



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
 ROSWELL DISTRICT OFFICE
 2909 West Second Street
 Roswell, New Mexico 88202



IN REPLY REFER TO:
 NMNM94493X
 3180 (06200)

DEC 10 1996

Penwell Energy, Inc.
 Attention: Mr. Mark Wheeler, CPL
 1100 Arco Building
 600 N. Marienfeld
 Midland, TX 79701

Gentlemen:

Your letter of December 6, 1996, transmitted one copy of a ratification and joinder to the Wagon Wheel Unit, No. NMNM94493X, Eddy County, New Mexico. Such instrument is dated November 29, 1996, and is executed by Steven R. Foy, Vice President of Penwell Energy, Inc., as Lessee of Record and Working Interest Owner of lease NM97848, which is now Unit Tract 7, and by Thomas H. Neel, Vice President of CoEnergy Central Exploration, Inc. as Working Interest Owner of the above referenced lease.

Pursuant to Section 28 of the Wagon Wheel Unit Agreement, unit Tract 7 (lease NM97848) is considered fully committed to the unit as of June 1, 1996.

Such ratification and joinder is hereby accepted for record purposes and one copy is enclosed for your files. Please furnish all interested principals with appropriate evidence of this acceptance.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
 Assistant District Manager,
 Minerals Support Team

1 Enclosure

cc:
 NMOCD, Santa Fe



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
1717 West Second Street
Roswell, New Mexico 88202



IN REPLY REFER TO:

NMNM94493X
3180 (06200)

JUL 25 1996

Penwell Energy, Inc.
Attention: Mr. Mark Wheeler, CPL
600 N. Marienfeld, Suite 1100
Midland, TX 79701

Gentlemen:

One approved copy of the Wagon Wheel Unit Agreement, No. NMNM94493X, Eddy County, New Mexico, is enclosed. Such agreement is effective as of the date of approval.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Approval of the agreement does not warrant or certify that the operator thereof and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

Enclosure

cc:
NMOCD, Santa Fe

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3183, I do hereby:

- A. Approve the attached agreement for the development and operation of the Wagon Wheel Unit Area, State of New Mexico. This approval shall be invalid *ab initio* if the public interest requirement under §3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: July 24, 1996

(Authorized Officer)
Bureau of Land Management

Contract No.: NMNM94493X



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 19, 1996

CAMPBELL, CARR & BERGE, P.A.
Attorneys At Law
Post Office Box 2208
Santa Fe, New Mexico 87504

Attn: Bill Carr

**RE: CASE NO. 11545
ORDER NO. R-10612**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,


Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
Pete Martinez - SLO