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December 18, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

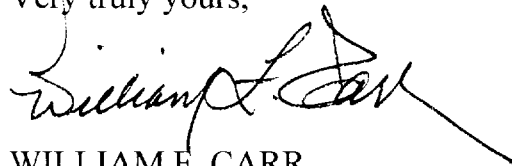
Re: Oil Conservation Division Case No. 11673:
Application of Penwell Energy Inc. for Pool Contraction, Pool Expansion and
Special Pool Rules, Eddy County, New Mexico

Dear Mr. LeMay:

Penwell Energy Inc., respectfully requests that this matter which is currently set on the
Division docket for the December 19, 1996 hearings be dismissed.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Mr. Mark Wheeler
Penwell Energy, Inc.
1100 ARCO Building
600 Marienfeld
Midland, TX 79701