

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST CHAPARRAL ENERGY, LLC, FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED OIL CONSERVATION DIVISION RULE 19.15.13.1105 NMAC; REQUIRING OPERATOR TO FILE A C-105 WELL COMPLETION AND RECOMPLETION REPORT AND LOG FORM BY A DATE CERTAIN; AND ASSESSING PENALTIES FOR OPERATOR'S KNOWING AND WILLFUL VIOLATION OF OIL CONSERVATION DIVISION RULE 19.15.13.1105; EDDY COUNTY, NEW MEXICO.

CASE NO. 1400

RECEIVED
2007 SEP 12 AM 10 10

**APPLICATION FOR COMPLIANCE ORDER
AGAINST CHAPARRAL ENERGY, LLC**

1. Chaparral Energy, LLC ("Operator") is a foreign limited liability company (SCC No. 1439793) operating wells in New Mexico under OGRID 4115.
2. Operator is the operator of record for the Roberts 13 No. 001Y well, API No. 30-015-34892.
3. NMSA 1978, Section 70-2-12 gives the Oil Conservation Division ("OCD") the authority to collect, examine and maintain reports and records on wells.
4. NMSA 1978, Section 70-2-12(B)(3) gives the OCD the authority to make rules, regulations and orders "to require reports showing locations of all oil and gas well and for the filing of logs and drilling records or reports."
5. OCD Rule 19.15.13.1105 NMAC ("Rule 1105") requires an operator to file a C-105 Well Completion or Recompletion Report and Log Form within 20 days following the completion or recompletion of any well.

6. According to OCD Records, the Roberts 13 No. 001Y well was completed in May 2006. Operator has not filed a C-105 Well Completion or Recompletion Report and Log Form for the Roberts 13 No. 001Y well.

7. On July 12, 2007, OCD Deputy Oil and Gas Inspector Gerry Guye sent Operator a letter of violation that informed Operator of the violation and asked Operator to take corrective action on the violation by July 24, 2007. Operator did not respond to the letter and took no corrective action.

8. On August 8, 2007, OCD Enforcement and Compliance Manager Daniel Sanchez sent Operator a notice of violation that informed Operator of the violation. Operator did not respond to the notice.

9. NMSA 1978, Section 70-2-31(A) provides that any person who knowingly and willfully violates any provision of the Oil and Gas Act or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars for each violation, and that in the case of a continuing violation, each day of violation shall constitute a separate violation.

10. NMSA 1978, Section 70-2-33(A) defines "person" to include companies.

WHEREFORE, the Enforcement and Compliance Manager of the Division hereby applies to the Director to enter an order:

- A. Determining that Operator knowingly and willfully violated Oil Conservation Division Rule 1105 by not filing a C-105 Well Completion or Recompletion Report and Log Form for the Roberts 13 No. 001Y well;
- B. Requiring Operator to file a C-105 Well Completion or Recompletion Report and Log Form for the Roberts 13 No. 001Y well by a date certain;

- C. Assessing penalties pursuant to NMSA 1978, Section 70-2-31(A) for the Operator's knowing and willful violation of Oil Conservation Division Rule 1105; and
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 12 day of Sept. 2007 by



Sonny Swazo
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3463

Attorney for The New Mexico Oil
Conservation Division

Case No. 14006. Application of the New Mexico Oil Conservation Division for a Compliance Order against Chaparral Energy, LLC. The Applicant seeks an order finding that Chaparral Energy, LLC knowingly and willfully violated Oil Conservation Division Rule 19.15.13.1105 NMAC by failing to file a C-105 Well Completion and Recompletion Report and Log Form; requiring Chaparral Energy, LLC to file a C-105 Well Completion and Recompletion Report and Log Form by a date certain; assessing penalties for Chaparral Energy, LLC's knowing and willful violation of Oil Conservation Division Rule 19.15.13.115; and for such other relief as the Director deems appropriate. The affected well is the Roberts 13 No. 001Y well, API No. 30-015-34892, Unit Letter G, Section 13, Township 17 South, Range 26 East, in Eddy County, New Mexico. The well is located approximately 10 miles east of Artesia, New Mexico.