

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

**NMOCD - ACOI 117-A**

**IN THE MATTER OF PALADIN ENERGY CORP.**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph of Agreed Compliance Order 117 (“ACOI 117” or “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

**FINDINGS**

1. ACOI 117 requires Paladin Energy Corp. (“Operator”) to return to compliance with OCD Rule 201 at least four of the wells identified in ACOI 117 by September 20, 2006, and file a compliance report by that date.

2. ACOI 117 further provides that if Operator returns to compliance with OCD Rule 201 at least four of the wells identified in ACOI 117 by September 20, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 117 for an additional six-month period, requiring Operator to return an additional four wells to compliance by that deadline.

3. Operator filed a timely compliance report, and the OCD has verified that Operator has returned the following wells identified in ACOI 117 to compliance:

- |                             |              |
|-----------------------------|--------------|
| 1. Howard Fleet #005        | 30-025-30855 |
| 2. Lowe #001                | 30-025-30702 |
| 3. New Mexico BH State #001 | 30-025-08007 |
| 4. State C #003             | 30-025-34239 |
| 5. WW Hamilton A #002       | 30-025-12485 |
| 6. WE Mathers A #002        | 30-025-01048 |

4. The following wells identified in ACOI 117 remain out of compliance:

- |                             |              |
|-----------------------------|--------------|
| 1. CW Robinson #001         | 30-025-00053 |
| 2. New Mexico BH State #002 | 30-025-08008 |
| 3. New Mexico C State #002  | 30-025-05097 |
| 4. State EC C #001          | 30-025-00104 |

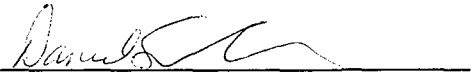
## CONCLUSIONS

1. Operator has returned six of the wells identified in ACOI 117 to compliance, exceeding its four-well goal by two wells.
2. The OCD should amend ACOI 117 to extend its terms through March 20, 2007 and require Operator to return to compliance by March 20, 2007 at least two of the wells identified in Findings Paragraph 4 above to meet its four-well goal for this second period.

## ORDER

1. Operator shall return to compliance by March 20, 2007 at least two of the wells identified in Findings Paragraph 4 above to meet its four-well goal for this second period.
2. Operator shall file a compliance report by March 20, 2007 using the Oil Conservation Division's web-based on-line application.
3. The terms of ACOI 117 otherwise remain in effect.

Done at Santa Fe, New Mexico this 25<sup>th</sup> day of SEPTEMBER, 2006

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