

**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. 11660

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

RECEIVED
NOV 2 1996
Oil Conservation Division

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Santa Fe Energy Resources, Inc.

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley, L.L.P.
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

name, address, phone and
contact person

INTERESTED PARTY

ATTORNEY

Penwell Energy, Inc
c/o Mark Wheeler
600 Marienfeld
Midland, TX 79701
(915) 683-2534

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Penwell Energy, Inc's compulsory pooling application has been set for hearing on December 5, 1996. In this application, Penwell seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2, in all formations developed on 160-acre spacing underlying the SE/4 from the surface to the base of the Morrow formation of Section 29, Township 23 South, Range 26 East. Said units are to be dedicated to its F. H. "29" Federal Com Well No. 1 which will be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of said Section 29. Penwell seeks to be designated operator of this tract and well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT

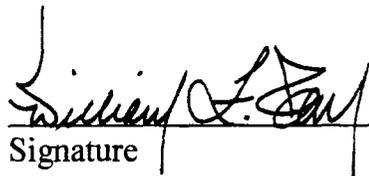
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mark Wheeler, Land	15 Min.	Approximately 6
John Thoma, Geology	10 Min.	Approximately 4

PROCEDURAL MATTERS

Penwell requests that its application for the compulsory pooling of the interests of the E/2 of Section 29, Township 23 South, Range 26 East, N.M.P.M., be consolidated with and heard on November 21st at the time of the hearing on the application of Santa Fe Energy Resources, Inc.


Signature

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Pre-Hearing Statement to be hand-delivered on this 20th day of November, 1996 to the following counsel of record:

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley, L.L.P.
218 Montezuma Street
Santa Fe, New Mexico 87501


William F. Carr