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April 15, 1975

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AREA CODE 505

Willard B. Wagner, Jr., Esq.
The Superior Oil Company
Post Office Box 1521
Houston, Texas 77001

Re: Amax Chemical Corporation Application for
Extension of the Potash Area, CCC Case No. 5423

Dear Mr. Wagner:

C
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Y
Enclosed is a copy of New Mexico Oil Conservation Commission Order No. R-111-J, which extends the oil-potash area as requested by Amax.

I am also enclosing a copy of my letter to Mr. C. A. Feezer, attorney for Amax Chemical Corporation, which he has signed on behalf of Amax, agreeing that Amax will not object to any orthodox well location in the South half of any of the governmental sections in this area, being Sections 23 and 24, Township 19 South, Range 29 East, N.M.P.M.

We agreed to this with the concurrence of Mr. Parker, who said he had contacted the other companies involved. This appeared to be the best approach since Mr. George Warnock stated that if he were called upon to testify he would support the testimony presented by Amax as to the presence of mineable ore, and if pressed, would state that their approach was conservative and he would have included a larger area.

I am also enclosing the statement received from Mr. Warnock, together with our statement for services in connection with this matter. It is my understanding that Superior will take care of allocating the costs with Gulf and Southland Royalties. I am sending them copies of all papers together with a copy of this letter.

If you need anything further in connection with this matter, please let me know.

Sincerely,

JWK:ash
Enclosures

Jason W. Kellahin

cc: R. T. Robberson, Esq.
Mr. Raymond Parker
Charles C. Hainston, Esq.
Mr. Daniel P. Secker
w/ enclosures