

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

NMOCD - ACOI 103-B

IN THE MATTER OF BP AMERICA PRODUCTION COMPANY,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of Agreed Compliance Order 103 (“ACOI 103”) as amended by Agreed Compliance Order 103-A (“ACOI 103-A”) (together, “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. ACOI 103 required BP America Production Company (“Operator”) to return to compliance with OCD Rule 201 at least eleven of the wells identified in Exhibit A by August 10, 2006, and file a compliance report by that date.

2. The Order further provides that if Operator returns to compliance with OCD Rule 201 at least eleven of the wells identified in Exhibit A by August 10, 2006, and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 103 for an additional six-month period, requiring Operator to return an additional 11 wells to compliance by that deadline. If Operator continues to return wells to compliance at a rate of at least 11 wells each six-month period, OCD shall continue to issue amendments to the Order extending its term for additional six-month periods, provided that the total length of this Order, including the initial six-month period and any amendments, shall not exceed two years.

3. Operator filed a timely compliance report by August 10, 2006, and the OCD verified that OCD records indicate that Operator returned the following 21 wells identified in Exhibit A to compliance:

1. Empire ABO Unit #009G	30-015-00898
2. Empire ABO Unit #006D	30-015-00900
3. Empire ABO Unit #022A	30-015-01646
4. Empire ABO Unit #027E	30-015-02605
5. Empire ABO Unit #023D	30-015-02628
6. Empire ABO Unit #291	30-015-21541
7. Empire ABO Unit #232	30-015-21737
8. Empire ABO Unit #202	30-015-21783

9. Empire ABO Unit #361A	30-015-21963
10. Empire ABO Unit #121	30-015-22062
11. Empire ABO Unit #341A	30-015-22227
12. Empire ABO Unit #281	30-015-22597
13. Empire ABO Unit #352F	30-015-22628
14. Empire ABO Unit #362	30-015-22630
15. Empire ABO Unit #193	30-015-22657
16. Empire ABO Unit #171	30-015-22815
17. Washington 33 State #017	30-015-22821
18. Empire ABO Unit #241	30-015-23547
19. Empire ABO Unit #211A	30-015-23548
20. West Brushy 4 Federal #003	30-015-32196
21. B&C 25 Federal #001	30-015-30842

4. The OCD issued an amendment, ACOI 103-A, requiring Operator to return to compliance by February 10, 2007 at least 1 of the wells identified in Exhibit A to the Order not listed in Findings Paragraph 3, above, to meet its 11-well goal for the second six-month period of the Order.

5. Operator filed a compliance report dated August 18, 2006, indicating that it had returned the following additional wells to compliance:

1. Empire Abo Unit #028E	30-015-02604
2. Empire Abo Unit #272A	30-015-22526
3. Empire Abo Unit #291B	30-015-22607
4. Empire Abo Unit #293	30-015-22010

CONCLUSIONS

1. OCD records indicate that Operator has returned 4 additional wells identified on Exhibit A to compliance, exceeding its 1-well goal under ACOI 103-A by 3 wells.

2. The OCD should issue a second amendment to ACOI-103 to extend its terms through August 10, 2007.

ORDER

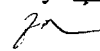
1. Operator shall return to compliance by August 10, 2007 at least 8 of the wells identified in Exhibit A to ACOI 103 not listed in Findings Paragraphs 3 or 5, above, to meet its 11-well goal for this period.

2. Operator shall file a compliance report as described in ACOI 103 by August 10, 2007 using the Oil Conservation Division's web-based on-line application.

3. The terms of ACOI 103 as amended by ACOI 103-A otherwise remain in effect and are extended through August 10, 2007.

Done at Santa Fe, New Mexico this 12th day of September, 2006

By: 



Mark Fesmire, P.E.

Director, Oil Conservation Division