

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. 11587
ORDER NO. R-10645

**APPLICATION OF PENWELL ENERGY, INC. FOR COMPULSORY POOLING
AND A NON-STANDARD GAS PRORATION UNIT, EDDY COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of August, 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 a depth of 4,000 feet to the base of the Morrow formation, underlying the following described acreage in Section 30, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and in the following manner: (a) Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) to form a non-standard 301.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated North Shugart-Atoka Gas Pool and Undesignated North Shugart-Morrow Gas Pool; (b) Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) to form a non-standard 150.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and, (c) the SE/4 NW/4 to form a standard 40-acre

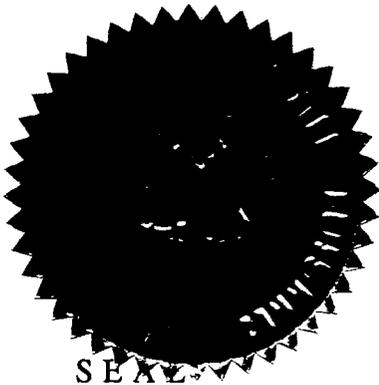
oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at a standard location 1980 feet from the North and West lines (Unit F) of said Section 30.

- (3) Prior to the hearing, the applicant requested this matter be dismissed.
- (4) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11587 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 black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director