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June 3, 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 87503

*Case 11545*

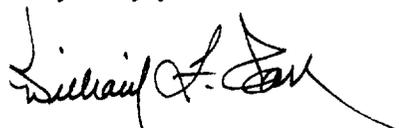
JUN 1996  
Oil Conservation Division

Re: Amended Application of Penwell Energy, Inc. for Approval of a Unit Agreement, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Amended Application of Penwell Energy, Inc. in the above-referenced case. As you will note, the unit boundary has been slightly changed at the request of the BLM. This change does not affect the legal advertisement and Penwell therefore desires to proceed with the hearing on this application scheduled for June 13, 1996.

Very truly yours,



WILLIAM F. CARR

WFC:mlh  
Enclosures

cc: Mr. Mark Wheeler, CPL  
Land Manager - Permian Basin  
Penwell Energy, Inc.  
1100 ARCO Building  
600 North Marienfeld  
Midland, TX 79701

RECEIVED  
JUN 5 1996  
REGISTRATION DIVISION

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE AMENDED  
APPLICATION OF PENWELL ENERGY, INC.  
FOR APPROVAL OF A UNIT AGREEMENT,  
EDDY COUNTY, NEW MEXICO.

CASE NO. \_\_\_\_\_

**AMENDED APPLICATION**

PENWELL ENERGY, INC., through its undersigned attorneys, hereby makes application for an order approving its Wagon Wheel Exploratory Unit Agreement and in support of this application states:

1. The proposed Unit Agreement consists of 4,800 acres, more or less, of Federal and Fee lands, situated in Eddy County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 22 South, Range 22 East, N.M.P.M.**

- Section 10: All
- Section 14: W/2
- Section 15: All
- Section 21: E/2
- Section 22: All
- Section 23: W/2
- Section 26: W/2
- Section 27: All
- Section 28: All
- Section 34: N/2

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Penwell Energy, Inc., is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

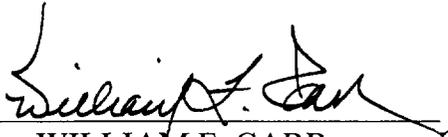
5. Prior to hearing the proposed Unit Agreement will be reviewed with the Bureau of Land Management for its designation as an area logically suited for development under a unit plan.

6. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Penwell Energy, Inc., requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 1996 that notice be given as required by law and the rules of the Division, and that the Wagon Wheel Exploratory Unit Agreement be approved.

Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

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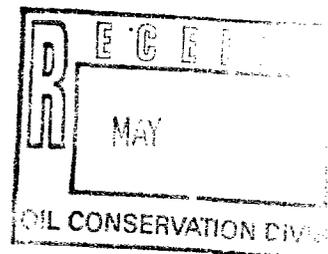
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May 21, 1996

**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 87503

11545



Re: Application of Penwell Energy, Inc. for Approval of a Unit Agreement, Eddy  
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 the legal advertisement. Penwell Energy, Inc., respectfully requests that this matter be placed on the docket for the June 13, 1996 Examiner hearings.

Very truly yours,

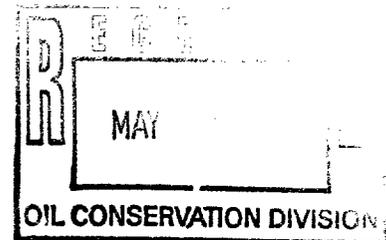
A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

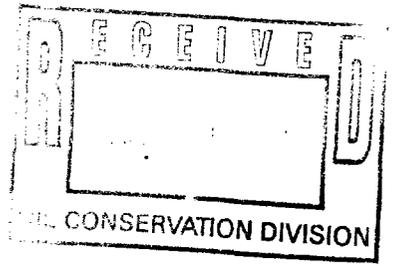
WILLIAM F. CARR

WFC:mlh  
Enclosures

cc: Mr. Mark Wheeler, CPL  
Land Manager - Permian Basin  
Penwell Energy, Inc.  
1100 ARCO Building  
600 North Marienfeld  
Midland, TX 79701

CASE NO. 11545. Application of Penwell Energy, Inc., for a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the Wagon Wheel Exploratory Unit Agreement for an area comprising 5,040.00 acres of Federal and Fee lands in Sections 10, 11, 14, 15, 21, 22, 23, 26, 27, 28, 33 and 34 of Township 22 South, Range 22 East, which is located approximately 20 miles west of Carlsbad, New Mexico.





BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF PENWELL ENERGY, INC.  
FOR APPROVAL OF A UNIT AGREEMENT,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11545

**APPLICATION**

PENWELL ENERGY, INC., through its undersigned attorneys, hereby makes application for an order approving its Wagon Wheel Exploratory Unit Agreement and in support of this application states:

1. The proposed Unit Agreement consists of 5,040 acres, more or less, of Federal and Fee lands, situated in eddy County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 22 South, Range 22 East, N.M.P.M.**

- Section 10: All
- Section 11: W/2
- Section 14: W/2
- Section 15: All
- Section 21: E/2
- Section 22: All
- Section 23: W/2
- Section 26: W/2
- Section 27: All
- Section 28: E/2
- Section 33: E/2 NE/4
- Section 34: N/2, N/2 S/2

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Penwell Energy, Inc., is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

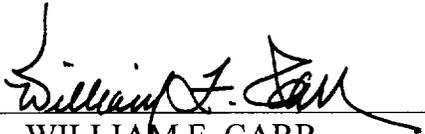
5. Prior to hearing the proposed Unit Agreement will be reviewed with the Bureau of Land Management for its designation as an area logically suited for development under a unit plan.

6. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Penwell Energy, Inc., requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 1996 that notice be given as required by law and the rules of the Division, and that the Wagon Wheel Exploratory Unit Agreement be approved.

Respectfully submitted,

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

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR PENWELL  
ENERGY, INC.