



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

January 13, 2003

CERTIFIED MAIL

RETURN RECEIPT NO: 7001-1940-0004-7923-0650

Mr. Robert C. Lang IV
Chaparral Energy, Inc.
701 Cedar Lake Blvd.
Oklahoma City, Oklahoma 73114-7806

CERTIFIED MAIL

RETURN RECEIPT NO: 7001-1940-0004-7923-0667

Mr. Rickey Smith
Smith & Mars, Inc.
P.O. Box 863
Kermit, Texas 79745

**RE: NOTICE OF VIOLATION
STAGE 1 ABATEMENT PLAN (AP-18)
SOUTH LANGLIE JAL UNIT
JAL, NEW MEXICO**

Dear Sirs:

The New Mexico Oil Conservation Division (OCD) has reviewed Chaparral Energy, Inc.'s (Chaparral) December 9, 2002 correspondence titled "REQUESTED CERTIFICATIONS OF SERVICE, SOUTH LANGLIE JAL UNIT (AP-18), SEC. 7, 8, 17 & 18 - T25S - R37E, LEA COUNTY, NEW MEXICO" and November 7, 2002 correspondence titled "TRANSFER OF OWNERSHIP, SOUTH LANGLIE JAL UNIT (AP-18), SEC 7, 8, 17 & 18 - T25S - R37E, LEA COUNTY, NEW MEXICO". These documents show that Chaparral has transferred ownership, operations and control of the South Langlie Jal Unit located in portions of Sections 7, 8, 17 and 18 of Township 25 South, Range 37 East, Lea County, New Mexico to Smith & Marrs, Inc.

On August 5, 2002, the OCD granted Chaparral an extension of the deadline for submission of a Stage 1 investigation report of the extent of contamination related to Chaparral's South Langlie Jal Unit. The report was to be submitted to the OCD by October 31, 2002. No such report has been

OCD Exhibit No. 30

Case No. 13061

~~July 15, 2003~~ Sept 2, 2004

Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505
176-3440 * Fax (505) 476-3462 * <http://www.emnrd.state.nm.us>

submitted by either Chaparral or Smith & Marrs. Chaparral and Smith & Marrs are in violation of OCD rules for the failure to conduct the actions required by NMAC 19.15.1.19. Pursuant to NMAC 19.15.1.19.C(2), the OCD requires that Chaparral and Smith & Marrs submit the required Stage 1 investigation report by February 17, 2002. The report shall be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office. If Chaparral and Smith & Marrs fail to submit this document, the OCD will set a show cause hearing requiring Chaparral and Smith & Marrs to appear and show cause why they should not be ordered to comply, a penalty should not be assessed, a civil action should not be commenced in district court or any other appropriate action should not be taken by the Division.

If you have any questions, please contact me at (505) 476-3490.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wco

cc: Chris Williams, OCD Hobbs District Office
Mary C. Claiborne, Mayor, City of Jal.
Clay Osborn
Carroll H. Leavell
Darrell E. Bailey
Darrold E. Stephenson & JoAn R. Stephenson