

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

Heather Riley  
Division Director



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

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

05-Apr-18

VANGUARD OPERATING, LLC  
5847 San Felipe, Suite 3000  
Houston TX 77057-7057

**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***

EAGLE 4 STATE No.001				I-4-25S-28E	30-015-32569-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/04/2018	Routine/Periodic	Tony Morales	Yes	No	7/8/2018	iTM1809438137
Violations						
General Housekeeping (Rule 114)						
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD TANK BATTERIES NO PLACARDS FLARE OK 19.15.10.8				

EAGLE 4 STATE COM No.002H				H-4-25S-28E	30-015-38600-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/04/2018	Routine/Periodic	Tony Morales	Yes	No	7/8/2018	iTM1809439700
Violations						
General Housekeeping (Rule 114)						
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD OLD SUCKER RODS ON LOCTION 19.15.10.8				

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,

A handwritten signature in black ink, appearing to read "Tony Morales", with a stylized flourish at the end.

Artesia OCB 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.