

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE DISTRICT I SUPERVISOR, FOR A COMPLIANCE ORDER
AGAINST SALADO OPERATING, LLC FINDING THAT THE OPERATOR IS
IN VIOLATION OF 19.15.4.201 NMAC AS TO SIX WELLS, REQUIRING
OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201
NMAC BY A DATE CERTAIN AND, IN THE EVENT OF NON-COMPLIANCE,
DECLARING THE WELLS ABANDONED AND AUTHORIZING THE
DIVISION TO PLUG THE WELLS LOCATED IN EDDY COUNTY, NEW
MEXICO.

Affidavit of Jane Prouty

I, Jane Prouty, being first duly sworn on oath, states as follows:

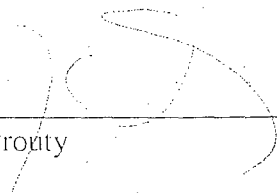
1. I am employed as the Supervisor of Production and Permitting at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD").
2. My duties include maintaining records of oil and gas production and injection on wells located in New Mexico.
3. The OCD's information on production and injection comes from monthly production reports filed by the well operators.
4. In 1993 the OCD began using the ONGARD (Oil and Natural Gas Administration and Revenue Database) to record oil and gas production and injection by well. Since 1993, production and injection data from the monthly production reports filed by operators has been entered into ONGARD.
5. When the OCD began using the ONGARD system in 1993, it converted existing production and injection data into ONGARD for those wells that were not shown as "plugged" according to the OCD records available at that time. The pre-1993 production and injection information for each such well was totaled and appears in ONGARD under the last month of production or injection for that well.

Jane Prouty's Affidavit
QCD Exhibit No. 3

6. I have researched the ONGARD records for production and injection information regarding the East Henshaw Unit #001Y, 12-1-16S-30E, API # 30-015-05939; East Henshaw Unit #002, 15-1-16S-30E, API # 30-015-03813; East Henshaw Unit #002K, 11-1-16S-30E, API # 30-015-03808; East Henshaw Unit #004N, 14-1-16S-30E, API # 30-015-03815; East Henshaw Unit #004S, K-1-16S-30E, API # 30-015-03810; and East Henshaw Unit #006M, M-1-16S-30E, API # 30-015-03816.


ONGARD contains no production or injection records for the East Henshaw Unit #001Y and East Henshaw Unit #002 wells since September 1996; from the East Henshaw Unit #002K since August 1996; from the East Henshaw Unit #004N since April 1981; from the East Henshaw Unit #004S since February 1980; and from the East Henshaw Unit #006M since September 1996.

FURTHER AFFIANT SAYETH NOT.



Jane Pronty

SUBSCRIBED AND SWORN before me this 16th day of February 2007.



Notary Public

My Commission Expires:
