



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
1625 French Dr, Hobbs, NM 88240
(505) 393-6161
FAX (505) 393-0720

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

September 3, 2000

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

Dear Sir;

This letter is in regard to recent inspection of your properties in Lea County, NM.

Wells on the attached list show to be inactive with no production for more than one [1] year. Also several wells that have reported production are disconnected and incapable of producing.

Wells not produced for more than one year are out of compliance. Wells with no signs, or incorrect signs also need your attention.

The listed well should be brought into compliance with NMOCD Rules # 201, # 202, # 203 as apply to all inactive wells.

Your intentions to bring these wells into compliance should be returned to me no later than December 8, 2000.

This letter is the first step for compliance before a call for "Show Cause Hearing".

If you have any questions feel free to call me anytime, 505-393-6161, ext. 105.

Sincerely,

L.W. 'Buddy' Hill
Field Rep.1

cc: Chris Williams
Gary Wink
File

SAP

**Oil Conservation Commission
Cases 13859 & 14052 De Novo
Pronghorn Management Corp.
OCD Exhibit 8**

Tuesday, October 03, 2000

(opno = 122811)

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Well Selection Criteria Quick Print

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft/N/S	Ft/E/W	UICPrnt
30-025-03730-00-00	STATE T	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	1	6	16S	36E	2300S	1551W	
30-025-03737-00-00	STATE T	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	1	6	16S	36E	4620S	1885W	
30-025-03734-00-00	STATE T	PRONGHORN MANAGEMENT CORP	O	T	Lea	S	1	6	16S	36E	2970S	330W	
30-025-03735-00-00	STATE T	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	1	6	10S	30E	4290S	300W	
30-025-28197-00-00	FOWLER B	PRONGHORN MANAGEMENT CORP	O	S	Lea	P	K	6	19S	38E	2310S	2317W	
30-025-07727-00-00	STATE U	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	P	2	20S	38E	660S	660E	
30-025-22105-00-00	HOWSE C	PRONGHORN MANAGEMENT CORP	O	A	Lea	P	H	11	20S	38E	1980N	660E	
30-025-03405-00-00	STATE C	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	M	20	21S	35E	660S	660W	
30-025-03553-00-00	NEW MEXICO BZ STATE NCT 5	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	C	29	21S	35E	660N	1980W	
30-025-03521-00-00	NEW MEXICO BZ STATE NCT 5	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	D	29	21S	35E	660N	660W	
30-025-32362-00-00	NEW MEXICO BZ STATE NCT 5	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	D	29	21S	35E	40N	750W	
30-025-03523-00-00	NEW MEXICO BZ STATE NCT 5	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	E	29	21S	35E	1980N	660W	
30-025-03524-00-00	NEW MEXICO BZ STATE NCT 5	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	F	29	21S	35E	1980N	1980W	
30-025-00113-00-00	FELDB	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	P	24	23S	32E	660S	660E	
30-025-36346-00-00	FELDB	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	A	35	23S	32E	660N	330E	
30-025-26492-00-00	STATE HL	PRONGHORN MANAGEMENT CORP	O	T	Lea	S	L	2	23S	33E	1980S	660W	
30-025-28680-00-00	NEW MEXICO EF STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	L	17	23S	33E	2310S	330W	
30-025-28697-00-00	NEW MEXICO EF STATE	PRONGHORN MANAGEMENT CORP	I	A	Lea	S	M	17	23S	33E	990S	330W	R-7857
30-025-28681-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	A	18	23S	33E	987N	330E	
30-025-28608-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	H	18	23S	33E	1980N	330E	
30-025-20222-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	I	18	23S	33E	1980S	660E	
30-025-28610-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	J	18	23S	33E	1980S	1650E	
30-025-28609-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	N	18	23S	33E	230S	2342W	
30-025-28607-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	O	18	23S	33E	660S	1980E	
30-025-28659-00-00	NEW MEXICO DL STATE	PRONGHORN MANAGEMENT CORP	O	A	Lea	S	P	18	23S	33E	660S	660E	
30-025-25642-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	O	T	Lea	F	3	19	23S	33E	2600S	1230W	
30-025-08358-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	O	T	Lea	F	4	19	23S	33E	660S	660W	
30-025-25151-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	O	T	Lea	F	B	19	23S	33E	990N	1980E	
30-025-25201-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	O	T	Lea	F	C	19	23S	33E	990N	1980E	
30-025-25000-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	F	19	23S	33E	1980N	1980W	
30-025-08359-00-00	MARSHALL	PRONGHORN MANAGEMENT CORP	S	A	Lea	F	K	19	23S	33E	1980S	1910W	R-7877
30-025-08148-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	S	A	Lea	F	C	14	24S	32E	660N	1980W	R-7715
30-025-20754-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	F	14	24S	32E	1980N	2055W	
30-025-20755-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	J	14	24S	32E	1980S	1980E	
30-025-25149-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	K	14	24S	32E	1980S	1650W	
30-025-08149-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	M	14	24S	32E	882S	882W	
30-025-08149-00-00	JENNINGS FEDERAL	PRONGHORN MANAGEMENT CORP	O	A	Lea	F	D	23	24S	32E	660N	330W	
30-025-11182-00-00	J F BLACK	PRONGHORN MANAGEMENT CORP	O	A	Lea	P	B	21	24S	37E	660N	1980E	
30-025-21479-00-00	J F BLACK	PRONGHORN MANAGEMENT CORP	I	A	Lea	P	C	21	24S	37E	1310N	2626W	R-2957

