

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

NMOCD - ACOI 105-B

IN THE MATTER OF MARATHON OIL CO.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 105 as amended by Amended Agreed Compliance Order 105-A (hereinafter, "Order"), the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

FINDINGS

1. The Order requires Marathon Oil Co. ("Operator") to return to compliance with OCD Rule 201 at least 17 of the wells identified in Exhibit A by August 10, 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 17 of the wells identified in Exhibit A by August 10, 2006, and files a timely compliance report, upon verification of the 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 any non-compliant wells remaining on Exhibit A.

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

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|-----------------------------------|--------------|
| 1. Bone Flats 12 Federal Com #003 | 30-015-28529 |
| 2. Bone Flats 12 Federal Com #006 | 30-015-29192 |
| 3. Elliott State #004 | 30-025-05756 |
| 4. Indian Hills State Com #004 | 30-015-27235 |
| 5. Marshall B #005 | 30-025-06823 |
| 6. McDonald State AC 1 #007 | 30-025-08927 |
| 7. McDonald State AC 1 #034 | 30-025-31160 |
| 8. McDonald WN State #015 | 30-025-08914 |
| 9. North Indian Basin Unit #011 | 30-015-28232 |
| 10. North Indian Basin Unit #016 | 30-015-28287 |
| 11. North Indian Basin Unit #017 | 30-015-28386 |
| 12. North Indian Basin Unit #018 | 30-015-28435 |

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| 13. North Indian Basin Unit #023 | 30-015-28578 |
| 14. North Indian Basin Unit #025 | 30-015-28857 |
| 15. South Eunice Seven Rivers Queen U | 30-025-09013 |
| 16. Stinking Draw #001 | 30-015-27891 |
| 17. Stinking Draw #003 | 30-015-27861 |

CONCLUSIONS

1. Operator has returned 17 wells identified on Exhibit A to compliance, meeting its goal for August 10, 2006.
2. The OCD should amend the Order to extend its terms through February 10, 2007.

ORDER

1. Operator shall return to compliance by February 10, 2007 any non-compliant wells identified on Exhibit A still operated by Operator.
2. Operator shall file a compliance report by February 10, 2007 using the Oil Conservation Division's web-based on-line application.
3. The terms of ACOI-105 as amended by ACOI 105-A otherwise remain in effect and are extended through February 10, 2007.

Done at Santa Fe, New Mexico this 16th day of August, 2006

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