

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

NMOCD ACOI 203-B

IN THE MATTER OF OXY USA INC.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 4 of Agreed Compliance Order 203, the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 203 (“ACOI 203” or “Order”) required OXY USA Inc. (“Operator”) to return to compliance with OCD Rule 201 at least six of the wells identified in Exhibit “A” of the Order by May 1, 2009, and file a compliance report by that date.

2. ACOI 203 provided if Operator returned to compliance with OCD Rule 201 at least six of the wells identified in Exhibit “A” by May 1, 2009 and filed a timely compliance report, the OCD would issue an amendment extending the terms of ACOI 203 for an additional six-month period, requiring Operator to return an additional six wells identified in Exhibit “A” to compliance by that deadline.

3. ACOI 203 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 requirements for the next six-month period.

4. Operator filed a timely compliance report, and OCD records verified that Operator returned the following seventeen wells identified in Exhibit “A” to compliance:

- 30-025-22931 AZTEC STATE COM NO. 002
- 30-025-29781 CENTRAL CORBIN QUEEN UNIT NO. 210
- 30-025-29768 CENTRAL CORBIN QUEEN UNIT NO. 213
- 30-025-29314 CENTRAL CORBIN QUEEN UNIT NO. 402
- 30-025-29333 CENTRAL CORBIN QUEEN UNIT NO. 602
- 30-015-25289 FEDERAL AC NO. 001
- 30-015-26373 FEDERAL AK NO. 001
- 30-015-20464 GOPOGO NO. 002
- 30-015-31944 HIGHLANDS 25 FEDERAL NO. 001

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- 30-025-08197 MONSANTO STATE NO. 002
- 30-025-20907 MONSANTO STATE NO. 006
- 30-025-20910 MONSANTO STATE NO. 007
- 30-015-27237 PURE GOLD B FEDERAL NO. 003
- 30-015-31826 SARGENT CANYON 31 FEDERAL NO. 001
- 30-025-01573 STATE CL NO. 001
- 30-025-01575 STATE CL NO. 003
- 30-025-01577 STATE CL NO. 005

5. Because Operator exceeded its goal of returning six of the wells identified in Exhibit "A" to compliance by May 1, 2009, and exceeded its goal of returning six additional wells identified in Exhibit "A" to compliance for the second six-month period by five wells, the OCD amended the Order to extend its terms by twelve months, requiring Operator to return to compliance with OCD Rule 201 one additional well identified in Exhibit "A" by May 1, 2010, and file a compliance report by that date.

6. Operator has filed a timely compliance report, and OCD records verify that Operator returned the following eight wells identified in Exhibit "A" to compliance:

- 30-025-08170 COTTON DRAW UNIT NO. 006
- 30-025-08209 COTTON DRAW UNIT NO. 031
- 30-025-27873 COTTON DRAW UNIT NO. 075
- 30-025-10945 E C HILL B FEDERAL NO. 001
- 30-025-10967 E C HILL D FEDERAL NO. 003
- 30-025-02651 FEDERAL A 13 NO. 002
- 30-025-21305 FEDERAL A 13 NO. 005
- 30-025-07486 STATE LAND SECTION 30 NO. 008

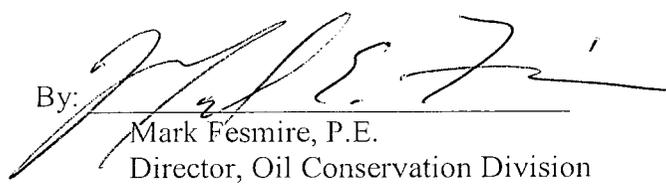
CONCLUSIONS

1. Operator returned eight wells to compliance by May 1, 2010, meeting its compliance goal for the third and fourth period.
2. The OCD should amend ACOI 203 to extend its terms through November 1, 2010.

ORDER

1. ACOI 203 is extended through November 1, 2010.
2. The terms of ACOI 203 otherwise remain in effect.

Done at Santa Fe, New Mexico this 26th day of April, 2010

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