Tuesday, October 03, 2000

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(opno = 122811)

Well Selection Criteria Quick Print

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt
30-025-11183-00-00	J F BLACK	004	PRONGHORN MANAGEMENT CORP	O	A	Lea	P	F	21	24 S	37 E	1980 N	1980 W
30-025-21478-00-00	J F BLACK	006	PRONGHORN MANAGEMENT CORP	I	A	Lea	P	F	21	24 S	37 E	2630 N	1340 W
30-025-11178-00-00	J F BLACK	001	PRONGHORN MANAGEMENT CORP	O	A	Lea	P	G	21	24 S	37 E	1980 N	1980 E
30-025-21401-00-00	J F BLACK	005	PRONGHORN MANAGEMENT CORP	O	A	Lea	P	K	21	24 S	37 E	1980 S	2030 W
30-025-30872-00-00	GILA 4 DEEP	001	PRONGHORN MANAGEMENT CORP	G	A	Lea	F	G	4	25 S	33 E	1975 N	1980 E



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

13-Sep-02

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS NM 88241-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division 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

FIELDS 001		P-24-23S-32E		30-025-08119-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224647848
Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME (NO UNIT, NO ELEC., & FLOWLINE VALVE IS CLOSED !! ** ***OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL***60 DAYS						
MARSHALL 005		F-19-23S-33E		30-025-25000-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224649955
Comments on Inspection: WELL HAS BEEN S/I A LONGTIME (FLOWLINE VALVE CLOSED.) ***OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL***60 DAYS						
MARSHALL 006		B-19-23S-33E		30-025-25151-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224650440
Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME**OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL** 60 DAYS.						

MARSHALL 007

C-19-23S-33E

30-025-25201-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	12/7/2002	iELG0224650244
Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME. **OPERATOR CONTACT OCD REGARDING FUTURE STATUS OF WELL **60 DAYS.						

FIELDS 004

A-25-23S-32E

30-025-25348-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224646399
Comments on Inspection: WELL HAS NOT PROD. IN A LONG TIME (NO BELTS ON MOTOR) **OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL ** 60 DAYS.						

MARSHALL 008

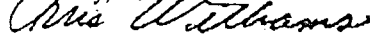
3-19-23S-33E

30-025-25642-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224649488
Comments on Inspection: WELL HAS NOT PROD. IN A LONGTIME (FLOWLINE VALVE IS CLOSED !! ***OPERATOR CONTACT OCD REGARDING FUTURE USE OF WELL ***60 DAYS.						

