

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

NMOCD - ACOI 125-B

IN THE MATTER OF ASPEN OIL INC.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of Agreed Compliance Order 125 (“ACOI 125” or “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. ACOI 125 required Aspen Oil Inc. (“Operator”) to return at least 3 of the wells identified in the Order to compliance with OCD Rule 201 by October 1, 2006 (the first period). Operator returned the following two wells to compliance in the first period:

- Acrey #003Y 30-015-00665
- Delhi #003 30-015-00690

2. Although Operator failed to meet its 3-well goal for the first period, the OCD waived the applicable penalty and exercised its discretion to amend the Order to extend its terms by 6 months, and require Operator to return 3 additional wells identified in the Order to compliance by April 1, 2007 to meet its 3-well goal for the second period.

3. Operator returned the following well identified in the Order to compliance in the second period:

- Conklin #002 30-015-00690

4. According to Operator’s compliance report, and according to sundry notices filed by the Operator, it returned two wells to production. However, production reports have not been received showing the production for these wells.

5. The following wells identified in the Order remain out of compliance:

- Aston & Fair #001Y 30-015-01635
- Brainard #001 30-015-00526
- Conklin #001 30-015-00666
- Delhi #001 30-015-00693

- Delhi #007 30-015-00646
- Gates State #003 30-015-31036
- Homan #001 30-015-00669
- Malco State #001 30-015-01637
- State A #002 30-015-00650

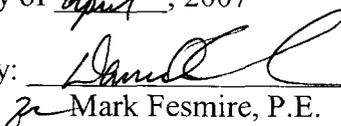
CONCLUSIONS

1. Operator failed to meet its goal of returning 3 additional wells to compliance in the second period, falling short by 2 wells.
2. The OCD should amend ACOI 125 to extend its terms through October 1, 2007 and require Operator to return to compliance by that date 3 wells identified in Findings Paragraph 4, above.
3. Because Operator has demonstrated good faith in performing work on two wells, the OCD will waive the \$2,000 penalty otherwise applicable under the Order.

ORDER

1. Operator shall return to compliance by October 1, 2007 3 of the wells identified in Findings Paragraph 4, above.
2. Operator shall file a written compliance report identifying the well(s) it returned to compliance in the third period, and stating how the well(s) were returned to compliance (returned to production or other beneficial use; wellbore plugged; or placed on approved temporary abandonment status). The report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager so that it is received by September 20, 2007.
3. Operator is admonished that if it fails to return 3 of the wells identified in Findings Paragraph 4, above, to compliance by October 1, 2007, the OCD will not exercise its discretion to amend the Order for an additional 6-month period.
4. The terms of ACOI 125 otherwise remain in effect.

Done at Santa Fe, New Mexico this 2nd day of April, 2007

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