

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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MAR 19 2009  
HOBBSOCD

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 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 <b>Kevin O. Butler and Associates, Inc.</b> | Contact                             |
| Address <b>P. O. Box 1171, Midland, TX 79702</b>            | Telephone No. <b>(432) 682-1178</b> |
| Facility Name <b>Delmont Hatfield</b>                       | Facility Type <b>Oil well</b>       |

|                              |               |                               |
|------------------------------|---------------|-------------------------------|
| Surface Owner <b>PRIVATE</b> | Mineral Owner | Lease No. <b>30-025-27487</b> |
|------------------------------|---------------|-------------------------------|

#### LOCATION OF RELEASE

|                         |                      |                        |                     |                              |                                  |                              |                               |                      |
|-------------------------|----------------------|------------------------|---------------------|------------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|
| Unit Letter<br><b>J</b> | Section<br><b>23</b> | Township<br><b>16S</b> | Range<br><b>38E</b> | Feet from the<br><b>1980</b> | North/South Line<br><b>South</b> | Feet from the<br><b>1980</b> | East/West Line<br><b>East</b> | County<br><b>LEA</b> |
|-------------------------|----------------------|------------------------|---------------------|------------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

#### NATURE OF RELEASE

|  |   |  |
|--|---|--|
| Type of Release <b>water &amp; oil</b>   | Volume of Release <b>3 bbls</b>               | Volume Recovered <b>0 bbls</b>             |
| Source of Release <b>valve leaking</b>   | Date and Hour of Occurrence                   | Date and Hour of Discovery <b>03/06/09</b> |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br><b>Found by Max Brown</b> |  |
| By Whom? <b>Max Brown</b>  | Date and Hour                                 |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.     |  |

If a Watercourse was Impacted, Describe Fully.\*

WATER @ 60'

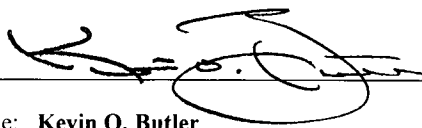
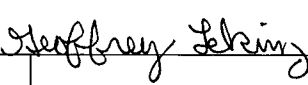
Describe Cause of Problem and Remedial Action Taken.\*  
**Caused by a leaking valve that ran the sample pot over**

**3/11/09 Have replaced the Bull Plug and a Valve, location cleaned up.**

Describe Area Affected and Cleanup Action Taken.\*

**Affected an area 10' X 10', and will be picked up and disposed of at an approved disposal 3/11/09**

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:  |                              | <b>OIL CONSERVATION DIVISION</b>   |                        |
| Printed Name: <b>Kevin O. Butler</b>   |                              | Approved by District Supervisor:  |                        |
| Title: <b>President</b>  |                              | Approval Date: <b>04/02/09</b>   | Expiration Date: _____ |
| E-mail Address:  |                              | Conditions of Approval:  |                        |
| Date: <b>03/12/09</b>  | Phone: <b>(432) 682-1178</b> | Attached <input type="checkbox"/><br><b>IRP-09.3-2146</b>  |                        |

\* Attach Additional Sheets If Necessary

FGRL0909337604

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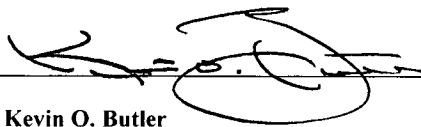
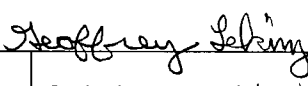
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| Signature:  | <b>OIL CONSERVATION DIVISION</b>   |                                   |
| Printed Name: <b>Kevin O. Butler</b>   | Approved by District Supervisor:  |                                   |
| Title: <b>President</b>  | Approval Date: <b>04/02/09</b>   | Expiration Date: <b>06/01/09</b>  |
| E-mail Address:  | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: <b>03/11/09</b>  | Phone: <b>(432) 682-1178</b>   | <b>IRP-09-03-2146</b>             |

\* Attach Additional Sheets If Necessary



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

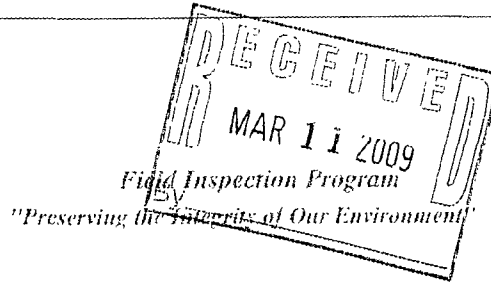
**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**



06-Mar-09

**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

**DELMONT L HATFIELD No.001**

J-23-16S-38E

**30-025-27487-00-00**

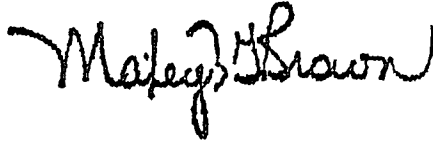
| Inspection Date                         | Type Inspection  | Inspector   | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|-------------|------------|------------------------------|---------------------------|----------------|
| 03/06/2009                              | Routine/Periodic | Maxey Brown | Yes        | No                           | 6/9/2009                  | iMGB0906549421 |
| <b>Violations</b>                       |                  |             |            |                              |                           |                |
| Tank Battery Equipment (Rules 114, 115) |                  |             |            |                              |                           |                |

**Comments on Inspection:** Equipment needs attention. Location OK.(115) NEED TO REPAIR LEAK AT CIRCULATING PUMP AND LEAKING VALVE ON TREATER. AFTER REPAIRS REMOVE CONTAMINATED SOIL. CALLED KATHY @KOB TO REPORT LEAK. THIS IS 1ST LETTER OF NON-COMPLIANCE.

515  
370  
3/19

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,

 107

**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.