

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORP. FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED NMSA 1978, SECTION 70-2-31 (B)(2), 19.15.13.1115.A NMAC, AND 19.15.4.201 NMAC AS TO ELEVEN WELLS; 2) ASSESSING PENALTIES FOR THE VIOLATIONS; 3) REQUIRING OPERATOR TO FILE CORRECTED PRODUCTION REPORTS BY A DATE CERTAIN; 4) REQUIRING OPERATOR TO BRING THE ELEVEN WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; AND REQUIRING OPERATOR TO PROVIDE CONTACT INFORMATION FOR PRIVATE LESSORS AFFECTED BY THE VIOLATIONS; LEA COUNTY, NEW MEXICO.

CASE NO. 13858-*De Novo*

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORP. PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN MANAGEMENT CORP. TO PLUG AND ABANDON ALL WELLS IT OPERATES IN NEW MEXICO BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANAICL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; LEA AND EDDY COUNTIES, NEW MEXICO.

CASE NO. 14052, *De Novo*

PRE-HEARING STATEMENT

This Pre-hearing statement is submitted by Pronghorn Management Corporation, by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A. as required by the Oil Conservation Commission.

APPEARANCES OF PARTIES

ATTORNEY

PRONGHORN MANAGEMENT CORPORATION

Ernest L. Padilla
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Santa Fe, NM 87504
(505) 988-7577

OPPOSITION OR OTHER PARTY

- 1) NEW MEXICO OIL CONSERVATION
DIVISION

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3462

STATEMENT OF THE CASE

Respondent adopts the Statement of the Case contained in the Oil Conservation Division's statement.

RESPONDENT'S PROPOSED EVIDENCE

Respondent will not offer any exhibits at hearing of this matter. Respondent may call G.A. Baber to testify.

PROCEDURAL MATTERS

Respondent objects to assessment of penalties through administrative hearings. Penalties may only be assessed by the Oil Conservation Division in accordance with NMSA 1978, Section 70-2-31.

Respectfully submitted:

PADILLA LAW FIRM, P.A.

By: 

Ernest L. Padilla

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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon Gail MacQuesten, Oil Conservation Division, Energy, Minerals and Natural Resources Department, 1220 S. St. Francis Drive, Santa Fe, NM 87505 by facsimile this 30th day of October, 2008.



ERNEST L. PADILLA