



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 & Mars, 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

cc: Mr. William C. Olson, OCD

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To: _____

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	4.65

Name (Please Print Clearly) (To be completed by addressee)
Smith & Mars, Inc.
 Attn: Mr. Rickey Smith
 P. O. Box 863
 Kermit, Texas 79745

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To: _____

Postage	\$	
Certified Fee		
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Total Postage & Fees	\$	4.65

Name (Please Print Clearly) (To be completed by addressee)
Chaparral Energy, Inc.
 Attn: Robert C. Lang IV
 701 Cedar Lake Blvd.
 Oklahoma City, OK 73114-7806

1551 7873 0009 3220 022E 6907

1551 7873 0009 3220 022E 6907

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Jarri Jennings Agent Addressee

B. Received by (Printed Name)
Jarri Jennings

C. Date of Delivery
AUG 05 2004

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) **7099 3220 0009 7873 1551**

PS Form 3811, August 2001 Domestic Return Receipt **058 102595-02-M-1540 08 13061**

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:
Chaparral Energy, Inc.
Attn: Mr. Robert C. Lang IV
701 Cedar Lake Blvd.
Oklahoma City, OK 73114-7806

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Kelli Wither Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery
AUG 05 2004

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. 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 **058 102595-02-M-1540 08 13061**

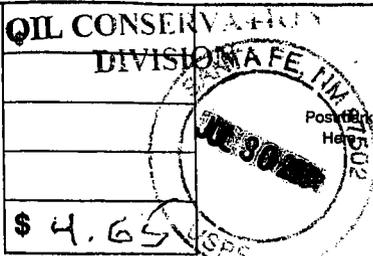
(Domestic Mail Only; No Insurance Coverage Provided)

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

AUG 02 2004

Postage



Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees

\$ 4.65

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

Gary Larson

Hinkle, Hensley, Shanor & Martin, LLP

P. O. Box 2068

Santa Fe, NM 87504-2068

PS Form 3800, July 1999

See Reverse for Instructions

RECEIVED

Postage

Certified Fee

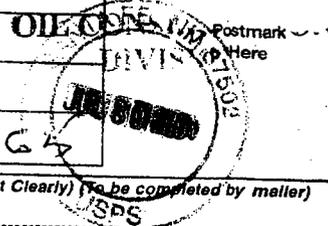
Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees

\$

AUG 02 2004



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

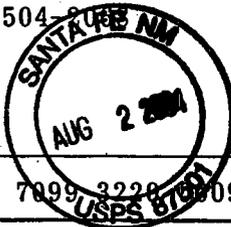
See Reverse for Instructions

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1. Article Addressed to:

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



2. Article Number

(Transfer from service label)

7099 2228 09 7873 1117

PS Form 3811, August 2001

Domestic Return Receipt

OCD DB 13061

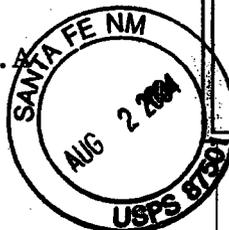
102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

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



2. Article Number

(Transfer from service label)

7000 0520 0021 6896 3102

PS Form 3811, August 2001

Domestic Return Receipt

OCD DB 13061

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

- Agent
- Addressee

B. Received by (Printed Name)

Ernest Padilla

C. Date of Delivery

AUG 05 2004

D. Is delivery address different from item 1? If YES, enter delivery address below:

- Yes
- No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

- Agent
- Addressee

B. Received by (Printed Name)

ERNEST PADILLA

C. Date of Delivery

AUG 03 2004

D. Is delivery address different from item 1? If YES, enter delivery address below:

- Yes
- No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

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- Yes