

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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HOBSOCD

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Kevin O. Butler & Associates, Inc.	Contact: Kevin O. Butler
Address: PO Box 1171, Midland, Texas 79702	Telephone No.: 432-682-1178
Facility Name STATE R #001	Facility Type

Surface Owner STATE	Mineral Owner	Lease No. 27128
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LOCATION OF RELEASE

30-025-01155-00-00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	27	14S	33E					Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Water	Volume of Release	Volume Recovered
Source of Release: Bottom Chime	Date and Hour of Occurrence	Date and Hour of Discovery: 1/15/08
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*
NA

WATER @ 95-100'

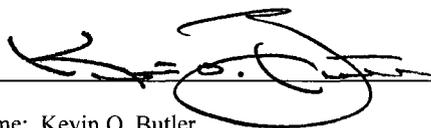
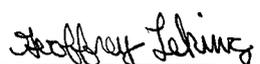
Describe Cause of Problem and Remedial Action Taken.*

Absent Well Identification Signs, Surface Leaks/Spills, General Housekeeping

Describe Area Affected and Cleanup Action Taken.*

The following was completed about 7/08:
Corrected well sign installed, removed surplus rods and thread protectors from southside of location and northside of well, water tank was repaired due to seep around bottom chime, cleared truck tracks around tank.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Kevin O. Butler	Approved by District Supervisor: 	
Title: President	Approval Date: 04/02/09	Expiration Date: _____
E-mail Address: robie@geedmidland.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/27/09 Phone: 432-682-1178		IRP-09-3-2147

* Attach Additional Sheets If Necessary

AGRL 0909339855



NEW MEXICO ENERGY, MINERALS and
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 Environment"

RECEIVED

MAR 30 2009

HOBSOCD

19-Jun-08

KEVIN O BUTLER & ASSOC INC

500 W. TEXAS STE 955

MIDLAND TX 79701

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

STATE R No.001

K-27-14S-33E

30-025-01155-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/19/2008	Routine/Periodic	Maxey Brown	Yes	No	9/22/2008	iMGB0817158261

Violations

Absent Well Identification Signs (Rule 103)

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection:

Location needs attention. Equipment OK. RULE 114. NEED TO REMOVE SURPLUS RODS AND THREAD PROTECTORS FROM SOUTHSIDE OF LOCATION. ALSO NEED TO CORRECT SIGN AT TANK BATTERY TO REFLECT CURRENT OPERATOR. RULE 103. NEED TO REPAIR WATER TANK SEEPS AROUND BOTTOM CHIME. RULE 116. (TRUCK TRACKS AROUND TANK). THIS IS 1ST LETTER OF NON-COMPLIANCE.

STATE R No.003

B-27-14S-33E

30-025-01157-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/19/2008	Routine/Periodic Violations	Maxey Brown	Yes	No	9/22/2008	iMGB0817160114

General Housekeeping (Rule 114)

Comments on Inspection: Location needs attention. Equipment OK RULE 114 NEED TO REMOVE SURPLUS TUBING AND LOOSE THREAD PROTECTORS FROM NORTHSIDE OF WELL THIS IS 1ST LETTER OF NON-COMPLIANCE.

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 Division 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