

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

NMOCD - ACOI 177-A

IN THE MATTER OF JOHN H. HENDRIX CORP.,

Respondent.

AMENDED
AGREED COMPLIANCE ORDER

Pursuant to Ordering Paragraph 5 of Agreed Compliance Order 177, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 177 ("ACOI 177" or "Order") requires John H. Hendrix Corporation ("Operator") to return to compliance with OCD Rule 201 at least four of the wells identified in the Order by December 1, 2008, and file a compliance report by that date. The Order defines compliance to include the filing of the appropriate paperwork.

2. ACOI 177 provides that if Operator returns to compliance with OCD Rule 201 at least four of the wells identified in the Order by December 1, 2008, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 177 for an additional six-month period, requiring Operator to return to compliance by that date four additional wells identified in the Order.

3. ACOI 177 further provides that if Operator fails to return to compliance four of the wells identified in the Order by December 1, 2008, 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, and the OCD has verified that OCD records indicate that Operator has returned the following wells identified in the Order to compliance by December 1, 2008:

- Cordelia Hardy No. 002; 30-025-06890
- Will Cary No. 006; 30-025-10411

5. OCD has verified that OCD records indicate that Operator has returned the following well identified in the Order to compliance, although OCD records show the C-103 describing the completed work was not received by the OCD's Hobbs District Office until December 4, 2008.

- Cooper 8 No. 008; 30-025-04244

CONCLUSIONS

1. Operator failed to meet its goal of returning four of the wells identified in the Order to compliance by December 1, 2008, falling short by two wells.
2. Because Operator has demonstrated a good faith effort to meet its goal of bringing four wells identified in the Order to compliance by December 1, 2008, the OCD has waived the \$2,000.00 penalty and exercised its discretion and amended ACOI 177 to extend its terms through June 1, 2009, requiring Operator to return to compliance by that date four additional wells identified in the Order.

ORDER

1. Operator shall return to compliance by June 1, 2009 four wells identified in the Order that are not identified in Findings Paragraphs 4 and 5, above.
2. Operator shall file a written compliance report by June 1, 2009 identifying the wells returned to compliance in the 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 June 1, 2009.
3. The terms of ACOI 177 otherwise remain in effect.

Done at Santa Fe, New Mexico this 30th day of December, 2008

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