

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

NMOCD – ACOI 120-A

IN THE MATTER OF JOHN H. HENDRIX CORP.,

Respondent.

**FIRST AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of inactive well agreed compliance order 120 (“ACOI 120” or “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. The Order requires John H. Hendrix Corp. (“Operator”) to return to compliance with OCD Rule 201 at least 4 of the wells identified in Exhibit A by September 20, 2006, and file a compliance report by that date.

2. The Order further provides that if Operator returns to compliance with OCD Rule 201 at least 4 of the wells identified in Exhibit A by September 20, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of the Order for an additional six-month period, requiring Operator to return to compliance at least 4 additional wells identified on Exhibit A and file a timely compliance report. The Order provides that the OCD shall continue to issue 6-month amendments if the Operator continues to return at least 4 additional wells to compliance in each period, so long as the total length of the Order and any amendments does not exceed two years.

3. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator returned the following wells identified in Exhibit A to compliance by September 20, 2006:

1. Britt B-18 #001	30-025-06152
2. Britt B 18 #002	30-025-06153
3. Grizzell #002	30-025-10071
4. Ida A White #002	30-025-04418
5. Joyce Pruitt #004	30-025-34074
6. La Munyon Federal #002	30-025-10868
7. Linda Federal #003	30-025-25759
8. Stevens B #010	30-025-09331
9. Stevens B #011	30-025-10661

CONCLUSIONS

1. Operator has returned 10 wells to compliance, exceeding its goal of returning 4 of the wells identified in Exhibit A to compliance by September 20, 2006 and exceeding by 2 wells its goal of returning 4 wells to compliance in a second six-month period.

2. The OCD should amend the Order to extend its terms through September 20, 2007 and require Operator to return to compliance by that date 2 additional wells from Exhibit A not identified in Findings Paragraph 3, above, to complete its goal of returning 4 wells to compliance in that period..

ORDER

1. Operator shall return to compliance by September 20, 2007 2 additional wells from Exhibit A not identified in Findings Paragraph 3, above.

2. Operator shall file a compliance report by September 20, 2007 using the Oil Conservation Division's web-based on-line application.

3. The terms of ACOI 120 otherwise remain in effect and are extended through September 20, 2007.

Done at Santa Fe, New Mexico this 18th day of September, 2006

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division