

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

APPLICATION OF SAPIENT ENERGY CORPORATION
FOR MODIFICATION OF DIVISION ORDER R-10432 TO
EXPAND THE AREA EXEMPT FROM THE SALT PROTECTION
STRING REQUIREMENTS OF DIVISION ORDER R-111-P TO
INCLUDE THE ENTIRE WEST TEAS (YATES-SEVEN RIVERS)
UNIT, LEA COUNTY, NEW MEXICO

CASE 12506

NOTICE OF APPEARANCE

Comes now Dan Morchouse, Superintendent of Engineering and Construction,
Mine Department, IMC Potash Carlsbad Inc (IMC), before the New Mexico Oil
Conservation Division in the above referenced case. IMC (formerly IMC Kalium
Carlsbad Potash Co.) is a potash operator holding potash leases in the area including all
of Section 8, Township 20 South, Range 33 East, NMPM.

Applicants state in paragraph 7 of their application that "the Unit Area ... lies
outside of any buffer zone" of LMR's in the area. This statement is incorrect. OCD
Order R-111-P provides that "a shallow well [even with a salt protection string] shall be
drilled no closer to the LMR than one-fourth (1/4) mile or 110% of the depth of the ore,
whichever is greater." The depth of proposed mining in this area is 2010 feet. Therefore
the buffer zone for shallow wells in this area is 2211 feet beyond the LMR. IMC's buffer
zone around its LMR includes significant portions of the W½W½ of Section 9, the
NW¼NW¼ of Section 16, and the N½N½ of Section 17. Salt protection strings are to
be installed on all wells in the Potash Area unless the "potash is either absent or non-

commercial.” Any wells drilled near IMC’s buffer zone should have salt protection strings.

IMC realizes the OCD allowed some of the area near these reserves to be drilled without salt protection strings in the past. However, further deletion of salt protection string requirements even nearer to IMC’s orebody must not be allowed. IMC objects to Sapient Energy Corporation’s application to expand the area exempt from the salt protection string requirements to the west of the areas previously allowed.