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January 28, 1997

**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 87503

*1/19/97*

Re: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Penwell Energy, Inc. in the above-referenced matter and a legal advertisement for this case. Penwell respectfully requests that this matter be placed on the docket for the February 20, 1997 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Mark Wheeler (w/enclosures)

CASE 11933.

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SW/4 of Section 24, Township 22 South, Range 32 East. Applicant proposes to dedicate this pooled unit to its Checkers "24" Federal Well No. 5 to be drilled at a standard location 660 feet from the South line and 330 feet from the West line in Unit M of said Section 24 to test any and all formations to the base of the Bone Spring formation, Red Tank-Bone Spring Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Penwell Energy, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 28 miles west, southwest of Eunice, New Mexico.