

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

13-Sep-02

PRONGHORN MANAGEMENT CORP

PO BOX 1772 HOBBS NM 88241-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

| FIELDS 001 | | | P-24-23S-32E | 30-025-08119-00-00 | | |
|--------------------|------------------|---------------------------------------|--------------------|--|------------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 09/03/2002 | Routine/Periodic | E.L. Gonzales | Yes | No | 11/3/2002 | iELG0224647848 |
| Comments | IS | | | (NO UNIT, NO ELEC., OCD REGARDING FU | | ALVE |
| MARSHALL 005 | | | F-19-23S-33E | 30-025-25000-00-00 | | |
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 09/03/2002 | Routine/Periodic | E.L. Gonzales | Yes | No | 11/3/2002 | iELG0224649955 |
| Comments | | | | WLINE VALVE CLOSE E OF WELL***60 DAY | | OR |
| MARSHALL 006 | | B-19-23S-33E | 30-025-25151-00-00 | | | |
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 09/03/2002 | Routine/Periodic | E.L. Gonzales | Yes | No | 11/3/2002 | iELG0224650440 |
| Comments | - | VELL HAS NOT PROI UTURE USE OF WEL | | **OPERATOR CONTAC | CT OCD REGARI | DING |

C-19-23S-33E 30-025-25201-00-00 MARSHALL 007 Corrective *Significant Inspection Violation? Inspection No. Type Inspection Inspector Non-Compliance? Action Due By: Date 12/7/2002 09/03/2002 Routine/Periodic E.L. Gonzales Yes Nο iELG0224650244 Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME.**OPERATOR CONTACT OCD REGARDING FUTURE STATUS OF WELL**60 DAYS. FIELDS 004 A-25-23S-32E 30-025-25348-00-00 *Significant Inspection Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/03/2002 Routine/Periodic E.L. Gonzales Yes No 11/3/2002 iELG0224646399 WELL HAS NOT PROD. IN A LONG TIME (NO BELTS ON MOTOR)**OPERATOR Comments on Inspection: CONTACT OCD REGARDING FUTURE USE OF WELL** 60 DAYS. MARSHALL 008 3-19-23S-33E 30-025-25642-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By:

Yes

No

11/3/2002

iELG0224649488

Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME (FLOWLINE VALVE IS CLOSED!! ***OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL***60 DAYS.

E.L. Gonzales

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

CHRIS WILLIAMS

09/03/2002

OC DISTRICT SUPERVISOR/GENERAL MANAGER Chris Williams, District I Supervisor

Routine/Periodic

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.