

## "Green" Wells:

### Violation alleged:

- Inactive wells (19.15.4.201 NMAC)

### Wells at issue:

1. Fowler B #001 -plugged by state; not released
2. J F Black #003 -plugged by state; not released
3. J F Black #004 -plugged by state; not released
4. J F Black #005 -plugged by state; not released
5. J F Black #006 -plugged by state; not released
6. J F Black #007 -plugged by state; not released
- ~~7. Marshall #001\*~~
- ~~8. Marshall #005\*~~
- ~~9. Marshall #008\*~~
10. New Mexico BZ State NCT 5#004 -plugged by state; not released
- ~~11. New Mexico DL State #003\*~~
- ~~12. New Mexico DL State #004\*~~
- ~~13. New Mexico DL State #005\*~~
- ~~14. New Mexico DL State #006\*~~
- ~~15. New Mexico DL State #007\*~~
- ~~16. New Mexico EE State #003\*~~

### History of Compliance Action by OCD:

- |          |   |
|----------|---|
| 7-30-05  | ACOI 77 executed (covers all 16 wells at issue)               |
| 11-15-05 | ACOI 77-A executed (covers all 16 wells at issue)             |
| 12-6-06  | Case 13858 filed (covers all 16 wells at issue)               |
| 3-1-07   | Case 13858 heard  |
| 6-15-07  | Case 13858 Order R-12767 filed (covers all 16 wells at issue) |
| 9-13-07  | De Novo application dismissed                                 |
| 11-15-07 | Case 14052 filed (subject of de novo review)                  |
| 1-10-08  | Case 14052 heard  |
| 6-23-08  | Case 14052 Order R- 12768-C filed                             |

Wells plugged under Order R-12767 to date, and cost to the State of New Mexico:

- |                        |                    |
|------------------------|--------------------|
| • Fowler B No. 1       | \$32,753.86        |
| • JF Black No. 3       | \$50,097.38        |
| • JF Black No. 4       | \$34,102.40        |
| • JF Black No. 5       | \$71,270.52        |
| • JF Black No. 6       | \$38,025.60        |
| • JF Black No. 7       | \$38,086.90        |
| • NM BZ State NCT 5 #4 | <u>\$35,037.08</u> |

**Total:** \$299,373.74

Amount covered by blanket bond: \$50,000.00

**Amount owed to State of New Mexico:** \$249,373.74

- |         |  |
|---------|--|
| 9-29-08 | Demand letter sent to Pronghorn for \$249,373.74 |
|---------|--|

*Oil Conservation Commission  
Cases 13859 & 14052 De Novo  
Pronghorn Management Corp.  
OCD Exhibit 5*

**Pending Orders:**

- ACOI 77-A: Operator agreed to return all 16 wells to compliance by May 31, 2006, pay \$2,000 per well for each full month well remains out of compliance after that date.
- R-12767: Requires operator to return all 16 wells to compliance by October 2, 2007; authorizes OCD to plug wells and forfeit financial assurance if operator fails to meet deadline.
- R-12768-C: Requires operator to plug or transfer all wells by 12-31-08.

**Compliance Action by Operator:**

- Transferred 9 wells to TriTex without first returning them to compliance.

**Compliance Action Not Taken:**

- Has not paid penalty under ACOI 77-A
- Did not return any of the wells to compliance; has not remediated sites of plugged wells
- Has not reimbursed state for \$249,373.74 spent to date to plug wells
- Has not replaced blanket bond forfeited for partial payment of plugging costs

Wells transferred to TriTex Resources, LLC, effective 9/15/08.