

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.
PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN
MANAGEMENT CORP. TO PLUG AND ABANDON ALL WELLS IT
OPERATES 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; LEA AND
EDDY COUNTIES, NEW MEXICO.**

CASE NO. 14052

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. Notice of the January 10, 2008 hearing 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.)

2. A copy of the notice of hearing, with attachments, is Exhibit A 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 B.

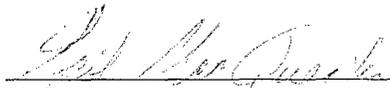
4. The certified mail letter sent to Pronghorn Management Corp. was returned unclaimed after three attempts to deliver it. A copy of the unclaimed envelope is attached to this affidavit as Exhibit C. The address used for Pronghorn Management Corp. is the address of record with the Oil Conservation Division 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

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3

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.

6. Notice of the January 10, 2008 hearing in the above-captioned matter was also published in the Artesia Daily Press, a newspaper of general circulation in Eddy County. The affidavit of publication from the Artesia Daily Press is attached as Exhibit G.



Gail MacQuesten

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



Notary Public

My Commission Expires:
1-09-08



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 6, 2007

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

Certified Mail No. 77005 3110 0002 2085 2459

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

Certified Mail No. 7005 3110 0002 2085 2473

CASE 14052: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORP. PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN MANAGEMENT CORP. TO PLUG AND ABANDON ALL WELLS IT OPERATES 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; LEA AND EDDY COUNTIES, NEW MEXICO.

Dear Operator:

You are hereby notified that the New Mexico Oil Conservation Division (OCD) has filed the above-captioned application for a compliance order against Pronghorn Management Corp. A copy of the application is enclosed.

A hearing on this application 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 entry of the order. **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 NMAC, 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: Application in Case 14052
Rule 1211 [19.15.14.1211 NMAC]
Rule 1212 [19.15.14.1212 NMAC]

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3-A

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

RECEIVED
2007 NOV 15 PM 2 45

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORP. PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN MANAGEMENT CORP. TO PLUG AND ABANDON ALL WELLS IT OPERATES 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; LEA AND EDDY COUNTIES, NEW MEXICO.

CASE NO. 14052

APPLICATION FOR COMPLIANCE ORDER
AGAINST PRONGHORN MANAGEMENT CORP.

1. Pronghorn Management Corp. ("Pronghorn") is a corporation operating wells in New Mexico under OGRID 122811.

2. Pronghorn posted a \$50,000 cash bond and assignment of cash collateral pursuant to NMSA 1978, Section 70-2-14 to secure its obligation to plug and abandon wells on privately owned or state-owned lands in New Mexico in compliance with the rules of the Oil Conservation Division ("OCD"). Lea County State Bank in Hobbs, New Mexico holds the certificate of deposit: CD # 10071567.

3. NMSA 1978, Section 70-2-14(B) provides:

If any of the requirements of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have not been complied with, the oil conservation division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules. If the order is not complied with in the time period set out in the order, the financial assurance shall be forfeited.

4. Attached as Exhibit A to this application is a list of the 39 wells for which Pronghorn is operator of record in New Mexico.

5. In Case No. 13858, Order No. R-12767, the Division Director found that Pronghorn was in violation of 19.15.4.201 NMAC as to the following 16 wells:

- Fowler B #001 30-025-28197
- JF Black #003 30-025-11182
- JF Black #004 30-025-11183
- JF Black #005 30-025-21401
- JF Black #006 30-025-21478
- JF Black #007 30-025-21479
- Marshall #001 30-025-08358
- Marshall #005 30-025-25000
- Marshall #008 30-025-25642
- New Mexico BZ State NCT 5 #004 30-025-03524
- New Mexico DL State #003 30-025-28608
- New Mexico DL State #004 30-025-28609
- New Mexico DL State #005 30-025-28610
- New Mexico DL State #006 30-025-28659
- New Mexico DL State #007 30-025-28681
- New Mexico EF State #003 30-025-28697

These wells are highlighted in green on Exhibit A. Order No. R-12767 required Pronghorn to plug and abandon the wells, secure approved temporary abandonment status for the wells, or return them to OCD-approved beneficial use by October 2, 2007. As of today's date, Pronghorn has reported production on one of the 16 wells: the New Mexico DL State #007, 30-025-28681. The other 15 wells remain out of compliance.

