

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



August 15, 2008

Gary W. Larson, Esq.  
Hinkle, Hensley, Shanor & Martin, L.L.P.  
218 Montezuma  
Santa Fe, NM 87501

**Re: Operator Dennis Langlitz, OGRID 157447**  
**Agreed Compliance Order No. 225 / Notice of Violation No. 02-07-29**

Dear Mr. Larson:

Agreed Compliance Order (ACO) No. 225 required your client Dennis Langlitz to return the Saladar Unit No. 002 (30-015-02450), Saladar Unit No. 004 (30-015-02446), Saladar Unit No. 006 (30-015-02448), Saladar Unit No. 007 (30-015-10468), Saladar Unit No. 008 (30-015-02449), and Saladar Unit No. 012 (30-015-24179), to compliance with Oil Conservation Division rules by June 30, 2008.

On June 25, 2008, you requested a "month-long extension of the June 30, 2008 deadline for Dennis Langlitz to obtain authorization to inject for the six wells listed in ACO No. 225." Your request was based on additional time Mr. Langlitz needed to obtain bonding on the Saladar Unit No. 001 (30-015-02451). Your letter stated, "The financial assurance for the Saladar Unit No. 001 is now in place," and "an extension of the final ACO deadline until July 31 2008 would enable Mr. Langlitz to complete the mechanical integrity testing and obtain the Division's authorization to inject."

As of this date Division records show that no mechanical integrity tests were performed on the wells by July 31 as required by ACO No. 225. ACO No. 225 has now expired and the wells continue to remain in violation of Division rules.

As part of ACO No. 225, the Division agreed to waive twenty-eight thousand dollars (\$28,000.00) of a forty-three thousand dollars (\$43,000.00) civil penalty on the condition that Mr. Langlitz returns the wells to compliance by the ACO deadline. Because Mr. Langlitz did not return the wells to compliance by the ACO deadline, Mr. Langlitz now owes the \$28,000.00 civil penalty. Payment must be submitted in accordance with the procedures specified in the ACO.

**Case 14190**  
**Application of Dennis Langlitz**  
**OCD Exhibit G**

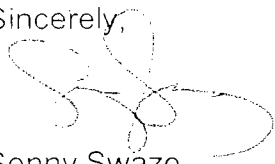
Oil Conservation Division \* 1220 South St. Francis Drive  
\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <http://www.emnrd.state.nm.us>

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Because the wells remain in violation of Division rules, the Division will be filing an application for a compliance order against Mr. Langlitz to require him to return the wells to compliance. It is within Mr. Langlitz's best interest to promptly return the wells to compliance with Division rules.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sonny Swazo', with a large, stylized flourish at the end.

Sonny Swazo  
OCD Assistant General Counsel

cc: Daniel Sanchez, OCD Enforcement and Compliance Manager  
Tim Gum, Supervisor, OCD District II  
Gerry Guye, Compliance Officer, OCD District II