

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

NMOCD - ACOI 166-B

IN THE MATTER OF MAR OIL & GAS CORP.,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 4 of Agreed Compliance Order 166, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 166 (ACOI 166) required Mar Oil & Gas Corp. (Operator) to return to compliance with OCD Rule 201 at least four of the wells identified in Exhibit A by December 18, 2007, and file a compliance report by that date.

2. ACOI 166 provided that if Operator returned to compliance with OCD Rule 201 at least four of the wells identified in Exhibit A by December 18, 2007, and filed a timely compliance report, the OCD would issue an amendment extending the terms of ACOI 166 for an additional 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 verified that the following wells identified in Exhibit A were returned to compliance:

- | | |
|--------------------|--------------|
| • Adlong 5 #001 | 30-025-23054 |
| • Malmar Unit #101 | 30-025-00542 |
| • Malmar Unit #104 | 30-025-01470 |
| • Malmar Unit #213 | 30-025-00520 |
| • Malmar Unit #309 | 30-025-00519 |
| • SFPRR #010 | 30-025-23624 |
| • TP #001 | 30-025-24278 |

4. Because Operator returned seven wells to compliance for the first six-month period, OCD amended the Order to extend its terms by six months, requiring Operator to bring one well into compliance.

5. Operator has filed a timely compliance report for the second period, and OCD records indicate that Operator has returned the following well identified in the Order to compliance.

- Eumont Hardy Unit No. 031 30-25-04436

CONCLUSIONS

1. Operator met its requirement under ACOI 166-A by returning one of the wells identified in Exhibit A to compliance.

2. The OCD should amend ACOI 166 to extend its terms through December 18, 2008 and require Operator to return to compliance by that date at least four additional wells identified in Exhibit A to meet its four well goal for the third six-month period.

ORDER

1. Operator shall return to compliance by December 18, 2008 at least four wells identified in Exhibit A that are not identified in Findings Paragraph 3 and 5, above.

2. Operator shall file a written compliance report by December 18, 2008 identifying each well returned to compliance in the third period, stating the date it was returned to compliance and describing how the well was returned to compliance. The 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 (email: sonny.swazo@state.nm.us) so that it is received by the compliance deadline of December 18, 2008.

3. The terms of ACOI 166 otherwise remain in effect.

Done at Santa Fe, New Mexico this 2nd day of July, 2008

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division