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



CHRIS WILLIAMS

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Chris Williams, District I Supervisor

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.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Please print your name

Conserving the Resources of Our Environment

31-Jan-03

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS, NM 88241-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division 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

J F BLACK 001

G-21-24S-37E

30-025-11178-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic Violations	E.L. Gonzales	Yes	No	4/20/2003	IELG0301548519

Comments on Inspection: WELL HAS BEEN S/I A LONGTIME-- FLOWLINE VALVE IS CLOSED-- NEED TO T/A , P/A OR PUT WELL BACK ON PROD. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 003

B-21-24S-37E

30-025-11182-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic Violations	E.L. Gonzales	Yes	No	4/20/2003	IELG0301549751

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME--VALVES ARE CLOSED ON FLOWLINE-- NEED TO T/A , P/A OR PUT BACK ON PROD. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 004

F-21-24S-37E

30-025-11183-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301552387
Violations Absent Well Identification Signs						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- TBG. OPEN @ WELL-- FLOWLINE VALVES ARE CLOSED-- ALSO, NEEDS A WELL SIGN. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 006

F-21-24S-37E

30-025-21478-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301551995
Violations Absent Well Identification Signs						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- INJ. LINE IS DISCONNECTED-- ALSO, NEEDS A WELL SIGN. NEED TO T/A , P/A OR PUT WELL BACK ON INJ. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 007

C-21-24S-37E

30-025-21479-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301550161
Violations						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- INJ. LINE IS DISCONNECTED--NEED TO T/A , P/A OR PUT WELL BACK ON INJ. (COMPLIANCE REQUESTED BY 4-20-2003)

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



CHRIS WILLIAMS

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Hobbs OCD District Office

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

Providing the Best of New Mexico

"Preserving the Best of Our Environment"

31-Jan-03

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS, NM 88241-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division 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

J F BLACK 001

G-21-24S-37E

30-025-11178-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic Violations	E.L. Gonzales	Yes	No	4/20/2003	iELG0301548519

Comments on Inspection: WELL HAS BEEN S/I A LONGTIME-- FLOWLINE VALVE IS CLOSED-- NEED TO T/A, P/A OR PUT WELL BACK ON PROD. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 003

B-21-24S-37E

30-025-11182-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic Violations	E.L. Gonzales	Yes	No	4/20/2003	iELG0301549751

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME--VALVES ARE CLOSED ON FLOWLINE-- NEED TO T/A, P/A OR PUT BACK ON PROD. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 004

F-21-24S-37E

30-025-11183-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301552387
Violations Absent Well Identification Signs						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- TBG. OPEN @ WELL-- FLOWLINE VALVES ARE CLOSED-- ALSO, NEEDS A WELL SIGN. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 006

F-21-24S-37E

30-025-21478-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301551995
Violations Absent Well Identification Signs						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- INJ. LINE IS DISCONNECTED-- ALSO, NEEDS A WELL SIGN. NEED TO T/A , P/A OR PUT WELL BACK ON INJ. (COMPLIANCE REQUESTED BY 4-20-2003)

J F BLACK 007

C-21-24S-37E

30-025-21479-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/15/2003	Routine/Periodic	E.L. Gonzales	Yes	No	4/20/2003	iELG0301550161
Violations						

Comments on Inspection: WELL HAS BEEN S/I A LONG TIME-- INJ. LINE IS DISCONNECTED--NEED TO T/A , P/A OR PUT WELL BACK ON INJ. (COMPLIANCE REQUESTED BY 4-20-2003)

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



CHRIS WILLIAMS

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Hobbs OCD District Office

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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

04-Apr-05

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS NM 88241-

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION

STATE C 001		M-20-21S-35E	30-025-03485-00-00	Inspection No. iLWH0509159361	
Inspection Date: 4/1/2005 4:29:16 PM		Corrective Action Due by: 5/18/2005			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Compliance Verification	Buddy Hill	Yes	No		
Comments on Inspection:	Idle Well (Rule 201),WELL IS SHUT IN ,DISCONNECTED. NEEDS T/A, P/A OR PUT BACK IN USE. SECOND NOTICE				

NEW MEXICO BZ STATE NCT 5		C-29-21S-35E	30-025-03522-00-00	Inspection No. iLWH0509159818	
002					
Inspection Date: 4/1/2005 4:36:54 PM		Corrective Action Due by: 5/18/2005			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Compliance Verification	Buddy Hill	Yes	No		
Comments on Inspection:	Idle Well (Rule 201),FLOW LINE OPEN, NEEDS T/A ,P/A OR PUT BACK I N USE,,SECOND NOTICE				

