

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE
MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN
MANAGEMENT CORP. 1) FINDING THAT OPERATOR KNOWINGLY
AND WILLFULLY VIOLATED 19.15.4.201 NMAC AS TO SIXTEEN
WELLS; 2) REQUIRING OPERATOR TO BRING THE SIXTEEN
WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A
DATE CERTAIN; AND 3) AUTHORIZING THE DIVISION TO
PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL
ASSURANCE IN THE EVENT OF NON-COMPLIANCE, LEA COUNTY,
NEW MEXICO.

CASE NO. 13858 (De Novo)
Order No. R-12767-B.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 13, 2007, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of September, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

(1) On December 6, 2006, the Oil Conservation Division (Division) filed an application seeking an order requiring Pronghorn Management Corporation (Pronghorn) to bring sixteen wells at various locations in Lea County, New Mexico, 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 by the operator.

(2) The case was heard by an examiner on March 1, 2007, and Order No. R-12767 was issued by the Division on June 15, 2007, ordering Pronghorn to plug and abandon the sixteen wells, or secure approved temporary abandonment status for the wells, or return the subject wells to Division approved beneficial use by October 2, 2007. The order also authorized the Division to plug and abandon the subject wells and forfeit the blanket cash plugging bond in the event of Pronghorn's failure to comply.

(3) Rule 19.15.14.1221 NMAC provides that a party has the right to have a matter heard de novo before the Oil Conservation Commission if the party files a written application for de novo hearing within 30 days from the date the Oil Conservation Division issued its order. Pronghorn, by and through its counsel, filed its request for de novo hearing of this matter on July 24, 2007, more than 30 days after Order No. R-12767 was issued.

(4) By Division Order No. R-12767-A, Pronghorn was ordered to show cause at the September 13, 2007 Oil Conservation Commission Meeting why the Commission should grant the request for de novo hearing given that Pronghorn did not timely file the request.

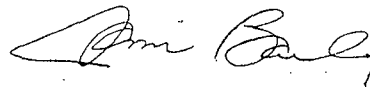
(5) Pronghorn has requested dismissal of its request for a de novo hearing, thereby making the show cause hearing unnecessary.

IT IS THEREFORE ORDERED THAT:

(1) Case 13858 De Novo is hereby dismissed and Division Order No. R-12767 is hereby continued in full force and effect until further notice.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

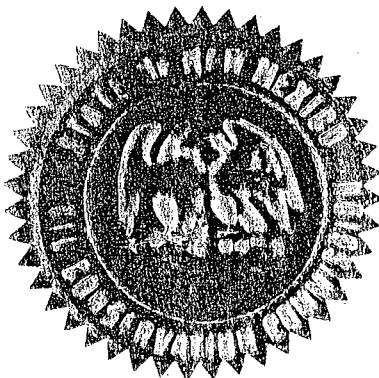


JAMI BAILEY, CPG, Member

WILLIAM OLSON, Member



MARK E. FESMIRE, P.E., Chair



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