

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

02-Dec-10

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.

			INSPECTIO	N DETAII	L SECTION		
WEST DOLLARHIDE QU Inspection Date Type Inspection		DUEEN SAND UNIT No.084		Violation?	L-29-24S-38E *Significant Non-Compliance?	30-025-30007-00- Corrective Action Due By:	00 Inspection No.
12/01/2010	Routine/Periodic Violations Idle well (Rule 201)		Mark Whitaker	Yes	No	•	iMAW1033545418
Comments	on Inspection:	T/A status e PLUG & Al	xpired. NEED TO RE-T BABDON WELL, 1st no	EST FOR T/ ptice.	A STATUS, RETURI	N TO PRODUCTION	I, OR
WEST DOI Inspection	LARHIDE Ç	UEEN SAN	D UNIT No.093		F-32-24S-38E *Significant	30-025-30132-00- Corrective	00
Date	Type Inspection)n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/01/2010	2010 Routine/Periodic Violations Absent Well Identification Signs (R)		Mark Whitaker	Yes	No	12/31/2010	iMAW1033539152
	Idle well (Rule :	-					
Comments	on Inspection:	PLUG & AI	xpired. NEED TO RE-T 3ABDON WELL, Wells 3 REPLACE WELL SIC	sign not com	plete. No UL, Section	N TO PRODUCTION , Township, Range or	, OR API

Inspection	LLARHIDE Q				C-30-24S-38E *Significant	30-025-30157-00- Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/01/2010	Routine/Perio	die	Mark Whitaker	Yes	No	12/31/2010	iMAW103354807
	Violations Idle well (Rule 2)	212					
Commente	on Inspection:						
Connicias	on inspection.	PLUG & ABA	BDON WELL. 1st no	EST FOR The street.	A STATUS, RETUR	N TO PRODUCTION	I, OR
	LLARHIDE Q	UEEN SAND	UNIT No.121		K-32-24S-38E	30-025-30232-00-	.00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/01/2010	Routine/Perio		Mark Whitaker	Yes	Non-Compliance: No	12/31/2010	iMAW103353952
	Violations Idle well (Rule 20			100	110	12/3/12010	101740 105555552
Comments	on Inspection:		ired. NEED TO RE-T BDON WELL. 1st no		'A STATUS, RETUR	N TO PRODUCTION	I, OR
	EST DOLLARHIDE QUEEN SAND UNIT No.116				A-6-25S-38E	30-025-30240-00-	00
Inspection Date	Type Inspectior	1	Inspector	Violation?	*Significant	Corrective	Inspection No.
12/01/2010	Routine/Perio		Mark Whitaker	Yes	Non-Compliance? No	Action Due By: 12/31/2010	•
2/01/2010	Violations Idle well (Rule 20		Mark Wintakei	105	NO	12/31/2010	iMAW1033544669
Comments	on Inspection:	<i>.</i>	rod NEED TO DE T	ECT EOD T			
	on inspection.		BDON WELL. 1st no		A STATUS, RETURI	N TO PRODUCTION	, OR
	LARHIDE QU	JEEN SAND	UNIT No.120		F-5-25S-38E	30-025-30242-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	T d'Al
2/01/2010	Routine/Perio		·		Non-Compliance?	Action Due By:	Inspection No.
2/01/2010	Violations Idle well (Rule 20		Mark Whitaker	Yes	No	12/31/2010	iMAW1033539744
Comments of	on Inspection:	T/A status expi	red. NEED TO RE-T BDON WELL. 1st nc		A STATUS, RETURI	N TO PRODUCTION	, OR
WEST DOL	LARHIDE QU				A-6-25S-38E	30-025-30272-00-	00
Inspection					*Significant	Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
2/01/2010	Routine/Perio	die	Mark Whitaker	Yes	No	12/31/2010	iMAW1033541899
	Violations Absent Well Iden:	tification Signs (R	ule 103)				
	Idle well (Rule 20		ate 105)				
Comments o	on Inspection:	No well Sign (I	Rule 19.15.16.8). Exp STATUS, RETURN	ired T/A. NE I TO PRODU	EED TO INSTALL W JCTION, OR PLUG &	ELL SIGN. NEED R & ABANDON WELL	E- . IST
VEST DOL	LARHIDE QU		UNIT No.149		P-32-24S-38E	30-025-30273-00-	00
Inspection	-				*Significant	Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
0.01.00.0	Routine/Period	tie	Mark Whitaker	Yes	No	12/31/2010	iMAW1033540726
2/01/2010							
2/01/2010	Violations	15					
2/01/2010 Comments a	ldle well (Rule 20		ed NEED TO DE T	EST EAD 'T'	A STATUS, RETURN		OP

Inspection Date	Type Inspectio		Inspector	Violation?	H-5-25S-38E *Significant Non-Compliance?	30-025-30274-00-(Corrective Action Due By:	00 Inspection No.
12/01/2010	Routine/Peri Violations Idle well (Rule)		Mark Whitaker	Yes	No	12/31/2010	MAW1033626526
Comments	on Inspection:		ed. NEED TO RE-T BDON WELL. 1st no		A STATUS, RETUR	N TO PRODUCTION,	OR
	LARHIDE Ç	UEEN SAND	UNIT No.133		D-31-24S-38E	30-025-30355-00-0	0
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/01/2010	Routine/Peri Violations Unauthorized In		Mark Whitaker	Yes	No	12/31/2010 i	MAW1033537567
Comments o	on Inspection:	March 2009, M		med prior to	putting well on inject	began injection into w ion. NEED TO SCHE	

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 Divison 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.

COMPLIANCE OFFICER

Hobbs OCD District Office

Sincerely,

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.

