State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

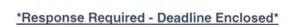
Cabinet Secretary

Tony Delfin

Deputy Cabinet Secretary

David Catanach, Director

Oil Conservation Division



Field Inspection Program "Preserving the Integrity of Our Environment"

KEVIN O BUTLER & ASSOC INC
550 W. TEXAS STE 660
MIDLAND TX 79701

Pear Operator:

MAY 25 2016

RECEIVED

LETTER OF VIOLATION - Inspection

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

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 of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

INSPECTION DETAIL SECTION

No.001 E B ANDERSON L-6-13S-38E 30-025-22340-00-00 Inspection *Significant Corrective Type Inspection Inspector Inspection No. Violation? Date Non-Compliance? Action Due By: 05/25/2016 Routine/Periodic Mark Whitaker Yes No 8/28/2016 iMAW1614657665 Violations Surface Damage/Restoration Comments on Inspection: DO NOT RELEASE BOND. Pile of debris and concrete by P&A marker. ESP controller, stub pole, power disconnect, meter base, wires hanging down from pole, and concrete slabs with bolts protruding from slab. NEED TO REMOVE DEBRIS, PILE OF CONCRETE, ESP CONTROLLER, AND STUB POLE. NEED TO REMOVE OUT OF SERVICE POWER DISCONNECTS AND METER BASES. NEED TO REMOVE WIRES HANGING TO GROUND ON POLE WITH TRANSFORMERS. NEED TO CUT BOLTS OFF FLUSH ON CONCRETE SLABS.

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.

Sincerely

Petrolam Engr. Specialist

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

HASLER FIRST-CLASS MAIL. 5

\$000.46⁵
05/25/2016 ZIP 88240

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KEVIN O BUTLER & ASSOC INC 550 W. TEXAS SUITE 660 MIDLAND, TX 79701