From: <u>Bratcher, Mike, EMNRD</u>

 $\begin{tabular}{ll} \textbf{To:} & \underline{mbloodworth@vnrllc.com}; \ \underline{mjones@vnrllc.com}; \ \underline{dhoward@vnrllc.com}; \ \underline{dhoward@vn$

Cc: Cordero, Gilbert, EMNRD; Weaver, Crystal, EMNRD; Bayliss, Randolph, EMNRD

Subject: FW: Vanguard

Date: Wednesday, December 21, 2016 11:14:26 AM

Attachments: <u>VanguardHorseCreek2-1.JPG</u>

VanguardHorseCreek2-2.JPG VanguardHorseCreek2-3.JPG VanguardHorseCreek2-4.JPG

RE: Vanguard Op LLC * Horse Creek Com 2 * 30-005-61335 * E-11-5s-24e * Chaves County, NM

Greetings,

An OCD field inspector has discovered some issues with the above referenced well/well site. The well is over 15 months with no production reported. Mr. Cordero will send a Letter of Violation requiring Vanguard either plug the well, return it to production, or apply for temporary abandonment (TA) status. At this time, OCD will not grant TA status due to the well bore deficiencies. OCD does request a Form C-141 be submitted for the release that appears may be ongoing from the wellbore. Delineation and remediation of the site will be required. OCD does also request that repairs be made on the well to stop the leakage. This needs to take place immediately.

Please advise Vanguard's intent for this well as soon as possible.

Mike Bratcher NMOCD District 2 811 South First Street Artesia NM 88210 575-748-1283 Ext 108 mike.bratcher@state.nm.us

From: Cordero, Gilbert, EMNRD

Sent: Tuesday, December 20, 2016 3:12 PM

To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Weaver, Crystal, EMNRD

<Crystal.Weaver@state.nm.us>

Subject: Vanguard

Mike,

Attached are some pictures of the Horse Creek Com 002. API 30-005-61335 that has not reported production since 2012 and has a casing leak. I am sending an LOV for the no production.

Thanks,

Gilbert Cordero Compliance Officer NMOCD District II Office 575.748.1283 ext.114 Cell 575.626.0830