

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

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10-31-97

Mr. Guy Baber
Pronghorn Management Corporation
P.O.Box 1772
Hobbs, NM. 88241

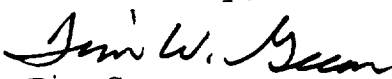
Re; Properly abandoned wells;

Dear Guy;

For your convience I have included a copy of Ray Smith's letter dated July 15,1996. The letter was general in just asking you to address the problem of your shut in wells.To date we have had no response from you, so with this letter I have included a list of wells that have no reported production as far back as 1994.

I am asking you now to send me a plan by no later than January 2,1998 to bring all of your shut in wells into compliance with rule 201.I have instructed Ray after that date to ask our legal department to schedule a hearing so that you may appear and show cause why these wells should not be plugged.

Yours truly,


Tim Gum