

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

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

*CASE NO. 11587*  
*ORDER NO. R-10645*

**APPLICATION OF PENWELL ENERGY, INC. FOR COMPULSORY POOLING  
AND A NON-STANDARD GAS PRORATION UNIT, EDDY COUNTY, NEW  
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of August, 1996, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Penwell Energy, Inc., seeks an order pooling all mineral interests from a depth of 4,000 feet to the base of the Morrow formation, underlying the following described acreage in Section 30, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and in the following manner: (a) Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) to form a non-standard 301.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated North Shugart-Atoka Gas Pool and Undesignated North Shugart-Morrow Gas Pool; (b) Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) to form a non-standard 150.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and, (c) the SE/4 NW/4 to form a standard 40-acre

oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at a standard location 1980 feet from the North and West lines (Unit F) of said Section 30.

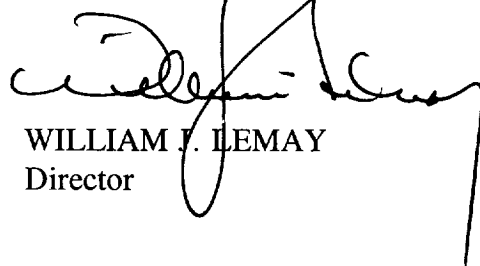
- (3) Prior to the hearing, the applicant requested this matter be dismissed.
- (4) Dismissal of this case should therefore be granted.

**IT IS THEREFORE ORDERED THAT:**

Case No. 11587 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

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