

Case No. 10858

Order No. R-10122

Page 2

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(4) Prior to the Commission's adoption of Order R-111-P effective April 21, 1988, Section 4 was outside the boundaries of the "Potash Area" as described in Order R-111, as amended, and these wells would not have been subject to the casing and cementing requirements of that order.

(5) Order R-111-P expanded the Potash Area as described in Order 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

"Decretory Paragraph C. (4) provides that "the Division's District Supervisor may waive the requirements of Section D and F (dealing with drilling, casing and plugging) which are more rigorous than the general rules upon satisfactory showing that a location is outside the Life of the Mine Reserves (LMR) and surrounding buffer zone as defined hereinbelow and that no commercial potash reserves will be unduly diminished."

(6) In accordance with Order R-111-P, Mitchell has notified the proper parties and the only timely filed objection was made by Mississippi Potash, Inc. on November 2, 1993, but was subsequently withdrawn on November 8, 1993. The applicant was the only party to appear at the hearing and there is no opposition to the granting of this application from any party in this matter.

(7) On September 20, 1993, the District Supervisor of the Division's Hobbs office advised Mitchell that he was referring Mitchell's request to the Division Director for hearing.

(8) Mitchell has taken the necessary action to amend its applications for permits to drill ("APD") to conform to the well plan submitted at hearing as Mitchell Exhibit (10) and except for the issue of waiving the "salt protection string," Mitchell believes that its APDs are ready for approval by the respective regulatory agency with the authority to grant those APDs.

(9) All of Section 4 (except for approximately 20 acres in the NE/4 NE/4) is identified as "Barren" of commercial potash on both the 1984 and 1993 Bureau of Land Management Potash Resources Map.

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