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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. 11505
ORDER NO. R-10598

**APPLICATION OF PENWELL ENERGY, INC. FOR AN EXCEPTION TO THE
SALT PROTECTION CASING STRING REQUIREMENTS OF DIVISION ORDER
NO. R-111-P, LEA 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 10th day of May, 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 an exception to the salt protection casing string requirement contained within Division Order No. R-111-P in the "Potash Area" for its proposed J. D. Federal "33" Well No. 1 to be drilled 660 feet from the North line and 2080 feet from the East line (Unit B) of Section 33, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) Penwell Energy, Inc., has the right to develop the oil and gas minerals underlying the Federal Lease comprising all of said Section 33 and proposes to drill its J. D. Federal "33" Well No. 1 to a depth of approximately 15,200 feet in order to test for deep gas production within the Legg-Atoka Morrow Gas Pool.