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Case 933  
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July 23, 1955

AIR MAIL

Oil Conservation Commission,  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Secretary

In re: Application of National Potash Company  
for extension of Area "A" under  
Order R-111.

Gentlemen:

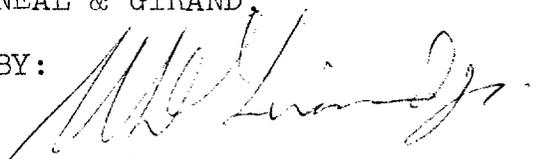
I am enclosing herewith, in triplicate, application of the National Potash Company for an extension of Area "A" under Order R-111 covering certain lands located in Lea County, New Mexico.

We respectfully request that this application be heard at the August hearing at the same time the other potash applications are presented.

With best personal regards.

Very truly yours,

NEAL & GIRAND,

BY: 

G/cl  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION OF NATIONAL POTASH COMPANY FOR THE EXTENSION OF AREA "A" WITHIN THE AREA DESIGNATED BY THE COMMISSION AS THE POTASH OIL AREA IN LEA AND EDDY COUNTIES, NEW MEXICO, AS DEFINED BY ORDER R-111 ENTERED IN CASE NO. 278 DATED NOVEMBER 9, 1951, TO INCLUDE THE FOLLOWING DELINEATED AREA, TO-WIT: ALL OF SECTIONS 3, 4, 7, 8, 9 AND THE WEST HALF OF SECTION 10 AND ALL OF SECTIONS 17, 18, 19, 20 AND 30, TOWNSHIP 20 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO.

COMES NOW National Potash Company, by and through its attorneys, Neal & Girard, Hobbs, New Mexico, and files this its application for the extension of Area "A" within the area designated as the Potash Oil Area in Lea and Eddy Counties, New Mexico, as defined by Order R-111 entered in Case No. 278 and for cause would show:

1. The National Potash Company is the owner and holder of potassium mining leases and permits issued by the United States and the State of New Mexico covering the following described lands, to-wit:

All of Sections 3, 4, 7, 8, 9 and the West Half of Section 10 and all of Sections 17, 18, 19, 20 and 30, all located in Township 20 South, Range 32 East, Lea County, New Mexico.

That in addition to the lands above described the applicant is the owner of valid potassium mining leases, permits and options from the United States and the State of New Mexico covering other lands adjacent and contiguous to the lands more particularly described

above; in all having under its control as lessee, permittee, or optionee approximately 19,000 acres of land located in Lea and Eddy Counties, New Mexico, all located within the area presently designated as the "B" area of the Potash Oil Area of Lea and Eddy Counties, New Mexico, as defined by Order R-111.

2. Applicant, National Potash Company, would further show to the Commission in support of this application that at the present time it is engaged in sinking two shafts of approximately 1,800 feet in depth, said shafts located in Section 18, Township 20 South, Range 32 East, Lea County, New Mexico, and has at the present time spent and obligated itself to spend \$13,500,000.00 in the development of their mining properties; and in this connection it is believed that expenditures in excess of \$20,000,000.00 will have been made before actual mining operations have been commenced.

3. Applicant, National Potash Company, would further show to the Commission that in order to warrant the investment it has committed to this project, the area set out in Paragraph 1 hereof should be established "A" area under Order R-111 so that the company can be protected in its investment costs.

4. Applicant, National Potash Company, would further show that all of the area set out in Paragraph 1 hereof has been proven to contain ore deposits meeting the minimum requirements of the United States Geological Survey in that the deposits underlying said lands exceed the minimum of four feet of 14% ore.

5. Applicant, National Potash Company, would further show the Commission that it is anticipated that the actual production of ore from said mine will commence in the early part

of 1957 and that the area set out in Paragraph 1 hereof will be developed within five years from the actual commencement of mining operations.

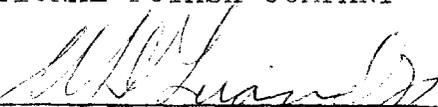
6. Applicant, National Potash Company, would further show this Commission that unless the area described in Paragraph 1 hereof is designated an "A" area, that applicant, the State of New Mexico and the United States will and can suffer great and irreparable injury and loss by the unregulated development of said area as an oil and gas area.

WHEREFORE applicant, National Potash Company, prays that this application be set down for hearing and upon the hearing thereof, the Commission enter its order designating Sections 3, 4, 7, 8, 9 and the West Half of Section 10 and all of Sections 17, 18, 19, 20 and 30, all located in Township 20 South, Range 32 East, Lea County, New Mexico as an "A" area under Order R-111.

Respectfully submitted,

NATIONAL POTASH COMPANY

BY

  
W. D. Girand, Jr., of the firm  
of Neal & Girand, Hobbs, New  
Mexico, Attorneys for Applicant