



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER SWD-722

*APPLICATION OF PENWELL ENERGY, INC. FOR SALT WATER DISPOSAL, EDDY  
COUNTY, NEW MEXICO.*

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Penwell Energy, Inc. made application to the New Mexico Oil Conservation Division on May 18, 1998 for permission to complete for salt water disposal its Oscar State Well No.1 SWD located 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 36, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Penwell Energy, Inc. is hereby authorized to complete its Oscar State Well No.1 SWD located 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 36, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, for salt water disposal purposes into the Bell Canyon and Upper Cherry Canyon formations through an openhole completion from approximately 3,292 feet to 4,760 feet through 2 7/8-inch plastic-coated tubing set in a packer located at approximately 3,250 feet.