State of New-Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David Catanach, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Oct-16

VANGUARD OPERATING, LLC

5847 SAN FELIPE, SUITE 3000 HOUSTON TX 77057

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	V DETAII	L SECTION	;	
IRIS STATE No.001 Inspection Date Type Inspection		Inspector	Violation?	E-21-7S-23E *Significant Non-Compliance?	30-005-61654-00-0 Corrective Action Due By:)0 Inspection No.	
10/27/2016	Routine/Peric	dic	Gilbert Cordero	Yes	No	1/30/2017	iGC1630135552
Comments	on Inspection:	FIRE HAZARD 19.15.10.8.	-MUST BE CLEA	RED AT LE	AST 150' FROM VIC	CINITY OF WELL, RU	JLE
MCKNIGHT COM No.001 Inspection Date Type Inspection		Inspector	Violation?	O-20-7S-23E *Significant Non-Compliance?	30-005-61684-00- Corrective Action Due By:)0 Inspection No.	
10/27/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	1/30/2017	iGC1630134450
Comments of	on Inspection:	FIRE HAZARD 19.15.10.8.	-MUST BE CLEAF	ED AT LEA	AST 150' FROM VIC	INITY OF WELL, RU	LE
IRIS STATE No.002					M-21-7S-23E	30-005-61692-00-()0
Inspection Date	Type Inspection	L	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/27/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	1/30/2017	iGC1630135027
Comments on Inspection: FIRE HAZARD 19.15.10.8.		-MUST BE CLEAI	RED AT LE	AST 150' FROM VIC	CINITY OF WELL, RU	JLE	

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

MILDRED XD FEDERAL No.001					A-33-7S-23E 30-005-61984-00-00 *Significant Corrective		
Inspection Date	Type Inspection		Inspector		*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/27/2016	Routine/Periodi	;	Gilbert Cordero	Yes	No	1/30/2017	iGC1630137820
Comments of		IRE HAZARD ANKS, RULE 1		RED AT LE	AST 150' FROM VIC	CINITY OF WELL A	ND
					· · · · · · · · · · · · · · · · · · ·		

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely rdero **Compliance Officer**

Artesia 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.