6. In Case No. 13859, Order No. R-12768, the Division Director found that Pronghorn 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 the following 11 wells by filing false reports of production on the wells although the wells were inactive:

- Fields #004 30-025-25348

- JF Black #001 30-025-11178
- Marshall #007 30-025-25201
- New Mexico BZ State NCT 5 #001 30-025-03521
- New Mexico BZ State NCT 5 #002 30-025-03522
- New Mexico BZ State NCT 5 #003 30-025-03523
- New Mexico DL State #001 30-025-28223
- New Mexico DL State #002 30-025-28607
- New Mexico EF State #001 30-025-28680
- State C #001 30-025-03485
- State HL #001 30-025-26492

Those wells are highlighted in blue on Exhibit A. Order No. R-12768 required Pronghorn to plug and abandon the wells, secure approved temporary abandonment status for the wells, or return them to OCD-approved beneficial use by December 30, 2007. In addition, Order No. R-12768 required Pronghorn to do the following by July 30, 2007: pay a penalty of \$72,000, file corrected production reports, and provide contact information for private lessors affected by the false production reports. Pronghorn has not paid the penalty, filed corrected production reports, or provided contact information for private lessors affected by the false production reports.

7. Seven additional wells not covered by Case 13858 or Case 13859 are out of compliance with 19.15.4.201 NMAC because they have been inactive for a continuous period in excess of one year plus 90 days and they are neither plugged and abandoned nor on approved temporary abandonment status:

- Atlantic State #001 30-015-10266
- Eddy State #001 30-015-23248
- Hannafin State #001 30-015-26727
- Long Box Com #001 30-015-22624
- Marshall #006 30-025-25151
- Sivley State #001 30-015-26837
- State M #001 30-015-24612

Those seven wells are highlighted in yellow on Exhibit A. One of the wells highlighted in yellow, the State M. # 001, 30-015-24612, also has an un-permitted, unlined pit on location, in violation of 19.15.2.50 NMAC, which requires pits to be permitted, properly lined, and closed within six months of cessation of use.

8. Four other wells not covered by Case 13858 or Case 13859 are out of compliance with other OCD rules, and are highlighted in purple on Exhibit A:

- Gila 4 Deep #001 30-025-30872
- Howse C #001 30-025-22165
- Marshall #002 30-025-08359
- New Mexico BZ State NCT 5 #005 30-025-32362

All four wells reported production or injection between February 15, 2007 and August 24, 2007. The OCD had cancelled Pronghorn's authority to transport or inject during that period pursuant to 19.15.13.1115.C NMAC because of Pronghorn's failure to file production reports. Transportation of oil or gas during that period would be a violation of 19.15.13.1105 NMAC. Injection during that period would be a violation of 19.15.9.701 NMAC. Three of the four wells highlighted in purple have additional compliance issues:

a. Howse C #001, 30-025-22165. The well has the wrong ULSTR listed on its well sign, which is a violation of 19.15.3.103.F NMAC.

b. Marshall #002, 30-025-08359. Although the well is reporting injection, inspection reports indicate the well is shut in. If Pronghorn is reporting injection on an inactive well, Pronghorn is filing false reports in violation of 19.15.13.1115 NMAC and NMSA 1978, Section 70-2-31.B(2).

c. New Mexico BZ State NCT #005, 30-025-32362. Again, although the well is reporting production, inspection reports indicate the well is shut in. If Pronghorn is reporting production on an inactive well, Pronghorn is filing false reports in violation of 19.15.13.1115 NMAC and NMSA 1978, Section 70-2-31.B(2).

