

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

NMOCD - ACOI 116-A

**IN THE MATTER OF GUADALUPE OPERATING CO. LLP,
Respondent.**

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 7 of Agreed Compliance Order 116, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 116 ("ACOI 116" or "Order") requires Guadalupe Operating Co. LLP ("Operator") to return to compliance with OCD Rule 201 at least two of the wells identified in the Order by September 8, 2006, and file a compliance report by that date. The Order defines compliance to include the filing of the appropriate paperwork.

2. ACOI 116 further provides that if Operator returns to compliance with OCD Rule 201 at least two of the wells identified in the Order by September 8, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 116 for an additional six-month period, requiring Operator to return to compliance by that date at least four additional non-compliant wells identified in the Order still operated by Operator.

3. ACOI 116 further provides that if Operator fails to return to compliance two of the wells identified in the Order by September 8, 2006, Operator is subject to penalties. Operator may, however, request a waiver or reduction of penalties, and request an amendment extending the terms of the Order.

4. Operator filed a timely compliance report indicating that it had returned the following two wells to compliance by placing them in production in July 2006:

Tom Closson #001	30-025-08801
Tom Closson #002	30-025-08802

5. The OCD received C-115 production reports for these wells after the September 29, 2006 due date set by the Order.

CONCLUSIONS

1. Operator failed to meet its goal under the terms of the Order of returning two of the wells identified in the Order to compliance and filing the appropriate paperwork by September 8, 2006.

2. Operator has demonstrated good faith efforts to meet its two-well goal under the Order by completing the physical work on two wells prior to the September 8, 2006 deadline.

3. The OCD should amend ACOI 116 to extend its terms through March 8, 2007 and require Operator to return to compliance by that date four wells identified in the Order other than the Tom Closson #001 and the Tom Closson #002.

4. The OCD should waive the \$2,000 penalty otherwise due under the terms of the Order.

ORDER

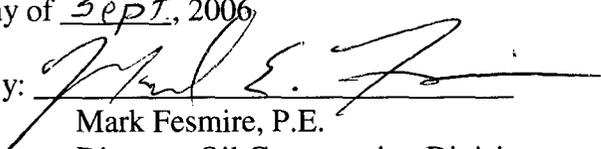
1. The OCD waives the \$2,000 penalty due under the terms of the Order.

2. By March 8, 2007 Operator shall return to compliance four wells identified in ACOI 116 other than the Tom Closson #001 and the Tom Closson #002.

3. Operator shall file a compliance report by March 8, 2007 using the Oil Conservation Division's web-based on-line application.

4. The terms of ACOI 116 otherwise remain in effect.

Done at Santa Fe, New Mexico this 29th day of sept., 2006

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division