

New Mexico
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
Governor

JENNIFER SALISBURY
Cabinet Secretary

August 19, 1998

OCD COPY
mailed 8/13/98

CERTIFIED MAIL
RETURN RECEIPT NO. Z-232-312-948

Penwell Energy, Inc.
600 North Marienfeld
Suite 1100
Midland, Tx. 79701

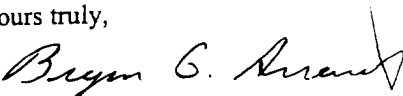
Re: **Penwell's Baretta "15" State #2**
Unit G, Sec. 15, T-23S R-26-E
Eddy Co., N.M.

To Whom It May Concern:

Concerning the above referenced well, we have not received a response from your office by mail or through phone calls, on why Penwell did not follow C-101 procedures on casing requirements. (Please see enclosed letter.)

Please respond in writing no later than 10 days of receipt of this letter on why Penwell did not follow the approved C-101 requirements. This matter is being turned over to our attorney, Rand Carrol, in Santa Fe if further actions warrant for a possible show cause hearing.

Yours truly,


Bryan G. Arrant
District Geologist- Artesia

Cc: Rand L. Carrol-Santa Fe
File

enclosures