

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:

APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11613

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

CASE NO. 11622

Order No. R-10709-A

ORDER OF THE DIVISION
STAYING ORDER NO. R-10709

BY THE DIVISION:

This matter having come before the Division upon the request of Penwell Energy, Inc. for a Stay of Division Order No. R-10709 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this 19th day of December, 1996, the Division Director:

FINDS THAT:

(1) Division Order No. R-10709 was entered on November 26, 1996, upon the competing applications of Burlington Resources Oil & Gas Company (Burlington) and Penwell Energy, Inc. (Penwell) for compulsory pooling of the NW/4 SE 4 of Section 24, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) On December 6, 1996, Penwell filed a request for a De Novo hearing with the Oil Conservation Commission, which case is now set for January 16, 1997.

(3) Division Order No. R-10709 designates Burlington as the operator of the well to be drilled and provides the well shall be commenced by December 31, 1996.

(4) Penwell has complied with the provisions of Division Memorandum 3-85 and

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has filed its request for a stay of Division Order No. R-10709 on December 6, 1996.

(5) Allowing Burlington to drill the well pursuant to Division Order No. R-10709 prior to the January 16, 1997, De Novo hearing would effectively deny much of Penwell's request for a hearing De Novo because Burlington would be the operator for purposes of drilling the subject well.

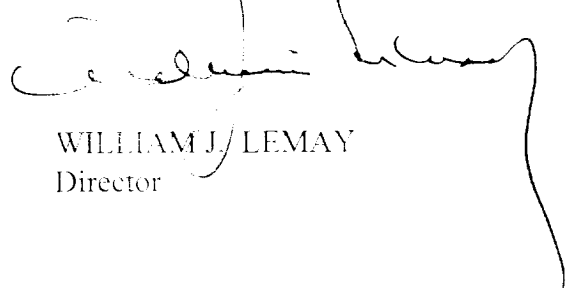
IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-10709 is hereby stayed in its entirety until the Commission rules on the evidence presented at the January 16, 1997 De Novo hearing.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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