

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

NMOCD-06-144(1)

IN THE MATTER OF TIPTON OIL & GAS ACQUISITIONS,

Respondent.

RECEIVED

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**AMENDMENT ONE TO AGREED ORDER DIRECTING COMPLIANCE
AND ASSESSING CIVIL PENALTY**

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

WHEREAS, pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended ("Act"), and the regulations promulgated under the Act, the Director of the Oil Conservation Division of the Energy Minerals and Natural Resources Department of the State of New Mexico ("OCD") issued an Agreed Order Directing Compliance and Assessing Civil Penalty ("Agreed Compliance Order") dated September 25, 2006 to **TIPTON OIL & GAS ACQUISITIONS ("Tipton")**, directing compliance with the Act and OCD Rules, and assessing a penalty for violations of the Act and OCD rules;

WHEREAS, the Order required, among other things, that Tipton bring the Twin Lakes San Andres Unit No. 103 into physical compliance, i.e., into a working injection well, perform a mechanical integrity test and complete and file with the OCD all associated paperwork on or before August 24, 2006;

WHEREAS, the Order provided that for good cause shown an extension on the time to complete the required work could be requested by Tipton and that an extension would not be unreasonably withheld by the OCD; and

WHEREAS, due to very wet weather conditions that prevent equipment from accessing the well and scheduling problems with the equipment, Tipton is unable to meet the August 24, 2006 deadline and requests it be extended.

NOW THEREFORE, the OCD agrees to and does extend the deadline for Tipton to bring the Twin Lakes San Andres Unit No. 103 into physical compliance, i.e., into a working injection well, perform a mechanical integrity test and complete and file with the OCD all associated paperwork from August 24, 2006 to October 31, 2006.

All other terms and conditions of the Agreed Compliance Order shall remain in effect and as originally agreed and stated in the Agreed Compliance Order with no changes thereto.

Done at Santa Fe, New Mexico this 7th day of November 2006.

By: _____

Mark Fesmire, PE, Director
Oil Conservation Division

ACCEPTANCE

TIPTON OIL & GAS ACQUISITIONS hereby accepts the foregoing Amendment to the Order, and agrees to all of the terms and provisions set forth therein.

TIPTON OIL & GAS ACQUISITIONS

By: _____

Title: _____

Date _____