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. 11673

APPLICATION OF PENWELL ENERGY, INC.
FOR POOL CONTRACTION AND FOR
POOL CREATION AND THE PROMULGATION
OF SPECIAL POOL RULES THEREFORE,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT   ATTORNEY

Penwell Energy, Inc   William F. Carr, Esq.
  c/o Mark Wheeler   Campbell, Carr, Berge & Sheridan, P.A.
600 Marienfeld   Post Office Box 2208
Midland, TX 79701   Santa Fe, New Mexico 87504
(915) 683-2534   (505) 988-4421

      name, address, phone and
      contact person

INTERESTED PARTY   ATTORNEY

_____   _____
_____   _____
_____   _____
_____   _____

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Penwell Energy, Inc., applicant in the above-styled cause, seeks the contraction of the East Pierce-Bone Spring Pool by the deletion of the W/2 of Section 14, and the creation of a new pool for the production of hydrocarbons from the Bone Springs formation comprised of all of portions of Sections 2, 10, 11, 14 and 15 all in Township 24 South, Range 29 East, NMPM. Applicant also seeks the adoption of Special Pool Rules for this new pool including a provision for a special gas-oil ratio of 6,000 cubic feet of gas per barrel of oil.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
John Thoma	15 Min.	Approximately 5
Mike Lunceford, Reservoir Engineer	15 Min.	Approximately 4

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

_____
Signature