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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST WESTBROOK OIL CORPORATION, FOR WELLS OPERATED IN LEA AND EDDY COUNTIES, NEW MEXICO.

CASE NO. 16042

PRE-HEARING STATEMENT

Applicant Oil Conservation Division Compliance and Enforcement Bureau ("OCD" or "Bureau") is seeking an order declaring:

- 1. That <u>Westbrook Oil Corporation</u>, ("Westbrook Oil Corporation" or "Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC.
- 2. That Operator must comply with OCD Rules within 45 days of the issuance of a Division order.
- 3. That Operator must shut-in all producing wells until compliance is achieved.
- 4. If Operator does not comply with Division order, find that Operator is out of compliance with a Division order, shutting in all producing wells (if not already done), declare the wells abandoned, and authorize the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E).

The Bureau supports the approval because of the following:

- 1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
- 2. The Operator was notified of the divisions intent to commence enforcement action as required by 719.15.5.9(B) NMAC.
- 3. The Bureau will present evidence that Operator currently has 18 wells out of compliance with Division Rule 19.15.25.8 NMAC, exceeding the amount allowed by 19.15.5.9(A)(4) NMAC.

PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 5 minutes

Daniel Sanchez, NMOCD Compliance and Enforcement Manager Testimony on compliance with OCD Rules.

The Bureau reserves the right to call additional witnesses not listed herein on rebuttal.

PROCEDURAL MATTERS

None.

Respectfully submitted

this 29th day of March, 2018 by

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Compliance and Enforcement Bureau

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed to the following party on March 29, 2018:

No party has entered an appearance.

Keith W Herrmann