

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

NMOCD – ACO- 265-A

IN THE MATTER OF EOR OPERATING COMPANY,

Respondent.

**FIRST AMENDMENT TO
AGREED COMPLIANCE ORDER**

The Director of the Oil Conservation Division ("OCD") and EOR Operating Company ("EOR" or "Operator") enter into this amendment to Agreed Compliance Order 265("ACO 265").

FINDINGS

1. The OCD and EOR entered into ACO-265, under which Operator agrees to plug, place on approved temporary abandonment status or restore to production or other beneficial use four of the 35 wells identified in Exhibit "A" of the order pursuant to the Act and OCD Rule 19.15.25.8 NMAC in accordance with an agreed schedule and procedures.
2. According to ordering paragraph 4 of ACO-265, the order would be considered an "Inactive Well Agreed Compliance Order" under 19.15.5.9(F)(1)(c) NMAC for the limited purpose of removing the wells identified in Exhibit "A" from consideration in determining compliance with 19.15.5.9(A)(4) NMAC for:
 - Applications for permits to drill infill wells in the Milnesand Unit; and
 - Applications for permits to inject into the Crossroads Siluro Devonian Unit #101, 30-025-03629 or the Crossroads Siluro Devonian Unit #304, 30-025-03610.
3. EOR has worked on the Crossroads Siluro Devonian Unit #101, 30-025-03629, and determined that the well will be a producing well rather than an injection well. Operator is applying for an allowable and authorization to transport.
4. Because ACO-265 does not remove the wells identified in Exhibit "A" from consideration in determining compliance with 19.15.5.9(A)(4) NMAC for applications for allowable and authorizations to transport, EOR currently cannot obtain an allowable and authorization to transport for the Crossroads Siluro Devonian Unit #101 well. In addition, since entering into ACO-265, EOR's inactive well list has grown from 35 to 43. The current well list is Exhibit "B" to this amendment.

5. It is to the benefit of both EOR and the State of New Mexico that the Crossroads Siluro Devonian Unit #101 be placed on production.

CONCLUSIONS

1. In order to allow EOR to return the Crossroads Siluro Devonian Unit #101 well to compliance by putting it on production, ACO-265 should be amended so that the order will be considered an "Inactive Well Agreed Compliance Order" under 19.15.5.9(F)(1)(c) NMAC for the purpose of removing the 43 wells currently on EOR's inactive well list from consideration in determining compliance with 19.15.5.9(A)(4) NMAC when determining whether to grant an allowable and authorization to transport for the Crossroads Siluro Devonian Unit #101 well.

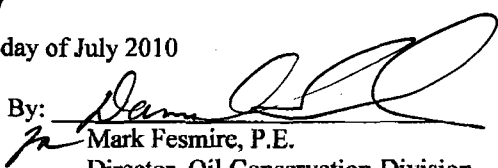
ORDER

1. ACO-265 is amended to add the following provision:

This Order shall be considered an "Inactive Well Agreed Compliance Order" under 19.15.5.9(F)(1)(c) NMAC for the limited purpose of removing the wells identified in Exhibit "B" of ACO-265-A from consideration in determining compliance with 19.15.5.9(A)(4) NMAC for an applications for allowable and authorization to transport for the Crossroads Siluro Devonian Unit #101, 30-025-03629.

2. ACO-265 otherwise remains in full force and effect.

Done at Santa Fe, New Mexico this 2nd day of July 2010

By: 

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

ACCEPTANCE

EOR Operating Company hereby accepts the foregoing amendment to ACO-265, and agrees to all of the terms and provisions set forth in that amendment.

