

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., 1) FINDING THAT THE 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. 13859

AFFIDAVIT OF SERVICE

In accordance with Division Rule 1227.D [19.15.14.1227.D NMAC] and Rule 1210 [19.15.14.1210 NMAC] I hereby certify:

1. I mailed and faxed a copy of the Motion for Order to Show Cause in the above-captioned case to Mr. Earnest A Padilla, attorney for Pronghorn Management Corp., on November 15, 2007 when the motion was filed (and before a hearing date had been set on the motion). A copy of the fax cover sheet and the cover letter are attached as Exhibit A to this affidavit.

2. After a hearing date was set, notice of the January 10, 2008 hearing on the motion to show cause in the above-captioned case was mailed to the following by certified mail, return receipt requested, at least 20 days prior to the hearing date, with a copy of the application:

Pronghorn Management Corp.
P.O. Box 1772
Hobbs, NM 88241

Mr. Earnest A. Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523
(Attorney for Pronghorn Management Corp.)

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2

2. A copy of the notice of hearing with attachments is Exhibit B to this affidavit.

3. A copy of the certified mail return receipt card for the notice sent to Mr. Padilla is attached to this affidavit as Exhibit C.

4. To date, I have not received a certified mail return receipt card for the letter sent to Pronghorn Management Corp. The address used for Pronghorn Management Corp. is the address of record with the Oil Conservation Division and the Public Regulation Commission, and is the address successfully used to serve Pronghorn Management Corporation with notice of Cases 13858 and 13859 in 2007. Copies of the company maintenance page listing the address for Pronghorn with the Oil Conservation Division and the Corporations Information Inquiry screen for Pronghorn from the Public Regulation Commission are attached to this affidavit as Exhibits D and E.

5. Notice of the January 10, 2008 hearing in the above-captioned matter was published in The Lovington Daily Leader, a newspaper of general circulation in Lea County. The affidavit of publication from The Lovington Leader is attached as Exhibit F.

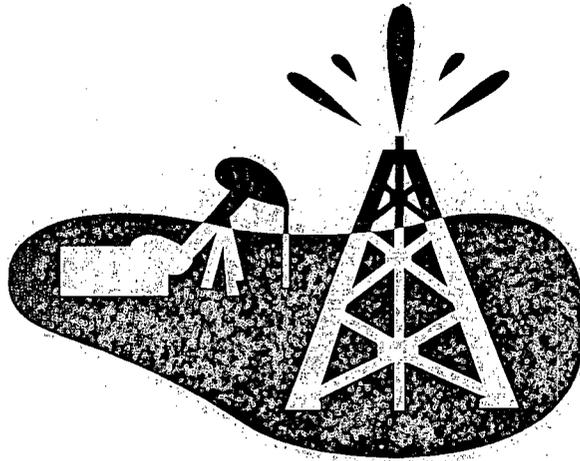

Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 8th day of January 2008.


Notary Public

My Commission Expires:

1-9-08



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Mr. Earnest Padilla

FROM: Gail MacQueter

DATE: 11-15-07

PAGES: 4, including cover

SUBJECT: Motion for Order to Show

Cause - Pronghorn Management

Case 13859

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2-A



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 15, 2007

Mr. Earnest A. Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523

Re: Pronghorn Management Corporation, OGRID 122811
Case No. 13859
Motion for Order to Show Cause

Dear Mr. Padilla,

Enclosed please find a copy of the Motion for Order to Show Cause, filed today in Case 13859.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gail MacQuesten".

Gail MacQuesten
Attorney for the Oil Conservation Division

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

RECEIVED
2007 NOV 15 PM 3 00

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 THE 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. 13859

MOTION FOR ORDER TO SHOW CAUSE
AGAINST PRONGHORN MANAGEMENT CORP.

