

E

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

ss.

C E R T I F I C A T E

I, E. S. Johnny Walker, duly elected, qualified and acting Commissioner of Public Lands in and for the State of New Mexico, do hereby certify that the attached and foregoing photostatic copy of M-873, dated April 24, 1939, is a full, true and complete copy of the original thereof as it appears on file in the State Land Office.

IN WITNESS WHEREOF, I have hereunto set my hand and Seal of Office on this 19th day of March, 1964.

E. S. Johnny Walker
E. S. JOHNNY WALKER
Commissioner of Public Lands

APPROX 1960	
OIL COMMISSIONER'S OFFICE	
Santa Fe, New Mexico	
PCA	Exhibit No. <i>E</i>
Case No.	<i>3029</i>

To: Files
From: D. E. Proke

Date: April 8, 1957
Subject: STATE LEASE M-873

1952 AUG
RECEIVED
STATE LAND OFFICE
SANTA FE, N.M.

Aug 3 '62
ACREAGE AS OF 4-25-57

	<u>Acres</u>
Twp. 19-S., Rge 29 E.:	
Sec. 23 - All ✓	640.00
Sec. 24 - All ✓	640.00
Sec. 25 - All ✓	640.00
Sec. 26 - All ✓	640.00
Sec. 36 - All ✓	640.00
Twp. 19-S., Rge 30 E.:	
Sec. 32 - All ✓	640.00
Sec. 36 - All ✓	640.00
Twp. 20-S., Rge 29 E.:	
Sec. 4 - All ✓	643.76
Twp. 20-S., Rge 30 E.:	
Sec. 2 - N1/2, W1/2 SW1/4, E1/2 SE1/4 ✓	480.72
Sec. 16 - All ✓	640.00
Sec. 17 - All ✓	640.00
Sec. 18 - All ✓	636.88
Sec. 19 - All ✓	637.84
Sec. 20 - NW1/4 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 ✓	160.00
Twp. 22-S., Rge 29 E.:	
Sec. 17 - All ✓	640.00

EDDY COUNTY TOTAL ~~8,250.00~~ 8,319.20

Amended by State Land Office April 1957

April 8, 1957

ACREAGE AS OF 4-25-57

1952 AUG
 RECEIVED OFFICE
 STATE LAND F.E.N.M.
 SANTA FE, N.M.

Acres

Twp. 19-S., Rge 33 E.:

Rel. March 29 1960

~~Sec. 33 - S1/2 NW1/4~~~~360.00~~

Sec. 36 - N1/2, NE1/4 SE1/4

360.00

~~Twp. 19-S., Rge 34 E.:~~

Rel. March 29 1960

~~Sec. 32 - All~~~~640.00~~

Twp. 20-S., Rge 34 E.:

Rel. March 29 1960

~~Sec. 2 - All~~~~640.00~~

Sec. 16 - All

640.00

Sec. 32 - N1/2, SE1/4, NE1/4 SW1/4

520.00

Twp. 21-S., Rge 33 E.:

Sec. 1 -	All except S1/2 ✓	640.12
Sec. 2 -	All except S1/2 ✓	640.56
Sec. 3 -	All except S1/2 ✓	638.52
Sec. 4 -	All except S1/2 ✓	638.58
Sec. 5 -	Lots 3, 4, 5, 6, 11, 12, 13 & 14 ✓	318.08
Sec. 6 -	Lots 9, 10, 11, 12, 13, 14, 15 & 16 ✓	305.92
Sec. 7 -	All ✓	622.84
Sec. 8 -	W1/2 ✓	320.00
Sec. 9 -	All ✓	640.00
Sec. 10 -	All ✓	640.00
Sec. 11 -	All ✓	640.00
Sec. 12 -	All ✓	640.00
Sec. 13 -	All ✓	640.00
Sec. 14 -	All ✓	640.00
Sec. 15 -	All ✓	640.00
Sec. 16 -	All ✓	640.00
Sec. 17 -	W1/2 ✓	320.00
Sec. 18 -	S1/2 ✓	311.87
Sec. 19 -	All ✓	624.24
Sec. 20 -	All ✓	640.00
Sec. 21 -	All ✓	640.00
Sec. 22 -	All ✓	640.00
Sec. 23 -	All ✓	640.00
Sec. 24 -	All ✓	640.00
Sec. 25 -	NE1/4, E1/2 NW1/4, SW1/4 NW1/4, SW1/4, W1/2 SE1/4, and SE1/4 SE1/4 ✓	560.00
Sec. 26 -	All ✓	640.00
Sec. 27 -	All ✓	640.00

April 8, 1957

ACREAGE AS OF 4-25-57.

