 15th day of April, 1980, 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 30 EAST, NMPM

Section 11: S/2 NE/4

Section 12: NE/4, W/2 SE/4, NE/4 SE/4,
and SW/4 NW/4

Section 13: NE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 7: NW/4

Section 18: W/2 NW/4 and NW/4 SW/4

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(3) That the evidence establishes that although a small percentage of the lands described in Finding No. (2) above contain only marginal potash mineralization, most of the lands do contain commercial deposits of potash which may reasonably be recovered in commercial quantities.

(4) That, based upon the evidence submitted at the hearing, it is not established that the E/2 NE/4 of Section 7, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico, contains commercial deposits of potash and the application for inclusion of said lands in the Oil-Potash Area should be denied.

(5) 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. (2) above with the exception of 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 Eddy County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 11: S/2 NE/4
Section 12: NE/4, W/2 SE/4, NE/4 SE/4
and SW/4 NW/4
Section 13: NE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 7: W/2 NW/4
Section 18: W/2 NW/4 and NW/4 SW/4

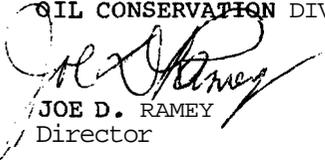
(2) That the application of **Amax** Chemical Corporation to include in the Potash-Oil Area, as defined by Order No. R-111-A, as amended, the lands described in Finding No. (4) of this order is hereby denied.

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

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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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