

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 "Proceeding the Integrity of One 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.

		INSPE	ECTION DETAIL	SECTION		
FIELDS 001 Inspection Date	Type Inspection	Inspector	P-24-23S-32E Violation?	30-025-08119-00-00 *Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224647848
Comments o	I			(NO UNIT, NO ELEC.,& OCD REGARDING FUT		LVE
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 o				WLINE VALVE CLOSEE E OF WELL***60 DAYS		OR
MARSHALL 006 Inspection			B-19-23S-33E	30-025-25151-00-00 *Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	11/3/2002	iELG0224650440
Comments o	•	WELL HAS NOT PROE FUTURE USE OF WELI		**OPERATOR CONTACT	COCD REGARI	DING

Oil Conservation Division * 1625 North French Drive * Hobbs, New Mexico 882 Phone: (505) 393-6161 * Fax: (505) 393-0720 * http://www.emnrd.state.nm.us

Pronghorn Management Corp. Cases 13858 & 13859 OCD Ex. No.

MARSHAL	L 007		C-19-23S-33E	30-025-25201-00-00 *Significant	Corrective	
Inspectic 1	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
09/03/2002	Routine/Periodic	E.L. Gonzales	Yes	No	12/7/2002	iELG0224650244
Comments		VELL HAS NOT PROD JTURE STATUS OF W		**OPERATOR CONTAC	T OCD REGARI	DING
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				(NO BELTS ON MOTOI E OF WELL** 60 DAYS.		R
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				FLOWLINE VALVE IS (NG FUTURE USE OF WI		S

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.

Sincolely, Withams

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.