

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING
TAHOE ENERGY INC. AND KENNETH A. FREEMAN DBA TAHOE ENERGY
INC. TO BRING ONE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC,
ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-
COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND
ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND; LEA
COUNTY, NEW MEXICO.**

CASE NO. 13354

Affidavit of Jane Prouty

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

Jane Prouty, being first duly sworn on oath, states as follows:

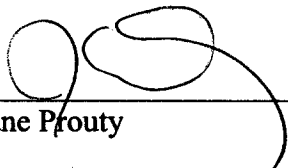
1. I am employed as the supervisor of production and permitting at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD").
2. My duties include maintaining records of oil and gas production and injection on wells located in New Mexico.
3. The OCD's information on production and injection comes from monthly production reports filed by the well operators.
4. In 1993 the OCD began using the ONGARD (Oil and Natural Gas Administration and Revenue Database) to record oil and gas production and injection by well. Since 1993, production and injection data from the monthly production reports filed by operators has been entered into ONGARD.
5. When the OCD began using the ONGARD system in 1993, it converted existing production and injection data into ONGARD for those wells that were not shown as "plugged" according to the OCD records available at that time. The pre-1993 production and injection information for each such well was totaled and appears in ONGARD under the last month of production or injection for that well.

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OCD Ex. 2

6. I have researched the ONGARD records for production and injection information regarding well API # 30-025-04461. ONGARD contains no production or injection records for this well since 1980.

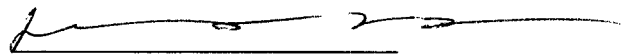
7. I researched the error files for reports on API # 30-025-04461 and found no record of any attempt to submit production or injection information for this well in ONGARD.

THIS CONCLUDES MY AFFIDAVIT.



Jane Prouty

SUBSCRIBED AND SWORN before me this 28th day of September, 2004.



Notary Public

My Commission Expires:

4/2/07