State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David MartinCabinet Secretary

David Catanach, Director Oil Conservation Division



Tony DelfinDeputy Cabinet Secretary

Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

21-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 DETAIL	SECTION		
MACHO FEDERAL COM No.010 Inspection Date Type Inspection			Inspector	Violation?	G-7-7S-23E *Significant Non-Compliance?	30-005-61648-00-0 Corrective Action Due By:	Inspection No.
10/21/2016	Routine/Period	dic	Gilbert Cordero	Yes	No	1/24/2017	iGC1629534498
Comments of		FIRE HAZARD AND TANKS	RULE 19.15.10.8.	AREA MUS	T BE CLEARED AT	LEAST 150' FROM V	WELL
HALEY CO Inspection Date	*		Inspector	Violation?	F-7-7S-23E *Significant Non-Compliance?	30-005-61691-00-0 Corrective Action Due By:	Inspection No.
10/21/2016	Routine/Period	dic	Gilbert Cordero	Yes	No	1/24/2017	iGC1629535643
Comments of	on Inspection:	No Well Sign (R WELL RULE 19		RE HAZAR	D MUST BE CLEAF	RED AT LEAST 150' F	FROM
MEC COM Inspection Date	No.001 Type Inspection		Inspector	Violation?	M-6-7S-23E *Significant Non-Compliance?	30-005-61836-00-0 Corrective Action Due By:	Inspection No.
10/21/2016	Routine/Period	dic	Gilbert Cordero	Yes	No	1/24/2017	iGC1629537415
Comments of	on Inspection:		19.15.16.8). OPER EAST 150' FROM			FIRE HAZARD MUST	r BE

HALEY CO Inspection Date	M No.002 Type Inspection	L	Inspector	Violation?	P-1-7S-22E *Significant Non-Compliance?	30-005-61901-00-0 Corrective Action Due By:	Inspection No.
10/21/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	. 1/24/2017	iGC1629542251
Comments	n Inspection:				ME NOT CORRECT (WELL RULE 19.15.10	ON SIGN. FIRE HAZ. 0.8	ARD
CAROL FEDERAL COM No.013 Inspection Date Type Inspection			Inspector	Violation?	G-1-7S-22E *Significant Non-Compliance?	30-005-61921-00-0 Corrective Action Due By:	Inspection No.
10/21/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	1/24/2017	iGC1629542567
Comments	n Inspection:		19.15.16.8). OPER. LEAST 150' FROM			IRE HAZARD MUST	ВЕ
HALEY COM No.003 Inspection Date Type Inspection		Inspector	Violation?	A-12-7S-22E *Significant Non-Compliance?	30-005-61930-00-0 Corrective		
	~ L	•	Implector		мон-сошривисе:	Action Due By:	Inspection No.
10/21/2016	Routine/Perio		Gilbert Cordero	Yes	Non-Comphance: No	Action Due By: 1/24/2017	iGC1629542014
	••	dic Well Sign (Rule	Gilbert Cordero	ATOR NAM	No ME NOT ON SIGN. F	•	iGC1629542014
Comments of MACHO FI	Routine/Perion Inspection:	dic Well Sign (Rule CLEARED AT 05	Gilbert Cordero 19.15.16.8). OPER LEAST 150' FROM	ATOR NAM	No ME NOT ON SIGN. F E 19.15.10.8 O-6-7S-23E *Significant	1/24/2017 FIRE HAZARD MUST 30-005-61994-00-0 Corrective	iGC1629542014 `BE
MACHO FI Inspection Date	Routine/Perion Inspection: EDERAL No.0 Type Inspection	dic Well Sign (Rule CLEARED AT 05	Gilbert Cordero 19.15.16.8). OPER LEAST 150' FROM Inspector	ATOR NAM WELL RUL Violation?	No IE NOT ON SIGN. F E 19.15.10.8 O-6-7S-23E	1/24/2017 FIRE HAZARD MUST 30-005-61994-00-0	iGC1629542014 BE
MACHO FI Inspection Date 10/21/2016	Routine/Perion Inspection:	dic Well Sign (Rule CLEARED AT 05 odic	Gilbert Cordero 19.15.16.8). OPER LEAST 150' FROM	ATOR NAM WELL RUL Violation? Yes	No ME NOT ON SIGN. F E 19.15.10.8 O-6-7S-23E *Significant Non-Compliance?	1/24/2017 FIRE HAZARD MUST 30-005-61994-00-0 Corrective Action Due By:	iGC1629542014 BE

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

Well Sign (Rule 19.15.16.8). OPERATOR (LIMEROCK) IS NOT CORRECT

Violation?

Yes

Inspector

Gilbert Cordero

*Significant

Non-Compliance?

No

Corrective

Action Due By:

1/24/2017

Inspection No.

iGC1629536951

Sincerely,

Inspection

Date

Type Inspection

10/21/2016 Routine/Periodic

Comments on Inspection:

plug and abandon this well.

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.