

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Tony Delfin  
Acting Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

22-Feb-17

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 DETAIL SECTION***

AID 24 STATE No.008				K-24-17S-28E	30-015-37560-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/22/2017	Routine/Periodic Violations Surface Leaks/Spills General Housekeeping (Rule 114)	Tony Morales	Yes	No	5/28/2017	iTM1705337402
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. STAINED AREA APPROX 20' FT FROM WELL HEADTUBING SUCKER RODS ON LOCATION				

ARCO STATE No.001				L-24-17S-28E	30-015-39635-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/22/2017	Routine/Periodic Violations Surface Leaks/Spills General Housekeeping (Rule 114)	Tony Morales	Yes	No	5/28/2017	iTM1705335677
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ. TANK BATTERIES NO PLACARDS WINDSOCK NEEDS REPLACING FLARE OK SUCKER RODS ON LOCATION STAINING AROUND WELL HEAD.				

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.

Sincerely,



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.