

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11464
ORDER NO. R-10570

**APPLICATION OF PENWELL ENERGY, INC. FOR POOL CREATION, SPECIAL
POOL RULES AND A DISCOVERY ALLOWABLE, EDDY COUNTY, NEW
MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 4, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of April, 1996, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Penwell Energy, Inc., seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising the W/2 NE/4 of Section 7, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and the promulgation of special rules and regulations therefor including a provision for 80-acre spacing and proration units and designated well location requirements.
- (3) Pursuant to Division General Rule No. 509, the applicant further seeks the assignment of an oil discovery allowable to its Rookie State Well No. 1 (API No. 30-015-10060), located at a previously approved unorthodox oil well location 150 feet from the North line and 2056 feet from the East line (Unit B) of Section 7.

(4) Prior to the hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

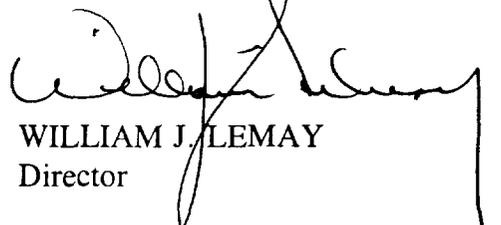
Case No. 11464 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director