The Enforcement and Compliance Manager of the Oil Conservation Division (OCD) respectfully asks that Case No. 13859 be re-opened, an order be issued against Pronghorn Management Corp. (Pronghorn) to show cause why additional penalties should not be assessed and why an order should not be issued finding Pronghorn in violation of 19.15.1.40.A(2) NMAC, and the matter set for hearing. The following grounds support this motion:

1. On June 15, 2007, the Division Director issued Order R-12768 in Case No. 13859. The Order found that Pronghorn knowingly and willfully violated NMSA 1978, Section 70-2-31(B)(2) and 19.15.13.1115.A NMAC by filing false production reports on eleven inactive wells. The Order required Pronghorn to plug and abandon the

11 wells, or secure approved temporary abandonment status for the wells, or return the wells to Division-approved beneficial use by December 30, 2007.

2. Order R-12768 also required Pronghorn to do the following by July 30, 2007:

- a. pay a penalty of \$72,000;
- b. file corrected production reports on the 11 wells
- c. provide contact information for private lessors affected by the false production reports.

3. Order R-12768 specifically provided, "Should Pronghorn Management Corporation fail to pay this penalty by July 30, 2007, the Division shall initiate additional enforcement actions against Pronghorn Management Corporation including imposition of additional penalties."

4. Pronghorn filed a request for de novo review of case No. 13859, but later withdrew its request.

5. To date, Pronghorn has not paid the \$72,000 penalty, filed corrected production reports, or provided contact information for private lessors affected by the false production reports.

6. Rule 19.15.1.40.A(2) NMAC provides, in relevant part,

A. A well operator is in compliance with Subsection A of 19.15.1.40 NMAC if the operator:

- (1)
- (2) is not subject to a division or commission order, issued after notice and hearing, finding the operator to be in violation of an order requiring corrective action;

For the foregoing reasons, the Enforcement and Compliance Manager of the Division moves that the Director re-open Case 13859, issue an order requiring Pronghorn Management Corporation to show cause why an order should not be entered assessing Case 13859 - Motion for Order to Show Cause Pronghorn Management Corp.
Page 2 of 3

additional penalties, and why an order should not be entered finding Pronghorn to be in violation of an order requiring corrective action, and set the matter for hearing.

RESPECTFULLY SUBMITTED, this 16 day of November 2007 by


Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3451
FAX: (505) 476-3462
E-mail: gail.macquesten@state.nm.us
Attorney for the New Mexico Oil
Conservation Division

Certificate of Service

I hereby certify that a true and correct copy of this motion was served on Earnest Padilla, counsel for Pronghorn Management Corporation by fax to (505) 988-7592 and by first class mail to the following address:

Mr. Earnest Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523

This 16 day of November 2007.


Gail MacQuesten



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

December 19, 2007

Pronghorn Management Corp.
P.O. Box 1772
Hobbs, NM 88241

Certified Mail No. ~~7001 1940 0004 7923~~ 7154

Mr. Earnest A. Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523

Certified Mail No. ~~7001 1940 0004 7919~~ 4037

CASE 13859: 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 THE 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.

Operator:

You are hereby notified that the New Mexico Oil Conservation Division (OCD) filed a Motion for Order to Show Cause Against Pronghorn Management Corp. in the above-titled action. A copy of the motion is enclosed.

A hearing on the motion will take place before a Division hearing officer on **Thursday, January 10, 2008**, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing Pronghorn Management Corp. will have an opportunity to oppose the motion. **If you intend to present evidence at the hearing, you should file a pre-hearing statement at least four business days in advance of the hearing, as required by 19.15.14.1211.B NMAC.** A copy of that rule is enclosed. I have also enclosed a copy of 19.15.14.1212, which addresses representation at administrative hearings before the Division.

If you have questions about the application you may call me at (505) 476-3451.

Very truly yours,

Gail MacQuesten
Assistant General Counsel

Encl: Motion for Order to Show Cause in Case 13859
Rule 1211 [19.15.14.1211 NMAC]
Rule 1212 [19.15.14.1212 NMAC]

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2-B

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

RECEIVED
2007 NOV 15 PM 3 00

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 THE 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. 13859

MOTION FOR ORDER TO SHOW CAUSE
AGAINST PRONGHORN MANAGEMENT CORP.

