

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,

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

David K. Brooks Assistant General Counsel

Ernest Padilla cc:

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

Mr. William C. Olson, OCD ec:

(Domestic Mail Only: No Insurance Coverage Provided) (Domestic Mail Only; No Insurance Coverage Provided) ı ັບ п m Postage m ė Certified Fee Certified Fee 20042 Return Receipt Fee (Endorsement Required) . Return Receipt Fee (Endorsement Required) 0 RVATION Restricted Delivery Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees **6**3 Total Postage & Fees Name (Please Print Clearly) (To be completed by Name (Please Print Clearly) (To be completed by mailer Smith & Mars, Inc. Chaparral Energy, Inc. switte: NMT. PoRickey Smith sAttm: NRobert C. Lang IV P. D. Box 863 701 Cedar Lake Blvd... Kermīt, Texas 79745 Öklahöma City, OK 73114-7806 PS Form 3800, July 1999 S Form 3800, July 1999 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete **Agent** Item 4 if Restricted Delivery is desired. Addressee Print your name and address on the reverse so that we can return the card to you. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece, enmidente or on the front if space permits. D. Is delivery address different from item 12 TT Yes 1. Article Addressed to: If YES, enter delivery address below: Smith & Mars, Inc. -: AUG 0 5 2004 Attn: Mr. Rickey Smith P. O. Box 863 GIL CONSE Kermit, Texas 79/45 Alica 3. Service Type ☑ Certified Mail ☐ Express Mail ☐ Return Receipt for Merchandise ☐ Registered Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7099 3220 0009 7873 1551 (Transfer from service label) PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540 13061 SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. A. Signature Print your name and address on the reverse Agent Agent so that we can return the card to you. Attach this card to the back of the mailpiece, B. . Received by (Printed Name) C. Date of Delivery or on the front if space permits. 1. Article Addressed to: is delivery address different from item 1? Chaparral Energy, Inc. Attn: Mr. Robert C. Lang NG 5 2004 701 Cedar Lake Blvd. Oklahoma City, OK 7311017806 LIVIS SEMICE Type Certified Mail □ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number (Transfer from service label) 7099 3220 0009 7873 1568 PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

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Ernest Padilla	If YES, enter delivery address below: No
Padilla Law Firm, P. A.	OIL CONSERVATION
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