

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 ORDER AGAINST PRONGHORN MANAGEMENT CORP. PURSUANT TO NMSA 1978, SECTION 70-2-14(B) ORDERING PRONGHORN MANAGEMENT CORP. TO PLUG AND ABANDON ALL WELLS IT OPERATES IN NEW MEXICO BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; LEA AND EDDY COUNTIES, NEW MEXICO.

CASE NO. 14052

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PRONGHORN MANAGEMENT CORP., 1) FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED NMSA 1978, SECTION 70-2-31(B)(2), 19.15.13.1115.A NMAC, AND 19.15.4.201 NMAC AS TO ELEVEN WELLS; 2) ASSESSING PENALTIES FOR THE VIOLATIONS; 3) REQUIRING OPERATOR TO FILE CORRECTED PRODUCTION REPORTS BY A DATE CERTAIN; 4) REQUIRING OPERATOR TO BRING THE ELEVEN WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE; AND REQUIRING OPERATOR TO PROVIDE CONTACT INFORMATION FOR PRIVATE LESSORS AFFECTED BY THE VIOLATIONS; LEA COUNTY, NEW MEXICO.

CASE NO. 13859

Affidavit of Dorothy Phillips

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

Dorothy Phillips, being first duly sworn on oath, states as follows:

1. I have been employed at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD") since 1981.
2. My current duties include maintaining records of financial assurance documents filed by operators pursuant to NMSA 1978, Section 70-2-14.
3. I have reviewed OCD's financial assurance records to determine if the wells operated by Pronghorn Management Corp., OGRID 122811, are covered by a financial assurance.
4. Pronghorn Management Corp. has posted \$50,000 cash blanket plugging bond No. OCD-482. The cash collateral is deposited with the Lea County State Bank in Hobbs, New Mexico.
5. OCD records show no amendments or riders to bond number OCD-482. According to our records that bond remains in effect.
6. A copy of bond number OCD-482 is attached as Exhibit A to this affidavit.

7. Attached as Exhibit B to this affidavit is the Inactive Well Additional Financial Assurance Report for Pronghorn Management Corp. As of the date of this affidavit, Pronghorn Management Corp. has not posted single well financial assurances for any of its wells. Wells identified in Exhibit B that have a "Y" in the column marked "in violation" are state or fee wells that have been inactive for more than two years and require a single well financial assurance under 19.15.3.101.B NMAC.

THIS CONCLUDES MY AFFIDAVIT.

  
Dorothy Phillips

SUBSCRIBED AND SWORN before me this 3rd day of January, 2008.

  
Notary Public

My Commission Expires:

3-24-2010