

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

NMOCD ACOI 173-A

IN THE MATTER OF BC OPERATING, INC.,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 173, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 173 (ACOI 173) requires BC Operating, Inc., (Operator) to return to compliance with OCD Rule 201 at least four of the wells identified in the Order by March 1, 2008 and file a compliance report by that date.

2. ACOI 173 further provides that if Operator returns to compliance with OCD Rule 201 at least four of the wells identified in the Order by March 1, 2008 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 173 for a second 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 OCD records indicate that Operator has returned the following wells identified in the Order to compliance:

- | | |
|---------------------------------------|--------------|
| • Mary E Wills A Federal No. 008 | 30-025-12776 |
| • Rhodes Yates Coop Fed Com 5 No. 001 | 30-025-32378 |
| • W H Rhodes B Federal NCT 2 No. 004 | 30-025-25691 |
| • W H Rhodes B Federal NCT 2 No. 006 | 30-025-28911 |

CONCLUSIONS

1. Operator has met its goal of returning four of the wells identified in the Order to compliance by March 1, 2008.

2. The OCD should amend ACOI 173 to extend its terms through October 1, 2008 and require Operator to return to compliance by that date four additional wells identified in the Order.

BC Operating, Inc.

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ORDER

1. Operator shall return to compliance by October 1, 2008 four wells identified in the Order that are not identified in Findings Paragraph 3, above.

2. Operator shall file a written compliance report by October 1, 2008 identifying the wells returned to compliance in the second period, identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status). The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager (email: daniel.sanchez@state.nm.us) and Assistant General Counsel Sonny Swazo (email: sonny.swazo@state.nm.us) so that it is received by the compliance deadline of October 1, 2008.

3. The terms of ACOI 173 otherwise remain in effect.

Done at Santa Fe, New Mexico this 21st day of February, 2008

By: _____

Mark Fesmire, P.E.

Director, Oil Conservation Division