



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

April 2, 2003

Lori Wrotenbery
Director

Oil Conservation Division

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

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; 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 an order determining that Chaparral Energy, Inc. and Smith & Marrs, Inc., and each of them, is a responsible person with respect to subsurface water pollution at the South Langlie Jal Unit in Lea County, New Mexico, ordering each of said entities to submit a Stage I Investigation Report for approval by the Division as previously demanded by notice letter under date of January 13, 2003, and seeking civil penalties.

A hearing on this Application will take place before a Division hearing officer on Thursday, April 24, 2003, at 8:15 a.m., in the Division Hearing Room, 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

cc: Mr. William C. Olson, OCD