

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Date: December 4, 2014

VANGUARD PERMAIN, LLC
1209 SOUTH MAIN STREET
LOVINGTON, NM 88260

2ND LETTER OF VIOLATION

Dear Operator;

Oil Conversation Division (OCD) well files indicate that you have 1 well(s) that have been plugged for more than one (1) year without sites being released. The well(s) are listed on the Attachment enclosed.

OCD rule 19.15.25.10.d NMAC requires an operator to restore the well site as soon as practical but no later than one (1) year after the completion of the plugging operations. Within thirty (30) days after restoring the well site the operators must file a form C-103 to report that the work has been completed. Rule 19.15.25.11 NMAC.

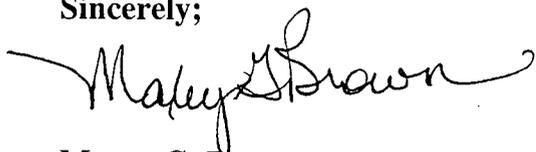
Within thirty (30) days of the date of this letter please clean the well site(s) according to the requirements set out in 19.15.25.10.D NMAC, and file a final sundry C-103 Subsequent Report of Well Plugging (available on OCD Online under "Forms") for each well to notify the district office that the site(s) are ready for inspection and release.

30-025-05369 ABO SWD #31 F Sec 31, Twp 16S, Rng 37E

Vanguard shows to be operator of record. Marker has incorrect information. Also bermed area lined with plastic southwest of well needs to have plastic removed and berms leveled to natural contour. Site inspected December 3, 2014 by Mark Whitaker, OCD Compliance Officer. When work is completed contact District I OCD office in Hobbs, NM for re-inspection of site.

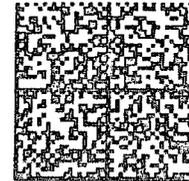
Your immediate attention is requested.

Sincerely;

A handwritten signature in black ink that reads "Maxey G. Brown". The signature is written in a cursive style with a large, stylized initial 'M' and 'B'.

Maxey G. Brown
NMOCD
District 1 Supervisor

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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