9. The Hastie #005, 30-015-01417, is highlighted in pink on Exhibit A. Pronghorn filed a notice of intent to plug and abandon the well in 1995, and no production has been reported since 1995. The well file contains no additional filings from Pronghorn on this well. In 2001 the OCD issued a Letter of Violation to Pronghorn regarding the well after an inspection found the location not clean after an apparent plugging. To date, Pronghorn has not filed a Form C-103 to report completion of restoration work. Rule 19.15.4.201 NMAC requires a well to be plugged and abandoned or placed on approved temporary abandonment status after one year plus ninety days of continuous inactivity. Rule 19.15.4.202 NMAC requires the operator to clean the well site "as soon as practical but no later than one year after the completion of plugging operations," and file a record of the work done within thirty days after completing all required restoration work.

10. NMSA 1978, Section 70-2-3(A) defines "person" in relevant part to include corporations.

WHEREFORE, the Enforcement and Compliance Manager of the Division hereby applies to the Director to enter an order:

A. Determining that 38 of the 39 wells operated by Pronghorn in New Mexico (all wells except the New Mexico DL State #007, 30-025-28681) are in violation of one or more of the following: NMSA 1978, Section 70-2-31(B)(2); 19.15.4.201 NMAC; 19.15.4.202 NMAC; 19.15.13.1115 NMAC; 19.15.13.1105 NMAC; 19.15.9.701 NMAC; 19.15.3.103.F NMAC; and 19.15.2.50 NMAC;

B. Requiring Pronghorn to plug and abandon all its wells by a date certain; and if the subject wells are not plugged and abandoned by the date set in the order:

(1) Authorizing the OCD to plug the wells in accordance with a Division-approved plugging program; and

(2) If any of the non-compliant subject wells is located on privately owned or state owned lands, authorizing the OCD to declare forfeit the security furnished by the Operator; and

C. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 15 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

Case No. _____ 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, 30-025-03485; 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.

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]

