



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

FINAL NOTICE

CERTIFIED MAIL

January 22, 2001

PRONGHORN MANAGEMENT CORP.
P.O. BOX 1772
HOBBS, NM 88241

RE: INACTIVE NON-COMPLIANCE WELLS

Dear G. A. :

During our meeting of 12/21/00 it was stressed that the Oil Conservation Division (OCD) currently is addressing all inactive non-compliance wells as a top priority statewide project. A mass mail out was made on May 11, and September 8, 2000 requesting information from each operator that had inactive wells.

To date, I have not received the work plan as discussed during our meeting.

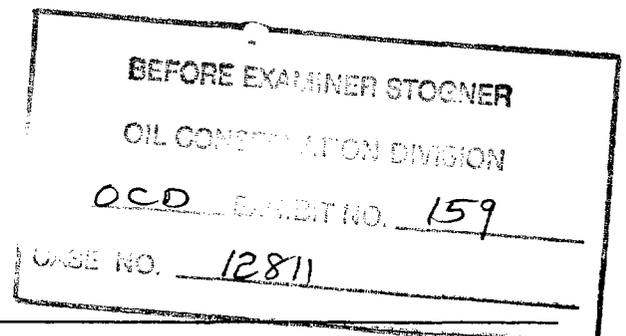
By copy of this letter, the OCD director is requested to schedule a "Show Cause Hearing" to allow you the opportunity to appear and to show way a shut in order, order to plug and abandon all inactive non-compliance wells and/or to call for the forfeiture of your statewide bond is not issued. If your bond is called you can no longer operate in the State of New Mexico.

The "Show Cause Hearing" will be stayed if an aggressive plan being detailed and specific as to type of work and time frame to bring all non-compliance wells into compliance is received in this office within 15 days of receipt of this letter.

Attached is the latest (11/16/00) OCD list of inactive non-compliance wells for your company a copy of which was given to you at our meeting.

TIM W. GUM
Tim W. Gum
DISTRICT II SUPERVISOR
OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR
OCD ATTORNEY
ATTACHMENT



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PRONGHORN INACT 111600.xls

API #	Type	Last Production/ Injection	Well Name and Number	ULSTR	FNS	FEW
30-015-00526	O	01-1996	BRAINARD #001	O-25-17S-27E	330S	1650E
30-015-00646	O	05-1993	DELHI #007	A-36-17S-27E	990N	330E
30-015-00648	O	12-1982	STATE E #001	M-36-17S-27E	954S	940W
30-015-00649	O	NONE	STATE A #001	B-36-17S-27E	990N	2310E
30-015-00650	O	12-1992	STATE A #002	B-36-17S-27E	330N	1650E
30-015-00663	O	09-1994	ACREY #002	F-36-17S-27E	1650N	1655W
30-015-00666	O	04-1984	CONKLIN #001	G-36-17S-27E	2310N	2310E
30-015-00669	O	08-1985	HOMAN #001	H-36-17S-27E	2310N	330E
30-015-00693	O	05-1993	DELHI #001	A-36-17S-27E	330N	330E
30-015-01417	O	12-1995	HASTIE #005	F-18-17S-28E	1650N	1734W
30-015-01418	O	12-1995	HASTIE #006	C-18-17S-28E	990N	1650W
30-015-01420	O	12-1993	HASTIE #009	2-18-17S-28E	1650N	990W
30-015-01422	O	12-1995	HASTIE #003	2-18-17S-28E	2310N	990W
30-015-01424	S	05-1994	HASTIE #008	F-18-17S-28E	2310N	2310W
30-015-01621	O	10-1996	SUNRAY STATE #002	2-30-17S-28E	1650N	990W
30-015-01633	O	NONE	ASTON & FAIR A #001	1-31-17S-28E	330N	330W
30-015-01635	O	08-1985	ASTON & FAIR #001Y	F-31-17S-28E	2310N	2310W
30-015-24256	O	10-1995	ARTESIA STATE #001	L-23-18S-27E	2310S	990E
30-015-24612	O	11-1995	STATE M #001	M-36-17S-27E	790S	990W

PS Form 3811, February 2000 (Reverse)

Important! Save this receipt and present it when making an inquiry.

102595-99-M-2087

Certified Mail Provides:

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- A unique identifier for your mailpiece
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COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Lana Martinez B. Date of Delivery 1-26-01

C. Signature X Lana Martinez Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

COMPLETE THIS SECTION

1. Article Addressed to:
PRONGHORN MANAGEMENT CORP
PO BOX 1172
HOBBS NM 88241

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Copy from service label)
7000 0600 0026 1537 1837