STATE LAND OFFICE
SANTA FE COUNTY, N.M.
LEASE

Twp. 21-S., Rge 33 E. :

	<u>Acres</u>
Sec. 28 - S1/2, NE1/4, W1/2 NW1/4, SE1/4 NW1/4 ✓	800.00
Sec. 29 - All ✓	640.00
Sec. 30 - All ✓	624.58
Sec. 31 - All ✓	625.08
Sec. 32 - All ✓	640.00
Sec. 35 - All ✓	640.00
Sec. 36 - All ✓	640.00

Twp. 21-S., Rge 34 E. :

Sec. 5 - All ✓	958.78
Sec. 6 - All ✓	947.10
Sec. 7 - All ✓	633.36
Sec. 8 - All except NE1/4 SE1/4 ✓	600.00
Sec. 17 - All ✓	640.00
Sec. 18 - All ✓	633.88
Sec. 19 - All ✓	634.44
Sec. 20 - All ✓	640.00
Sec. 29 - All ✓	640.00
Sec. 30 - All ✓	635.16
Sec. 31 - All ✓	638.00
Sec. 32 - All ✓	640.00

Twp. 22-S., Rge 33 E. :

Sec. 5 - N1/2 ✓	320.20
Sec. 6 - N1/2 ✓	312.83

LEA COUNTY TOTAL ----- 30,338.08 ~~31,701.28~~
 EDDY COUNTY TOTAL ----- 8,319.20 ~~8,859.20~~

TOTAL 38,657.28 ~~40,560.48~~

M.I.

Lease No. M-873

Application No. M-873

POTASH MINING LEASE

(Under Act Approved March 12, 1929)

THIS INDENTURE OF LEASE entered into in duplicate this 24th day of April, 1939, by and between the State of New Mexico acting in this behalf by FRANK WORDEN, its Commissioner of Public Lands, party of the first part and hereinafter called the Lessor, and HOMER H. HARRIS of the City and County of Denver, State of Colorado, party of the second part and hereinafter called the Lessee, under, pursuant and subject to the terms and provisions of Chapter 140 of the Session Laws of the New Mexico Legislature of 1929, and hereinafter referred to as the Act, all of the provisions of said statute being hereby made a part hereof.

W I T N E S S E T H:

SECTION 1. THAT WHEREAS, the said Lessee has filed in the State Land Office an application for a lease for the exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds upon the lands hereinafter described and has tendered the sum of Nine Hundred Sixty-four & No/100 (\$964.00)-----Dollars as the first annual rental thereon, together with the sum of \$5.00 application fee, evidenced by official receipt No. _____.

NOW, THEREFORE, in consideration of the said above tender, receipt whereof is hereby confessed and

acknowledged, and of the rents and royalties to be paid and the covenants to be observed as herein set forth, the Lessor does hereby grant, demise, lease and let to the Lessee exclusively for the sole and only purpose of exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds in, upon and under the following described land situated in the County of Eddy, State of New Mexico, and more particularly described as follows, to-wit:

<u>Subdivision.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Acres.</u>
✓ All of	✓ 23	19S	29E	640
✓ All of	✓ 24	19S	29E	640
✓ All of	✓ 25	19S	29E	640
✓ All of	✓ 26	19S	29E	640
✓ N 1/2	✓ 36	19S	29E	320
✓ NW 1/4 NW 1/4	✓ 25	19S	30E	40
✓ All of	✓ 32	19S	30E	640
✓ S 1/2	✓ 36	19S	29E	320
✓ All of	✓ 2	20S	29E	643.76
✓ All of	✓ 16	20S	30E	640
✓ All of	✓ 17	20S	30E	640
✓ All of	✓ 18	20S	30E	636.88
✓ All of	✓ 19	20S	30E	637.84
✓ NW 1/4 NW 1/4	✓ 20	20S	30E	40
✓ NE 1/4 SW 1/4	✓ 20	20S	30E	40
✓ S 1/2 SW 1/4	✓ 20	20S	30E	80
✓ All of	✓ 36	20S	28E	640
✓ All of	✓ 32	19S	31E	640
✓ All of	✓ 36	19S	30E	640
✓ N 1/2, W 1/2 SW 1/4, E 1/2 SE 1/4	2	20S	30E	480.72

containing 9,639.20 acres, more or less, together with the right to construct and maintain thereon all works, buildings, plants, waterways or reservoirs necessary to the full enjoyment thereof, including the right to drill,

maintain and operate water wells on said lands and to produce and use the water therefrom; provided, that this lease shall extend only to and include any right or interest in the lands or the minerals therein reserved to the State of New Mexico under contract of purchase or deed heretofore or hereafter issued with a reservation of the minerals therein to said State.

