

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

CASE NO. 13859 (De Novo)

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), 19.15.13.1115.A NMAC, AND 19.15.4.201 NMAC AS TO ELEVEN WELLS; 2) ASSESSING PENALTIES FOR THE VIOLATIONS; 3) REQUIRING OPERATOR TO FILE CORRECTED PRODUCTION REPORTS BY A DATE CERTAIN; 4) REQUIRING OPERATOR TO BRING THE ELEVEN WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; AND REQUIRING OPERATOR TO PROVIDE CONTACT INFORMATION FOR PRIVATE LESSORS AFFECTED BY THE VIOLATIONS; LEA COUNTY, NEW MEXICO.

CASE NO. 14052 (De Novo)

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.

Order No. R-12768-D

ORDER OF THE COMMISSION

(1) Case Nos. 13859 and 14052 were heard by an examiner on January 10, 2008, and Order No. R-12768-C was entered in these two cases on June 23, 2008, requiring Pronghorn Management Corporation (Pronghorn) to plug and abandon all of its wells by December 31, 2008, and authorizing the Division to plug and abandon all Pronghorn-operated wells and forfeit any applicable financial assurance should Pronghorn not comply.

(2) On July 2, 2008, Pronghorn, through its counsel, filed a timely application for de novo hearing of Case Nos. 13859 and 14052, and the de novo application was set for hearing on November 6, 2008.

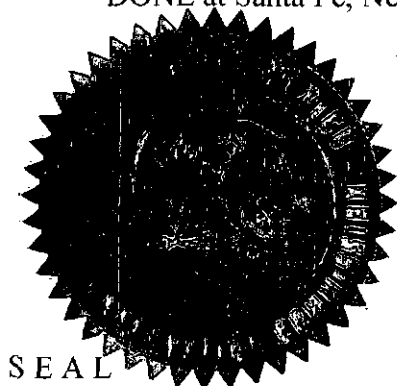
(3) On November 4, 2008, Pronghorn, through its counsel, withdrew its request for a de novo hearing in the subject cases.

(4) De Novo Case Nos. 13859 and 14052 should be dismissed.

IT IS THEREFORE ORDERED THAT:

De Novo Case Nos. 13859 and 14052 are hereby dismissed, and Order No. R-12768-C is hereby continued in full force and effect until further notice.

DONE at Santa Fe, New Mexico, on this 5<sup>th</sup> day of November, 2008.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, Chairman