The Enforcement and Compliance Manager of the Oil Conservation Division (OCD) respectfully asks that Case No. 13859 be re-opened, an order be issued against Pronghorn Management Corp. (Pronghorn) to show cause why additional penalties should not be assessed and why an order should not be issued finding Pronghorn in violation of 19.15.1.40.A(2) NMAC, and the matter set for hearing. The following grounds support this motion:

1. On June 15, 2007, the Division Director issued Order R-12768 in Case No. 13859. The Order found that Pronghorn knowingly and willfully violated NMSA 1978, Section 70-2-31(B)(2) and 19.15.13.1115.A NMAC by filing false production reports on eleven inactive wells. The Order required Pronghorn to plug and abandon the

11 wells, or secure approved temporary abandonment status for the wells, or return the wells to Division-approved beneficial use by December 30, 2007.

2. Order R-12768 also required Pronghorn to do the following by July 30, 2007:

- a. pay a penalty of \$72,000;
- b. file corrected production reports on the 11 wells;
- c. provide contact information for private lessors affected by the false production reports.

3. Order R-12768 specifically provided, "Should Pronghorn Management Corporation fail to pay this penalty by July 30, 2007, the Division shall initiate additional enforcement actions against Pronghorn Management Corporation including imposition of additional penalties."

4. Pronghorn filed a request for de novo review of case No. 13859, but later withdrew its request.

5. To date, Pronghorn has not paid the \$72,000 penalty, filed corrected production reports, or provided contact information for private lessors affected by the false production reports.

6. Rule 19.15.1.40.A(2) NMAC provides, in relevant part,
- A. A well operator is in compliance with Subsection A of 19.15.1.40 NMAC if the operator:
 - (1) ...
 - (2) is not subject to a division or commission order, issued after notice and hearing, finding the operator to be in violation of an order requiring corrective action;

For the foregoing reasons, the Enforcement and Compliance Manager of the Division moves that the Director re-open Case 13859, issue an order requiring Pronghorn

Management Corporation to show cause why an order should not be entered assessing Case 13859 - Motion for Order to Show Cause Pronghorn Management Corp. Page 2 of 3

additional penalties, and why an order should not be entered finding Pronghorn to be in violation of an order requiring corrective action, and set the matter for hearing.

RESPECTFULLY SUBMITTED, this ____ day of November 2007 by

Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3451
FAX: (505) 476-3462
E-mail: gail.macquesten@state.nm.us
Attorney for the New Mexico Oil
Conservation Division

Certificate of Service

I hereby certify that a true and correct copy of this motion was served on Earnest Padilla, counsel for Pronghorn Management Corporation by fax to (505) 988-7592 and by first class mail to the following address:

Mr. Earnest Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523

This ____ day of November 2007.

Gail MacQuesten

19.15.14.1211 PLEADINGS, COPIES, PRE-HEARING STATEMENTS, EXHIBITS AND MOTIONS FOR CONTINUANCE:

A. Pleadings. Applicants shall file two sets of pleadings and correspondence in cases pending before a division examiner with the division clerk and six sets of pleadings and correspondence in cases pending before the commission with the commission clerk. For cases pending before the commission, the commission clerk shall disseminate copies of pleadings and correspondence to the commission members. The party filing the pleading or correspondence shall at the same time serve a copy of the pleading or correspondence upon each party who has entered an appearance in the case on or prior to the business day immediately preceding the date when the party files the pleading or correspondence with the division or the commission clerk, as applicable. Parties shall accomplish service by hand delivery or transmission by facsimile or electronic mail to any party who has entered an appearance or, if the party is represented, the party's attorney of record. Service upon a party who has not filed a pleading containing a facsimile number or e-mail address may be made by ordinary first class mail. Parties shall be deemed to have made an appearance when they have either sent a letter regarding the case to the division or commission clerk or made an in person appearance at any hearing before the commission or before a division examiner. A written appearance, however, shall not be complete until the appearing party has provided notice to other parties of record. Any initial pleading or written entry of appearance a party other than the applicant files shall include the party's address or the address of the party's attorney and an e-mail and facsimile number if available.

