

**MONTGOMERY & ANDREWS, P.A.**

325 PASEO DE PERALTA  
POST OFFICE BOX 2307  
SANTA FE, NEW MEXICO 87504-2307

(505) 982-3873

September 4, 2002

(FAX) (505) 982-4289

**TELECOPY COVER SHEET**

**TO:** Ms. Lori Wrotenbery  
**TO:** Mr. Ernest L. Padilla

**TELEFAX NO:** (505) 476-3462  
**TELEFAX NO:** (505) 988-7592

**FROM:** Paul R. Owen, Esq.

**TELEPHONE NO:** (505) 986-2538

**TOTAL PAGES TO FOLLOW:** 4

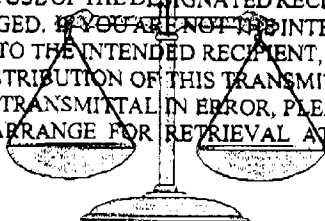
Message: *In the Matter of the Application of Pronghorn Management Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico, Case No. 12905*

This fax is being sent from (505) 982-4289

**CLIENT NAME:** DKD, LLC

**CLIENT NO.:** 12622-02-01

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**MONTGOMERY & ANDREWS**PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAWPaul R. Owen  
Direct Dial (505) 986-2538  
power@montand.comPost Office Box 2307  
Santa Fe, New Mexico 87504-2307  
325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873  
Fax (505) 982-4289

September 4, 2002

**VIA FACSIMILE**Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Dr.,  
Santa Fe, New Mexico 87505

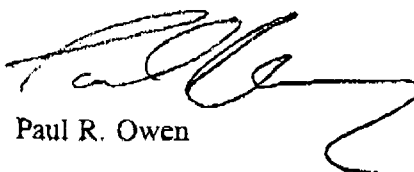
Re: *New Mexico Oil Conservation Division Case No. 12905*  
*In the Matter of the Application of Pronghorn Management Corporation for*  
*Approval of a Salt Water Disposal Well, Lea County, New Mexico.*

Dear Ms. Wrotenbery:

Attached please find the Prehearing Statement of DKD, L.L.C., an interested party in the above-referenced case.

Please let me know if you have any questions.

Very truly yours,

  
Paul R. Owen

cc: DKD, LLC (via facsimile)

Ernest Padilla, Esq. (via facsimile)

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

**APPLICATION OF PRONGHORN  
MANAGEMENT CORPORATION FOR  
APPROVAL OF A SALT WATER DISPOSAL  
WELL, LEA COUNTY, NEW MEXICO.**

**CASE NO.: 12905**

**PREHEARING STATEMENT**

DKD, LLC, an interested party herein, by and through counsel, Montgomery & Andrews, P.A., submits this prehearing statement as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

**ATTORNEY**

**OPPOSITION OR OTHER PARTY**

**ATTORNEY**

DKD, L.L.C.  
Post Office Box 682  
Tatum, New Mexico 88267  
(505) 398-3490

Paul R. Owen, Esq.  
Montgomery & Andrews, P.A.  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873

**STATEMENT OF CASE****APPLICANT**

Applicant's Statement of the Case should be contained in the Administrative Application which Applicant filed with the Division on April 5, 2002, and in Applicant's Prehearing Statement.

**OTHER PARTY**

DKD, L.L.C. anticipates examining the propriety of Applicant's requested Application for Authorization to Inject.

**PROPOSED EVIDENCE****APPLICANT**

Applicant's proposed evidence should be reflected in Applicant's Prehearing Statement.

**OTHER PARTY****WITNESSES**

(Name and expertise)

EST. TIME

EXHIBITS

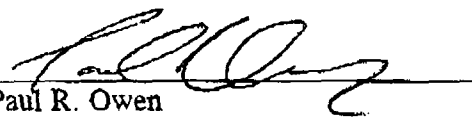
Danny R. Watson  
(Lay Witness)

Approx. 30 min.

Approx. 5

**PROCEDURAL MATTERS**

None known at this time.

  
Paul R. Owen  
ATTORNEY FOR DKD, L.L.C.

**PREHEARING STATMENT**

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 4th day of September, 2002, I have caused a copy of our Prehearing Statement in the above-captioned case to be served via facsimile and U.S. Mail upon the following named parties:

Earnest L. Padilla, Esq.

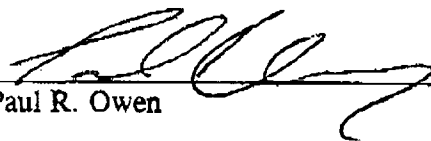
Padilla Law Firm, P.A.

Post Office Box 2523

Santa Fe, NM 87504-2523

facsimile: (505) 988-7592

ATTORNEYS FOR APPLICANT PRONGHORN MANAGEMENT CORPORATION

  
Paul R. Owen