

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

NMOCD ACOI 191-B

IN THE MATTER OF BP AMERICA PRODUCTION COMPANY,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 4 of Agreed Compliance Order 191, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 191 ("ACOI 191" or "Order") required BP America Production Company ("Operator") to return to compliance with OCD Rule 201 at least five of the wells identified in the Order by October 1, 2008 and file a compliance report by that date.

2. ACOI 191 provided that if Operator returned to compliance with OCD Rule 201 at least five of the wells identified in the Order by October 1, 2008 and filed a timely compliance report, and was in compliance with OCD's financial assurance requirements, the OCD would issue an amendment extending the terms of ACOI 191 for a second six-month period, requiring Operator to return an additional five wells to compliance by that deadline. The Order provides that the OCD would continue to issue six-month amendments if the Operator continues to return at least five 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 for the first period, and OCD records verified that Operator returned the following eleven wells identified in the Order to compliance in that period:

- | | |
|-----------------------------|--------------|
| • Empire ABO Unit No. 006C; | 30-015-00838 |
| • Empire ABO Unit No. 007K; | 30-015-00776 |
| • Empire ABO Unit No. 008D; | 30-015-00848 |
| • Empire ABO Unit No. 025B | 30-015-01671 |
| • Empire ABO Unit No. 046; | 30-015-03189 |
| • Empire ABO Unit No. 122; | 30-015-22842 |
| • Empire ABO Unit No. 132B; | 30-015-22659 |
| • Empire ABO Unit No. 314; | 30-015-22845 |
| • Empire ABO Unit No. 701P; | 30-015-00849 |

BP America Production Company OGRID 778

ACOI 191-B

Page 1 of 3

- Gallegos Canyon Unit No. 175; 30-015-07158
- Riverwolf Unit No. 010; 30-015-00639

4. ACOI 191 provides that if, in any six-month period, Operator returns more wells to compliance than the number required under this Order for that six-month period, the wells in excess of the number required will count towards the Operator's requirements for the next six-month period.

5. Because Operator met its compliance goal of returning five wells to compliance in the first six-month period, five wells in the second six-month period, and brought an additional well into compliance that carried over to the third six-month period, the OCD amended the Order extending its terms by twelve months, requiring Operator to bring four additional wells identified in ACOI 191 into compliance by October 1, 2009.

6. Operator has filed a timely compliance report for the third period, and the OCD has verified that OCD records indicate that Operator returned the following eight wells identified in ACOI 191 to compliance in that period:

- Empire ABO Unit No. 039B; 30-015-01735
- Empire ABO Unit No. 123; 30-015-22849
- Empire ABO Unit No. 152B; 30-015-22569
- Empire ABO Unit No. 153B; 30-015-22838
- Empire ABO Unit No. 353A; 30-015-22865
- Empire ABO Unit No. 375; 30-015-22772
- Empire ABO Unit No. 392; 30-015-22818
- Empire ABO Unit No. 395; 30-015-22843

CONCLUSIONS

1. Operator returned eight wells to compliance in the third period, exceeding its goal of returning four additional wells identified in the Order to compliance by October 1, 2009 by four wells.

2. The OCD should amend ACOI 191 to extend its terms through April 1, 2010 and require Operator to return to compliance by that date the last remaining well from ACOI 191—Empire ABO Unit No. 303 (30-015-22634)—to complete its goal of returning five wells to compliance in that period.

ORDER

1. Operator shall return the Empire ABO Unit No. 303 to compliance by April 1, 2010.

2. Operator shall file a written compliance report by April 1, 2010 for the Empire ABO Unit No. 303, stating the date when the Empire ABO Unit No. 303 was returned to compliance, and stating how the Empire ABO Unit No. 303 was returned to

BP America Production Company OGRID 778

ACOI 191-B

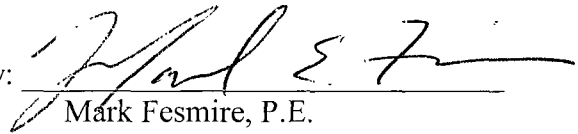
Page 2 of 3

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 April 1, 2010.

3. The terms of ACOI 191 otherwise remain in effect.

Done at Santa Fe, New Mexico this 13 day of September, 2009

By:



Mark Fesmire, P.E.

Director, Oil Conservation Division