

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 May 12, 2005 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

ec: Mr. William C. Olson, OCD

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	Attn: Mr. Rickey Smith	AUG 0 5 2004
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	Kermit, Texas 79/45 AUG 2001	<u> </u>
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Ernest Padilla Padilla Law Firm, P. P. O. Box 2523 Santa Fe, NM 87504	If YES, enter delivery address below:	
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