

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

NMOCD - ACOI 04-10-B

IN THE MATTER OF LATIGO PETROLEUM, INC.

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 5 of Amended Agreed Compliance Order 04-10-A, the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

FINDINGS

1. Amended Agreed Compliance Order 04-10-A requires Latigo Petroleum, Inc. (“Operator”) to return to compliance with OCD Rule 201 at least eleven of the wells identified in Exhibit A by June 30, 2006, and file a compliance report by that date.

2. Amended Agreed Compliance Order 04-10-A further provides that if Operator returns to compliance with OCD Rule 201 at least eleven of the wells identified in Exhibit A by June 30, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of Amended Agreed Compliance Order 04-10-A for an additional six-month period, requiring Operator to return an additional 11 wells to compliance by that deadline.

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

1. Aztec State #5	30-025-01319
2. Aztec State #14	30-025-01313
3. Bagley State Com #1	30-025-24182
4. Cabot C State #1	30-025-22696
5. Central Corbin Queen Unit #215	30-025-01580
6. Cockburn B #7	30-025-29124
7. Dallas #1	30-025-22330
8. E.C. Hill B Federal #6	30-025-10969
9. E.D. Hill D Federal #4	30-025-10950
10. Todd LSAU #351	30-041-10210
11. Wyatt B #1	30-025-01372
12. Aztec State #2	30-025-01317
13. Aztec State #9	30-025-23138

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|------------------------------|--------------|
| 14. Aztec State #10 | 30-025-22731 |
| 15. E..C. Hill D Federal #1 | 30-025-10947 |
| 16. G.H. Mattix B Federal #1 | 30-025-31770 |

4. The following wells identified in Exhibit A remain out of compliance:

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|-----------------------------------|--------------|
| 1. Aztec State #001 | 30-025-01316 |
| 2. Aztec State #007 | 30-025-22397 |
| 3. Aztec State #011 | 30-025-22757 |
| 4. Central Corbin Queen Unit #105 | 30-025-29898 |
| 5. Dero Federal Com #001 | 30-015-20304 |

CONCLUSIONS

1. Operator has returned 16 wells identified on Exhibit A to compliance, exceeding its 11-well goal by 5 wells.

2. The OCD should amend Amended Agreed Compliance Order 04-10-A to extend its terms through December 31, 2006 and require Operator to return to compliance by December 31, 2006 the 5 wells identified in Exhibit A that remain out of compliance.

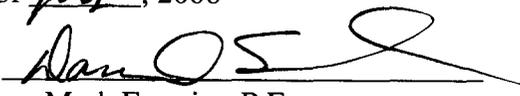
ORDER

1. Latigo Petroleum, Inc. shall return to compliance by December 31, 2006 the 5 wells identified in Findings Paragraph 4, above.

2. Latigo Petroleum, Inc. shall file a compliance report by December 31, 2006 using the Oil Conservation Division's web-based on-line application.

3. The terms of Amended Agreed Compliance Order 04-10-A otherwise remain in effect and are extended through December 31, 2006.

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

By: 

Mark Fesmire, P.E.

for Director, Oil Conservation Division