

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Harrison H. Schmitt
Cabinet Secretary-Designate
Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

11-Jan-11

KEVIN O BUTLER & ASSOC INC

500 W. TEXAS STE 955
MIDLAND TX 79701-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.10, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION

ANDERSON 6 001

U-6-16S-37E

30-025-29748-00-00

Inspection No. iMGB1101155413

Inspection Date: 1/11/2011 3:23:19 PM

Corrective Action Due by: 2/12/2011

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Compliance Verification

Maxey Brown

Yes


No

Comments on Inspection:

Idle Well (Rule 19.15.25.8). No reported production in 114 months. Must submit work plan to return well to production or P/A to District 1, Hobbs, NM office no later than 30 days from date of this letter (January 11, 2011). Any questions about this deadline should be directed to Mr. E.L. Gonzales, Staff Manager, District 1, 575-393-6161 ext 114. This is 3rd letter of non-compliance.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

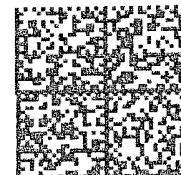
A handwritten signature in black ink, appearing to read "M. J. Brown". The signature is written in a cursive, flowing style.

Hobbs OCD District Office

COMPLIANCE OFFICER

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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Mailed From 88240

US POSTAGE

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