

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

NMOCD - ACOI 127-A

IN THE MATTER OF TIPTON OIL & GAS ACQUISITIONS, INC.,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 127, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 127 (ACOI 127) requires Tipton Oil & Gas Acquisitions, Inc. (Operator) to return to compliance with OCD Rule 201 at least 15 of the wells identified in Exhibit A to ACOI 127 by October 31, 2006, and file a compliance report by that date. "Compliance," as defined in ACOI 127, requires Operator to perform the work required to return a well to compliance and file the appropriate paperwork reporting that the well has been returned to compliance.

2. ACOI 127 further provides that if Operator files a timely compliance report and returns at least 15 of the wells identified in Exhibit A to ACOI 127 by October 31, 2006, the OCD shall amend ACOI 127 to extend its terms by six months and require Operator to return an additional three wells from Exhibit A to compliance by that deadline.

3. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator has returned the following wells identified in Exhibit A to ACOI 127 to compliance:

| | |
|-----------------------------|--------------|
| • Cato Federal #001 | 30-005-21099 |
| • Double L Queen Unit #001K | 30-005-60078 |
| • Double L Queen Unit #006 | 30-005-60097 |
| • Federal 7 #001 | 30-025-27058 |
| • Hudson Federal #001 | 30-025-25418 |
| • Marlisue Queen Unit #001 | 30-005-60526 |
| • Marlisue Queen Unit #001Z | 30-005-60510 |
| • Marlisue Queen Unit #002 | 30-005-62099 |
| • Marlisue Queen Unit #003 | 30-005-60585 |
| • Marlisue Queen Unit #003Z | 30-005-62100 |

- Marlisue Queen Unit #004 30-005-60646
- Marlisue Queen Unit #004Z 30-005-62324
- Twin Lakes San Andres 30-005-60039
- Twin Lakes San Andres Unit #102 30-005-60844
- Twin Lakes San Andres Unit #107 30-005-61104
- Twin Lakes San Andres Unit #331 30-005-61736
- Union Happy #002 30-005-62629

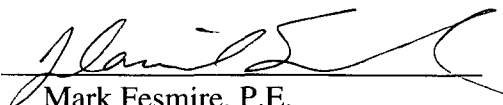
CONCLUSIONS

1. Operator has returned seventeen of the wells identified in Exhibit A to ACOI 127 to compliance by October 31, 2006, exceeding its fifteen-well goal by two wells.
2. The OCD should amend ACOI 127 to extend its terms through April 30, 2007 and require Operator to return one additional wells identified in Exhibit A to ACOI 127 to compliance by that date to meet its 3-well goal for this period.

ORDER

1. Operator shall return to compliance by April 30, 2007 at least one wellss identified in Exhibit A to ACOI 127 not identified in Findings Paragraph 3, above.
2. Operator shall file a compliance report by April 30, 2007 using the Oil Conservation Division's web-based on-line application.
3. The terms of ACOI 127 otherwise remain in effect.

Done at Santa Fe, New Mexico this 21st day of November, 2006

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