NEW MEXICO DL STATE 001		I-18-23S-33E	30-025-28223-00-00	Inspection No. iELG0508844970
Inspection Date: 3/29/2005 12:29:25 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO- ELEC. NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 002		O-18-23S-33E	30-025-28607-00-00	Inspection No. iELG0508843975
Inspection Date: 3/29/2005 12:12:48 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- ALSO, NEEDS A WELL SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 003		H-18-23S-33E	30-025-28608-00-00	Inspection No. iELG0508845798
Inspection Date: 3/29/2005 12:43:14 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME--NEED TO T/A , P/A OR PUT ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.				

NEW MEXICO DL STATE 004		N-18-23S-33E	30-025-28609-00-00	Inspection No. iELG0508843416
Inspection Date: 3/29/2005 12:02:53 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.				

NEW MEXICO DL STATE 005		J-18-23S-33E	30-025-28610-00-00	Inspection No. iELG0508845350
Inspection Date: 3/29/2005 12:35:46 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 006		P-18-23S-33E	30-025-28659-00-00	Inspection No. iELG0508844617
Inspection Date: 3/29/2005 12:23:32 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO EF STATE 001		L-17-23S-33E	30-025-28680-00-00	Inspection No. iELG0508846580
Inspection Date: 3/29/2005 12:56:15 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. WELL NEEDS A SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 007		A-18-23S-33E	30-025-28681-00-00	Inspection No. iELG0508846123
Inspection Date: 3/29/2005 12:48:39 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

Inspection Date: 4/1/2005 4:33:57 PM

Corrective Action Due by: 5/18/2005

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Compliance Verification

Buddy Hill

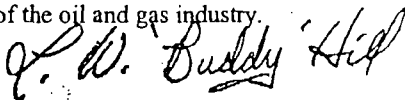
Yes

No

Comments on Inspection: Idle Well (Rule 201), SHUT IN. NEEDS T/A, P/A OR PUT BACK IN USE, SECOND NOTICE

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



COMPLIANCE OFFICER

Hobbs OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

07-Apr-05

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS NM 88241-

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION

STATE C 001	M-20-21S-35E	30-025-03485-00-00	Inspection No. iLWH0509159361	
Inspection Date:	4/1/2005 4:29:16 PM		Corrective Action Due by: 5/18/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Compliance Verification	Buddy Hill	Yes	No	
Comments on Inspection:	Idle Well (Rule 201), WELL IS SHUT IN, DISCONNECTED. NEEDS T/A, P/A OR PUT BACK IN USE. SECOND NOTICE			

NEW MEXICO BZ STATE NCT 5 002	C-29-21S-35E	30-025-03522-00-00	Inspection No. iLWH0509159818	
Inspection Date:	4/1/2005 4:36:54 PM		Corrective Action Due by: 5/18/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Compliance Verification	Buddy Hill	Yes	No	
Comments on Inspection:	Idle Well (Rule 201), FLOW LINE OPEN, NEEDS T/A, P/A OR PUT BACK IN USE, SECOND NOTICE			

NEW MEXICO DL STATE 001		I-18-23S-33E	30-025-28223-00-00	Inspection No. iELG0508844970
Inspection Date: 3/29/2005 12:29:25 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO- ELEC. NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 002		O-18-23S-33E	30-025-28607-00-00	Inspection No. iELG0508843975
Inspection Date: 3/29/2005 12:12:48 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- ALSO, NEEDS A WELL SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 003		H-18-23S-33E	30-025-28608-00-00	Inspection No. iELG0508845798
Inspection Date: 3/29/2005 12:43:14 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.				

NEW MEXICO DL STATE 004		N-18-23S-33E	30-025-28609-00-00	Inspection No. iELG0508843416
Inspection Date: 3/29/2005 12:02:53 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON- COMPLIANCE.				