EOR Operating Company

By: Andy Chalker

(Please print name)

Title: Operations Manager

Date: 7/2/2010

Exhibit "B" to ACO-265-A

Total Well Count: 104 Inactive Well Count: 43 Since: 4/7/2009

Printed On: Thursday, July 01 2010

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-03629	CROSSROADS SILURO DEVONIAN UNIT #101	A-34-09S-36E	A	257420	EOR OPERATING COMPANY	P	O	01/1990	05/26/2010 PLUGBACK MISSISSIPPIAN	P	
1	30-025-24144	CROSSROADS SILURO DEVONIAN UNIT #203	C-27-09S-36E	C	257420	EOR OPERATING COMPANY	P	O	12/2008	10/09/08 RET TO PROD		
1	30-041-10103	HORTON FEDERAL #003	2-30-08S-35E	E	257420	EOR OPERATING COMPANY	F	O	10/2007	SAN ANDRES CHG OF OPR TO EOR 12/11/08		
1	30-041-10104	HORTON FEDERAL #004	F-30-08S-35E	F	257420	EOR OPERATING COMPANY	F	I	02/2009			
1	30-041-10109	HORTON FEDERAL #013	O-30-08S-35E	O	257420	EOR OPERATING COMPANY	F	O	04/1986	SAN ANDRES CHG OF OPR TO EOR 12/11/08	T	7/9/2004
1	30-041-10116	HORTON FEDERAL #022	C-29-08S-35E	C	257420	EOR OPERATING COMPANY	F	O	02/2009	SAN ANDRES CHG OF OPR 12/11/08		
1	30-041-10119	HORTON FEDERAL #025	F-29-08S-35E	F	257420	EOR OPERATING COMPANY	F	I	03/2009			
1	30-041-20756	HORTON FEDERAL #032	H-30-08S-35E	H	257420	EOR OPERATING COMPANY	F	I	02/2009	SAN ANDRES	T	7/9/2004
1	30-041-20753	HORTON FEDERAL #035	C-30-08S-35E	C	257420	EOR OPERATING COMPANY	F	O	01/1996	SAN ANDRES CHG OF OPR TO EOR 12/11/08		
1	30-041-20754	HORTON FEDERAL #036	B-30-08S-35E	B	257420	EOR OPERATING COMPANY	F	O	11/2008	SAN ANDRES CHG OF OPR 12/11/08		
1	30-041-20755	HORTON FEDERAL #037	A-30-08S-35E	A	257420	EOR OPERATING COMPANY	F	O	11/2008	SAN ANDRES CHG OF OPR TO EOR 12/11/08		
1	30-041-10148	MILNESAND UNIT #025	O-19-08S-35E	O	257420	EOR OPERATING COMPANY	F	O	05/2000	INT TO RUN MIT BY 01/04/2010 BLM	T	6/30/1994
1	30-041-10149	MILNESAND UNIT #026	P-19-08S-35E	P	257420	EOR OPERATING COMPANY	F	I	12/1992	INT TO RUN MIT BY 01/04/2010 BLM	T	4/15/2009
1	30-041-00142	MILNESAND UNIT #035	1-19-08S-35E	D	257420	EOR OPERATING COMPANY	F	I	12/2007	INT TO TA 09/28/09 BLM	T	6/2/2010
1	30-041-00087	MILNESAND UNIT #036	N-18-08S-35E	N	257420	EOR OPERATING COMPANY	F	I	02/2009	SAN ANDRES	T	6/2/2010
1	30-041-10034	MILNESAND UNIT #062	D-8 -08S-35E	D	257420	EOR OPERATING COMPANY	F	O	07/1987			
1	30-041-10036	MILNESAND UNIT #063	C-8 -08S-35E	C	257420	EOR OPERATING COMPANY	F	O	03/1989			
1	30-041-10207	MILNESAND UNIT #113	A-12-08S-34E	A	257420	EOR OPERATING COMPANY	P	O	09/1986			
1	30-041-10157	MILNESAND UNIT #114	B-12-08S-34E	B	257420	EOR OPERATING COMPANY	P	O	07/1974			
1	30-041-00029	MILNESAND UNIT #122	N-7 -08S-35E	N	257420	EOR OPERATING COMPANY	P	I	11/2007			
1	30-041-00031	MILNESAND UNIT #124	K-7 -08S-35E	K	257420	EOR OPERATING COMPANY	P	O	12/1992		T	6/30/1994

