

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

NMOCD ACOI 189-A

IN THE MATTER OF CROWNQUEST OPERATING, LLC,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Order Paragraph 15 of Agreed Compliance Order 189, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 189 ("ACOI 189") requires CrownQuest Operating, LLC ("Operator") to return to compliance with OCD Rule 201 at least three of the wells identified in the Order by September 30, 2008 and file a compliance report by that date.

2. ACOI 189 further provides that if Operator returns to compliance with OCD Rule 201 at least three of the wells identified in the Order by September 30, 2008 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 189 for a second six-month period, requiring Operator to return an additional three wells to compliance by that deadline. The Order provides that the OCD shall continue to issue six-month amendments if the Operator continues to return at least three additional wells to compliance in each period, so long as the total length of the Order and any amendments 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 the Order to compliance:

- | | |
|--------------------------------|--------------|
| • JM Huber State NCT 2 No. 001 | 30-025-29915 |
| • New Mexico AT State No. 009 | 30-025-28020 |
| • State 23 COM No. 001 | 30-025-22713 |
| • State 23 COM No. 002 | 30-025-28763 |

CONCLUSIONS

1. Operator has returned four wells to compliance, exceeding by one well its goal of returning three of the wells identified in the Order to compliance by September 30, 2008.

2. The OCD should amend ACOI 189 to extend its terms through March 30, 2009 and require Operator to return to compliance by that date two additional wells from the Order not identified in Findings Paragraph 3, above, to complete its goal of returning three wells to compliance in that period.

ORDER

1. Operator shall return to compliance by March 30, 2009 two wells identified in the Order that are not identified in Findings Paragraph 3, above.

2. Operator shall file a written compliance report by March 30, 2009 identifying the well(s) it returned to compliance in the third period, stating the date the well(s) were returned to compliance, and stating how the well(s) were returned to compliance (returned to production or other beneficial use; wellbore plugged; or placed on approved temporary abandonment status). 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 compliance deadline March 30, 2009.

3. The terms of ACOI 189 otherwise remain in effect.

Done at Santa Fe, New Mexico this 1st day of October, 2008

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division