

January 4, 2008

Attention: Mr. Gerry Guy
New Mexico Oil Conservation Division
Artesia Office
1301 W. Grand
Artesia, NM 88210

Re: Violation Inspection Letter
LOV No.: 02-07-234
Lease Name: Federal G Gas Com
Well No.: 1
Location: "J" Section 21-T20S-R30E
API No.: 30-015-20848-00-0

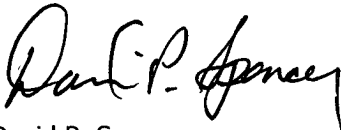
Dear Mr. Guy:

Chaparral Energy, L.L.C. is in receipt of your December 17, 2007 letter concerning the referenced lease. We are changing the well sign to reflect the current operator. However, we are having a problem with the unlined "unpermitted" pit on the location which your letter references.

This pit has been in existence and used, as a water evaporation pit, since the well was drilled. It is in the Pot Ash mine area of New Mexico so the previous operator never felt they had to permit the pit. That it would have been "Grandfathered" in when rules were established for pits.

Would you please call me and explain this situation and what we must do to make this pit legal, if anything? My direct line number is (405) 426-4397. Thank you for your help in this matter.

Sincerely,



David P. Spencer
Manager of Regulatory Affairs

Authority to retain pit
under provisions of R-2221.
Operator informed by phone
to remove fluids and
tighten net so it remains
above water level.



JAN 10 2008

