

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. 11805
ORDER NO. R-10885

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 21, 1997 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of September, 1997, the Division Director, having considered the testimony, 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 the surface to the base of the Morrow formation, underlying the following described acreage in Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico, and in the following manner:

(a) the N/2 to form a standard 320-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 Frontier Hills-Upper Pennsylvanian Gas Pool, Frontier Hills-Strawn Gas Pool, Undesignated North Black River-Atoka Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool;

(b) the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent;

(c) the N/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent; and,

(d) the NE/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 which presently includes but is not necessarily limited to the Undesignated Dark Canyon-Delaware Pool.

(3) Said units are to be dedicated to a well to be drilled at a location that is considered to be "standard" for all four of the above-described unit sizes 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28.

(4) Prior to the hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

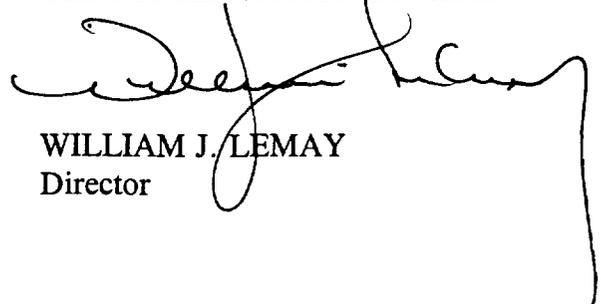
IT IS THEREFORE ORDERED THAT:

Case No. 11805 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