Well List

122811 PRONGHORN MANAGEMENT CORP

TOTAL WELL COUNT:39

PRINTED ON:WEDNESDAY, NOVEMBER 14, 2007

Property Name	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type Pool	Last Prod/Inj	Oil POD	Gas POD	In Add. Bond
16106 ATLANTIC STATE #001		S	N-4-17S-28E	N	30-015-10266	G 86960 VANDAGRIFF KEYES;QUEEN (GAS)	9/2000		944830	10/1/2002
15356 EDDY STATE #001		S	G-6-19S-25E	G	30-015-23248	O 50270 PENASCO DRAW;SA-YESO (ASSOC)	7/2006	502110	502130	8/1/2008
15001 FIELDS #004		F	A-25-23S-32E	A	30-025-25348	O 14910 CRUZ,DELAWARE	3/2006	498810	498830	
14992 FOWLER B #001		P	K-6-19S-38E	K	30-025-28197	O 31920 HOBBS;GRAYBURG SAN ANDRES	9/1985	499110	499130	10/1/1987
14986 GILBA4 DEEP #001		F	G-4-25S-33E	G	30-025-30872	G 79335 JOHNSON RANCH;WOLFCAMP (GAS)	8/2007	2804889	501730	
16105 HANNAFIN STATE #001		S	L-17-19S-29E	L	30-015-26727	O 46555 MILLMAN;YATES-SR-QN-GB-SA, EAST	7/2006	944610	944630	8/1/2008
15324 HASTIE #005		F	F-18-17S-28E	F	30-015-01417	O	12/1995			
14995 HOWSE C #001		P	H-11-20S-38E	H	30-025-22165	O 33210 HOUSE;ABO	8/2007	501610	501630	9/1/2009
14988 J BLACK #001		P	G-21-24S-37E	G	30-025-11178	O 37240 LANGLIE MATTIX;7 RVR-S-Q-GRAYBURG	3/2006	500910	500930	4/1/2008
J BLACK #003		P	B-21-24S-37E	B	30-025-11182	O 37240 LANGLIE MATTIX;7 RVR-S-Q-GRAYBURG	12/1993	500910	500930	1/1/1996
J BLACK #004		P	F-21-24S-37E	F	30-025-11183	O 33820 JALMAT;TAN;YATES-7 RVR-S (OIL)	10/1987	499810	499830	11/1/1989
J BLACK #005		P	K-21-24S-37E	K	30-025-21401	O 37240 LANGLIE MATTIX;7 RVR-S-Q-GRAYBURG	1/1984	500910	500930	2/1/1986
J BLACK #006		P	F-21-24S-37E	F	30-025-21478	I 37240 LANGLIE MATTIX;7 RVR-S-Q-GRAYBURG	7/1991	499810	499830	8/1/1993
J BLACK #007		P	C-21-24S-37E	C	30-025-21479	I 37240 LANGLIE MATTIX;7 RVR-S-Q-GRAYBURG	5/1985	499810	499830	6/1/1987
15327 LONG BOX COM #001		F	H-30-20S-24E	H	30-015-22624	G 86423 TRES HOMBRES;ATOKA (GAS)	10/2005	499310	499330	
14997 MARSHALL #001		F	A-19-23S-33E	M	30-025-08358	O 14910 CRUZ,DELAWARE	2/1990	498810	498830	
MARSHALL #002		F	K-19-23S-33E	K	30-025-08359	S 96100 SWD,DELAWARE	8/2007			
MARSHALL #005		F	F-19-23S-33E	F	30-025-25000	O 14910 CRUZ,DELAWARE	4/1998	498810	498830	
MARSHALL #006		F	B-19-23S-33E	B	30-025-25151	O 14910 CRUZ,DELAWARE	2/1996	498810	498830	
MARSHALL #007		F	C-19-23S-33E	C	30-025-25201	O 14910 CRUZ,DELAWARE	8/2005	498810	498830	
MARSHALL #008		F	3-19-23S-33E	L	30-025-25642	O 14910 CRUZ,DELAWARE	2/1996	498810	498830	
14987 NEW MEXICO BZ STATE NCT 5 #001		S	D-29-21S-35E	D	30-025-03521	O 53790 SAN;SIMON;YATES NORTH (ASSOC)	3/2006	501310	501330	4/1/2008
NEW MEXICO BZ STATE NCT 5 #002		S	G-29-21S-35E	G	30-025-03522	O 53790 SAN;SIMON;YATES NORTH (ASSOC)	3/2006	501310	501330	4/1/2008
NEW MEXICO BZ STATE NCT 5 #003		S	E-29-21S-35E	E	30-025-03523	O 53790 SAN;SIMON;YATES NORTH (ASSOC)	2/2006	501310	501330	3/1/2008
NEW MEXICO BZ STATE NCT 5 #004		S	F-29-21S-35E	F	30-025-03524	O 53790 SAN;SIMON;YATES NORTH (ASSOC)	6/1986	501310	501330	7/1/1988

Exhibit A
to Application for

GM-OCD

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

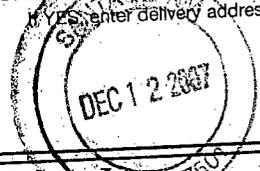
Mr. Ernest A. Padilla
 Padilla Law Firm, P.A.
 P. O. Box 2523
 Santa Fe, NM 87504-2523

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *C. A. Padilla* / *PADILLA LAW FIRM* Agent Addressee ^{PA}

B. Received by (Printed Name) *C. A. Padilla / PLF, P.A.* Date of Delivery

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



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

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number *7005 3110 0002 2085 2473*
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

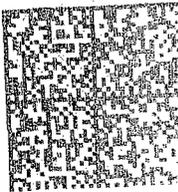
Pronghorn Management Corp.
 Case 13859
 Case 14052
 OCD Exhibit No. 3-B

STATE OF NEW MEXICO
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

2008 JAN 4 PM 2

RECEIVED
RETURN TO SENDER
UNCLAIMED
Pronghorn Management Corp.
P.O. Box 1772
Albuquerque, NM 88241

