

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary  
June 30 2016

David R. Catanach Division Director  
Oil Conservation Division



Westbrook Oil Corp  
P O Box 2264  
Hobbs NM 88241

**Notice of Violation**

Dear Westbrook Oil Corp

The Oil Conservation Division (OCD) now reviews all operators out of compliance with the OCD's financial assurance requirements Pursuant to 19 15 8 9 NMAC an operator is required to furnish financial assurance acceptable to the OCD in the form of an irrevocable letter of credit plugging insurance policy, or cash or surety bond running to the state of New Mexico conditioned that the well be plugged and abandoned and the location restored and remediated in compliance with division rules According to OCD records Westbrook Oil Corp is the operator of record of the attached list of wells that require additional financial assurance

Failure to provide the OCD with acceptable financial assurance is a violation of OCD rules and the Oil and Gas Act, NMSA 1978 § 70-2 *et seq*, and could be punishable by a fine of not more than one thousand dollars (\$1,000) per day for each violation NMSA 1978 § 70 2 31

Please review 19 15 8 NMAC to determine the types and amounts of financial assurance that the OCD accepts Immediate action is now required If no response is received within 30 days, the OCD will take further compliance action against Westbrook Oil Corp, including, but not limited to, seeking a formal order to require Westbrook Oil Corp to provide acceptable financial assurance for the its wells at an OCD hearing and pursuing other legal available remedies to obtain compliance

If you have any questions regarding the contents of this letter, please contact the OCD Bond Administrator Denise Gallegos at (505) 476-3453 to schedule a compliance conference to discuss the outstanding compliance issues

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", written over a horizontal line.

Daniel Sanchez  
OCD Compliance and Enforcement Manager UIC Program Director  
Daniel.Sanchez@state.nm.us

EC Keith Herrmann ENMRD Assistant General Counsel  
Encl Additional Financial Assurance Report

Exhibit 2 Notice of Violation  
OCD Case # 15652  
Page 1 of 2

# Inactive Well Additional Financial Assurance Report

36671 WESTBROOK OIL CORP

Total Well Count: 38

Printed On: Tuesday, June 28 2016

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Dry	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
25516	ARCO JAMISON #001Y	P	D-22-24S-37E	D	30-025-24053	O	07/2015	08/01/2017	6500	11500			0	
14526	COMANCHERO #002	P	G-15-25S-37E	G	30-025-31202	G	07/2014	08/01/2016	3025	8025			0	
13986	COWDEN FEDERAL #001	F	K-04-21S-29E	K	30-015-20025	G	02/2016		Unknown				0	
17960	DOUBLE SS #001	P	N-26-24S-36E	N	30-025-28210	S	04/2016	05/01/2018	3275	8275			0	
	DOUBLE SS #002	P	C-35-24S-36E	C	30-025-28450	O	05/1991	06/01/1993	3295	8295	Y		8295	
19102	EL PASO PRITCHARD FEDERAL #001	F	J-09-25S-37E	J	30-025-26373	G	04/2016		3280				0	
13983	GRANDI #001	P	E-22-22S-27E	E	30-015-24205	G	04/2016	05/01/2018	Unknown	Unknown			0	
14527	HARRISON #001	F	L-27-25S-37E	L	30-025-11805	G	10/2015		3270				0	
19092	HENRY HARRISON #001	P	N-20-24S-37E	N	30-025-26036	G	06/2015	07/01/2017	3816	8816			0	
20351	HUBER STATE #001	S	G 02-14S 33E	G	30-025-22559	O	01/2016	02/01/2018	10243	15243			0	
20352	J MCCLELLAN #001	P	K-15-06S-33E	K	30-041-20573	O	04/2016	05/01/2018	8120	13120			0	
14539	JOHN WILLIAMS #008	P	H-34-24S-37E	H	30-025-21748	O	10/2015	11/01/2017	5850	10850			0	
	JOHN WILLIAMS #009	P	A-34-24S-37E	A	30-025-21765	O	10/2015	11/01/2017	5855	10855			0	
32750	MONUMENT #004	S	G-12-19S-36E	G	30-025-35121	O			4520				0	
19120	MYERS B #002	F	H-11-24S-36E	H	30-025-09543	G	01/2011		3172				0	
32716	PENROC MONUMENT #001	S	H-12-19S-36E	H	30-025-03996	O	01/2016	02/01/2018	3900	8900			0	
	PENROC MONUMENT #003	S	F-12-19S-36E	F	30-025-29039	O	01/2016	02/01/2018	4100	9100			0	
32717	PENROC STATE #001	S	C-32-24S-37E	C	30-025-11316	O	04/2016	05/01/2018	3586	8586			0	
32719	PENROC STATE Q #001	S	L-36-23S-36E	L	30-025-09481	G	07/2015	08/01/2017	3600	8600			0	
33061	PHILLIPS A STATE #001	S	P-29-21S-35E	P	30-025-03520	O	02/2014	03/01/2016	4007	9007	Y		0	Y
33062	PHILLIPS B STATE #001	S	L-28-21S-35E	L	30-025-03516	O	02/2014	03/01/2016	3920	8920	Y		0	Y
33063	PHILLIPS C STATE #001	S	A-32-21S-35E	A	30-025-03530	O	02/2014	03/01/2016	3847	8847	Y		0	Y
	PHILLIPS C STATE #002	S	H-32-21S-35E	H	30-025-03531	O	02/2014	03/01/2016	3942	8942	Y		0	Y
16411	PRICHARD A #001	F	G-09-25S-37E	G	30-025-11511	G	04/2016		3169				0	
14530	RED CLOUD #001	P	3-03-25S-37E	C	30-025-30737	G	05/1994	06/01/1996	3193	8193	Y		8193	
	RED CLOUD #003	P	O-03-25S-37E	O	30-025-31075	O	04/2013	05/01/2015	3100	8100	Y		0	Y
14538	ROY WHITTEN #001	P	C-33-23S-36E	C	30-025-09452	G	07/2006	08/01/2008	3730	8730	Y		8730	
19101	SANTA FE FEDERAL #001	F	M-27-25S-37E	M	30-025-26563	G	02/2011		3400				0	
301284	STATE B #001	S	N-18-21S-37E	N	30-025-06655	O	06/2015	07/01/2017	3810	8810			0	
14525	TOMMY GALLAGHER #001	S	5-02-16S-35E	E	30-025-27193	O	04/2016	05/01/2018	10650	15650			0	
14536	VAUGHAN A 12 #001	F	E-12-24S-36E	E	30-025-09546	G	04/2016		3680				0	
	VAUGHAN A 12 #002	F	D-12-24S-36E	D	30-025-25586	G	04/2016		3700				0	
14537	WHITE CLOUD #001	F	1-03-25S-37E	A	30-025-31404	O	02/2010		2900				0	
19093	WHITTEN #001	P	A-33-23S-36E	A	30-025-09455	G	12/2015	01/01/2018	3635	8635			0	
33064	WILSON B STATE #001	S	3-03-21S-35E	C	30-025-03408	O	06/2006	07/01/2008	3892	8892	Y		8892	
19283	WOOLWORTH #003	P	J-28-24S-37E	J	30-025-11274	G	04/2016	05/01/2018	3536	8536			0	
14540	ZATTU CUSHING #001	F	F-23-24S-36E	F	30-025-09606	O	04/2016		3505				0	
	ZATTU CUSHING #002	F	F-23-24S-36E	F	30-025-25122	O	04/2016		3231				0	

WHERE Ogrid:36671

Exhibit 2: Notice of Violation

OCD Case # 15652

Page 2 of 2