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July 28, 1999

To: New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
c/o Ms. Nelda Morgan
1625 North French Drive
Hobbs, N.M. 88240

Re: Special Gas-Oil Ratio Test
State "K" Nº 2

Unit "L" Section 21-T11S-R33E Bagley; Permo Penn, North Lea County, New Mexico

Dear Ms. Morgan:

As discussed in conversations with you and Mr. Chris Williams last year, this well has been uneconomic to produce due to repeated tubing leaks. However, it does flow gas at an economic rate, if this well is not pumped. As a result, Chaparral Energy, Inc. requests that the New Mexico Energy, Minerals & Natural Resources Department accept this gas rate in lieu of an actual GOR for this Scheduled Gas-Oil Ratio test. I shall try to file more timely next year!

Your help in this matter has allowed CEI to better deplete the gas reserves of this well. If you have any questions regarding this filing, please contact Jim Bauer @ 405/478-8770 ext. 228.

Sincerely,

James W. Bauer, P.E. Operations Engineer

Ames W. Bauer

xc: Ms. Trish Hambright, Engineering Technician

Attachments:

Original NMEMNRD Form C-116 "Gas-Oil Ratio Test"