

# PENWELL ENERGY, INC.

1100 ARCO BUILDING  
600 N. MARIENFELD  
MIDLAND, TEXAS 79701

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January 4, 1999

Bureau of Land Management-Carlsbad  
P. O. Box 1778  
Carlsbad, NM 88220  
Attn: Ms. Cathy Quen

Via Fax: (505) 885-9264

Gentlemen:

This letter authorizes Highlander Environmental Corp. to review any and all Bureau of Land Management regulatory files for the following leases operated by Penwell Energy, Inc:

<u>Name</u>	<u>Federal Lease #</u>
Angell "6" Federal	NM-96212
Cochiti "28" Federal	NM-86024
F.H. "29" Federal	NM-94838
Filaree "24" Federal	NM-055447A
Hackberry "29" Federal	NM-97118
Indian Draw "12" Federal	NM-64584
Millman SE "33" Federal	NM-98173
Ore Ida "14" Federal	NM-96222
Ranger "17" Federal	NM-99040
Spuds "25" Federal	NM-59386
Wagon Wheel Federal Unit	NM-92740
West Shugart "29" Federal	LC-029387-A
West Shugart "30" Federal	LC-029387-B



The specific files to be reviewed are as follows:

1. Incidents of noncompliance (major) or active violations
2. Pit permits (excluding reserve or drilling pits)
3. Oil or water spills or other undesirable events
4. Venting of flaring approvals

Penwell Energy, Inc. requests the BLM to allow Highlander personnel access to the above files. If you have any questions about this request, please call Robert McNeill, Highlander Environmental.

Sincerely,

Bill Pierce  
Manager of Operations

WAP/lw