

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF PENWELL ENERGY, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11992

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Paul R. Owen, attorney in fact and authorized representative of Penwell Energy, Inc., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.


Paul R. Owen

SUBSCRIBED AND SWORN to before me this 24th day of June, 1998.


Notary Public

My Commission Expires:
August 19, 1999

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11992 Exhibit No. 4
Submitted by: Penwell Energy, Inc.
Hearing Date: June 25, 1998

EXHIBIT A

Canadian Kenwood Company
1910 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402
Attn: Tena Hall

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B CAMPBELL
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BRADFORD C BERGE
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
E-MAIL ccbspa@ix.netcom.com

June 3, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Canadian Kenwood Company
1910 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402
Attn: Tena Hall

Re: *Application of Penwell Energy, Inc. for Compulsory Pooling, Eddy County,
New Mexico*

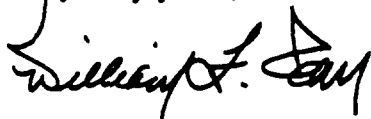
Gentlemen:

This letter is to advise you that Penwell Energy, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Wolfcamp formation in the SE/4 SW/4 of Section 19, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Penwell proposes to dedicate the referenced pooled unit to its proposed West Shugart "19" Federal Well No. 1 to be drilled at a standard location in the SE/4 SW/4 of said Section 19.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR PENWELL ENERGY, INC.

Enc.

cc: Mark Wheeler

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Canadian Kenwood Company
 1910 IDS Center
 80 South 8th Street
 Minneapolis, Minnesota 55402
 Attn: Tena Hall

4a. Article Number
 Z 211 156 123

- 4b. Service Type
- Registered
 - Express Mail
 - Return Receipt for Merchandise
 - COD
 - Certified
 - Insured

7. Date of Delivery

6-8-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Tena Hall

PS Form 381 December 1994

102595-98-8-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 123

US Postal Service
Receipt for Certified Mail
 Canadian Kenwood Company
 1910 IDS Center
 80 South 8th Street
 Minneapolis, Minnesota 55402
 Attn: Tena Hall

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1110
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	

PS Form 3800 April 1985