

PRONGHORN MANAGEMENT CORPORATION

P. O. Box 1772

Hobbs, NM 88241

Ph. 505-392-2495 Fax: 505-392-2592

February 8, 2006

**Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240**

**Inspection No. iLWH0531955795
F-29-21S-35E
30-025-03524-00-00**

As of February 7, 2006, corrective actions have been taken to address the above listed violation. The tank has been emptied and the oil has been cleaned up.

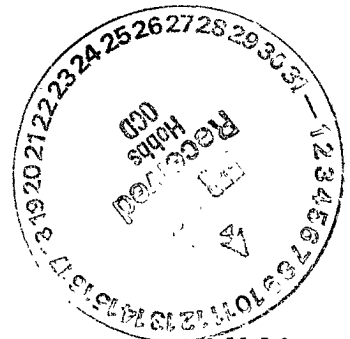
Thank you.

Sincerely,



John Baber

FOR RECORD ONLY



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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director
Oil Conservation Division

*Field Inspection Program:
"Preserving the Integrity of Our Environment"*

21-Nov-05

PRONGHORN MANAGEMENT CORP

PO BOX 1772
HOBBS NM 88241

NOTICE OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

NEW MEXICO BZ STATE NCT 5 No.004

F-29-21S-35E

30-025-03524-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/15/2005	Complaint Response Violations Surface Leaks/Spills	Buddy Hill	Yes	No	2/18/2006	ILWH0531955795

Comments on Inspection: OLD WHEELED FRAC TANK @ BATTERY SITE LEAKING OIL. PUDDLES ON GROUND ON SOUTH SIDE OF TANK. CATTLE HAVE BEEN IN MESS, FENCE IS OPEN AND DOWN. NEEDS TO BE CLEANED UP AND TANK EMPTIED. FIRST NOTICE



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.

Sincerely,



COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.