

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

**NMOCD - ACOI 188-A**

**IN THE MATTER OF FOREST OIL CORPORATION,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 188, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

**FINDINGS**

1. Agreed Compliance Order 188 ("ACOI 188" or "Order") requires Forest Oil Corporation ("Operator") to return to compliance with OCD Rule 201 at least six of the wells identified in the Order by October 1, 2008, and file a compliance report by that date. The Order defines compliance to include the filing of the appropriate paperwork.

2. ACOI 188 further provides that if Operator returns to compliance with OCD Rule 201 at least six of the wells identified in the Order by October 1, 2008, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 188 for an additional six-month period, requiring Operator to return to compliance by that date six additional wells identified in the Order.

3. ACOI 188 further provides that if Operator fails to return to compliance six of the wells identified in the Order by October 1, 2008, Operator is subject to penalties. Operator may, however, request a waiver or reduction of penalties, and request an amendment extending the terms of the Order.

4. Operator filed a timely compliance report indicating that it had returned to compliance the following wells identified in the Order:

- |   |                                |              |
|---|--------------------------------|--------------|
| • | Caprock Maljamar Unit No.026   | 30-025-01466 |
| • | Maljamar Grayburg Unit No. 088 | 30-025-33365 |
| • | Maljamar Grayburg Unit No. 154 | 30-025-33628 |

**CONCLUSIONS**

1. Operator failed to meet its goal of returning six of the wells identified in the Order to compliance by October 1, 2008, falling short by three wells.

2. Operator has demonstrated good faith efforts to meet its six-well goal, including paying a \$3,000.00 penalty for the number of wells it missed its compliance goal by for the first period. Therefore, the OCD exercised its discretion and amended ACOI 188 to extend its terms through April 1, 2009, requiring Operator to return to compliance by that date six additional wells identified in the Order.

### ORDER

1. Operator shall return to compliance by April 1, 2009 six wells identified in the Order that are not identified in Findings Paragraphs 4, above.

2. Operator shall file a written compliance report by April 1, 2009 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 April 1, 2009.

3. The terms of ACOI 188 otherwise remain in effect.

Done at Santa Fe, New Mexico this 28<sup>th</sup> day of Oct, 2008

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division