

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

NMOCD ACOI 180-A

IN THE MATTER OF JOHN R. STEARNS D/B/A STEARNS,

Respondent.

**AMENDED
INACTIVE WELL AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 14 of Inactive Well Agreed Compliance Order 180, the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

FINDINGS

1. Inactive Well Agreed Compliance Order 180 (ACOI 180) requires John R. Stearns d/b/a Stearns (Operator) to return to compliance with OCD Rule 201 at least six of the wells identified in the Order by May 23, 2008 and file a compliance report by that date.

2. ACOI 180 further provides that if Operator returns to compliance with OCD Rule 201 at least six of the wells identified in the Order by May 23, 2008 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 180 for a second six-month period, requiring Operator to return an additional six wells to compliance by that deadline.

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

- | | |
|--------------------------------|--------------|
| • Hahn Federal No. 002; | 30-005-20480 |
| • New Mexico BA State No. 002; | 30-005-21004 |
| • New Mexico BA State No. 004; | 30-005-21023 |
| • Southard 26 No. 004; | 30-005-20675 |
| • Southard A No. 004; | 30-005-20841 |
| • Tom 36 State No. 002; | 30-005-20687 |

CONCLUSIONS

1. Operator has met its goal of returning six of the wells identified in the Order to compliance by May 23, 2008.
2. The OCD should amend ACOI 180 to extend its terms through November 24, 2008 and require Operator to return to compliance by that date six additional wells identified in the Order.

ORDER

1. Operator shall return to compliance by November 24, 2008 six wells identified in the Order that are not identified in Findings Paragraph 3, above.
2. Operator shall file a written compliance report by November 24, 2008 identifying the wells returned to compliance in the second period, identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status). The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager (email: daniel.sanchez@state.nm.us) and Assistant General Counsel Sonny Swazo (email: sonny.swazo@state.nm.us) so that it is received by the compliance deadline of November 24, 2008.
3. The terms of ACOI 180 otherwise remain in effect.

Done at Santa Fe, New Mexico this 3rd day of June, 2008

By: _____


Mark Fesmire, P.E.

Director, Oil Conservation Division