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April 12, 2002

**VIA HAND DELIVERY**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Street  
Santa Fe, New Mexico 87505

**Re: Oil Conservation Division Case 12540:**  
Special Pool Rules and Regulations  
Arena Blanca-Entrada Pool  
McKinley County, New Mexico.

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APR 12 2002  
11:30 AM

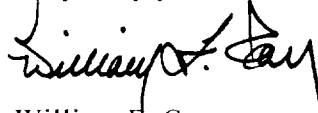
Dear Ms. Wrotenbery;

By Order No. R-11526, the Oil Conservation Division granted the application of Penwell Energy, Inc. and adopted Temporary Pool Rules and Regulations for the Arena Blanca-Entrada Pool. Since the adoption of these rules, Penwell has been attempting to get electrical power to the field but to date has been unable to get the Jemez Mountain Electric Cooperative to extent the needed power line. Accordingly, no activity has occurred since the temporary rules were adopted.

Penwell plans to proceed with its plans for the pool but cannot provide the Division with a date when this activity will occur. Penwell therefore requests that Case 12540, which is scheduled for hearing on April 18, 2002, be continued indefinitely. As soon as power is extended to the pool, Penwell will notify the Division and request that this case be placed on the next available examiner hearing docket.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

cc: Mr. David Catanach  
Hearing Examiner  
Oil Conservation Division

Mr. Bill Pierce  
Penwell Energy, Inc.