

(6) The requirement for a salt protection casing string is required within the "Potash Area" in order to protect commercial potash deposits from oil and gas activities where such activities would have the effect to reduce the total quantity of potash which may reasonably be recovered, and, in order to prevent the migration of methane gas from oil and gas bearing strata into potash mine workings.

(7) Within the affected area of this application, Mississippi Potash Inc. is the potash lessee of all of Section 16 (Potash Lease No. M-651-9), IMC Global Operations Inc. is the potash lessee of all of Section 8 (Potash Lease No. NM-013298-A), and New Mexico Potash Corporation is the potash lessee of the S/2 S/2 of Section 17 (Potash Lease No. M-19262-1). According to applicant's evidence and testimony, Sections 9 and 10 are currently unleased.

(8) By letter dated May 5, 1995, Mississippi Potash, Inc. advised the applicant that it objected to the drilling of the Federal "9" Well No. 7 without the salt protection casing string. In addition, by letter dated June 7, 1995, IMC Global Operations Inc. advised the applicant that it also objected to the drilling of the Federal "9" Well No. 7 without the salt protection casing string.

(9) Neither Mississippi Potash, Inc. or IMC Global Operations Inc. appeared at the hearing to present evidence and testimony in opposition to the application.

(10) Prior to the Oil Conservation Commission's adoption of Order No. R-111-P effective April 21, 1988, Sections 9, 10 and 16 were outside the boundaries of the "Potash Area" as described in Order No. R-111, as amended, and these wells would not have been subject to the casing and cementing requirements of that order.

(11) Order No. R-111-P expanded the "Potash Area" as described in Order No. R-111-O but further provided:

"Finding (22). Expansion of the R-111 area to coincide with the KPLA (Known Potash Leasing Area, established by the BLM) will bring under the purview of this order areas where potash is either absent or noncommercial and such areas should be granted less stringent casing, cementing and plugging requirements, at the discretion of the OCD district supervisor.", and