

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

**NMOCD ACOI 205-A**

**IN THE MATTER OF CANO PETRO OF NEW MEXICO, INC.,**

**Respondent.**

**AMENDED  
INACTIVE WELL AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Inactive Well Agreed Compliance Order 205, the Director of the Oil Conservation Division (OCD) hereby amends that order as follows:

**FINDINGS**

1. Inactive Well Agreed Compliance Order 205 (ACOI 205) requires Cano Petro of New Mexico, Inc. (Operator) to return to compliance with OCD Rule 19.15.25.8 NMAC at least 12 of the wells identified in the Order by August 1, 2009 and file a compliance report by that date.

2. ACOI 205 further provides that if Operator returns to compliance with OCD Rule 19.15.25.8 NMAC at least 12 of the wells identified in the Order by August 1, 2009 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 205 for a second six-month period, requiring Operator to return an additional 12 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:

- 30-005-20188 CATO SAN ANDRES UNIT #174
- 30-005-20189 CATO SAN ANDRES UNIT #175
- 30-005-20197 CATO SAN ANDRES UNIT #176
- 30-005-20179 CATO SAN ANDRES UNIT #177
- 30-005-20224 CATO SAN ANDRES UNIT #178
- 30-005-20207 CATO SAN ANDRES UNIT #179
- 30-005-20305 CATO SAN ANDRES UNIT #182
- 30-005-20545 CATO SAN ANDRES UNIT #183
- 30-005-20243 CATO SAN ANDRES UNIT #184

- 30-005-20186 CATO SAN ANDRES UNIT #185
- 30-005-20217 CATO SAN ANDRES UNIT #186
- 30-005-20596 CATO SAN ANDRES UNIT #187

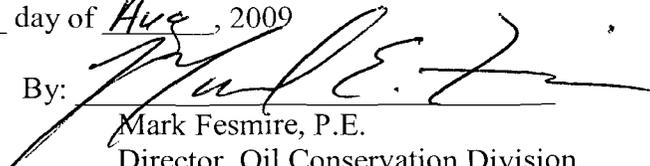
### CONCLUSIONS

1. Operator has met its goal of returning 12 of the wells identified in the Order to compliance by August 1, 2009.
2. The OCD should amend ACOI 205 to extend its terms through February 1, 2010 and require Operator to return to compliance by that date 12 additional wells identified in the Order.

### ORDER

1. Operator shall return to compliance by February 1, 2010 12 wells identified in the Order that are not identified in Findings Paragraph 3, above.
2. Operator shall file a written compliance report by February 1, 2010 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 February 1, 2010.
3. The terms of ACOI 205 otherwise remain in effect.

Done at Santa Fe, New Mexico this 31<sup>st</sup> day of Aug, 2009

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division