

**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. 12387

**APPLICATION OF PENWELL ENERGY, INC.
POOL CREATION, SPECIAL POOL RULES AND
A NON-STANDARD SPACING AND PRORATION UNIT,
SANDOVAL COUNTY, NEW MEXICO.**

**OIL CONSERVATION DIV
CO APR 17 AM 7:12**

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

Penwell Energy, Inc.
Attn: Bill Pierce
600 North Marienfeld, Suite 1100
Midland, TX 79701
(915) 683-2534
name, address, phone and
contact person

ATTORNEY

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

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Application of Penwell Energy, Inc. for pool creation; special pool rules and a nonstandard spacing and proration unit, Sandoval County, New Mexico. Applicant in the above-styled cause seeks the creation of a new pool for the production of hydrocarbons from the Entrada formation, to include the W/2 NE/4 and the E/2 NE/4 of Section 8, Township 19 North, Range 4 West, NMPM. Applicant also seeks the promulgation of special rules and regulations for this new pool, including provisions for 160-acre spacing and special well location requirements, and the approval of a nonstandard spacing and proration unit comprised of the W/2 NE/4 and the E/2 NW/4 of said Section 8. Said area is located approximately 8 miles northwest of Torreon, New Mexico.

OPPOSITION OR 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.)

PROPOSED EVIDENCE

APPLICANT

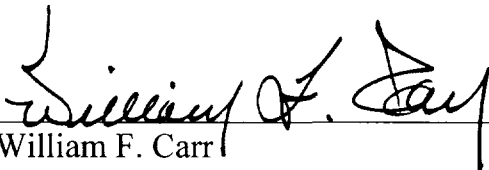
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bill Pierce (Petroleum Geologist)	Approx. 20 min.	Approx. 10

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

Penwell Energy, Inc. has none at this time.



William F. Carr
ATTORNEY FOR PENWELL ENERGY, INC.