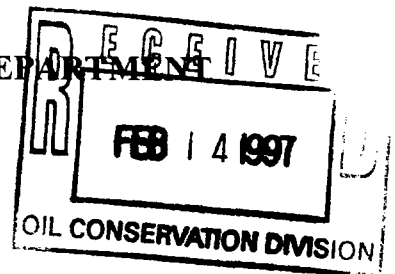


**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**



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

CASE NOS. 11730, 11731,  
11732, 11733, 11734 and 11735

APPLICATION OF PENWELL ENERGY, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

**CONSOLIDATED  
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**

Penwell Energy, Inc  
c/o Mark Wheeler  
600 Marienfeld  
Midland, TX 79701  
(915) 683-2534

name, address, phone and  
contact person

**ATTORNEY**

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**INTERESTED PARTY**

Burlington Resources Oil &  
Gas Company

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**ATTORNEY**

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4285

**Consolidated Pre-hearing Statement**  
**NMOCD Case Nos. 11730, 11731,**  
**11732, 11733, 11734 and 11735**  
**Page 2**

**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 cases, seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying six 40-acre tracts (being Units P, I, A, M, L and O) in Section 24, Township 22 South, Range 32 East, forming standard 40-acre oil spacing and proration units. Said units are to be dedicated to wells to be drilled at standard oil well locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the wells and a charge for risk involved in drilling and completing said wells.

**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.)

**Consolidated Pre-hearing Statement**  
**NMOCD Case Nos. 11730, 11731,**  
**11732, 11733, 11734 and 11735**  
**Page 3**

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mark Wheeler, Land	15 Min.	Approximately 6
John Thoma, Geology	15 Min.	Approximately 4
Bill Pierce, Engineer	10 Min.	Approximately 2

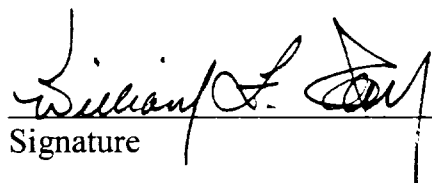
OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

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

Penwell will move that Cases 11730, 11731, 11732, 11733, 11734 and 11735 be consolidated for the purpose of hearing.

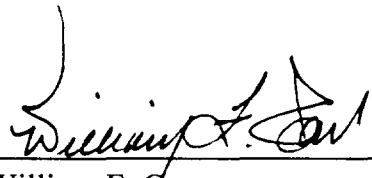
  
Signature

**Consolidated Pre-hearing Statement**  
**NMOCD Case Nos. 11730, 11731,**  
**11732, 11733, 11734 and 11735**  
**Page 4**

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused a true and correct copy of the foregoing Pre-Hearing Statement to be mailed on this 14<sup>th</sup> day of February, 1997 to the following counsel of record:

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

  
\_\_\_\_\_  
William F. Carr