

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE AORDER AGAINST PRONGHORN MANAGEMENT CORP. 1) FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC AS TO SIXTEEN WELLS AND ASSESSING PENALTIES FOR THOSE VIOLATIONS; 2) REQUIRING OPERATOR TO BRING THE SIXTEEN WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN; AND 3) AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; LEA COUNTY, NEW MEXICO.

CASE NO. 13859

PRE-HEARING STATEMENT

This Pre-hearing statement is submitted by Pronghorn Management Corporation, by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

PRONGHORN MANAGEMENT CORPORATION

ATTORNEY

Ernest L. Padilla
PADILLA LAW FIRM, P.A.
P.O. Box 2523
Santa Fe, NM 87504
(505) 988-7577
(505) 988-7592

2007 FEB 23 09:23

OPPOSITION OR OTHER PARTY

1) NEW MEXICO OIL CONSERVATION
DIVISION

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3462

STATEMENT OF THE CASE

Respondent adopts the Statement of the Case contained in the Oil Conservation Division's statement.

RESPONDENT'S PROPOSED EVIDENCE

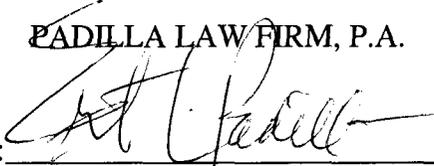
Respondent will not offer any exhibits at hearing of this matter. Respondent may call G.A. Baber to testify.

PROCEDURAL MATTERS

Respondent objects to assessment of penalties through administrative hearings. Penalties may only be assessed by the Oil Conservation Division in accordance with NMSA 1978, Section 70-2-31.

Respectfully submitted:

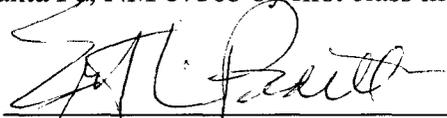
PADILLA LAW FIRM, P.A.

By: 

Ernest L. Padilla
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Santa Fe, New Mexico 87504
(505) 988-7577
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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon Gail MacQuesten, Oil Conservation Division, Energy, Minerals and Natural Resources Department, 1220 S. St. Francis Drive, Santa Fe, NM 87505 by first class mail this 22nd day of February, 2007.


ERNEST L. PADILLA