

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

**NMOCD - ACOI 125-A**

**IN THE MATTER OF ASPEN OIL, INC.,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 5 of Agreed Compliance Order 125, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

**FINDINGS**

1. Agreed Compliance Order 125 ("ACOI 125" or "Order") requires Aspen Oil, Inc. (Operator) to return to compliance with OCD Rule 201 at least three of the wells identified in the Order by October 1, 2006, and file a compliance report by that date. The Order defines compliance to include the filing of the appropriate paperwork.

2. ACOI 125 further provides that if Operator returns to compliance with OCD Rule 201 at least three of the wells identified in the Order by October 1, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 125 for an additional six-month period, requiring Operator to return to compliance by that date three additional wells identified in the Order.

3. ACOI 125 further provides that if Operator fails to return to compliance three of the wells identified in the Order by October 1, 2006, Operator is subject to penalties. Operator may, however, request a waiver or reduction of penalties, and request an amendment extending the terms of the Order.

4. Operator filed a timely compliance report indicating that it had returned to compliance the following wells identified in the Order:

- |                |              |
|----------------|--------------|
| • Acrey #003Y  | 30-015-00665 |
| • Conklin #002 | 30-015-00690 |
| • Delhi #003   | 30-015-01217 |

5. The OCD has verified that its records show that the Acrey #003Y and Delhi #003 have been returned to compliance. OCD records do not show that the Conklin #002 has been returned to compliance.

6. Operator has represented that the Conklin #002 has been returned to production; the OCD is awaiting a C-115 report of production.

### CONCLUSIONS

1. Operator failed to meet its goal of returning three of the wells identified in the Order to compliance by October 1, 2006 under the terms of the Order, falling short by one well.

2. Operator has demonstrated good faith efforts to meet its three-well goal under the Order by returning two wells to compliance and by completing the field-work required to return the third well to compliance.

3. The OCD should waive the \$1000 penalty otherwise due under the terms of the Order.

4. The OCD should amend ACOI 125 to extend its terms through April 1, 2007 and require Operator to return to compliance by that date three wells identified in the Order other than the Delhi #003 and the Acrey #003Y.

### ORDER

1. The OCD waives the \$1000 penalty due under the terms of the Order.

2. Operator shall return to compliance by April 1, 2007 three wells identified in the Order other than the Delhi #003 and the Acrey #003Y.

3. Operator shall file a compliance report by April 1, 2007 using the Oil Conservation Division's web-based on-line application.

4. The terms of ACOI 125 otherwise remain in effect and are extended through April 1, 2007.

Done at Santa Fe, New Mexico this 18<sup>th</sup> day of September, 2006

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