

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

NMOCD - ACOI 100-B

IN THE MATTER OF CIMAREX ENERGY CO OF COLORADO,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 4 of inactive well agreed compliance order 100, as amended (ACOI 100), the Director of the Oil Conservation Division (OCD) hereby amends that order as follows:

FINDINGS

1. ACOI 100 required Cimarex Energy Co of Colorado (formerly Gruy Petroleum Management Co.) (Operator) to return 6 of the wells identified in Exhibit A to compliance with OCD Rule 201 by July 31, 2006 and file a compliance report by that date. If Operator met its compliance goal and deadline, the OCD would issue an amendment extending the terms of the order for an additional 6 months, and require Operator to return 6 additional wells to compliance by that deadline. If Operator continued to meet its compliance goals and deadlines, the OCD would continue to issue amendments for up to a total of four six-month terms. If Operator exceeds its compliance goal in any period, the excess wells shall count towards its compliance goal for the subsequent period(s).

2. Operator returned 10 of the wells identified in Exhibit A to compliance in its first six-month term. The OCD issued an amendment extending the terms of the Order for a second six-month term, requiring Operator to return 2 additional wells to compliance to meet its 6-well goal for the second term.

3. Operator filed a timely compliance report for its second term, and the OCD has verified that Operator has returned 4 additional wells identified in Exhibit A to compliance:

- | | |
|-------------------------------|--------------|
| 1. Callaway Fed 3 | 30-015-23505 |
| 2. Carlson Harrison Fed Com 1 | 30-025-11692 |
| 3. Highland St. Com 1 | 30-025-25967 |
| 4. JF Janda NCT-J 1 | 30-025-09251 |

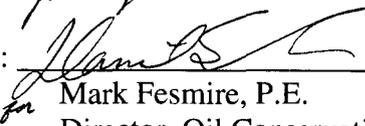
CONCLUSIONS

1. Operator had 4 wells carry over from its first term, and returned 4 additional wells to compliance in its second term, for a total of 8 wells.
2. Operator exceeded its 6-well goal for the second term by two wells.
3. The OCD should amend ACOI-100 to extend its terms through July 31, 2007, and require Operator to return 4 additional wells to compliance to meet its 6-well goal for the third period.

ORDER

1. Operator shall return to compliance by July 31, 2007 at least 4 of the wells identified in Exhibit A to ACOI 100 not identified as compliant in ACOI 100-A or ACOI 100-B, to meet its 6-well goal for this third period.
2. Operator shall file a compliance report as described in ACOI-100 by July 31, 2007 using the Oil Conservation Division's web-based on-line application. If the web-based on-line application is not available, Operator shall file a written compliance report.
3. The terms of ACOI-100 otherwise remain in effect and are extended through July 31, 2007.

Done at Santa Fe, New Mexico this 31st day of January, 2007

By: 

Mark Fesmire, P.E.

for Director, Oil Conservation Division