B. Pre-hearing statements.

(1) Any party to an adjudicatory proceeding who intends to present evidence at the hearing shall file a pre-hearing statement, and serve copies on other parties or, for parties that are represented, their attorneys in the manner Subsection A of 19.15.14.1211 NMAC provides, at least four business days in advance of a scheduled hearing before the division or the commission, but in no event later than 5:00 pm mountain time, on the Thursday preceding the scheduled hearing date. The statement shall include:

- (a) the names of the party and the party's attorney;
- (b) a concise statement of the case;
- (c) the names of witnesses the party will call to testify at the hearing, and in the case of expert witnesses, their fields of expertise;
- (d) the approximate time the party will need to present its case; and
- (e) identification of any procedural matters that are to be resolved prior to the hearing.

(2) Any party other than the applicant shall include in its pre-hearing statement a statement of the extent to which the party supports or opposes the issuance of the order the applicant seeks and the reasons for such support or opposition. In cases to be heard by the commission, each party shall include copies of all exhibits that it proposes to offer in evidence at the hearing with the pre-hearing statement. The commission may exclude witnesses the party did not identify in the pre-hearing statement, or exhibits the party did not file and serve with the pre-hearing statement, unless the party offers such evidence solely for rebuttal or makes a satisfactory showing of good cause for failure to disclose the witness or exhibit.

(3) A pre-hearing statement filed by a corporation or other entity not represented by an attorney shall identify the person who will conduct the party's presentation at the hearing and include a sworn and notarized statement attesting that the corporation's or entity's governing body or chief executive officer authorizes the person to present the corporation or entity in the matter.

(4) For cases pending before the commission, the commission clerk shall disseminate copies of pre-hearing statements and exhibits to the commission members.

C. Motions for continuance. Parties shall file and serve motions for continuance no later than 48 hours prior to time the hearing is set to begin, unless the reasons for requesting a continuance arise after the deadline, in which case the party shall file the motion as expeditiously as possible after becoming aware of the need for a continuance.

[19.15.14.1211 NMAC - Rp, 19.15.14.1208 NMAC, 09/30/05]

19.15.14.1212 CONDUCT OF ADJUDICATORY HEARINGS:

A. Testimony. Hearings before the commission or a division examiner shall be conducted without rigid formality. The division or commission shall take or have someone take a transcript of testimony and preserve the transcript as a part of the division's permanent records. Any person testifying shall do so under oath. The division examiner or commission shall designate whether or not an interested party's un-sworn comments and observations are relevant and, if relevant, include the comments and observations in the record.

B. Pre-filed testimony. The division director may order the parties to file prepared written testimony in advance of the hearing for cases pending before the commission. The witness shall be present at the hearing and shall adopt, under oath, the prepared written testimony, subject to cross-examination and motions to strike unless the witness' presence at hearing is waived upon notice to other parties and without their objection. The parties shall number pages of the prepared written testimony, which shall contain line numbers on the left-hand side.

C. Appearances pro se or through an attorney. Parties may appear and participate in hearings either pro se (on their own behalf) or through an attorney. Corporations, partnerships, governmental entities, political subdivisions, unincorporated associations and other collective entities may appear only through an attorney or through a duly authorized officer or member. Participation in adjudicatory hearings shall be limited to parties, as defined in 19.15.14.1208 NMAC, except that a representative of a federal, state or tribal governmental agency or political subdivision may make a statement on the agency's or political subdivision's behalf. The commission or division examiner shall have the discretion to allow any other person present at the hearing to make a relevant statement, but not to present evidence or cross-examine witnesses. Any person making a statement at an adjudicatory hearing shall be subject to cross-examination by the parties or their attorneys.

