

5. On March 14, 1979, Southland, Superior and Gulf appeared before the Division and actively opposed and resisted the approval of the Amax application.

6. On April 9, 1979, the Division approved and disapproved extension of the R-111A for certain lands within the general area of interest as more particularly described in Order No. R-111-K.

7. On April 12, 1979, Amax filed with the Division a Motion to Re-Open Case No. 6495 to offer newly discovered evidence with respect to the existence of commercial potash within the general area of interest, which Motion was subsequently withdrawn or superceded.

8. On April 18, 1979, Amax filed with the Oil Conservation Commission (Commission) an Application for De Novo Hearing in Case No. 6495 with respect to the existence of commercial potash within the general area of interest, which Application is pending determination before the Commission.

9. The Parties have engaged in good faith negotiations with respect to the initial development of oil and gas and potash within the general area of interest and have disclosed fully all information and data with respect to such mutual development.

#### Stipulation and Agreement

10. Amax agrees and stipulates to and will not oppose in any forum the use of surface locations in the general area of interest and the production of oil and gas at the following locations and in the following manner:

- a.) Southland location in the SE/4, SE/4, Section 11,  
Township 19 South, Range 29 East, N.M.P.M.,  
Eddy County, New Mexico.

- 1.) The general location is outside the present open-mine workings of Amax and Amax has