

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

NMOCD - ACOI 109-B

IN THE MATTER OF FASKEN OIL & RANCH LTD.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 109 as amended by Amended Agreed Compliance Order 109-A (hereinafter "Order"), the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

FINDINGS

1. The Order requires Fasken Oil & Ranch Ltd. ("Operator") to return to compliance with OCD Rule 201 at least 6 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 6 of the wells identified in Exhibit A by August 10, 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 by February 10, 2007 any non-compliant wells remaining on Exhibit A that Operator operates.

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

1. Avalon 10 Federal No. 42	30-015-31654
2. Avalon 10 Federal No. 43	30-015-31668
3. Howell 29 Com No. 1	30-015-21140
4. Lake Federal No. 1	30-015-21503
5. Shell Federal Com No. 5	30-015-22900
6. Wingerd No. 14	30-025-32847

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

1. Arco 9 Morrison #1	30-015-20546
2. El Paso 3 Federal #1	30-015-20906
3. Lottie York #1	30-025-27552

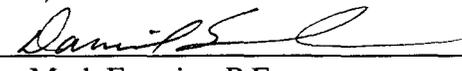
CONCLUSIONS

1. Operator has met its goal of returning 6 of the wells identified in Exhibit A to compliance by August 10, 2006.
2. The OCD should amend the Order to extend its terms through February 10, 2007 and require Operator to return to compliance by that date the 4 wells identified in Exhibit A that remain out of compliance.

ORDER

1. Operator shall return to compliance by February 10, 2007 the 4 wells identified in Findings Paragraph 4, above.
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 Agreed Compliance Order 109, as amended by Amended Agreed Compliance Order 109-A otherwise remain in effect and are extended through February 10, 2007.

Done at Santa Fe, New Mexico this 14th day of August, 2006

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