

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

NMOCD ACOI 202-C

IN THE MATTER OF ENERVEST OPERATING, LLC,

Respondent.

THIRD AMENDED
AGREED COMPLIANCE ORDER

Pursuant to Ordering Paragraph 5 of Agreed Compliance Order 202, the Director of the Oil Conservation Division ("OCD") hereby amends that order as follows:

FINDINGS

1. Agreed Compliance Order 202 ("ACOI 202" or "Order") required EnerVest Operating, LLC ("Operator") to return to compliance with OCD Rule 201 at least six of the wells identified in the Order by March 9, 2009 and file a compliance report by that date.

2. ACOI 202 provides that when the OCD receives a timely compliance report indicating that Operator has returned at least six wells to compliance and verifies the accuracy of that report, and verifies that Operator is in compliance with OCD's financial assurance requirements, the OCD will issue an amendment to the Order extending its terms for an additional six-month period.

3. ACOI 202 further provides that if, in any six-month period, Operator returns more wells to compliance than the number required under the Order for that six-month period, the wells in excess of the number required will count towards the Operator requirements for the next six-month period.

4. Operator filed a timely compliance report for the first period, and OCD records verified that Operator returned the following seven wells identified in the Order to compliance by March 9, 2009:

• CX PLAINS #013	30-005-62253
• MABEL #003	30-005-60777
• MONA #001	30-005-60762
• PAUL LR #005	30-005-20816
• PLAINS 29 #001	30-005-60875
• WESTERN RESERVES 34 FEDERAL #001	30-005-20708
• WESTERN RESERVES 34 FEDERAL #003	30-005-20739

5. Because Operator met its compliance goal of six wells for the first six-month period, and exceeded that goal by one well, the OCD amended the Order to extend its terms by six months, requiring Operator to return five additional wells identified in the Order to compliance with OCD Rule 201 by September 9, 2009, and file a compliance report by that date.

6. ACOI 202 provides that if Operator fails to meet its compliance goals for a six-month period, Operator is subject to penalties. ACOI 202 further provides that Operator may request a waiver or reduction of penalties, and an amendment extending the terms of the Order.

7. Operator filed a timely compliance report for the second period, and the OCD has verified that OCD records indicate that Operator has returned the following three wells identified in the Order to compliance:

- | | |
|--------------------------|--------------|
| • CB PLAINS #003 | 30-005-61906 |
| • LOVELESS LQ STATE #006 | 30-005-20829 |
| • MABEL #005 | 30-005-61908 |

8. The OCD has verified that OCD records indicate that Operator has returned the following two wells identified in the Order (and submitted in Operator's compliance report) to compliance, a short time after the compliance deadline:

- | | |
|------------------|--------------|
| • CX PLAINS #020 | 30-005-62315 |
| • MABLE #001 | 30-005-60707 |

CONCLUSIONS

1. Operator failed to meet its goal of returning five wells identified in the Order to compliance by September 9, 2009, falling short by two wells.

2. Operator is subject to a penalty of \$1,000 for each well it fell short of its goal by.

3. Since Operator has demonstrated good faith in its attempt to meet its five well compliance goal, the OCD has decided to waive the penalty, and exercise its discretion and amend ACOI 202 to extend its terms through March 9, 2010, requiring Operator to return to compliance by that date six additional wells identified in the Order.

ORDER

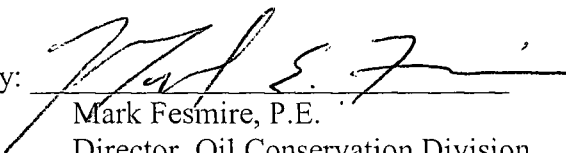
1. Operator shall return to compliance by March 9, 2010 six wells identified in the Order that are not identified in Findings Paragraph 4, 7, and 8, above.

2. Operator shall file a written compliance report by March 9, 2010 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 of March 9, 2010.

3. The terms of ACOI 202 otherwise remain in effect.

Done at Santa Fe, New Mexico this 28th day of September, 2009

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