

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION FOR THE PURPOSE
OF CONSIDERING THE APPLICATIONS OF YATES
PETROLEUM CORPORATION FOR AUTHORIZATION TO
DRILL, EDDY COUNTY, NEW MEXICO.

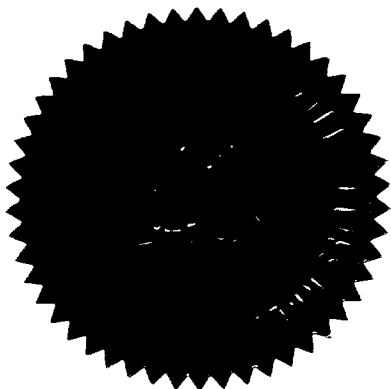
CASES NOS. 10446, 10447,
10448, and 10449
Orders Nos. R-9650-A, R-9651-A,
R-9654-B, and R-9655-B

ORDER GRANTING REHEARING

The Oil Conservation Commission grants the petition for rehearing of the captioned cases which was applied for by New Mexico Potash Company.

The Commission will set a date for a preliminary hearing to consider which issues will be heard.

DONE this 20th day of September, 1993.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

GARY CARLSON, Member

WILLIAM W. WEISS, Member

WILLIAM J. LEMAY, Chairman

OIL CONSERVATION DIVISION
RECEIVED

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

May 18, 1992

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: De Novo Applications/OCD Case Nos.
10446/Order R-9650, 10447/Order R-9651,
10448/Order R-9654, 10449/Order R-9655

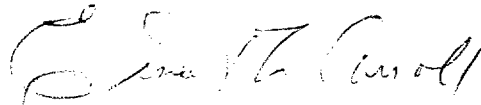
Dear Mr. LeMay:

I am enclosing herewith for filing an original plus two copies of Yates Petroleum Corporation's Response to Application for Rehearing.

Please return an endorsed copy to me for my file in the envelope provided. Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth

xc w/enc: Charles High
Randy Patterson
Tom Kellahin
James Bruce

LAW OFFICES
OIL CONSERVATION DIVISION
LOSEE, CARSON, HAAS & CARROLL, P.A.

ERNEST L. CARROLL
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'92 JUL 14 AM 9 20

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P. O. Box 2088
Santa Fe, New Mexico 87501

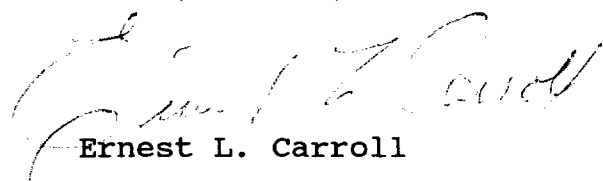
Re: De Novo Applications/OCD Case Nos.
10446/Order R-9650, 10447/Order R-9651,
10448/Order R-9654, 10449/Order R-9655

Dear Mr. LeMay:

I am enclosing herewith for filing an original plus two copies of Yates Petroleum Corporation's Renewed Request for Hearing. Please return an endorsed copy to me for my file in the envelope provided. Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth

xc w/enc: Charles High
Tom Kellahin
James Bruce
Randy Patterson

losee jcl

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FAX TRANSMITTAL DATE: 7/2/92

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

NAME: William J. Keenan

FIRM: _____

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SENDER: Ernest Carroll

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IF YOU DO NOT RECEIVE ALL THE PAGES INDICATED ABOVE,
PLEASE CALL US BACK AS SOON AS POSSIBLE AT:

(505) 746-3505 ASK FOR: Kandy

MESSAGE: Bob - give Ernie Carroll a
call and tell him we will schedule
the case after disposing of the
application for rehearing of the subpoena
order
Beel

NOTE: The information contained in this facsimile message is attorney/client privileged and confidential information intended only for use by the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivery to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is in error. If you have received this facsimile in error, please immediately notify us by collect telephone call and return the original message to us at the above address via the U. S. Postal Service.

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LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE

DEAN B. CROSS
MARY LYNN BOGLE

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P. O. DRAWER 239
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TELEPHONE
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TELECOPY
(505) 748-0310

July 2, 1992

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Applications of Yates Petroleum Corporation
for Permits to Drill, Eddy County, New
Mexico/OCD Case Nos. 10446, 10447, 10448,
10449

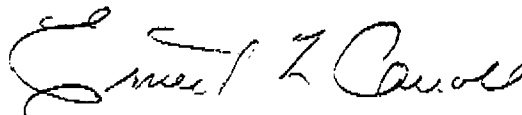
Dear Mr. LeMay:

Enclosed please find for filing an original and two copies of
Yates Petroleum Corporation's Request for hearing.