[19.15.14.1212 NMAC - Rp, 19.15.14.1210 NMAC, 09/30/05]

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature:  <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by: (Printed Name) ERNEST L. PADILLA C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Mr. Ernest A. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, NM 87504-2523</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7001 1940 0004 7919 4037</p>	
<p>PS Form 3811, August 2001</p>	<p>Domestic Return Receipt 102595-02-M-1540</p>

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2-C



Mod/Date 7/20/2006

Company Maintenance

Operator Info with Main Business Offices Address

Company: **PRONGHORN MANAGEMENT CORP**

First: _____

Address: **PO BOX 1772**

(Suite, Etc.): _____

City / St / Zip: **HOBBS NM 88241 -**

Country: **() - 0**

Phone: **(505) 393-8386**

Fax: _____ Ext: _____

Oper Inj/Oper Bondg Driller Trans Gathr Haulr Pullr Misc1 Misc2 Misc3 Misc4

User ID _____

OGRID _____

122811

DOE No _____

Status **A**

Problem _____

Organization Rpt?

Received: _____

Last Financial Report

Received: _____

Secretary of State

Qualified: _____

District Office Address to use for Mailing of Notices

Address: _____

(Suite, Etc.): _____

Phone: _____

Ext: _____

City _____

State / Zip / Zip _____

Fax: _____

Scheduled Inspection Meeting Place: _____ First Well on the List

Pronghorn Management Corp.
 Case 13859
 Case 14052
 OCD Exhibit No. 2-D

New Search

PRONGHORN MANAGEMENT CORPORATION

SCC Number: 1592294
 Tax & Revenue Number: 02283044008
 Incorporation Date: DECEMBER 16, 1992, in NEW MEXICO
 Corporation Type: DOMESTIC PROFIT
 Corporation Status: ACTIVE
 Good Standing: In GOOD STANDING through 1/15/2009
 Purpose: OIL & GAS PROPERTY MANAGEMENT

CORPORATION DATES

Taxable Year End Date: 10/31/06
 Filing Date: 11/15/06
 Expiration Date:

SUPPLEMENTAL POST MARK DATE

Supplemental: 06/24/05

MAILING ADDRESS

PO BOX 1772 HOBBS , NEW MEXICO 88241-1772

PRINCIPAL ADDRESS

630 JEMEZ HOBBS NEW MEXICO 88240

PRINCIPAL ADDRESS (Outside New Mexico)

REGISTERED AGENT

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2-E

Affidavit of Publication

STATE OF NEW MEXICO

COUNTY OF LEA

)
) ss.
)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Notice of Hearing

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for

one (1) day, beginning with the issue of December 15, 2007 and ending with the issue of December 15, 2007.

And that the cost of publishing said notice is the sum of \$ 305.76 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 19th day of December 2007.

Debbie Schilling

Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2010

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 2-F

LEGAL NOTICE
NOTICE OF HEARING

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on January 10, 2008, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-855-1779 by December 31, 2007. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 14051: Application of the New Mexico Oil Conservation Division for a Compliance Order against Reubin Collins d/b/a RCJ Enterprises. The Applicant seeks an Order finding that operator violated 19.15.13.1115 NMAC; as to active wells violated 19.15.9.701 NMAC and 19.15.13.1104 NMAC, or in the alternative, violated 19.15.4.201 NMAC, requiring operator to return the wells into compliance with OCC rules by a date certain and authorizing the Division to plug the wells in the event of non-compliance; and assessing penalties. The affected wells are:

- o Buffalo Unit No. 008; H-34-18S-33E; API No. 30-025-21846
- o Buffalo Unit No. 010; A-34-18S-33E; API No. 30-025-21957
- o Buffalo Unit No. 011; L-35-18S-33E; API 30-025-22598

These wells are located approximately 20 miles southwest of Lovington, in Lea County, New Mexico.

- o Cockburn Federal No. 004; K-34-17S-33E; API No. 30-025-01391
- o Cockburn Federal No. 006; J-34-17S-33E; API No. 30-025-01392

These wells are located approximately 13 miles southwest of Lovington, in Lea County, New Mexico.

- o Wallen Bass No. 002; N-21-20S-34E; API No. 30-025-26458
- o Wallen Bass No. 004; O-21-20S-34E; API No. 30-025-26288

These wells are located approximately 10 miles southwest of Monument, New Mexico, Lea County.

