



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

04-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**

<b>STATE C 001</b>	<b>M-20-21S-35E</b>	<b>30-025-03485-00-00</b>	<b>Inspection No. iLWH0509159361</b>
<b>Inspection Date:</b>	4/1/2005 4:29:16 PM	<b>Corrective Action Due by:</b>	5/18/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
<b>Compliance Verification</b>	Buddy Hill	Yes	No
<b>Comments on Inspection:</b>	Idle Well (Rule 201), WELL IS SHUT IN ,DISCONNECTED. NEEDS T/A, P/A OR PUT BACK IN USE. SECOND NOTICE		

<b>NEW MEXICO BZ STATE NCT 5 002</b>	<b>C-29-21S-35E</b>	<b>30-025-03522-00-00</b>	<b>Inspection No. iLWH0509159818</b>
<b>Inspection Date:</b>	4/1/2005 4:36:54 PM	<b>Corrective Action Due by:</b>	5/18/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
<b>Compliance Verification</b>	Buddy Hill	Yes	No
<b>Comments on Inspection:</b>	Idle Well (Rule 201),FLOW LINE OPEN, NEEDS T/A ,P/A OR PUT BACK I N USE,,SECOND NOTICE		

Oil Conservation Division \* 1625 N. French Drive \* Hobbs, New Mexico 8824

Phone: 505-393-6161 \* Fax: 505-393-0720 \* <http://www.emnrd.state.nm.us>

**Pronghorn Management Corp.**

Cases 13858 & 13859

OCD Ex. No. **33**

<b>NEW MEXICO DL STATE 001</b>	<b>I-18-23S-33E</b>	<b>30-025-28223-00-00</b>	<b>Inspection No. iELG0508844970</b>
<b>Inspection Date:</b>	3/29/2005 12:29:25 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NO- ELEC. NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 002</b>	<b>O-18-23S-33E</b>	<b>30-025-28607-00-00</b>	<b>Inspection No. iELG0508843975</b>
<b>Inspection Date:</b>	3/29/2005 12:12:48 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- ALSO, NEEDS A WELL SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 003</b>	<b>H-18-23S-33E</b>	<b>30-025-28608-00-00</b>	<b>Inspection No. iELG0508845798</b>
<b>Inspection Date:</b>	3/29/2005 12:43:14 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME--NEED TO T/A , P/A OR PUT ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 004</b>	<b>N-18-23S-33E</b>	<b>30-025-28609-00-00</b>	<b>Inspection No. iELG0508843416</b>
<b>Inspection Date:</b>	3/29/2005 12:02:53 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 005</b>	<b>J-18-23S-33E</b>	<b>30-025-28610-00-00</b>	<b>Inspection No. iELG0508845350</b>
<b>Inspection Date:</b>	3/29/2005 12:35:46 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 006</b>	<b>P-18-23S-33E</b>	<b>30-025-28659-00-00</b>	<b>Inspection No. iELG0508844617</b>
<b>Inspection Date:</b>	3/29/2005 12:23:32 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

---

<b>NEW MEXICO EF STATE 001</b>	<b>L-17-23S-33E</b>	<b>30-025-28680-00-00</b>	<b>Inspection No. iELG0508846580</b>
<b>Inspection Date:</b>	3/29/2005 12:56:15 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. WELL NEEDS A SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

---

<b>NEW MEXICO DL STATE 007</b>	<b>A-18-23S-33E</b>	<b>30-025-28681-00-00</b>	<b>Inspection No. iELG0508846123</b>
<b>Inspection Date:</b>	3/29/2005 12:48:39 PM	<b>Corrective Action Due by:</b>	7/2/2005
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	E.L. Gonzales	Yes	No
<b>Comments on Inspection:</b>	THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		

'005

Inspection Date: 4/1/2005 4:33:57 PM

Corrective Action Due by: 5/18/2005

Type Inspection

Inspector

Violation?

\*Significant Non-Compliance?

Compliance Verification

Buddy Hill

Yes

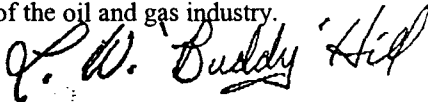
No

Comments on Inspection:

Idle Well (Rule 201), SHUT IN. NEEDS T/A, P/A OR PUT BACK IN USE, SECOND NOTICE

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.

Sincerely,

**COMPLIANCE OFFICER**

Hobbs OCD District Office

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