

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

HOBBS OCD

JUN 27 2012

RECEIVED

Jami Bailey
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Jun-12

CHAPARRAL ENERGY LLC
701 CEDAR LAKE BLVD.
OKLAHOMA CITY OK 73114

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

WEST DOLLARHIDE QUEEN SAND UNIT No.142

P-32-24S-38E

30-025-30299-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/05/2012	Bradenhead	Sylvia Dickey	Yes	No	9/8/2012	iSAD1215739818
Comments on Inspection: WELL IS SHUT IN NO CHANGE; MASTER TUBING VALVE IS LEAKING; **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10;***OPER. & MAINT****						


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In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



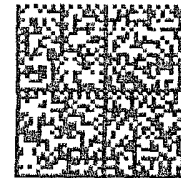
Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER	015H14150977	US POSTAGE
	\$0.45	
	06/27/12	
	Mailed From 88240	

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701 CEDAR LAKE BLVD.
OKLAHOMA CITY, OK 73114