

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

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

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Lawironment"

20-Jun-08

WESTBROOK OIL CORP

PO BOX 2264 HOBBS NM 88241

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

PENROC MONUMENT No.001 H-12-19S-36E 30-025-03996-00-00 Inspection *Significant Corrective Type Inspection Violation? Date Inspector Non-Compliance? Inspection No. Action Due By: 06/19/2008 Routine/Periodic Mark Whitaker iMAW0817134794 Yes No 9/22/2008 Violations Inadequate Annulus Pressure Comments on Inspection: Well sign (Rule 103). Well sign has incorrect operator and does not comply with current rule. Junk tbg south of wellhead and old motor north. 80 psi on tbg guage. No rods in hole. NEED TO

REPLACE WELL SIGN (RULE 103) AND REMOVE SURPLUS EQUIPMENT (GENERAL HOUSEKEEPING RULE 114). 1st letter of non-compliance. MW

PENROC MONUMENT No.003 F-12-19S-36E 30-025-29039-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 06/19/2008 Routine/Periodic Mark Whitaker Yes No 9/22/2008 iMAW0817137829

Violations

General Housekeeping (Rule 114)

Comments on Inspection: Location needs attention. Hot water heater, oil bucket, and chemical drums on location. NEED TO

REMOVE WATER HEATER, OIL BUCKET, AND CHEMICAL DRUMS FROM LOCATION

(GENERAL HOUSEKEEPING RULE 114). 1st letter of non-compliance. MW

MONUMENT No.004

G-12-19S-36E

30-025-35121-00-00

Inspection Date Type

Type Inspection

Inspector

*Significant Violation? Non-Compliant Corrective

Non-Compliance? Action Due By:

Action Due By: Inspection No. 9/22/2008 iMAW0817135765

Comments on Inspection:

06/19/2008 Routine/Periodic

dic Mark Whitaker Yes No 9/22/2008 iM.
T/A status expired. NEED TO RE-TEST, PLUG, OR RETURN WELL TO PRODUCTION. 1st

letter of non-compliance. MW

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



014H15215335 \$0.429 06/20/2008 Mailed From 88240

WESTBROOK OIL CORP PO BOX 2264 HOBBS, NM 88241-2264