CASE 13859: Re-opened Application of the New Mexico Oil Conservation Division for a Compliance Order against Pronghorn Management Corp. The Applicant seeks an order requiring finding operator to be in knowing and willful violation of NMSA 1978, Section 70-2-31(B)(2); 19.15.13.1115.A NMAC, and 19.15.4.201 NMAC as to eleven wells; assessing penalties for the violations; requiring operator to file corrected production reports by a date certain; requiring operator to bring the 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. The wells at issue are: Fields #004, 30-025-25348, A-25-23S-32E; JF Black #001, 30-025-11178; G-21-24S-37E; Marshall #007, 30-025-25201, C-19-23S-33E; New Mexico BZ State NCT 5 #001, 30-025-03521, D-29-21S-35E; New Mexico BZ State NCT 5 #002, 30-025-03522, C-29-21S-35E; New Mexico BZ State NCT 5 #003, 30-025-03523, E-29-21S-35E; New Mexico DL State #001, 30-025-28223, I-18-23S-33E; New Mexico DL State #002, 30-025-28607, O-18-23S-33E; New Mexico EF State #001, 30-025-28680, L-17-23S-33E; State C #001, 30-025-03485, M-20-21S-35E; State HL #001,

30-025-26492, L-2-23S-33E. The wells are located southern Lea County, New Mexico.

CASE 14052: Application of the New Mexico Oil Conservation Division for a Compliance Order against Pronghorn Management Corp. The Applicant seeks an order pursuant to NMSA 1978, Section 70-2-14(B) requiring operator to plug and abandon all its wells in New Mexico by a date certain and authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance. The wells at issue are:

ATLANTIC STATE #001, N-4 -17S-28E, 30-015-10266; EDDY STATE #001, G-6 -19S-25E, 30-015-23248; FIELDS #004, A-25-23S-32E, 30-025-25348; FOWLER B #001, K-6 -19S-38E, 30-025-28197; GILA 4 DEEP #001, G-4 -25S-33E, 30-025-30872; HANNAFIN STATE #001, L-17-19S-29E, 30-015-26727; HASTIE #005, F-18-17S-28E, 30-015-01417; HOWSE C #001, H-11-20S-38E, 30-025-22165; J F BLACK #001, G-21-24S-37E, 30-025-11178; J F BLACK #003, B-21-24S-37E, 30-025-11182; J F BLACK #004, F-21-24S-37E, 30-025-11183; J F BLACK #005, K-21-24S-37E, 30-025-21401; J F BLACK #006, F-21-24S-37E, 30-025-21478; J F BLACK #007, C-21-24S-37E, 30-025-21479; LONG BOX COM #001, H-30-20S-24E, 30-015-22624; MARSHALL #001, 4-19-23S-33E, 30-025-08358; MARSHALL #002, K-19-23S-33E, 30-025-08359; MARSHALL #005, F-19-23S-33E, 30-025-25000; MARSHALL #006, B-19-23S-33E, 30-025-25151; MARSHALL #007, C-19-23S-33E, 30-025-25201; MARSHALL #008, 3-19-23S-33E, 30-025-25642; NEW MEXICO BZ STATE NCT 5 #001, D-29-21S-35E, 30-025-03521; NEW MEXICO BZ STATE NCT 5 #002, C-29-21S-35E, 30-025-03522; NEW MEXICO BZ STATE NCT 5 #003, E-29-21S-35E, 30-025-03523; NEW MEXICO BZ STATE NCT 5 #004, F-29-21S-35E, 30-025-03524; NEW MEXICO BZ STATE NCT 5 #005, D-29-21S-35E, 30-025-32362; NEW MEXICO DL STATE #001, I-18-23S-33E, 30-025-28223; NEW MEXICO DL STATE #002, O-18-23S-33E, 30-025-28607; NEW MEXICO DL STATE #003, H-18-23S-33E, 30-025-28608; NEW MEXICO DL STATE #004, N-18-23S-33E, 30-025-28609; NEW MEXICO DL STATE #005, J-18-23S-33E, 30-025-28610; NEW MEXICO DL STATE #006, P-18-23S-33E, 30-025-28659; NEW MEXICO DL STATE #007, A-18-23S-33E, 30-025-28681; NEW MEXICO EF STATE #001, L-17-23S-33E, 30-025-28680; NEW MEXICO EF STATE #003, M-17-23S-33E, 30-025-28697; SIVLEY STATE #001, M-17-19S-29E, 30-015-26837; STATE C #001, M-20-21S-35E, 30-025-3485; STATE HL #001, L-2 -23S-33E, 30-025-26492; STATE M #001, M-36-17S-27E, 30-015-24612.

