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June 28, 1996

HAND-DELIVERED

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505 ILIN 2 & 1996

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Re: Application of Penwell Energy, Inc. for Compulsory Pooling, Lea County,

New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Penwell Energy, Inc. in the above-referenced case as well as a copy of a legal advertisement. Penwell Energy, Inc. respectfully requests that this matter be placed on the docket for the July 25, 1996 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mark Wheeler (w/enclosures)

Penwell Energy Inc. 1100 ARCO Building

600 Marienfeld

Midland, TX 79701

CASE ____:

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Bone Springs formation underlying the SW/4 SW/4 of Section 8, Township 23 South, Range 32 East. Applicant proposes to dedicate this pooled unit to its Tomcat 8 Federal Well No. 1 to be drilled at a standard location 430 feet from the South line and 330 feet from the West line in Unit M of said Section 8 to test any and all formations to the base of the Bone Springs formation, Sand Dunes-Bone Springs Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately miles _____ of _____, New Mexico.

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Till Conservation Division