

7 November 2002

Ricky Smith Oil & Gas Corporation
Attn.: Ricky Smith, President
P. O. Box 863
Kermit, Texas 79745

Re: Transfer of Ownership
South Langlie Jal Unit (AP-18)
Sec. 7, 8, 17 & 18-T25S-R37E
Lea County, New Mexico

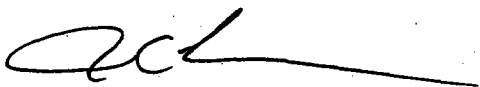
Dear Mr. Smith:

As required by NMAC 19.15.1.19C(2), this letter is to formally notify you that the South Langlie Jal Unit (AP-18) is subject to a New Mexico Oil Conservation Division (NMOCD) required Stage 1 Abatement Plan designed to investigate the extent of contamination of soil and/or groundwater on and under the unit. It is our understanding that you have been aware of this requirement since before the auction date, 30 October 2002, and that you have accepted the responsibility to implement this plan. A copy of the Stage 1 Abatement Plan was made available to you prior to 30 October 2002, along with other pertinent information, and additional copies can be forwarded to your office should you so request.

A copy of this letter shall be forwarded to the Director of the NMOCD to satisfy Chaparral's duty of notification under NMAC 19.15.1.19C(2) and to inform the Director of Chaparral's transfer of the ownership, operations and control of the unit that will become effective 1 December 2002.

Should you have any questions relating to this matter, please contact the undersigned at (405) 478-8770 Ext. 1130.

Sincerely,



Robert C. Lang IV, REM, CEA
Environmental, Health & Safety Manager

cc: Director, NMOCD, Santa Fe, NM
✓ Environmental Bureau Chief, NMOCD, Santa Fe, NM

OCD Exhibit No. 27
Case No. 13061
July 15, 2003

CERTIFIED MAIL: 7000 1670 0005 0737 7956

701 Cedar Lake Blvd., Oklahoma City, Oklahoma 73114 • telephone: 405-478-8770 • facsimile: 405-478-4162

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