TO HAVE AND TO HOLD the said lands and all rights and privileges granted hereunder for a term of ten years and as long thereafter as the said minerals or any of them in paying quantities shall be produced from the leased lands.

SECTION 2. In consideration of the premises, the Lessee hereby agrees as follows, to-wit:

(a) Within twelve (12) months from date hereof, unless extension be granted, to begin actual drilling upon some portion of the leased lands with machinery and equipment suitable for taking and preserving a core of salt formation, and to continue such drilling with reasonable diligence until a depth of 1800 feet shall be reached or the formations containing the minerals hereinabove mentioned shall have been completely penetrated and satisfactory evidence thereof furnished the Lessor by the Lessee. Provided, however, that where deposits of said minerals are so situated that prospecting work may be effectually carried on by shafts, tunnels, open cuts or in any manner otherwise than by drilling test wells, such prospecting work may be accepted by the Lessor, in lieu of the drilling of a well or wells as herein provided.

(b) Upon the completion of the first well, as hereinabove provided for, to drill at least one such test well to completion on the said premises during each and every year thereafter during the ten year primary term of this lease or until the number of wells completed shall equal the number of sections of land of 640 acres each contained in this

lease, a minor fraction of such a section to be disregarded and a major fraction to be treated and regarded as a full section for the purpose of this paragraph. Provided, however, that where conditions existent on the lands may justify, exploratory work other than by the drilling of wells may be accepted in lieu of such drilling upon proper showing thereof made by the Lessee.

(c) To pay to the Lessor annually in advance on the successive anniversary dates of this lease the sum of ten cents (10¢) per acre for each and every acre of land as to which the lease may be in force when such payment shall become due, such rental payments to continue so long as this lease shall remain in force. Provided, however, that the annual rental on this lease shall not in any case be less than one hundred (\$100.00) dollars to be paid in cash.

(d) To pay to the Lessor a royalty of five per cent of the value of the minerals produced hereunder, such royalty to be computed upon the value of said minerals delivered at the nearest or most accessible railroad shipping point; all such royalty provided for herein expressly reserved to the Lessor as provided by statute.

(e) Rentals and royalties due the State shall constitute a first lien on any and all improvements on the land leased, prior and superior to any other lien or encumbrance whatsoever whether created with or without notice of the lien for rental or royalties due or to become due.

(f) To furnish monthly certified statements in detail in such form as may be prescribed by the Lessor, of the amount and value of output from the leasehold delivered at the nearest or most accessible railroad shipping point, as a basis for determining the amount of royalties, and to permit at all reasonable times the inspection by the Lessor or his duly authorized agent of all books and accounts of the Lessee relating thereto, it being a condition of this grant that falsification of any such statements, records, books or accounts by the Lessee shall be deemed and taken as sufficient ground for cancellation of this lease.

(g) To furnish the Lessor annually a map showing all prospecting and development work

on the leased lands and other related information, together with a report showing all buildings, structures and workings placed thereon, and a complete statement of the amount of potassium and other minerals produced and saved by Lessee's operations hereunder.

(h) If said minerals or any of them in commercially paying quantities shall be discovered on the lands embraced herein, to develop and produce in commercial quantities with reasonable diligence the potassium and other mineral deposits susceptible of such production; to carry on all mining, reducing, refining and other operations in a good and workmanlike manner in accordance with approved methods and practice, having due regard to the health and safety of employees, the prevention of waste and the preservation and conservation of the property for further productive operations, and to observe all state laws relative to the health and safety of such employees, all mining and related productive operations to be subject to inspection by the Lessor or his duly authorized agent and by other duly constituted state authority.

(i) To deliver to the Lessor upon the termination of this lease as a result of forfeiture or otherwise, the lands covered hereby including all fixtures and improvements other than structures, buildings, derricks, machinery, equipment, tools and personal property located and used above ground and other than pumps, engines, air compressors, dynamos, motors, cars and other similar appliances used underground situated on any of said lands, in good order and condition so as to permit of immediate continued operation to the full extent and capacity of the leased premises. Provided, that upon such termination of the lease the Lessee shall have ninety days from such termination to remove such machinery, tools, equipment and personal property from the leased premises if free from a state lien; and all such property shall become the property of the Lessor if not so removed within said period of ninety days or within such extension of time as may be granted by the Lessor.