1	30-041-10041	MILNESAND UNIT #131	B-7 -08S-35E	B	257420	EOR OPERATING COMPANY	P	O	12/1992		
1	30-041-10044	MILNESAND UNIT #134	J-7 -08S-35E	J	257420	EOR OPERATING COMPANY	P	O	02/1993	SAN ANDRES	T 6/30/1994
1	30-041-10008	MILNESAND UNIT #142	L-12-08S-34E	L	257420	EOR OPERATING COMPANY	P	O	01/1987		
1	30-041-00010	MILNESAND UNIT #152	K-12-08S-34E	K	257420	EOR OPERATING COMPANY	P	O	09/1988		
1	30-041-00244	MILNESAND UNIT #163	J-12-08S-34E	J	257420	EOR OPERATING COMPANY	P	O	01/1990		
1	30-041-00245	MILNESAND UNIT #164	I-12-08S-34E	I	257420	EOR OPERATING COMPANY	P	O	12/1992		T 6/30/1994
1	30-041-00119	MILNESAND UNIT #172	G-14-08S-34E	G	257420	EOR OPERATING COMPANY	P	O	12/1992		T 6/30/1994
1	30-041-10056	MILNESAND UNIT #185	C-18-08S-35E	C	257420	EOR OPERATING COMPANY	P	O	12/1992		
1	30-041-00083	MILNESAND UNIT #191	I-13-08S-34E	I	257420	EOR OPERATING COMPANY	P	O	12/2007		
1	30-041-00084	MILNESAND UNIT #193	O-13-08S-34E	O	257420	EOR OPERATING COMPANY	P	O	07/2003	SAN ANDRES	
1	30-041-00140	MILNESAND UNIT #197	L-13-08S-34E	L	257420	EOR OPERATING COMPANY	P	O	06/1988		T 6/30/1994
1	30-041-10180	MILNESAND UNIT #201	B-25-08S-34E	B	257420	EOR OPERATING COMPANY	P	O	02/1993		
1	30-041-10181	MILNESAND UNIT #202	A-25-08S-34E	A	257420	EOR OPERATING COMPANY	P	O	01/2003		
1	30-041-10059	MILNESAND UNIT #310	F-19-08S-35E	F	257420	EOR OPERATING COMPANY	F	I	05/2000	SAN ANDRES TA EXP 06/02/2010 PER BLM	T 6/2/2010
1	30-041-10060	MILNESAND UNIT #311	B-19-08S-35E	B	257420	EOR OPERATING COMPANY	F	I	02/2009	TA EXP 06/02/2010 PER BLM	T 6/2/2010
1	30-041-10062	MILNESAND UNIT #313	3-19-08S-35E	L	257420	EOR OPERATING COMPANY	F	O	06/2008	SAN ANDRES INT TO RUN MIT BY 01/04/2010	
1	30-041-00259	MILNESAND UNIT #510	C-13-08S-34E	C	257420	EOR OPERATING COMPANY	F	O	04/1983	INT TO RUN MIT BEFORE 04/04/10 BLM	T 6/30/1994
1	30-041-00257	MILNESAND UNIT #511	D-13-08S-34E	D	257420	EOR OPERATING COMPANY	F	O	12/1992	INT TO RUN MIT BEFORE 01/4/2010 BLM	
1	30-041-00261	MILNESAND UNIT #514	J-24-08S-34E	J	257420	EOR OPERATING COMPANY	F	O	12/1992	INT TO RUN MIT BEFORE 01/04/2010 BLM	T 6/30/1994
1	30-041-00262	MILNESAND UNIT #515	I-24-08S-34E	I	257420	EOR OPERATING COMPANY	F	O	05/2000	INT OT RUN MIT BY 01/04/10 BLM	
1	30-041-10208	MILNESAND UNIT #516	O-24-08S-34E	O	257420	EOR OPERATING COMPANY	F	O	06/1977	INT TO RUN MIT BEFORE 01/04/2010 BLM	
1	30-041-10158	MILNESAND UNIT #517	P-24-08S-34E	P	257420	EOR OPERATING COMPANY	F	I	12/1992	SAN ANDRES INT TO RUN MIT BY 01/04/10 BL	T 12/10/1997

EOR Operating Company

By: L. A. SPITZER JRTitle: SR WELL SUPERVISOR

ACO

EOR Operating Company

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