

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

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: WILLIAM V. JONES, Jr., Hearing Examiner

February 1st, 2007

Santa Fe, New Mexico

2007 FEB 15 AM 8 44

These matters were dismissed or continued to future hearing dates by WILLIAM V. JONES, Jr., Hearing Examiner, New Mexico Oil Conservation Division, on Thursday, February 1st, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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WVJ 2/15/07

I N D E X

February 1st, 2007
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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* * *

1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

3 EXAMINER JONES: Okay, let's go on the record
4 this morning. This is Docket Number 04-07. This is the
5 Examiner Hearing on Thursday, February the 1st, 2007. I'm
6 William V. Jones, Hearing Examiner today.

7 Let's first call the continuances and dismissals.

8 On page 1, Case 13,845 is continued to April
9 12th; then on the bottom, Case ██████████ is continued to March
10 1st.

11 On page 2, Case 13,859 continued to March 1st;
12 Case 13,843 continued to March 1st; Case 13,864 continued
13 to February 15th; and Case 13,787 continued to March 1st.

14 On page 3, Case 13,832 is dismissed; and Case
15 13,868 is dismissed.

16 And on page 4, Case 13,826 is continued to
17 February the 15th; Case 13,861 is continued to February
18 15th; Case 13,870 continued to February 15th; and Case
19 13,853 February 15th; Case 13,856 continued to February
20 15th.

21 Any other continuances or dismissals?

22 MR. BRUCE: Mr. Examiner, on page 3, I don't know
23 if you called it, but the first BEPCO case, that should be
24 continued for two weeks.

25 EXAMINER JONES: That's Case 13,866?

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MR. BRUCE: Yes.

EXAMINER JONES: To -- ?

MR. BRUCE: Actually, continue it to --

EXAMINER JONES: -- March 1st?

MR. BRUCE: -- March 1st.

EXAMINER JONES: -- March 1st?

Any other continuances or dismissals?

(Thereupon, these proceedings were concluded at
8:17 a.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on 2/15/67
W. J. Jones, Examiner
Oil Conservation Division

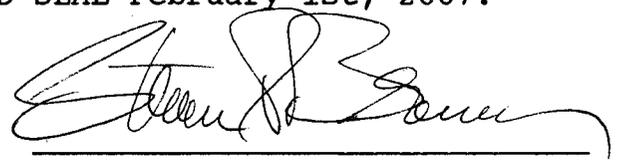
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
)
) SS.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL February 1st, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010

To Pronghorn Management Corporation

- (1) Rule 201 Requires all operators of oil, gas, injection wells or other wells to properly plug wells they operate

If the wells can no longer be of beneficial use:

- (2) Rule 202 requires operators to plug and permanently abandon the wells.

However, if the operator believes that the wells may be used in future:.....then:

- (3) Rule 203 provides operators the opportunity to Temporarily abandon the wells...and you can continue to place these wells in TA status as long as you wish.

Pronghorn Management Corporation did not use the opportunities provided by these rules

These wells in question here today $16 + 11 = 27$ wells have been inactive for a period of 1 year plus 90 days, and some of them may have been inactive for several years.

Now since these wells are out of compliance with the rules:

- (4) You entered into an Agreed Compliance Order ACO1 77 to bring the wells into compliance. You failed again to comply with the terms of this order.
- (5) Further, you entered into another ACO1 77-A, again you failed to comply. **Pronghorn Management Corporation has been given several opportunities to bring their wells into compliance. You have failed to do so.**

I believe that we all here want the oil and gas minerals to be drilled and produced, **and we all also want our scarce water resources to be protected as well and we can do this in the most prudent way.**

The dual objectives here are to produce the oil and gas, protect fresh water and protect the environment.

Mr. Baber, what effort is your company making as a prudent operator to accomplish these objectives?