I have discussed available dates with Mr. High, who represents
New Mexico Potash. He advises me that he has trial settings
beginning the week of July 13th and July 20th, and has a vacation
scheduled the week of July 27th. He further advises me that the
month of August appears clear for him except for the dates of
August 14th through the 17th, with the best time being the weeks
beginning August 10th and August 24th. I have reviewed my own
calendar, and on the dates Mr. High indicated were clear, I am
also available. I would request that the hearing be set as soon
as practicable.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth
Enclosures

xc: Bob Stovall

xc w/encl: Charles High, Jr.
Randy Patterson

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
PERMITS TO DRILL, EDDY COUNTY,
NEW MEXICO.

APPLICATIONS FOR HEARINGS
de novo in CASE NOS.:

10446/Order R-9650
10447/Order R-9651
10448/Order R-9654
10449/Order R-9655

REQUEST FOR HEARING DATE

COMES NOW Yates Petroleum Corporation ("Yates"), as Applicant in the above-noted cases, and requests that the Oil Conservation Commission set a date for the continuation of the hearing de novo on said applications, and would respectfully state that, at the close of the initial hearing on May 22, 1992, in said cases the Commission indicated that, once it had ruled on New Mexico Potash Corporation's request to quash subpoenas issued at the request of Yates, said hearing should be set. On June 12, 1992, an order was issued by the Oil Conservation Commission denying New Mexico Potash Corporation's Motion to Quash, therefore, Yates requests that the hearing date be set.

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 

Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505)746-3505

Attorneys for Applicant, Yates Petroleum
Corporation

I hereby certify that I caused to be mailed a true and correct copy of the foregoing to all counsel of record this July 2, 1992.



Ernest L. Carroll



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

BRUCE KING
GOVERNOR
ANITA LOCKWOOD
CABINET SECRETARY

July 17, 1992

LOSEE, CARSON, HAAS & CARROLL
Attorneys at Law
P. O. Drawer 239
Artesia, New Mexico 88211-0239

RE: CASE NO. 10446, 10447, 10448, 10449
ORDER NO. R-9679-A

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene".

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM - Carlsbad
Charles High
A. J. Losee
Clinton Marrs
James Bruce
Tom Kellahin

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
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JAMES E. HAAS
A. J. LOSEE
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MARY LYNN BOGLE

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FAX TRANSMITTAL DATE: 7/13/92

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

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FIRM: _____

FAX NO. () 827-5741 FIRM NO. _____

SENDER: Ernest Carroll

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PLEASE CALL US BACK AS SOON AS POSSIBLE AT:

(505) 746-3505 ASK FOR: Kandy

MESSAGE: occ still has 20 days to
consider rehearing appl. after that time
has elapsed and if the occ order has not
changed by virtue of a rehearing, a date
will be set.

NOTE: The information contained in this facsimile message is attorney/client privileged and confidential information intended only for use by the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivery to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is in error. If you have received this facsimile in error, please immediately notify us by collect telephone call and return the original message to us at the above address via the U. S. Postal Service.

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LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

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P. O. DRAWER 239
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TELECOPY
(505) 746-6316

May 18, 1992

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: De Novo Applications/OCD Case Nos.
10446/Order R-9650, 10447/Order R-9651,
10448/Order R-9654, 10449/Order R-9655

Dear Mr. LeMay:

I am enclosing herewith for filing an original plus two copies of Yates Petroleum Corporation's Renewed Request for Hearing. Please return an endorsed copy to me for my file in the envelope provided. Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Ernest L. Carroll

ELC:kth

xc w/enc: Charles High
Tom Kellahin
James Bruce
Randy Patterson

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
PERMITS TO DRILL, EDDY COUNTY,
NEW MEXICO.

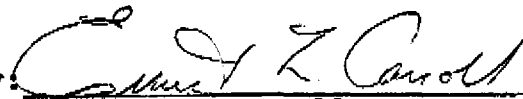
APPLICATIONS FOR HEARINGS
de novo in CASE NOS.:

- 10446/Order R-9650
- 10447/Order R-9651
- 10448/Order R-9654
- 10449/Order R-9655

RENEWED REQUEST FOR HEARING DATE

COMES NOW Yates Petroleum Corporation ("Yates"), as Applicant in the above-noted cases, and hereby renews its request that the Oil Conservation Commission set a date for the continuation of the hearing de novo on said applications, and would respectfully reiterate that, at the close of the initial hearing on May 22, 1992, in said cases the Commission indicated that, once it had ruled on New Mexico Potash Corporation's request to quash subpoenas issued at the request of Yates, said hearing should be set. On June 12, 1992, an order was issued by the Oil Conservation Commission denying New Mexico Potash Corporation's Motion to Quash, no action has been taken on New Mexico Potash's Application for Rehearing on said Motion, and ten days have passed since its filing, therefore, Yates once again requests that the hearing date be set.

