

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

**NMOCD - ACOI 149-A**

**IN THE MATTER OF ERS RESOURCES, LLC,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 5 of Agreed Compliance Order 149, the Director of the Oil Conservation Division (OCD) hereby amends that order as follows:

**FINDINGS**

1. Agreed Compliance Order 149 (ACOI 149) requires ERS Resources, LLC (Operator) to return the following wells to compliance with OCD Rule 703 by January 31, 2007 and file a compliance report by that date:

30-015-00942	Artesia Metex Unit #016
30-015-01196	Artesia Metex Unit #020
30-015-02140	Artesia Metex Unit #032
30-015-00956	Artesia Metex Unit #054

2. ACOI 149 further provides that if Operator returns to compliance with OCD Rule 703 the four wells identified above by January 31, 2007, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 149 for an additional six-month period, requiring Operator to return to compliance with Rule 201 three of the wells identified in Findings Paragraph 13 of ACOI 149.

3. ACOI 149 further provides that if Operator fails to return the four wells identified above to compliance with Rule 703 by January 31, 2007, the Operator is subject to penalties and the OCD will have discretion whether to issue an amendment extending the terms of ACOI 149.

4. Operator filed a timely compliance report, indicating that two of the wells identified above have been returned to injection, and that Operator is working on the two other wells. The reports of injection have not yet been filed. The well files for three of the wells show work performed on the wells to return them to injection, and successful tests. The well file for the fourth well indicates work performed on the well to return it to injection, but the chart showing a successful test was not attached.

**CONCLUSIONS**

1. Operator failed to meet its goal of returning the four wells identified above to compliance by January 31, 2007.

2. The Operator has demonstrated good faith in its efforts to return wells to compliance under the terms of ACOI 149, and the OCD should waive the applicable penalties.

3. The OCD should amend ACOI 149 to extend its terms through July 31, 2007 and require Operator to return three wells identified in Findings Paragraph 13 of ACOI 149 to compliance with Rule 201 by that date.


### **ORDER**

1. Operator shall return to compliance with Rule 201 by July 31, 2007 three of the wells identified in Findings Paragraph 13 of ACOI 149.

2. Operator shall file a compliance report by July 31, 2007 using the Oil Conservation Division's web-based on-line application. If the on-line application is not available, Operator shall file a written compliance report by July 31, 2007.

3. The terms of ACOI 149 otherwise remain in effect.

Done at Santa Fe, New Mexico this 2<sup>nd</sup> day of March, 2007

By:   
for Mark Fesmire, P.E.  
Director, Oil Conservation Division