

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

NMOCD - ACOI 07-182-B

IN THE MATTER OF MCDONNOLD OPERATING INC.,

Respondent.

AMENDED AGREED COMPLIANCE ORDER

Pursuant to Order Paragraph 19 of Agreed Compliance Order No. 7-182, the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

FINDINGS

1. Order Paragraph 1 of Amended Agreed Compliance Order No. 07-182-A requires McDonnold Operating Inc. ("Operator") to return the following wells to compliance by November 1, 2008:
 - Bay Federal No. 003 30-025-04408
 - Langlie Jack Unit No. 016 30-025-11184
 - Red Cloud No. 002 30-025-30870
2. OCD has verified that OCD Records show the following well as having been returned to compliance by the November 1, 2008 compliance deadline:
 - Langlie Jack Unit No. 016 30-025-11184
3. Operator has requested additional time to bring the Bay Federal No. 003 and Red Cloud No. 002 wells into compliance with OCD Rule 201. Operator has asked that the deadline be extended to and include December 31, 2008.
4. Order Paragraph 18 of Order No. 7-182 provides that OCD may approve an Operator's request for additional time for good reason.

CONCLUSIONS

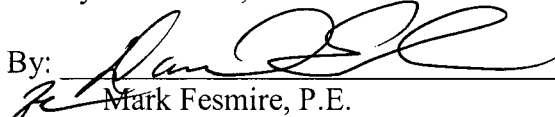
1. Operator has demonstrated sufficient good reason for the granting of the extension.
2. Order Paragraph 11 of Order No. 7-182 is hereby amended to require Operator to bring the Bay Federal No. 003 and Red Cloud No. 002 wells into compliance by January 1, 2009

ORDER

1. Operator shall bring the Bay Federal No. 003 and Red Cloud No. 002 wells into compliance with OCD Rule 201 by January 31, 2009.
2. No further extensions will be granted.
3. The terms of Agreed Compliance Order No. 7-182 otherwise remain in effect.

Done at Santa Fe, New Mexico this 31st day of October, 2008.

By: _____


Mark Fesmire, P.E.

Director, Oil Conservation Division