

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

NMOCD ACOI 188-B

IN THE MATTER OF FOREST OIL CORPORATION,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 188, the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

FINDINGS

1. Agreed Compliance Order 188 ("ACOI 188" or "Order") required Forest Oil Corporation ("Operator") to return to compliance with OCD Rule 201 at least six of the wells identified in the Order by October 1, 2008, and file a compliance report by that date.

2. ACOI 188 provides that if Operator fails to bring the number of wells into compliance required in a period covered by the Order or amendments issued to the Order, Operator is subject to a penalty. Once Operator pays the penalty or applies for waiver or reduction of the penalty, the OCD may, in its discretion, amend the ACOI extending its terms for an additional six-month period.

3. Operator filed a timely compliance report, and the OCD verified that the following wells identified in the Order were returned to compliance by October 1, 2008:

- | | |
|-------------------------------|--------------|
| • Caprock Maljamar Unit #026 | 30-025-01466 |
| • Maljamar Grayburg Unit #088 | 30-025-33365 |
| • Maljamar Grayburg Unit #154 | 30-025-33628 |

4. Operator paid a \$3,000 penalty for the number of wells it missed its compliance goal by for the October 1, 2008 compliance deadline. OCD decided to exercise its discretion and amend ACOI 188 extending its terms for an additional six-month period and requiring Operator to bring six additional wells identified in the ACOI into compliance by April 1, 2009.

5. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator has returned the following twenty-three wells identified in the Order to compliance by April 1, 2009.

● Caprock Maljamar Unit #166	30-025-32043
● LEA 403 State #004	30-025-20378
● Maljamar Grayburg Unit #010	30-025-00449
● Maljamar Grayburg Unit #013	30-025-00444
● Maljamar Grayburg Unit #025	30-025-00459
● Maljamar Grayburg Unit #027	30-025-00453
● Maljamar Grayburg Unit #028	30-025-00462
● Maljamar Grayburg Unit #030	30-025-20279
● Maljamar Grayburg Unit #051	30-025-00499
● Maljamar Grayburg Unit #059	30-025-20760
● Maljamar Grayburg Unit #061	30-025-21374
● Maljamar Grayburg Unit #089	30-025-33048
● Maljamar Grayburg Unit #090	30-025-33380
● Maljamar Grayburg Unit #095	30-025-32039
● Maljamar Grayburg Unit #099	30-025-33381
● Maljamar Grayburg Unit #155	30-025-33874
● Skelly Unit #020	30-015-05161
● Skelly Unit #026	30-015-05157
● Skelly Unit #038	30-015-10770
● Skelly Unit #059	30-015-05320
● Skelly Unit #062	30-015-05316
● Skelly Unit #121	30-015-22255
● Skelly Unit #127	30-015-22261

6. ACOI 188 provides that when OCD receives a timely compliance report indicating that Operator has returned at least six wells to compliance and verifies the accuracy of the report, and verifies that Operator is in compliance with OCD's financial assurance requirements, OCD shall issue an amendment to the Order extending its terms for an additional six-month period. ACOI 188 provides that OCD will continue to issue amendments to the Order extending it for additional six-month periods if the Operator meets its compliance goals and the Order does not extend beyond two years. ACOI 188 provides that if in any six-month period Operator returns more wells to compliance than the number required under the Order for that six-month period, the wells in excess of the number required will count towards the Operator's requirements for the next six-month period.

CONCLUSIONS

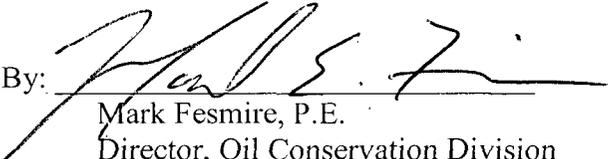
1. Operator returned 23 wells to compliance by April 1, 2009, meeting its six-wells goal for the second period, six-wells goal for the third period, and six-wells goal for the fourth period.

2. The OCD should amend ACOI 188 to extend its terms through April 1, 2010.

ORDER

1. ACOI 188 is extended through April 1, 2010.
2. The terms of ACOI 188 otherwise remain in effect.

Done at Santa Fe, New Mexico this 20th day of March, 2009

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