



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

*Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

23-Sep-08

**VANGUARD PERMIAN, LLC**

7700 SAN FELIPE, SUITE 485

HOUSTON TX 77063

## 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

#### H T MONTIETH A No.001

M-20-16S-37E

30-025-05336-00-00 ✓

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/19/2008	Routine/Periodic	Maxey Brown	Yes	No	10/23/2008	iMGB0826345167
<b>Violations</b>						
Absent Well Identification Signs (Rule 103)						
Surface Leaks/Spills						

**Comments on Inspection:** No Sign At Tank Battery. (Rule 103). Need install sign at Tank Battery. Loadline has spilled outside fenced area. (Rule 116). Need to remove contaminated soil. This is 1st Letter of Non-Compliance.

#### H T MONTIETH No.002

P-20-16S-37E

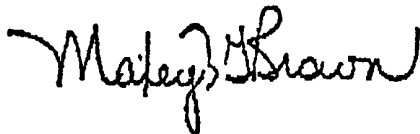
30-025-29656-00-00 ✓

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/19/2008	Routine/Periodic	Maxey Brown	Yes	No	10/23/2008	iMGB0826347428
<b>Violations</b>						
Surface Leaks/Spills						

**Comments on Inspection:** NEED TO REMOVE OIL STAINED SOIL AROUND WELLHED AND AREA AROUND LOADLINE CONTAINMENT. RULE 116. (DRIP CONTAINMENT IS NOW EMPTY). THIS IS 1ST LETTER OF NON-COMPLIANCE.

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Hobbs OCD District Office

**COMPLIANCE OFFICER**

**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.

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240

**FIRST  
CLASS**



HASLER

017H15554612

**\$0.420**

09/24/2008

Mailed From 88240

US POSTAGE

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7700 SAN FELIPE, SUITE 485  
HOUSTON TX 77063