(j) To pay when due all taxes lawfully assessed and levied under the laws of the State of New Mexico upon the improvements, output of mines and other rights, property and assets of the Lessee.

(k) To comply with all statutory requirements where the surface of the lands embraced herein has been or may be leased, sold or otherwise disposed of under State laws reserving to the State of New Mexico the mineral deposits therein contained.

(l) Not to assign or sublet the premises covered hereby without the written consent and approval of the Lessor.

(m) To take and preserve a core of all formations penetrated by any test well containing any of the minerals mentioned in Section 1 hereof, one-quarter of such core to be the property of the Lessor and the Lessee further agrees to furnish the Lessor promptly copies of any and all analysis made by or for the Lessee of cores taken from test wells drilled on the leased premises, and copies of analysis of samples of minerals mined therefrom upon demand of the Lessor.

(n) Before commencing operations hereunder to furnish the Commissioner of Public Lands a good and sufficient bond in the penal sum of not to exceed ten thousand (\$10,000.00) dollars conditioned upon the faithful performance by the Lessee of all and singular, the terms and conditions of this lease, and keep such bond in force and effect so long as Lessee's operations shall continue under the terms hereof.

SECTION 3. The Lessor hereby expressly reserves:

(a) The right to permit for joint or several such easements and rights of way upon, through or in the lands hereby issued as may be necessary or appropriate to the use or disposal of the lands for purposes other than the purpose of this lease, and the right to dispose of the surface of the said lands under the laws of the State of New Mexico now existing or hereafter enacted, insofar as said surface is not necessary or required for use of the Lessee in extracting and removing the potash and other mineral deposits therein contained. And the Lessor further expressly reserves the right to lease the said lands for minerals other than those described in Section 1 hereof, but the working of said lands under such lease, for such other minerals shall not be permitted where such operations will prevent or materially interfere with the operations of the Lessee hereunder.

SECTION 4. The Lessee may at any time, by paying to the Lessor all amounts then due the Lessor as provided herein and the further sum of ten and no/100 (\$10.00) dollars surrender and cancel this lease insofar as the same covers all or any portion of the land herein leased, and be relieved from further obligations or liabilities hereunder as to the lands surrendered. Provided, that all wages or monies due and payable to the workmen employed by the Lessee shall have been paid and that a satisfactory showing is made to the Lessor that all creditors or others having an interest in or lien or claim against the Lessee are fairly and equitably protected, but in no case shall such termination be effective until the Lessee shall have made adequate provision for the preservation of any mines, productive works and permanent improvements on the lands covered hereby; and provided further that this surrender clause and the option herein reserved to the Lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the Lessor, Lessee or any assignee to enforce this lease or any of its terms, expressed or implied.

SECTION 5. If the Lessee shall fail to comply with the provisions of this lease or make default in the performance or observance of any of the terms, covenants and stipulations herein, and such default shall continue for thirty days after service of written notice thereof by the Lessor, then the Lessor may and he is hereby ex-

pressly authorized to declare a forfeiture and cancellation of this lease. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture or for the same cause occurring at any time in the future.

SECTION 6. It is expressly understood and agreed that all of the obligations, covenants, agreements, rights and privileges of this lease shall extend to and be binding upon and inure to the benefit of the lawful assigns or successors in interest of the parties hereto.

IN WITNESS WHEREOF, The party of the first part has hereunto signed and caused its name to be signed by its Commissioner of Public Lands, thereunto duly authorized, with the seal of his office affixed, and the Lessee has signed this instrument the day and year first above written.



STATE OF NEW MEXICO

By Frank Worden
Commissioner of Public Lands.

James H. Ham

STATE OF NEW MEXICO)

COUNTY OF _____)

SS.

Upon this _____ day of _____, 1939,
personally appeared before me FRANK WORDEN, to me known to
be the person described therein and who executed the above

and foregoing instrument, and acknowledged that he executed the same as Commissioner of Public Lands of the State of New Mexico as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires _____.

Notary Public.

STATE OF COLORADO)
CITY AND :
COUNTY OF DENVER)

Upon this 15th day of March, 1939, personally appeared before me HOMER H. HARRIS, to me known to be the person described therein and who executed the above and foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires January 15, 1942.

Louise Hatfield
Notary Public.



