

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

NMOCD ACOI 194-B

IN THE MATTER OF APOLLO ENERGY, L.P.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 194, the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 194 (“ACOI 194” or “Order”) required Apollo Energy, L.P. (“Operator”) to return to compliance with OCD Rule 201 at least three of the wells identified in the Order by November 10, 2008 and file a compliance report by that date.

2. ACOI 194 provided that if Operator returned to compliance with OCD Rule 201 at least three of the wells identified in the Order by November 10, 2008 and filed a timely compliance report, the OCD would issue an amendment extending the terms of ACOI 194 for a second six-month period, requiring Operator to return an additional three wells to compliance by that deadline. The Order provides that the OCD will continue to issue six-month amendments if the Operator continues to return at least three additional wells to compliance in each period, so long as the total length of the Order and any amendments does not exceed two years. The Order provides that if, in any six-month period, Operator returns more wells to compliance than the number required under this 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.

3. Operator filed a timely compliance report, and OCD records verified that Operator returned the following six wells identified in the Order to compliance for the first six-month period:

- | | | |
|---|--------------|---------------------|
| ● | 30-015-02356 | RUSSELL USA NO. 009 |
| ● | 30-015-06186 | RUSSELL USA NO. 049 |
| ● | 30-015-06187 | RUSSELL USA NO. 050 |
| ● | 30-015-10240 | RUSSELL USA NO. 058 |
| ● | 30-015-10420 | RUSSELL USA NO. 060 |
| ● | 30-015-20230 | RUSSELL USA NO. 066 |

4. Because Operator met its compliance goal of returning three wells to compliance in the first six-month period and three wells in the second six-month period, the OCD amended the Order extending its terms by twelve months, requiring Operator to bring three additional wells identified in ACOI 194 into compliance by November 10, 2009, and filing a compliance report by that date.

5. Operator has filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator has returned the following six wells identified in the Order to compliance for the third six-month period:

- 30-015-02358 RUSSELL USA NO. 011
- 30-015-02373 RUSSELL USA NO. 024
- 30-015-02381 RUSSELL USA NO. 032
- 30-015-02388 RUSSELL USA NO. 039
- 30-015-10099 RUSSELL USA NO. 054
- 30-015-20231 RUSSELL USA NO. 067

CONCLUSIONS

1. Operator has returned six additional wells identified in the Order to compliance by November 10, 2009, meeting its compliance goal of three wells for the third six-month period and three wells for the fourth six-month period.

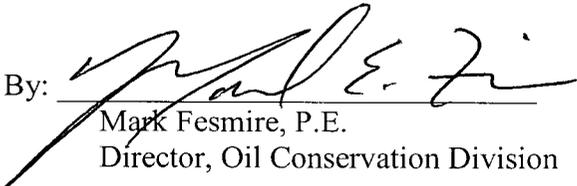
2. The OCD should amend ACOI 194 to extend its terms through May 10, 2010.

ORDER

1. ACOI 194 is extended through May 10, 2010.

2. The terms of ACOI 194 otherwise remain in effect.

Done at Santa Fe, New Mexico this 19th day of Oct, 2009.

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division