



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary

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

**Oil Conservation Division**

July 30, 2004

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

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

**CERTIFIED MAIL**

**Re: Case No. 13061 (Re-Opened)**  
**Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Complete and Perform an Abatement Plan Pursuant to OCD Rule 19; Lea County, New Mexico.**

Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking to re-open the referenced case to obtain an order directing Smith & Marrs, Inc. to comply with the Settlement Agreement previously entered into with respect to subsurface water pollution at the South Langlie Jal Unit in Lea County, New Mexico, and seeking civil penalties.

A hearing on this Application will take place before a Division hearing officer on Thursday, September 2, 2004, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

Should you have questions, you may contact the undersigned in the Santa Fe office of the Oil Conservation Division, at (505)-476-3450.

Very truly yours,

David K. Brooks  
Assistant General Counsel

OCD Exhibit No. 32  
Case No. 13061  
September 2, 2004

cc: Ernest Padilla  
Padilla Law Firm, P.A.  
P.O.Box 2523  
Santa Fe, NM 87504

cc: Mr. Gary Larson  
Hinkle, Hensley, Shanor & Martin, LLP  
P.O.Box 2068  
Santa Fe, NM 87504-2068

cc: Mr. William C. Olson, OCD

# CERTIFIED MAIL RECEIPT

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OIL CONSERVATION

DIVISION

Name (Please Print Clearly) (To be completed by addressee)

Smith & Mars, Inc.

Attn: Mr. Rickey Smith

P. O. Box 863

Kermit, Texas 79745

PS Form 3800, July 1999

See Reverse for Instructions

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Chaparral Energy, Inc.

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701 Cedar Lake Blvd.

Oklahoma City, OK 73114-7806

PS Form 3800, July 1999

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Smith & Mars, Inc.

Attn: Mr. Rickey Smith

P. O. Box 863

Kermit, Texas 79745

2. Article Number

(Transfer from service label)

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PS Form 3811, August 2001

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X *Jarvis Jennings*

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☐ Addressee

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*Jarvis Jennings*

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Attn: Mr. Robert C. Lang IV

701 Cedar Lake Blvd.

Oklahoma City, OK 73114-7806

2. Article Number

(Transfer from service label)

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PS Form 3811, August 2001

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

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X *Kelli Wither*

☐ Agent

☐ Addressee

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Gary Larson

Hinkle, Hensley, Shanor & Martin, LLP

P. O. Box 2068

Santa Fe, NM 87504-2068

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Restricted Delivery Fee  
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Recipient's Name (Please Print Clearly) (To be completed by mailer)

Ernest Padilla

Padilla Law Firm, P.A.

P. O. Box 2523

Santa Fe, NM 87504

PS Form 3800, February 2000

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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Hinkle, Hensley, Shanor  
& Martin, LLP  
P. O. Box 2068  
Santa Fe, NM 87504-2068

2. Article Number  
(Transfer from service label)

7099 0220 0021 6896 3102

PS Form 3811, August 2001

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A. Signature

*[Signature]*

☐ Agent

☐ Addressee

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*[Signature]*

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7000 0520 0021 6896 3102

PS Form 3811, August 2001

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COMPLETE THIS SECTION ON DELIVERY

A. Signature

*[Signature]*

☐ Agent

☐ Addressee

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*[Signature]*

C. Date of Delivery

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