

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

NMOCD – ACO 01-04-003-B

IN THE MATTER OF INFLOW PETROLEUM RESOURCES, LP,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 5 and 6 of Agreed Compliance Order 01-04-003-A (hereinafter “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. The Order requires Inflow Petroleum Resources, LP (“Operator”) to return to compliance with OCD Rule 201 at least 4 of the wells identified in Exhibit A by August 10, 2006, and file a compliance report by that date.

2. The Order further provides that if Operator returns to compliance with OCD Rule 201 at least 4 of the wells identified in Exhibit A by August 10, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of the Order for an additional six-month period, requiring Operator to return to compliance at least 4 additional wells identified on Exhibit A and file a timely compliance report. The Order provides that the OCD shall continue to issue 6-month amendments if the Operator continues to return at least 4 additional wells to compliance in each period, so long as the total length of the Order and any amendments does not exceed two year.

3. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator returned the following wells identified in Exhibit A to compliance by August 10, 2007:

1. Arnott Ramsey A #001	30-025-09723
2. Arnott Ramsey A #002	30-025-09724
3. Arnott Ramsey A #004	30-025-09722
4. Gutman SWD #002	30-025-11830
5. Hadfield #001	30-025-11676
6. Possh #003	30-025-27044
7. Possh #004	30-025-26536
8. State W #003	30-025-24740
9. Stevens A 34 #005	30-025-27905

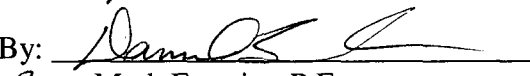
CONCLUSIONS

1. Operator has returned 9 wells to compliance, exceeding its goal of returning 4 of the wells identified in Exhibit A to compliance by August 10, 2006 and exceeding by one well its goal of returning 4 wells to compliance in a second six-month period.
2. The OCD should amend the Order to extend its terms through August 10, 2007 and require Operator to return to compliance by that date 3 additional wells from Exhibit A not identified in Findings Paragraph 3, above.

ORDER

1. Operator shall return to compliance by August 10, 2007 3 additional wells from Exhibit A not identified in Findings Paragraph 3, above.
2. Operator shall file a compliance report by August 10, 2007 using the Oil Conservation Division's web-based on-line application.
3. The terms of Agreed Compliance Order 01-04-003-A otherwise remain in effect and are extended through August 10, 2007.

Done at Santa Fe, New Mexico this 16th day of August, 2006

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