

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

NMOCD - ACOI 104-B

IN THE MATTER OF XTO ENERGY INC.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of Agreed Compliance Order 104 (ACOI 104) as amended by Agreed Compliance Order 104-A (ACOI 104-A) the Director of the Oil Conservation Division (OCD) hereby amends that order as follows:

FINDINGS

1. ACOI 104 as amended by ACOI 104-A requires XTO Energy Inc. (Operator) to return to compliance with OCD Rule 201 at least 6 of the wells identified in Exhibit A by July 31, 2006, and file a compliance report by that date.

2. ACOI 104 as amended by ACOI 104-A further provides that if Operator returns to compliance with OCD Rule 201 at least 6 of the wells identified in Exhibit A by July 31, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 104 for an additional six-month period, requiring Operator to return an additional 6 wells to compliance by that deadline. And if Operator continues to return wells to compliance at a rate of at least 6 wells every six months, the OCD shall issue amendments extending the terms of the order for additional six-month periods, so long as the total time period covered by the order does not exceed two years.

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 compliance:

ARNOTT RAMSAY NCT D	006	30-025-04887
ARROWHEAD GRAYBURG UNIT	115	30-025-23939
ARROWHEAD GRAYBURG UNIT	246	30-025-10358
ARROWHEAD GRAYBURG UNIT	337Y	30-025-35543
BRIDGES STATE	126	30-035-22526
ELBERT SHIPP NCT B COM	002	30-025-05578
EUMONT 16 STATE COM	001	30-025-33024
EUNICE MONUMENT SOUTH UNIT	107	30-025-04320
EUNICE MONUMENT SOUTH UNIT	110	30-025-06284
EUNICE MONUMENT SOUTH UNIT	111	30-025-06283
EUNICE MONUMENT SOUTH UNIT	112	30-025-06282

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EUNICE MONUMENT SOUTH UNIT	115	30-025-06295
EUNICE MONUMENT SOUTH UNIT	127	30-025-29819
EUNICE MONUMENT SOUTH UNIT	129	30-025-29397
EUNICE MONUMENT SOUTH UNIT	133	30-025-06314
EUNICE MONUMENT SOUTH UNIT	135	30-025-29910
EUNICE MONUMENT SOUTH UNIT	158	30-025-06311
EUNICE MONUMENT SOUTH UNIT	159	30-025-06310
EUNICE MONUMENT SOUTH UNIT	173	30-025-29395
EUNICE MONUMENT SOUTH UNIT	204	30-025-04453
EUNICE MONUMENT SOUTH UNIT	219	30-025-30225
EUNICE MONUMENT SOUTH UNIT	236	30-025-04458
EUNICE MONUMENT SOUTH UNIT	241	30-025-04489
EUNICE MONUMENT SOUTH UNIT	242	30-025-04519
EUNICE MONUMENT SOUTH UNIT	243	30-025-04518
EUNICE MONUMENT SOUTH UNIT	248	30-035-04521
EUNICE MONUMENT SOUTH UNIT	250	30-025-04526
EUNICE MONUMENT SOUTH UNIT	257	30-025-04496
EUNICE MONUMENT SOUTH UNIT	259	30-025-04462
EUNICE MONUMENT SOUTH UNIT	267	30-025-04440
EUNICE MONUMENT SOUTH UNIT	288	30-025-04552
EUNICE MONUMENT SOUTH UNIT	307	30-025-08708
EUNICE MONUMENT SOUTH UNIT	324	30-025-04554
EUNICE MONUMENT SOUTH UNIT	408	30-025-04692
EUNICE MONUMENT SOUTH UNIT	440	30-025-04735
EUNICE MONUMENT SOUTH UNIT	445	30-025-04752
EUNICE MONUMENT SOUTH UNIT	457	30-025-29149
EUNICE MONUMENT SOUTH UNIT	560	30-025-35461
EUNICE MONUMENT SOUTH UNIT	575	30-025-34824
EUNICE MONUMENT SOUTH UNIT	640	30-025-34212
EUNICE MONUMENT SOUTH UNIT	710	30-025-34825
EUNICE MONUMENT SOUTH UNIT B	869	30-025-04256
EUNICE MONUMENT SOUTH UNIT B	873	30-025-04276
EUNICE MONUMENT SOUTH UNIT B	898	30-025-04315
EUNICE MONUMENT SOUTH UNIT B	912	30-025-04305
EUNICE MONUMENT SOUTH UNIT B	924	30-025-31119
H T MATTERN NCT E	003	30-025-08880
HARRY LEONARD NCT D	005	30-025-08762
HARRY LEONARD NCT D	008	30-025-08758
NEW MEXICO BO STATE	002	30-025-02319
NEW MEXICO BO STATE	007	30-025-20176
NEW MEXICO BO STATE	008	30-025-20530
NORTH VACUUM ABO EAST UNIT	015	30-025-29386
NORTH VACUUM ABO EAST UNIT	020	30-025-29391
NORTH VACUUM ABO UNIT	128	30-025-22942
NORTH VACUUM ABO UNIT	137	30-025-23527
NORTH VACUUM ABO UNIT	238Y	30-025-28466
SEVEN RIVERS QUEEN WTRFLD N	001	30-025-08775
STATE H	003	30-025-30932
STATE I COM	002	30-025-06133
STATE K COM	001	30-025-04260
STATE XX COM	001	30-025-25409
W A RAMSAY NCT A	010	30-025-04915

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4. ACOI 104 as amended by ACOI 104-A also requires Operator to transfer all wells operated under OGRID 167067 to OGRID 5380 by July 31, 2006, and to operate all its wells under OGRID 5380.

5. By letter dated July 27, 2006, Operator requested a three-month extension of the deadline for transferring wells operated under OGRID 167067 to OGRID 5380, citing the large volume of C-115 corrections that need to be submitted for wells currently operated under OGRID 167067. Submitting the corrections under the current OGRID will be much easier than submitting corrections after the wells have been transferred to OGRID 5380.

CONCLUSIONS

1. OCD records indicate that Operator has returned 63 of the wells identified on Exhibit A to compliance, exceeding its 6-well goal for the first period under ACOI 104 by 57 wells, and exceeding its 24-well goal for the entire 2-year life of the order by 39 wells.

2. The OCD should amend the deadline for returning wells to compliance under ACOI-104 as amended by ACOI 104-A to extend its terms through February 1, 2008.

3. The OCD should extend the deadline for transferring wells operated under OGRID 167067 to OGRID 5380 until October 31, 2006.

ORDER

1. Operator shall transfer wells operated under OGRID 167067 to OGRID 5380 by October 31, 2006.

2. Because OCD records indicate that Operator has exceeded the 24-well goal for the 2-year life of ACOI 104 as amended by ACOI 104-A, Operator is not required to file additional compliance reports.

3. The terms of ACOI 104 as amended by ACOI 104-A otherwise remain in effect and are extended through February 1, 2008.

Done at Santa Fe, New Mexico this 10th day of August, 2006

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