NEW MEXICO DL STATE 005		J-18-23S-33E	30-025-28610-00-00	Inspection No. iELG0508845350
Inspection Date: 3/29/2005 12:35:46 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 006		P-18-23S-33E	30-025-28659-00-00	Inspection No. iELG0508844617
Inspection Date: 3/29/2005 12:23:32 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO EF STATE 001		L-17-23S-33E	30-025-28680-00-00	Inspection No. iELG0508846580
Inspection Date: 3/29/2005 12:56:15 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NO FLOWLINE-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. WELL NEEDS A SIGN. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO DL STATE 007		A-18-23S-33E	30-025-28681-00-00	Inspection No. iELG0508846123
Inspection Date: 3/29/2005 12:48:39 PM		Corrective Action Due by: 7/2/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	E.L. Gonzales	Yes	No	
Comments on Inspection: THIS WELL HAS BEEN IDLE A LONGTIME-- NEED TO T/A , P/A OR PUT WELL ON PRODUCTION. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.				

NEW MEXICO BZ STATE NCT 5 D-29-21S-35E
005,

30-025-32362-00-00

Inspection No. iLWH0509159639

Inspection Date: 4/1/2005 4:33:57 PM

Corrective Action Due by: 5/18/2005

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Compliance Verification

Buddy Hill

Yes

No

Comments on Inspection: Idle Well (Rule 201), SHUT IN. NEEDS T/A, P/A OR PUT BACK IN USE, SECOND NOTICE

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



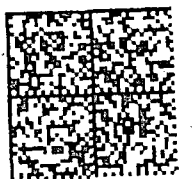
Chris Williams, District Supervisor

Hobbs OCD District Office

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

PRONGHORN MANAGEMENT CORP
P O BOX 1772
HOBBS, NM 88241



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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

14-Apr-05

PRONGHORN MANAGEMENT CORP

PO BOX 1772

HOBBS NM 88241-

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

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IDLE WELL INSPECTION DETAIL SECTION

J F BLACK 001	G-21-24S-37E	30-025-11178-00-00	Inspection No. iELG0510449738
Inspection Date: 4/14/2005 1:48:51 PM	Corrective Action Due by: 7/18/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	E.L. Gonzales	Yes	No
Comments on Inspection:	THIS WELL HAS BEEN IDLE A LONGTIME--NEED TO T/A , P/A OR PUT WELL ON PROD. THIS IS THE 2ND LETTER OF NON-COMPLIANCE.		
J F BLACK 004	F-21-24S-37E	30-025-11183-00-00	Inspection No. iELG0510448850
Inspection Date: 4/14/2005 1:33:56 PM	Corrective Action Due by: 7/18/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	E.L. Gonzales	Yes	No
Comments on Inspection:	THIS WELL HAS BEEN IDLE A LONGTIME--TBG. IS OPEN @ WELLHEAD--NEED TO T/A , P/A OR PUT ON PROD. ALSO, NEEDS A WELL SIGN. THIS IS THE 3RD LETTER OF NON-COMPLIANCE. (COMPLIANCE IS DUE 5-15-05) IF MORE TIME IS NEEDED TO REPAIR WELL PLS. CONTACT CRIS WILLIAMS @ 393-6161 EXT 102.		

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

Phone: 505-393-6161 * Fax: 505-393-0720 * <http://www.emnrd.state.nm.us>

J F BLACK 006

F-21-24S-37E

30-025-21478-00-00

Inspection No. iELG0510448301

Inspection Date: 4/14/2005 1:24:44 PM

Corrective Action Due by: 7/18/2005

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

E.L. Gonzales

Yes

No

Comments on Inspection:

THIS WELL HAS BEEN IDLE A LONGTIME--INJ. LINE IS DISCONNECTED. NEED TO T/A,
P/A OR PUT BACK ON INJ. THIS IS THE 3RD LETTER OF NON-COMPLIANCE. (
COMPLIANCE DUE 5-15-05) IF MORE TIME IS NEEDED PLS. CONTACT CRISS WILLIAMS
@ 505-6161 EXT 102.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-
structure of the oil and gas industry.

Sincerely,

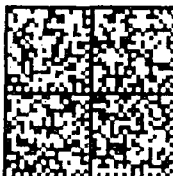

Chris Williams, District Supervisor

Hobbs OCD District Office

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

PRONGHORN MANAGEMENT
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