

Chaparral Resources, L.L.C.

January 14, 2011

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Acting Division Director Mr. Daniel Sanchez
New Mexico Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Lease Name: Houston "A"
Well No.: 1
API No.: 30-025-07202
Injection Permit No.: SWD 576
Location: Unit Letter L, Section 19-T12S-R38E
Lea County, New Mexico

Dear Acting Division Director Sanchez:

Now that Chaparral Resources, L.L.C. has finally been named the official operator of the referenced well, we are re-sending this letter (original dated January 3, 2011) requesting an extension of the injection permit for the referenced well. Chaparral Resources, L.L.C. has been working to take over operation of this well since February 2010. We have been negotiating with Mikal Altomare concerning an Agreed Compliance Order for this operation, which you have also been involved with from time-to-time.

To further complicate matters the previous operator Purvis Operating Company only reported injection into this well until they resigned as operator in February 2010. There has been no subsequent injection that we are aware of since then and the referenced injection permit is in danger of lapsing because of the one-year non-injection rule. Because Chaparral Resources has not been able to formally assume operation of this well until this time, there have been no subsequent reports of injection since then.

We will begin operating this well as a disposal well after testing the well and hooking the well back to new pipelines to be in place shortly. Reporting of injection will begin at that time.

Therefore we again request that you extend this permit so that the economic operations of our sister company, Chaparral Energy, L.L.C. wells can begin quickly. We look forward to a long and compliant relationship with the Division. If you have any questions, or need more data contact us at the address listed.

Acting Director Daniel Sanchez
January 14, 2011
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Sincerely,
Chaparral Resources, L.L.C.



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cc: Mr. Richard Ezeanyim, Injection Permitting Section, NMOCD, Santa Fe, New Mexico ✓
Mr. Will Jones, Injection Permitting Section, NMOCD, Santa Fe, New Mexico
Mr. David Carlson, Chaparral Resources, L.L.C., Oklahoma City, Oklahoma