

July 31, 1997

AUG - 4

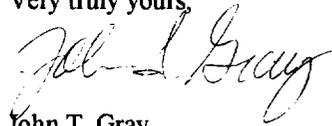
State of New Mexico
Energy, Minerals, and Natural
Resources Department
Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach

Re: Proof of Notice to the Land Owner for Permit to Inject Water

Penwell Energy, Inc. is requesting a Permit to Inject Produced Water into the Wagon Wheel 22 Federal Unit #1. The attached Proof of Notice is sent to you as part of the application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John T. Gray".

John T. Gray

Cc: Tim Gumm, OCD in Artesia

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

BLM
 Carlisbad Resource HQ
 620 E Greene St.
 Carlisbad, NM
 88020-6912

4a. Article Number
 P 268 385 812

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 1/28/77

5. Received By: (Print Name)
 BETTY HILL

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *Betty Hill*

Thank you for using Return Receipt Service.

August 5, 1997

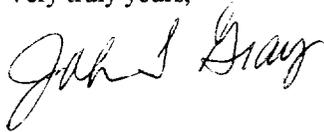
AUG - 7

State of New Mexico
Energy, Minerals, and Natural
Resources Department
Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico 87505
Attn: Mr. David Catanach

Re: Proof of Notice of Legal Advertisement

Enclosed is the Proof of Notice of the legal advertisement for Penwell Energy, Inc.'s APPLICATION FOR AUTHORIZATION TO INJECT into the Wagon Wheel 22 Federal Unit #1. This should complete the application. If I have left anything out, please let me know as soon as possible.

Very truly yours,

A handwritten signature in cursive script that reads "John T. Gray".

John T. Gray

Cc: Tim Gumm, OCD in Artesia

Affidavit of Publication

No 18672

State of New Mexico,
County of Eddy, ss.

Amy McKay

being first duly sworn, on oath says:

That she is Business Manager
of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>July 29</u>	<u>19 97</u>
_____	<u>19</u>

That the cost of publication is \$ 32.42
and that payment thereof has been made and will be assessed as court costs

Amy McKay

Subscribed and sworn to before me this

31st day of July 1997

Donna Campbell

My commission expires 8/1/98

Notary Public

July 29, 1997
NOTICE OF INTENT TO
INJECT PRODUCED WATER

PENWELL ENERGY, INC.
600 N. Marlenfeld
Suite 1100
Midland, Texas 79701

Contact Person: John T. Gray,
Senior Production Engineer
915/783-2534

The purpose is to inject water produced from the Cisco-Canyon Formation at an interval of 7418' to 7778' into the Devonian Formation at an interval of 10260' to 10555' in the same well.

The well is located 2000' FNL, 1980' FEL, Sec 22, T22S, R22E, Eddy, County New Mexico

The producing perforations are in the Cisco-Canyon at 7818-34, 7474-7558, 7586-7610, 7634-7654, 7658-7676, 7717-7726, & 7734-7778.

The injection perforations are in the Devonian at 10260-10262, 10266-10268, 10274-10282, 10288, 10294, 10338-10341, 10348-10350, 10368-10372, 10414-10420, 10422-10426, 10452-10454, 10480-10482, 10490-10492, 10514, 10519-10534, & 10545-10555.

The maximum injection rate expected is 6000 BWPD.

The maximum injection pressure expected is 3000 PSIG.

All interested parties must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe New Mexico 87504-2088 within 15 days.

Affidavit of Publication

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State of New Mexico,
County of Eddy, ss.

Amy McKay

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That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>July 29</u>	<u>19 97</u>
_____	19
_____	19
_____	19
_____	19
_____	19

That the cost of publication is \$ 32.12 and that payment thereon has been made and will be assessed as court costs.

Amy McKay

Subscribed and sworn to before me this

31st day of July, 1997

William Crump

My commission expires 8/1/98

Notary Public

July 29, 1997

NOTICE OF INTENT TO INJECT PRODUCED WATER

PENWELL ENERGY, INC.
600 N. Martenfeld
Suite 1100
Midland, Texas 79701

Contact Person: John T. Gray,
Senior Production Engineer
915/783-2534

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The well is located 200' FNL, 1980' FEL, Sec 22, T22S, R22E, Eddy, County New Mexico

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