

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

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CASE NO. 13859

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORPORATION, 1) FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED NMSA 1978, SECTION 70-2-31(B)(2), 19.15.13.115.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. 14052

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORPORATION PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN MANAGEMENT CORPORATION 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.

DELONG, LC MOTION FOR STAY

DeLong, LC (“DeLong”) moves for a stay of the plugging requirement in Order No. R-12678-C and the Division Enforcement and Compliance Manager’s (“ECM’s”) plugging program pursuant to the order with regard to four oil and gas wells that DeLong has acquired from Pronghorn Management Corporation (“Pronghorn”). In support of its motion, DeLong states:

1. DeLong, a New Mexico limited liability company, is a registered New Mexico oil and gas operator (OGRID 258950).

2. Case No. 13859 is a compliance proceeding in which the Division Director issued an Order (No. R-12768) that required Pronghorn to bring twelve of its wells into compliance by a date certain and assessed a \$72,000 penalty.

3. In companion Case No. 14052, the ECM filed an application requesting the reopening of Case No. 13859 and an order requiring Pronghorn to plug and abandon all of its 39 wells. In Order No. R-12768-C, the Division Director consolidated Case Nos. 13859 and 14052 and ordered that: (a) Pronghorn shall no longer be allowed to operate as an oil and gas operator in New Mexico; (b) Pronghorn must either (i) transfer all of its wells to another operator within six months or (ii) plug and abandon the wells no later than December 31, 2008; and; (c) in the event that Pronghorn did not timely transfer or plug and abandon the wells, the Division should forfeit Pronghorn's financial assurance and plug the wells.

4. After the December 21, 2008 deadline in Order No. R-12768-C for Pronghorn to transfer its wells to another operator, DeLong acquired the following four wells from Pronghorn:

<u>Well Name</u>	<u>API No.</u>
Atlantic State #001	30-015-10266
Eddy State #001	30-015-23248
Hannafin State #001	30-015-26727
Sivley State #001	30-015-26837

5. Contemporaneously with this motion, DeLong is filing a separate motion to reopen Case Nos. 13859 and 14052 for the limited purpose of removing these wells from the

plugging requirement in Order No. R-12768-C. DeLong incorporates the separate motion in its entirety by reference herein.

6. DeLong submits that a stay of the ECM's plugging program as to the four Pronghorn wells listed in ¶4, above, will not prejudice the Division. DeLong further submits that, if it is able to obtain the Division's approval of a change of operator for the wells, returning the wells to production will result in the preservation of Division resources and the prevention of waste.

WHEREFORE, DeLong respectfully requests a stay of the plugging requirement in Order No. R-12768-C as it applies to the four wells that DeLong has acquired from Pronghorn.

HINKLE HENSLEY, SHANOR &  
MARTIN, L.L.P.

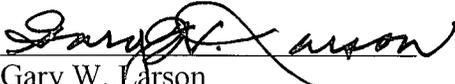
  
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Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Counsel for DeLong, LC

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Motion for Stay* was hand delivered on this 21<sup>st</sup> day of January 2010, to:

Daniel Sanchez  
Enforcement and Compliance Manager  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

  
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Gary W. Larson