NEW MLXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

19-Apr-01

PRONGHORN MANAGEMENT CORP

PO BOX 1772 HOBBS, NM 88241-

Dear Sirs:

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 guidelines as established in the Division Rules and Regulations, corrective actions 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 is a subjective determination based on one or more factors of the results of the inspection.

Please notify the proper district office of the Division of the date corrective actions are scheduled and arrangements made so the well and/or facilities may be reinspected.

INSPECTION DETAIL SECTION

HASTIE 005

F-18-17S-28E

30-015-01417-00-00

Inspection

Type Inspection

Inspector

Corrective

Inspection No.

Date 04/19/2001

Plug / Plug Back

Gerry Guye

Violation? Yes Non-Compliance?

*Significant

Action Due By:

5/31/01 iGEG011095262

Comments on Inspection:

Location not clean (Rods, old casing head, electric pole)

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,

Oil Conservation Division - Artesia

CC: Bureau of Land Management

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.