

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

RECEIVED
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 Kevin O. Butler and Associates, Inc.	Contact
Address P. O. Box 1171, Midland, TX 79702	Telephone No. (432) 682-1178
Facility Name Delmont Hatfield	Facility Type Oil well

Surface Owner PRIVATE	Mineral Owner	Lease No. 30-025-27487
------------------------------	---------------	-------------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	23	16S	38E	1980	South	1980	East	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

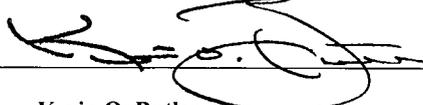
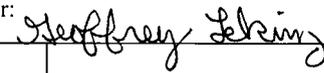
Type of Release water & oil	Volume of Release 3 bbls	Volume Recovered 0 bbls
Source of Release valve leaking	Date and Hour of Occurrence	Date and Hour of Discovery 03/06/09
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Found by Max Brown	
By Whom? Max Brown	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.*
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: 	OIL CONSERVATION DIVISION	
Printed Name: Kevin O. Butler	Approved by District Supervisor: 	
Title: President	Approval Date: 04/02/09	Expiration Date: _____
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 03/12/09 Phone: (432) 682-1178		IRP-09.3-2746

* Attach Additional Sheets If Necessary

FGR L0909337604

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

RECEIVED
MAR 19 2009
HOBBSON

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 Kevin O. Butler and Associates, Inc.	Contact	
Address P. O. Box 1171, Midland, TX 79702	Telephone No. (432) 682-1178	
Facility Name Delmont Hatfield	Facility Type Oil well	
Surface Owner	Mineral Owner	Lease No. 30-025-27487

LOCATION OF RELEASE

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

Latitude _____ Longitude _____

NATURE OF RELEASE

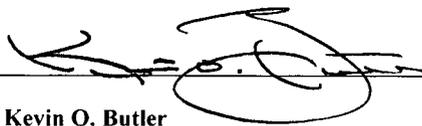
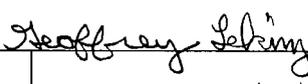
Type of Release water & oil	Volume of Release 3 bbls	Volume Recovered 0 bbls
Source of Release valve leaking	Date and Hour of Occurrence	Date and Hour of Discovery 03/06/09
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Found by Max Brown	
By Whom? Max Brown	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.*
WATER @ 60'

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

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: 	OIL CONSERVATION DIVISION	
Printed Name: Kevin O. Butler	Approved by District Supervisor: 	
Title: President	Approval Date: 04/02/09	Expiration Date: 06/01/09
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 03/11/09	Phone: (432) 682-1178	IRP-09.03.2146

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

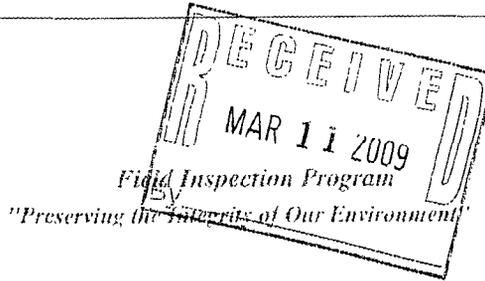
Joanna Prukop

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
Violations						
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 REPEAIRS REMOVE CONTAMINATED SOIL. CALLED KATHY @KOB TO REPORT LEAK. THIS IS 1ST LETTER OF NON-COMPLIAANCE.						

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.