

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 36

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

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)
COUNTY OF BERNALILLO) SS.

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

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

August 18, 1955

IN THE MATTER OF:

CASE NO. 935, 278, 889, 890
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.

Before:

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

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

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 Che-
mical Corporation for extension of Area "A"
of the potash-oil area in Eddy County, as de-
fined 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 cre-
ation 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 extensin:
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

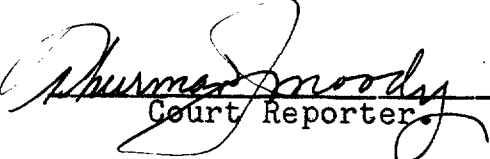
Cases 889, 890, 891, 926, 927 and 935, that they will be continued unill next month pending issuance of the Revised Potash Oil Rules in Case 278.

* * *

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

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.


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 3-6691
ALBUQUERQUE, NEW MEXICO

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.

* * * * *

[illegible]

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.

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

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
R-111 issued in Case 278.

Case 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 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 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 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 potash-oil
area in Eddy County, as defined by Order
R-111 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-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.

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