

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

**IN THE MATTER OF THE APPLICATION
OF PENWELL ENERGY, INC. FOR AN
UNORTHODOX WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO.**

CASE NO. _____

12335

OIL CONSERVATION DIV.
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APPLICATION

PENWELL ENERGY, INC. ("Penwell"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

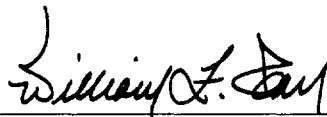
1. Applicant is a working interest owner in Section 8, Township 19 North, Range 4 West, N.M.P.M., Sandoval County, New Mexico, and proposes to drill its Eagle Springs "8" Federal Well No. 1 as a wildcat well to the Entrada formation, at an unorthodox oil well location 263 feet from the North line and 2548 feet from the East line (Unit B) of said Section 8.
2. Applicant seeks an exception to Rule 104 B (1) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox oil well location.
3. The NW/4 NE/4 of Section 8 should be dedicated to the well.
4. Approval of this application will afford the interest owners in this unit the opportunity to produce their just and equitable share of the reserves under the subject spacing and proration unit and will otherwise be in the best interest of conservation, the prevention

of waste and the protection of correlative rights.

WHEREFORE, Penwell Energy, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2000, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

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ATTORNEYS FOR PENWELL ENERGY, INC.

CASE 12335: Application of Penwell Energy, Inc. for an unorthodox well location, Sandoval County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Eagle Springs "8" Federal Well No. 1 as a wildcat well to the Entrada formation, at an unorthodox well location 263 feet from the North line and 2548 feet from the East line of Section 8, Township 19 North, Range 4 West, N.M.P.M., Sandoval County, New Mexico. The NW/4 NE/4 of Section 8 is to be dedicated to said well. Said unit is located approximately ____ miles _____ of _____, New Mexico.

OIL CONSERVATION DIV.
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