

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. 11619

APPLICATION OF PENWELL ENERGY, INC. FOR SPECIAL POOL RULES FOR THE EAST PIERCE CROSSING-BONE SPRING POOL, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

| APPLICANT | ATTORNEY |
|---|--|
| Penwell Energy, Inc | William F. Carr, Esq. |
| c/o Mark Wheeler | Campbell, Carr. Berge & Sheridan, P.A. |
| 600 Marienfeld | Post Office Box 2208 |
| Midland, TX 79701 | Santa Fe, New Mexico 87504 |
| (915) 683-2534 | (505) 988-4421 |
| name, address, phone and contact person | |
| INTERESTED PARTY | ATTORNEY |
| | |
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STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Penwell Energy, Inc., applicant in the above-styled cause, seeks the adoption of special pool rules for the East Pierce-Crossing-Bone Spring Pool, located in portions of Section 23, Township 24 South, Range 29 East, to include a provision for a gas-oil limitation of 10,000 cubic feet of gas per barrel of oil.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

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PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|---------------------------------------|-----------|-----------------|
| Mark Wheeler, Land | 10 Min. | Approximately 3 |
| Mike Lunceford, Reservoir Engineer | 15 Min. | Approximately 5 |

OTHER PARTY

| WITNESSES | EST. TIME | EXHIBITS |
|----------------------|-----------|-----------------|
| (Name and expertise) | | |

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

Signature