State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

David Catanach, Director

Oil Conservation Division



Tony Delfin

Deputy Cabinet Secretary

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

15-Nov-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.

			INSPECTIO	Ŋ DEŢAIĻ	SECTION		
SPRING FEDERAL No.001 Inspection Date Type Inspection			Inspector	Violation?	M-6-6S-26E *Significant Non-Compliance?	30-005-60953-00-00 Corrective Action Due By:	Inspection No.
11/15/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	2/18/2017	iGC1632034722
Comments	on Inspection:	FIRE HAZARD WELL AND TA	RULE 19.15.10.8. NKS	MUST BE C	CLEARED BACK TO	AT LEAST 150' FROI	M
SPRING FE Inspection Date	DERAL No.0		Inspector	Violation?	M-5-6S-26E *Significant Non-Compliance?	30-005-61066-00-00 Corrective Action Due By:	Inspection No.
11/15/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	2/18/2017	iGC1632035012
Comments	on Inspection:	FIRE HAZARD WELL AND TA		MUST BE (CLEARED BACK TO	AT LEAST 150' FROI	M
SPRING FEDERAL COM No.003 Inspection Date Type Inspection			Inspector	Violation?	M-4-6S-26E *Significant Non-Compliance?	30-005-61419-00-0 Corrective Action Due By:	Inspection No.
11/15/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	2/18/2017	iGC1632036973
Comments on Inspection:		FIRE HAZARD WELL AND TA		MUST BE	CLEARED BACK TO	O AT LEAST 150' FRO	M

GETTY PS 7 FEDERAL No.002

K-7-6S-26E

30-005-62141-00-00

Inspection Date

11/15/2016

Type Inspection Routine/Periodic Inspector

Violation?

*Significant Non-Compliance? Corrective

Action Due By:

Inspection No.

Gilbert Cordero

Yes

No

2/18/2017

iGC1632034267

Comments on Inspection:

FIRE HAZARD RULE 19.15.10.8. MUST BE CLEARED BACK TO AT LEAST 150' FROM

WELL AND TANKS

SOUTH ALKALI LK FEDERAL

No.005

M-1-6S-25E

30-005-62995-00-00

Inspection

Date Type Inspection Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

11/15/2016 Routine/Periodic Gilbert Cordero

Yes

No

2/18/2017

Comments on Inspection:

iGC1632039129

FIRE HAZARD RULE 19.15.10.8. MUST BE CLEARED BACK TO AT LEAST 150' FROM

WELL AND TANKS

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

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.