The wells are located in the southwest corner of New Mexico, south of Lovington and east of Carlsbad in Lea and Eddy Counties.

ASE 14066: In the matter of the hearing called by the Oil Conservation Division to consider:

The creation of the following pools in Lea County:

Southwest Antelope Ridge-Bone Spring Pool in Township 23 South, Range 34 East;

Northeast Bell Lake-Delaware Pool in Township 22 South, Range 34 East;

Double X-Strawn Gas Pool in Township 24 South, Range 32 East;

Southwest Jabalina-Wolfcamp Pool in Township 26 South, Range 34 East;

Kammerer Tanks-Wolfcamp Gas Pool in Township 25 South, Range 35 East;

West Leamex-Cisco Pool in Township 17 South, Range 32 East;

North Maljamar-Paddock Pool in Township 17 South, Range 32 East;

North Pearl-Barnett Gas Pool in Township 19 South, Range 35 East;

South Ranger Lake-Abo Pool in Township 13 South, Range 34 East;

North Williams-Wolfcamp Pool in Township 13 South, Range 32 East;

The abolishment of the Maljamar-Yeso Pool in Lea County;

The extension of the vertical limits of the Bell Lake-Cherry Canyon Pool in Lea to include all of the Delaware formation and the re-designation of the pool as Lake-Delaware Pool;

The extension of the vertical limits of the Maljamar-Paddock Pool in Lea County include all of the Yeso formation and the re-designation of the pool as the Maljamar-Yeso Pool;

The extension of the following pools in Lea County:

- Antelope Ridge-Atoka Gas
- Antelope Ridge-Cherry Canyon
- North Bell Lake-Delaware
- South Bell Lake-Morrow Gas
- Blinebry Oil and Gas
- Caudill-Permo Upper Pennsylvanian
- Drinkard
- Eight Mile Draw-Abo
- Eight Mile Draw-Morrow Gas
- EK-Bone Spring
- EK-Delaware
- South Eunice-San Andres
- North Feather-Morrow Gas
- East Featherstone-Bone Spring
- North Grama Ridge-Wolfcamp Gas
- South Jenkins-Atoka Gas
- Justis-Tubb-Drinkard
- North Knowles-Devonian
- La Rica-Wolfcamp
- Southeast Lane-Abo
- Langlie Mattix-Seven Rivers-Queen-Grayburg
- Lovington-Paddock
- North Lusk-Bone Spring
- Lusk-Strawn
- West Maljamar-Yeso
- North Monument-Drinkard Gas
- East Nadine-Drinkard
- Osudo-Morrow Gas
- West Osudo-Morrow Gas
- Reeves-Queen
- Sawyer-Devonian
- Skaggs-Drinkard
- Tonto-Yates-Seven Rivers
- Townsend-Permo Upper Pennsylvanian
- West Triste Draw-Delaware
- Tubb Oil and Gas
- Wantz-Abo
- Weir-Drinkard
- X-4 Ranch-Atoka Gas
- X-4 Ranch-Morrow Gas
- West X-4 Ranch-Morrow Gas
- Young-Morrow Gas

The extension of the TV-Pennsylvanian Gas Pool in Chaves County.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADJUDICATION.

Given under the Seal of the State of New Mexico Oil Conservation Commission Santa Fe, New Mexico on this 12th day of December, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P. E.
Division Director
S E A L

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