7005 3110 0002 2085 2459



Hasler

016H16502007
\$05.380
Mailed From 8750
12/06/2007
US POSTAGE

NAME _____
1st Notice _____
2nd Notice _____
Return 12-25

12/10

UNC

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3-C

Company Maintenance

Mod Date 7/20/2006



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:	
Phone:	(505) 393-8386
	Fax: () - 0
	Ext:
	User ID
	OGRID
	122811
	DOE No
	Status
	A
	Problem
	Organization Rpt? <input type="checkbox"/>
	Received:
	Last Financial Report
	Received:
	Secretary of State
	Qualified:

Oper InOper Bondg Drill Trans Gathr Haulr Pultr Misc1 Misc2 Misc3 Misc4

District Office Address to use for Mailing of Notices

Address: _____ Phone: _____ Ext: _____

(Suite, Etc.): _____ City: _____ State / Zip / Zip: _____

Scheduled Inspection Meeting Place: _____ First Well on the List _____

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3-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. 3-E

MADDOX AND HOLLOMAN P.C

205 E BENDER, SUITE 150 HOBBS NEW MEXICO 88240

Agent Designated: 06/24/05

Agent Resigned:

COOP LICENSE INFORMATION

Number:

Type:

Expiration Year:

OFFICERS

President: **BABER, III, G A**

Vice President: **BABER, JR., GUY A.**

Secretary:

Treasurer:

DIRECTORS

Date of Election of Directors: 10/31/08

BABER, III, G A

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

LEGAL NOTICE
NOTICE OF HEARING

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

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.

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, 1-800-655-1779 by December 31, 2007. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a 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.)

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.

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.

And that the cost of publishing said notice is the sum of \$ 505.76 which sum has been (Paid) as Court Costs.

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,

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

Debbie Schilling

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

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3-F

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, J-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, 30-025-3609; 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, 30-025-3680; 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 west of Carlsbad in Lea and Eddy Counties.

CASE 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-Delaware Pool in Lea County to include all of the Delaware formation and the extension of the pool as the Lake-Delaware Pool;

The extension of the vertical limits of the Maljamar-Yeso Pool in Lea County to include all of the Yeso formation and the extension 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
- Blinbery 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-Granton
- 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 Lea County;

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE DECIDED UNDER ADVISORY OPINION.

Given under the Seal of the State of New Mexico, this 12th day of December, 1980, at Santa Fe, New Mexico on this 12th day of December, 1980.

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

Published in the Lovington Leader December, 1980.

Affidavit of Publication

Copy of Publication:

NO. 20003

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive week/days on the same

day as follows:

First Publication December 16, 2007

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

30th Day December 2007

Amanda K. Lamb

Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Pronghorn Management Corp.
Case 13859
Case 14052
OCD Exhibit No. 3-G

**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, 1-800-659-1779 by December 31, 2007. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a 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 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-2S-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 O #001, H-20-21S-33E, 30-025-03485;
- 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.

