

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Kevin O. Butler & Associates, Inc.	Contact	Lisa Bulta
Address	P.O. Box 1171 Midland, TX 79701	Telephone No.	432-682-1178
Facility Name	State Land 76 #1	Facility Type	Well

Surface Owner	State	Mineral Owner	State	API No.	30-025-00376
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	02	16S	32E	4620	FSL	1980	FEL	LEA

Latitude 32.9561729 Longitude -103.7349396

NATURE OF RELEASE

Type of Release	Water	Volume of Release	Less than 5 bbls	Volume Recovered	All
Source of Release		Date and Hour of Occurrence		Date and Hour of Discovery	5/23/17
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Tomas Oberding	Tomas Oberding advised Lisa Bulta			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour 05/24/17 9:52 a.m CST			
If a Watercourse was Impacted, Describe Fully.*		If YES, Volume Impacting the Watercourse.			

RECEIVED
By Olivia Yu at 8:01 am, Jun 15, 2017

Describe Cause of Problem and Remedial Action Taken.*

Performing a workover onsite to get it back on production. Well flowed back water and a small portion landed on the ground. A vacuum truck has been onsite during the entire workover process on this well. While onsite, it was noticed that there may have been a historical issue at the Battery.

Probable > 5 bbls
based on photo
documentation

Describe Area Affected and Cleanup Action Taken.*

Vacuum truck cleaned up small area and a woustabout crew came in and removed any possible contamination and replaced with new dirt. Please see pictures attached. Measure were also take to clean up around the Battery location. A roustabout crew removed any possible contamination from site. Dirt was hauled off and replaced with clean dirt.

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: <i>Lisa Bulta</i>	OIL CONSERVATION DIVISION	
Printed Name: Lisa Bulta	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Director of Administration	Approval Date: 6/15/2017	Expiration Date:
E-mail Address: lisab@kobutler.com	Conditions of Approval: see attached directive	Attached <input checked="" type="checkbox"/>
Date: 06/05/17 Phone: 432-682-1178		

* Attach Additional Sheets If Necessary

1RP-4722

pOY1716630352

nOY1716629707

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 6/13/2017 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 1RP-4722 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District 1 office in Hobbs on or before 7/15/2017. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3465
jim.griswold@state.nm.us

From: Lisa Builta
To: [Yu, Olivia, EMNRD](#)
Cc: [Groves, Amber \(agroves@slo.state.nm.us\)](#); [Oberding, Tomas, EMNRD](#); [Billings, Bradford, EMNRD](#)
Subject: RE: Emailing - C-141 State 76 #1.pdf
Date: Tuesday, June 13, 2017 12:10:34 PM
Attachments: [C-141 State 76 #1.pdf](#)

Updated per your request. Please let me know if I can be of further assistance.

Thank you,

Lisa Builta

Director of Administration



Phone: (432) 682-1178

Mobile: (432) 599-2025

Fax: (432) 687-5725

lisab@KOButler.com

The information contained in this e-mail is strictly confidential and for the intended use of the addressee only. Any disclosure, use or copying of the information by anyone other than the intended recipient is prohibited. If you have received this message in error, please notify the sender immediately by return e-mail. Kevin O. Butler & Associates, Inc. has taken every reasonable precaution to ensure that any attachment to this e-mail has been checked for viruses. We accept no liability for any damage sustained as a result of software viruses and advise you carry out your own virus checks before opening any attachment. This email contains the views of the author and should not be interpreted as the views of Kevin O. Butler & Associates, Inc.

From: Yu, Olivia, EMNRD [mailto:Olivia.Yu@state.nm.us]
Sent: Friday, June 09, 2017 9:47 AM
To: Lisa Builta
Cc: Groves, Amber (agroves@slo.state.nm.us); Oberding, Tomas, EMNRD; Billings, Bradford, EMNRD
Subject: RE: Emailing - C-141 State 76 #1.pdf

Good morning Ms. Builta:

NMOCD have photo documentation of an older release at the battery as well as the well. NMOCD and NMSLO request that this historic release be added to a revised C141 form. Please resubmit an initial C141 with this information included.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I

Olivia.yu@state.nm.us

575-393-6161 x113

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Lisa Builta [<mailto:lisab@kobutler.com>]

Sent: Thursday, June 8, 2017 2:11 PM

To: Oberding, Tomas, EMNRD <Tomas.Oberding@state.nm.us>; Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Groves, Amber (agroves@slo.state.nm.us) <agroves@slo.state.nm.us>

Subject: Emailing - C-141 State 76 #1.pdf

All,

Please see attached C-141. I have also included the original correspondence from Mr. Oberding along with recent pictures that were taken of the site.

Please take note that Kevin did call and speak to Mr. Oberding regarding this matter and advised him as to what we were doing onsite. It was unclear after that conversation as to whether the C-141 was still required so I must apologize not only for the confusion but as well as the delay in sending you the proper paperwork.

Please let me know if you need anything further.

Thank you,

Lisa Builta

Director of Administration



Phone: (432) 682-1178

Mobile: (432) 599-2025

Fax: (432) 687-5725

lisab@KOButler.com

The information contained in this e-mail is strictly confidential and for the intended use of the addressee only. Any disclosure, use or copying of the information by anyone other than the intended recipient is prohibited. If you have received this message in error, please notify the sender immediately by return e-mail. Kevin O. Butler & Associates,

Inc. has taken every reasonable precaution to ensure that any attachment to this e-mail has been checked for viruses. We accept no liability for any damage sustained as a result of software viruses and advise you carry out your own virus checks before opening any attachment. This email contains the views of the author and should not be interpreted as the views of Kevin O. Butler & Associates, Inc.

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Surface Owner	Mineral Owner	API No.	30-025-00376
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By Whom?	Tomas Oberding	Tomas Oberding advised Lisa Bulta			
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Signature: <i>Lisa Bulta</i>	OIL CONSERVATION DIVISION		
Printed Name: Lisa Bulta	Approved by Environmental Specialist:		
Title: Director of Administration	Approval Date:	Expiration Date:	
E-mail Address: lisab@kobutler.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 06/05/17	Phone: 432-682-1178		

* Attach Additional Sheets If Necessary