



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

14-Apr-05

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS NM 88241-

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION

J F BLACK 001	G-21-24S-37E	30-025-11178-00-00	Inspection No. iELG0510449738
Inspection Date:	4/14/2005 1:48:51 PM	Corrective Action Due by: 7/18/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	E.L. Gonzales	Yes	No
Comments on Inspection:	THIS WELL HAS BEEN IDLE A LONGTIME--NEED TO T/A , P/A OR PUT WELL ON PROD. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		
J F BLACK 004	F-21-24S-37E	30-025-11183-00-00	Inspection No. iELG0510448850
Inspection Date:	4/14/2005 1:33:56 PM	Corrective Action Due by: 7/18/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	E.L. Gonzales	Yes	No
Comments on Inspection:	THIS WELL HAS BEEN IDLE A LONGTIME--TBG. IS OPEN @ WELLHEAD--NEED TO T/A , P/A OR PUT ON PROD. ALSO, NEEDS A WELL SIGN. THIS IS THE 3RD LETTER OF NON-COMPLIANCE. (COMPLIANCE IS DUE 5-15-05) IF MORE TIME IS NEEDED TO REPAIR WELL PLS. CONTACT CRIS WILLIAMS @ 393-6161 EXT 102.		

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240
Phone: 505-393-6161 * Fax: 505-393-0720 * <http://www.emnrd.state.nm.us>

Pronghorn Management Corp.
Cases 13858 & 13859
OCD Ex. No. 35

J F BLACK 006

F-21-24S-37E

30-025-21478-00-00

Inspection No. iELG0510448301

Inspection Date: 4/14/2005 1:24:44 PM

Corrective Action Due by: 7/18/2005

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

E.L. Gonzales

Yes

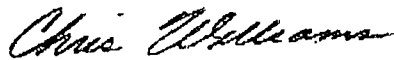
No

Comments on Inspection:

THIS WELL HAS BEEN IDLE A LONGTIME--INJ. LINE IS DISCONNECTED. NEED TO T/A ,
P.A OR PUT BACK ON INJ. THIS IS THE 3RD LETTER OF NON-COMPLIANCE. (
COMPLIANCE DUE 5-15-05) IF MORE TIME IS NEEDED PLS. CONTACT CRISS WILLIAMS
@ 393-6161 EXT 102.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-
structure of the oil and gas industry.

Sincerely,

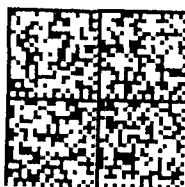

Chris Williams, District Supervisor

Hobbs OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

PRONGHORN MANAGEMENT
P O BOX 1772
HOBBS, NM 88241-1772



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