

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

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AUG 20 2002

Oil Conservation Division

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING

CASE NO. 12905

IN THE MATTER OF THE APPLICATION OF
PRONGHORN MANAGEMENT CORP. FOR
SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Ernest L. Padilla, Padilla Law Firm,
PA as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

PRONGHORN MANAGEMENT CORP.

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

OPPOSITION OR OTHER PARTY

ATTORNEY

1) DKD, L. L. C.

Paul Owen
MONTGOMERY &
ANDREWS P.A.
P.O. Box 2307
Santa Fe, NM 87504
(505) 982-3873

STATEMENT OF CASE

APPLICATION

(Please make a concise statement of what is being sought with this application
and the reasons therefore.)

Applicant requests authorization to dispose of produced salt water through its
State "T" Well No. 2 (API No. 30-025-03735) located 4,290 feet from the south line and
500 feet from the west line (Unit L) of Section 6, T16S, R36E, NMPM, Lea County, New

Mexico. This application has previously been approved under Administrative Order SWD-836.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

The opposing party, DKD, L.L.C., has filed its objection to Administrative Order SWD-836 on the basis that it did not receive notice of the application. Upon information and belief, DKD, L.L.C. acquired its interest after the application was filed. Its predecessor in interest, or its operator, however, was notified of the application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	EST. TIME	EXHIBITS
G. A. Baber	30-45 minutes	(1) C-108 (2) Assignment, Billing Sale and Conveyance (3) Relevant Logs


OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Unknown		

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

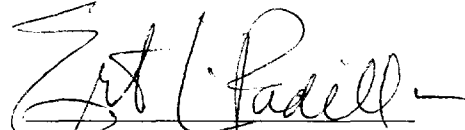
None



Ernest L. Padilla

CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Entry of Appearance to be served upon Paul R. Owen, MONTGOMERY & ANDREWS PA, P.O. Box 2307, Santa Fe, New Mexico 87504-2307, via facsimile (505) 982-2151 on this 20th day of August, 2002.


ERNEST L. PADILLA