

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

ACOI 153-A

IN THE MATTER OF FOREST OIL CORPORATION,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 5 of Agreed Compliance Order 153, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 153 ("Order" or "ACOI 153") requires Forest Oil Corporation ("Forest") to return the wells identified in the Order to compliance with OCD Rules 703 and 201 according to the schedule set out in the Order, and to file timely compliance reports.

2. The schedule set out in the Order requires the Operator to return 9 of the wells identified in Findings Paragraph 4 of ACOI 153 to compliance with Rule 703 and file a compliance report by June 30, 2007: the first period. If the Operator meets its goal for the first period, the OCD will issue an amendment extending the terms of the Order for six months and requiring Operator to return the remaining wells identified in Findings Paragraph 4 to compliance and file a compliance report. If the Operator meets its goal for the second period, the OCD will issue an amendment extending the Order for a third six-month period and requiring Operator to return 6 wells identified in Exhibit A of the Order to compliance with Rule 201. If Operator meets its goal for the third period, the OCD will issue an amendment extending the Order for a fourth period and requiring Operator to return 6 additional wells identified in Exhibit A to compliance with Rule 201.

3. Operator filed a timely compliance report for the first period and exceeded its 9-well goal, returning the following 10 wells identified in Findings Paragraph 4 to compliance:

- | | |
|-------------------------------|--------------|
| • Lea D #002 | 30-015-05412 |
| • Maljamar Grayburg Unit #012 | 30-025-00445 |
| • Skelly Unit #019 | 30-015-05155 |
| • Skelly Unit #058 | 30-015-05355 |
| • Skelly Unit #083 | 30-015-05418 |
| • Skelly Unit #084 | 30-015-05423 |
| • Skelly Unit #096 | 30-015-05424 |
| • Skelly Unit #106 | 30-015-20366 |

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- Skelly Unit #109 30-015-20468
- Skelly Unit #110 30-015-20469

CONCLUSIONS

1. Operator exceeded its 9-well goal for the first period by returning 10 of the wells identified in Findings Paragraph 4 of ACOI 153 to compliance with Rule 703 by June 30, 2007.

2. The OCD should amend ACOI 153 for a second period, extending its terms through December 30, 2007 and requiring Operator to return to compliance by that date the remaining wells identified in Findings Paragraph 4 of ACOI 153.

ORDER

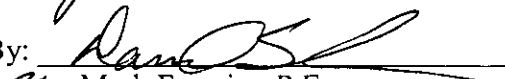
1. Operator shall return to compliance by December 30, 2007 the remaining wells identified in Findings Paragraph 4 of ACOI 153.

2. Operator shall file a written compliance report identifying the wells returned to compliance in the second period by well name and API number, stating how the well was returned to compliance (returned to production/injection, wellbore plugged, placed on approved temporary abandonment status), and stating the approximate date the appropriate paperwork was filed on the compliance action. The report must be mailed or e-mailed to the OCD Compliance and Enforcement Manager so that it is received by December 30, 2007.

3. The terms of ACOI 153 otherwise remain in effect.

Done at Santa Fe, New Mexico this 25th day of June, 2007

By:


Mark Fesmire, P.E.

Director, Oil Conservation Division