CASE 14053: Application of the New Mexico Oil Conservation Division for a Compliance Order against J. Warren Hanson d/b/a Hanson Energy. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to twenty-five wells, requiring operator to return the wells to compliance by a date certain, and in the event of non-compliance assessing penalties and authorizing the division to plug said wells and forfeit the applicable financial assurance. The affected wells are: Berry A #011, 30-015-00498, K-24-17S-27E; Berry A #022, 30-015-00497, K-24-17S-27E; Berry A #026, 30-015-00501, O-24-17S-27E; Berry B #025, 30-015-00578, G-25-17S-27E; Berry Federal #027, 30-015-00483, E-24-17S-27E; Berry Federal #029, 30-015-00472, F-23-17S-27E; Berry Federal #030, 30-015-21510, O-23-17S-27E; Berry Federal #034, 30-015-31113, G-23-17S-27E; Donnelly Kelly State #002, 30-015-02844, O-8-18S-28E; Donnelly Kelly State #003, 30-015-23815, O-8-18S-28E; Saunders A #011, 30-015-24123, B-13-17S-27E; Saunders B #003, 30-015-22725, A-13-17S-27E; Spurck State #009, 30-015-30997, F-24-17S-27E; State AE #001, 30-015-25402, G-4-18S-28E; State AE #002, 30-015-25403, F-4-18S-28E; Vandagriff #003, 30-015-01323, I-5-17S-28E; Vandagriff #005, 30-015-01318, J-5-17S-28E; Vandagriff #007, 30-015-01320, J-5-17S-28E; Vandagriff #008, 30-015-01321, H-5-17S-28E; Vandagriff #009, 30-015-01322, O-5-17S-28E; Vandagriff #010, 30-015-01329, B-8-17S-28E; Vandagriff #011, 30-015-01325, I-5-17S-28E; West Artesia Grayburg Unit #016, 30-015-02641, M-8-18S-28E; West Artesia Grayburg Unit #022, 30-015-23639, L-8-18S-28E; West Artesia Grayburg Unit #024, 30-015-23724, M-8-18S-28E.

The wells are located between Artesia and Loco Hills in Eddy County, New Mexico.

CASE 14054: Application of the New Mexico Oil Conservation Division for a Compliance Order against Kimlar Oil Company. The Applicant seeks an order finding operator in violation of 19.15.3.116 and 19.15.9.703 NMAC requiring operator to bring the wells into compliance with 19.15.3.116 and 19.15.9.703 by a date certain, and assessing penalties. The affected wells are:

- Gourley Federal No. 003, API No. 30-015-22660, A-31-22S-28E
 - Gourley Federal No. 004, API No. 30-015-22661, J-31-22S-28E
- The wells are located approximately 9 miles southeast of

Carlsbad, in Eddy County, New Mexico.

CASE 14055: Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company.

The Applicant seeks an Order finding that Operator is in violation of 19.15.13.115 NMAC and 19.15.4.201 NMAC as to seventeen wells, requiring Operator to bring the seventeen wells into compliance with 19.15.13.115 NMAC and 19.15.4.201 NMAC by a date certain, authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance, and assessing penalties. The affected wells are:

- Amoco No. 001, L-13-17S-27E; 30-015-24738
 - Muncy Federal No. 001; F-13-17S-27E; 30-015-23083
 - Muncy Federal No. 002; E-13-17S-27E; 30-015-25012
 - Saunders No. 012; O-13-17S-27E; 30-015-22348
 - Michael State No. 001; H-25-17S-27E; 30-015-24877
 - Schneider No. 001; J-24-17S-27E; 30-015-22907
 - Scott Federal No. 001; P-12-17S-27E; 30-015-25437
- These wells are located approximately 10 miles west of Loco Hills, in Eddy County, New Mexico.
- Hastie No. 016; 4-18-17S-28E; 30-015-22371
 - Hastie No. 017; 3-18-17S-28E; 30-015-22852
 - Hastie No. 018; N-18-17S-28E; 30-015-22848
 - Hastie No. 019; 2-18-17S-28E; 30-015-23186
 - Hastie No. 020; 1-18-17S-28E; 30-015-23516
 - Hastie No. 021; C-18-17S-28E; 30-015-23821

These wells are located approximately 8 miles west of Loco Hills, in Eddy County, New Mexico.

- Shearn Becky Federal No. 001; B-14-17S-27E; 30-015-34440
- Shearn Freedom Federal No. 002; A-14-17S-27E; 30-015-34454
- Shearn Samantha Federal No. 001; G-14-17S-27E; 30-015-31059
- Shearn Shilo Federal No. 001; B-14-17S-27E; 30-015-31061

These wells are located approximately 11 miles west of Loco Hills, in Eddy County, New Mexico.

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

Given under the Seal of the State of New Mexico Oil Conservation Commission at 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
Published in the Artesia Daily Press, Artesia, N.M. December 16, 2007
Legal 20003**