F

CERTIFICATION

I, E. S. Johnny Walker, duly elected, qualified and acting Commissioner of Public Lands in and for the State of New Mexico, do hereby certify that the attached and foregoing photostatic copy of Assignment of State Potash Lease M-873 from Homer H. Harris to Potash of America dated August 7, 1952, is a full, true and complete copy of the original thereof as it appears on file in the State Land Office.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of Office on this the 14th day of April, 1964.

E. S. Walker
E.S. JOHNNY WALKER,
Commissioner of Public Lands

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
PCA Exhibit No. F
3029

MINING
ASSIGNMENT OF STATE POTASH / LEASE

KNOW ALL MEN BY THESE PRESENTS:

Homer H. Harris and
 THAT Georgine Harris, his wife, for and in consideration of the sum
 of One Dollar(\$1.00) in hand paid, the receipt of which is hereby
 acknowledged and for other good and valuable considerations, do
 hereby sell, assign, transfer and set over unto Potash Company of America,
 hereinafter called the Assignee, that certain Potash Mining
 Lease made and executed by the State of New Mexico, through its
 Commissioner of Public Lands as Lessor, unto Homer H. Harris
 as Lessee, bearing the date of April 24, 1939 ~~xxxxx~~
 together with amendments dated Feb. 6, 1940 & May 27, 1949, being
 designated as Potash mining lease No. M-873 ~~xxxxxxxxxxxxxxxx~~
 and embracing the lands more particularly
 described as follows:

Subdivision	Sec.	Twp.	Rge.	Acres
✓✓ All of	23	19S	29E	640 -
✓✓ All of	24	19S	29E	640 -
✓✓ All of	25	19S	29E	640 -
✓✓ All of	26	19S	29E	640 -
✓✓ N 1/2	36	19S	29E	320 -
✓ NW 1/4 NW 1/4	25	19S	30E	40 -
✓✓ All of	32	19S	30E	640 -
✓✓ S 1/2	36	19S	29E	320 -
✓✓ All of	2	20S	29E	643.76 -
✓✓ All of	16	20S	30E	640 -
✓✓ All of	17	20S	30E	640 -
✓✓ All of	18	20S	30E	636.88 -
✓✓ All of	19	20S	30E	637.84 -
✓ NW 1/4 NW 1/4	20	20S	30E	40 -
✓ NE 1/4 SW 1/4	20	20S	30E	40 -
✓ S 1/2 SW 1/4	36	20S	30E	80 -
✓ All of	36	20S	28E	640 - <i>Case 4-16-53</i>
✓ All of	32	19S	31E	640 -
✓ All of	36	19S	30E	640 -
✓ N 1/2, W 1/2 SW				
✓ 1/4, E 1/2 SE				
✓ 1/4	2	20S	30E	480.72 -

containing 9,639.20 acres, more or less.

Subdivision	Sec.	Twp.	Rge.	Acres
✓✓ All	16	22S	29E	640.00 -
✓✓ All <i>Case</i>	2	22S	28E	641.02 <i>Case 4-16-53</i>
✓✓ All <i>Case</i>	16	22S	28E	640.00 ✓
✓✓ All <i>Case</i>	36	22S	28E	640.00 ✓
✓ N 1/2, SE 1/4,				
✓ NE 1/4 SW 1/4	2 <i>Case</i>	23S	28E	518.14 ✓

containing 3,079.16 acres, more or less.



Section	Acres	Value
38
39
40
41
42
43
44
45
46
47
48
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50
51
52
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56
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58
59
60

The Assignee agrees to assume all obligations of the Assignor to the State of New Mexico insofar as said described lands are concerned and to pay such rentals and royalties and to perform such acts as are required by said lease, to the same extent and in the same manner as if the terms and provisions of said lease were fully set out herein. It is further agreed that the Assignee shall succeed to all rights, benefits and privileges granted the Lessee by the terms of said lease. This assignment is subject to any and all obligations of Lessee with respect to said lease which Assignee agrees to recognize and assume.

IN WITNESS WHEREOF, the Assignor has hereunto executed this assignment this 7th day of August, 1952

Louise H. Harris
Terrebonne Harris
 Assignor.

SUBSCRIBED AND SWORN TO BEFORE ME THIS 8 DAY OF Aug, 1952

Eduard Gillespie
 Notary Public.

My commission expires Nov. 14, 1955

APPROVED THIS 11th DAY OF August, 1952.

Guy Shepard
 Commissioner of Public Lands.

