

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

**NMOCD - ACOI 127-B**

**IN THE MATTER OF TIPTON OIL & GAS ACQUISITIONS, INC.,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 4 of Agreed Compliance Order 127 (“ACOI 127” or “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that order as follows:

**FINDINGS**

1. ACOI 127 required Tipton Oil & Gas Acquisitions, Inc. (“Operator”) to return at least fifteen of the wells identified in the Order to compliance with OCD Rule 201 by October 31, 2006 (the first period). Operator returned the following seventeen wells identified in the Order to compliance in the first period, exceeding its fifteen-well goal by two wells:

- |                                   |              |
|-----------------------------------|--------------|
| • Cato Federal #001               | 30-005-21099 |
| • Double L Queen Unit #001K       | 30-005-60078 |
| • Double L Queen Unit #006        | 30-005-60097 |
| • Federal 7 #001                  | 30-025-27058 |
| • Hudson Federal #001             | 30-025-25418 |
| • Marlisue Queen Unit #001        | 30-005-60526 |
| • Marlisue Queen Unit #001Z       | 30-005-60510 |
| • Marlisue Queen Unit #002        | 30-005-62099 |
| • Marlisue Queen Unit #003        | 30-005-60585 |
| • Marlisue Queen Unit #003Z       | 30-005-62100 |
| • Marlisue Queen Unit #004        | 30-005-60646 |
| • Marlisue Queen Unit #004Z       | 30-005-62324 |
| • Twin Lakes San Andres #17       | 30-005-60039 |
| • Twin Lakes San Andres Unit #102 | 30-005-60844 |
| • Twin Lakes San Andres Unit #107 | 30-005-61104 |
| • Twin Lakes San Andres Unit #331 | 30-005-61736 |
| • Union Happy #002                | 30-005-62629 |

2. Under the terms of Order, if Operator met its fifteen-well goal in the first period, the OCD would amend the Order to extend its terms for a second six-month

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period, and require Operator to return three additional wells identified in the Order to compliance by the end of the second period. If Operator continued to return at least three wells to compliance in each six-month period, the OCD would continue to issue amendments for a third and fourth six-month period. If Operator returned more than the required number of wells to compliance in any period, the excess wells would count toward the next period.

3. Because Operator exceeded by two wells its fifteen-well goal for the first period, the OCD amended the Order to extend its terms for a second six-month period, and required Operator to return one additional well identified in the Order to compliance by April 30, 2007 to meet its three-well goal for the second period.

4. Operator returned the following ten wells identified in the Order to compliance in the second period:

- DeSoto State #002 30-025-26079
- Marlisue Queen Unit #006 30-005-62101
- Marlisue Queen Unit #007 30-005-62102
- Marlisue Queen Unit #008 30-005-62531
- Northeast Square Lake #002 30-015-04793
- Twin Lakes San Andres Unit #006 30-005-60596
- Twin Lakes San Andres Unit #015 30-005-62565
- Twin Lakes San Andres Unit #046 30-005-60291
- Twin Lakes San Andres Unit #055 30-005-60297
- Twin Lakes San Andres Unit #333 30-005-63193

### CONCLUSIONS

1. Operator met its three-well goals for the second, third and fourth periods covered by the Order.

2. The OCD should amend ACOI 127 to extend its terms through April 30, 2008, the end of the fourth period.

### ORDER

1. The terms of ACOI 127 are extended through April 30, 2008.

2. Because Operator has met its compliance goals under the Order, Operator is not required to file additional compliance reports.

Done at Santa Fe, New Mexico this 23<sup>rd</sup> day of May, 2007

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