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 
Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505)746-3505

Attorneys for Applicant, Yates Petroleum Corporation

I hereby certify that I caused to be mailed a true and correct copy of the foregoing to all counsel of record this July 13, 1992.



Ernest L. Carroll



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 27, 1992

New Mexico Potash Corp.
Attn: Mr. R. H. Lane
P. O. Box 610
Hobbs, NM 88240

Dear Mr. Lane:

The State Land Office reviewed data from your core hole #162, supplemented by your discussion of March 19 in this office. It is our conclusion that core hole #162 did encounter an economical accumulation of Sylvite. The quality of ore is such that the SE4 Section 2, Township 22 South, Range 31 East contains a commercial deposit.

We continue to feel that one test hole is not adequate to seal off a full Section of land and will continue to request justification for LMRs extended onto state land. Order No. R-111-P clearly states that we are entitled to the information used to identify an LMR (see G (a) line 12 and following) and shall request it in the future.

Counsel advises that chronology shall be a guide to decisions involving this section. Since the Buffer Zone in the N2 Section 2 is long established, no wells shall be drilled in the N2 without consent of potash lessee, unless R-111-P is changed. All existing wells and all wells permitted in the S2 Section 2 before this date are approved by the Commissioner. No further development will be approved by the Commissioner, unless there is a justifying change or abandonment of Order R-111-P.

Sincerely,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil, Gas and Minerals Division
(505) 827-5744



JB/FOP/dj

EXECUTIVE CORRESPONDENCE

3160 (067)

To Whom It May Concern:

This letter is in response to a subpoena for testimony from Tony J. Herrell, by Mr. Charles High of Kemp, Smith, Duncan, & Hammond, PC. Mr. Herrell will be allowed to present testimony on the following issues:

1. The grade of potash ore being mined in the basin.
2. The standards used by the Bureau of Land Management to determine if an area contains commercial grade potash.
3. If commercial grade ore exists in Section 2 of T.22S., R31E.

Mr. Herrell will only be allowed to testify as to matters of fact and not discuss departmental policy, regulations, or orders. Additionally, Mr. Herrell will not be allowed to reveal any proprietary information.

Sincerely

Richard L. Manus
Area Manager



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RETURN IT WITH THE FILE COPIES TO ORIGINATING OFFICE



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters

P.O. Box 1778

Carlsbad, New Mexico 88221-1778

3160 (067)

OCT 20 1992

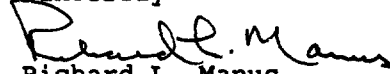
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Sincerely


Richard L. Manus
Area Manager



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

January 18, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

RE: CASES NOS. 10448 and 10449
Order No. R-9654-C/R-9655-C

Mr. Ernest Carroll
Losee, Carson, Haas & Carroll
Attorneys at Law
Post Office Drawer 239
Artesia, New Mexico 88211-0239

Dear Mr. Carroll:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD _____
Charles High
Clinton W. Marrs
Thomas Kellahin
James Bruce
William F. Carr

OIL CONSERVATION DIVISION
APR 20 1993

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P.A.

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ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

April 20, 1993

Chairman William LeMay
Commissioner Gary Carlson
Commissioner Bill Weiss
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Re: Case Nos. 10446, 10447, 10448, 10449; Consolidated

Dear Sirs:

On March 12, 1993, we submitted Yates Petroleum Corporation's Requested Findings of Fact, and the Commission took the four referenced consolidated cases under advisement for a decision. At the request of my clients, I am writing to apprise the Commissioners of the fact that the State of New Mexico oil and gas lease covering the SW/4 of Section 1 upon which the Flora No. 1 and Flora No. 2 wells have been proposed to be drilled will expire on August 1, 1993. There is no statutory provision to extend or suspend that expiration date except by production or continuous operations upon the lease. You will all recall that the drilling of the Flora No. 1 was actually commenced on April 16, 1992, and was drilled to a depth of 861' prior to the issuance of a stay, whereupon the drilling was ceased.

My client understands that this was one of the more complicated cases that has come before the Commission in recent times and involved many days of testimony and numerous exhibits, however, it is respectfully requested that, due to the pending expiration of the oil and gas lease on the SW/4 of Section 1 on August 1, 1993, the Commission expedite the rendering of a decision in this case.

Thank you in advance for your consideration to this request.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth

xc: Mr. Charlie High
Mr. Randy Patterson