

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. 11647
ORDER NO. R-10702

**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 November 7, 1996. at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of November, 1996. the Division Director, having considered 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 29, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico and in the following manner: (a) the E/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; and, (b) the SE/4 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said units are to be dedicated to the applicant's proposed F. H. "29" Federal Com Well No. 1 to be drilled at a standard location in the NE/4 SE/4 (Unit I) of said Section 29.

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

Case No. 11647
Order No. R-10702
Page 2

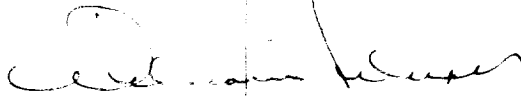
(4) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11647 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive.

WILLIAM J. LEMAY
Director

S E A L