

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM 17814
2. Name of Operator Chaparral Energy, Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 10701 N. Broadway Ext., Oklahoma City, OK 73114	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 330' FEL Sec. 31-20S-39E ✓	8. Well Name and No. Hodges Federal #1
	9. API Well No.
	10. Field and Pool, or Exploratory Area Sandhills Grayburg
	11. County or Parish, State Lea, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

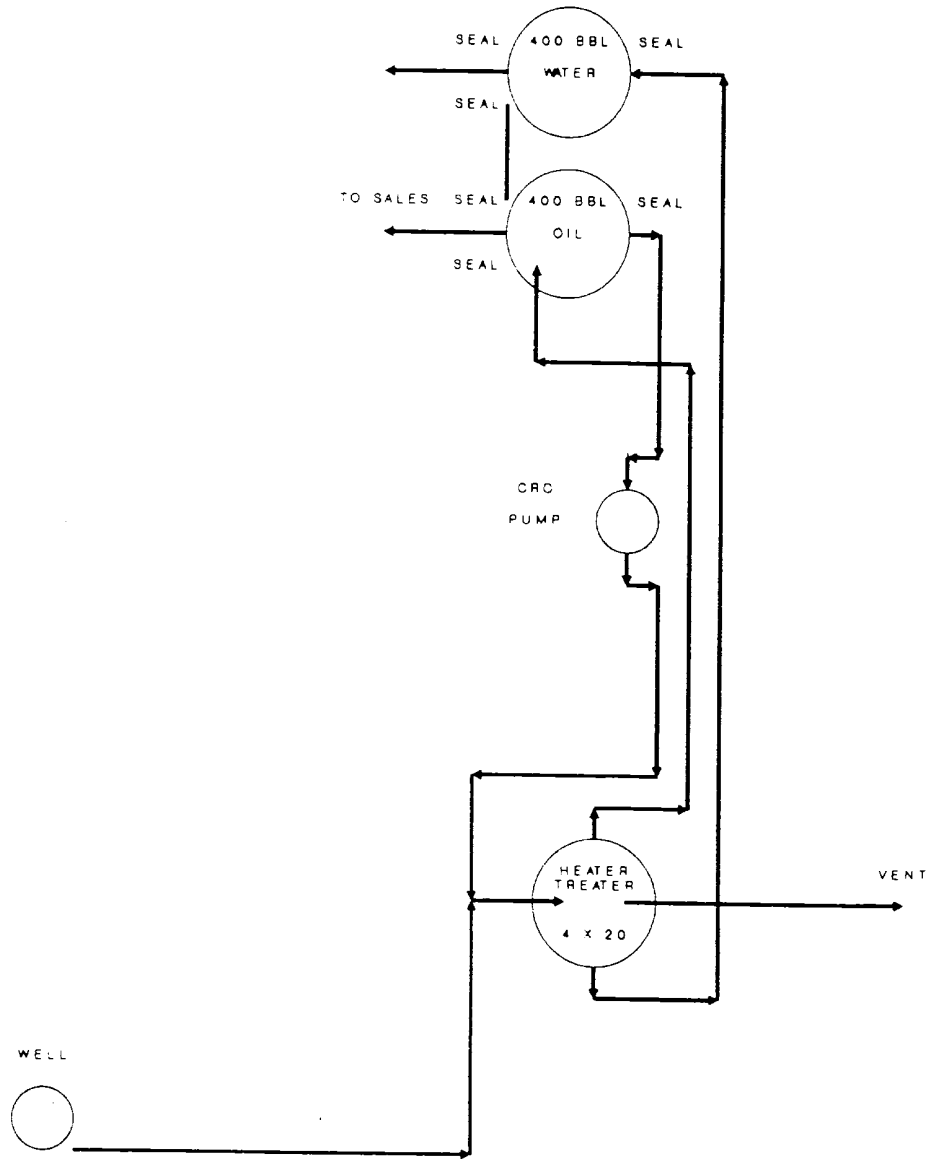
The following information is provided for approval of water disposal method.
The water is produced from the San Andres formation.
Water production is 12 bbls. per day.
The water is stored on lease in a 400 bbl. tank.
Water is trucked off lease by McCasland Services, Inc. NM SCC #4759.
Water is disposed into the McCasland Services, Inc. McCasland Disposal System in Unit letter P of Sec. 31-T22S-R36E, Lea County, New Mexico. NMOC Permit No. R-3781-A and Federal No. R-3694.

RECEIVED
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14. I hereby certify that the foregoing is true and correct

Signed Mark A. Fischer Title President Date 5/21/93
(This space for Federal or State office use)
Approved by David A. Glass Title PETROLEUM ENGINEER Date 5/21/93
Conditions of approval, if any:

SEE ATTACHED



CHAPARRAL ENERGY, INC.
HODGES FED #1
LEA COUNTY, NEW MEXICO
UNIT P SEC 31, T 20S R 39E
LEASE NO. NM-17814

SITE SECURITY PLANS

Chaparral Energy, Inc. (Chaparral), as an operator of an onshore Federal Oil and Gas Lease, the Hodges Federal, shall comply with the minimum site security standards as outlined in TITLE 43 of the Code of Federal Regulations.

1. All appropriate valves on lines entering or leaving oil storage tanks shall be effectively sealed during the production phase, and during the sales phase. Any tank from which sales is to be made must be, prior to sales, completely isolated by use of seals. During the sales phase, only the sales outlet valve may be opened. Once the sale is completed, the sales valve is required to be closed and sealed, and valves on the other lines opened as needed for production.
2. For a minimum of six years, Chaparral shall maintain a record of seal numbers used, and shall document on which valves or connections they were used as well as when they were installed and removed.
3. There shall be no bypass piping around gas meters, since permanent installation of such piping, whether sealed or unsealed, presents opportunity for unauthorized and undocumented removal of production from the lease.
4. Chaparral shall minimize the time that oil is stored, to that time needed to accumulate an economic run. Chaparral's lease pumper may retain that oil needed for use on the lease.
5. Chaparral will deal promptly with any other accumulations of oil in pits or tanks in accordance with the provisions of Section 221.36 and applicable NTL's on onshore orders.
6. Lease pumper shall inspect the lease with reasonable frequency to determine site security and production volumes. Chaparral shall retain records of such inspections and measurements for six years.
7. Facility shall be clearly identified with a sign that contains the name of the operator; the lease serial number (or communitization or unit agreement identification); and the quarter-quarter, section, township, and range as follows:

Chaparral Energy, Inc.
Hodges Federal #1
NM-17814
SE/4 of SE/4
Sec. 31, T-20-S, R-39-E
Lea County, N.M.

SITE SECURITY PLANS

Page -2-

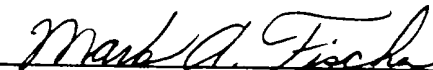
8. Each storage tank shall be clearly identified by a unique number:

Water Tank

Oil Tank # - 12931

9. Any person removing oil from a facility by motor vehicle shall possess the identification documentation required by applicable NTL's or operating orders while the oil is being removed and transported.

10. Theft or mishandling of oil must be reported to the Bureau of Land Management in Hobbs, New Mexico as soon as possible, but no later than the next business day. Local law enforcement agencies are to be notified promptly.



Mark A. Fischer, President