

LAW OFFICES

WARE, FLETCHER & FREIDENRICH
A PROFESSIONAL CORPORATION
525 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA 94301

LEONARD WARE
DAVID L. FLETCHER
JOHN FREIDENRICH
PAUL E. KREUTZ
PATRICK J. MCGARAGHAN
LAWRENCE A. AUFMUTH
THOMAS M. FRENCH
GREGORY M. GALLO
PENNY HOWE GALLO
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ARTHUR C. RINSKY
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DIANE WILKINS SAVAGE
JAMES M. KOSHLAND
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MARVIN MEISEL
BYDE W. CLAWSON
ANTHONY de ALCUAZ
BRUCE E. SCHAEFFER
JOHN M. KAMAN
GEORGE M. SUNDHEIM
BRUCE W. JENETT
JEFFREY A. TRANT
JAMES L. LEET

DAVID FREIDENRICH
(1905-1978)

TADINI BACIGALUPI, JR.
COUNSEL

TELEPHONE
(415) 328-6561

TLX 348-372

TELECOPY
(415) 327-3699

July 26, 1982

RECORDATION NO. 13710

JUL 28 1982 -2 1:15 PM
INTERSTATE COMMERCE COMMISSION

2-209-097

No. JUL 28 1982
Date
Fee \$ 50.00

C340

ICC Washington, D. C.

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D. C. 20423

Re: Documents for Recordation with Respect to
Security Interest in Railcars

Gentlemen:

Enclosed please find two (2) original Security Agreements to be recorded with the Interstate Commerce Commission with respect to certain railcars described therein. Also enclosed is a check in the amount of \$50 to cover your fees with respect to this matter along with a list of the particular railcars encumbered by the Security Agreements.

The parties to the Security Agreement and their respective addresses are as follows:

"Debtors"

Chaparral Energy, Inc.,
a California corporation
201 San Antonio Circle, Suite 115
P. O. Box 4651
Mountain View, California 94040

Cleanburn L.P.G., Inc.,
a California corporation
201 San Antonio Circle, Suite 115
P. O. Box 4651
Mountain View, California 94040

"Secured Party"

Kern Oil & Refining Co.,
a partnership
100 Oceangate, Suite 1010
Long Beach, California 90802

I understand that after the recordation of these Security Agreements, you will return one original Security Agreement with your file stamp affixed directly to our office and will retain the other Security Agreement for your files.

JUL 28 2:07 PM '82
PROCESSED

Interstate Commerce Commission
July 26, 1982
Page Two

Should you need any other information, please feel free
to call at your convenience.

Very truly yours,

WARE, FLETCHER & FREIDENRICH
A Professional Corporation

By Byde Clawson
Byde W. Clawson

BWC:ds
Enclosures
cc: Mr. Dennis Givich
Kenneth W. Slutsky, Esq.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

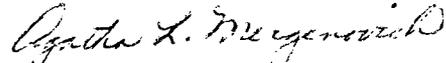
Blyde W. Clawson
Law Offices
Ware, Fletcher & Freidenrich
525 University Avenue
Palo Alto, California 94301

July 28, 1982

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/28/82 at 2:15PM , and assigned re-
recording number (s) . 13710

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure (s)

RECORDATION NO. 13710 FILED 1982

JUL 28 1982 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of July, 1982, between CHAPARRAL ENERGY, INC., a California corporation ("Chaparral"), CLEANBURN L.P.G., INC., a California corporation and wholly owned subsidiary of Chaparral (hereinafter collectively called "Debtor"), and KERN OIL & REFINING CO., a partnership (hereinafter called "Secured Party").

W I T N E S S E T H:

WHEREAS, Chaparral is contemporaneously herewith becoming indebted to Secured Party, which indebtedness is evidenced by Chaparral's three (3) certain promissory notes described in subparagraphs 2B(1) through 2B(3) of that certain Letter Agreement by and between Chaparral and Secured Party entered into of even date hereof (hereinafter called the "Letter"); and

WHEREAS, Debtor and Secured Party desire by this Agreement to grant to Secured Party a first priority security interest in certain of Debtor's property, all as is more particularly hereinafter set forth;

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Security Interest. For value received, and as security for the full and timely payment by Chaparral of the Indebtedness (as hereinafter defined), Debtor hereby grants to Secured Party a security interest in those certain

rail cars and bob-tail trucks of Debtor more fully described on Exhibit "A" annexed hereto, along with any and all cash or non-cash proceeds arising out of or in connection with such property (the foregoing hereinafter collectively called the "Collateral").

Debtor agrees to execute such appropriate notice documents and to perform such other acts as are necessary to fully perfect Secured Party's first priority security interest in the Collateral.

2. Indebtedness Secured. The indebtedness secured by this Agreement is evidenced by those three (3) certain promissory notes of Chaparral in favor of Secured Party described in subparagraphs 2B(1) through 2B(3) of the Letter, copies of which are attached hereto as Exhibit "B", along with any extensions or renewals of the same (the "Indebtedness").

3. Default; Remedies. In the event of a default by Chaparral in the timely payment of any promissory note of the Indebtedness, or in the event of any material breach of any covenant, condition, or provision contained herein, which default or breach continues uncured for more than thirty (30) days after written notice by Secured Party to Debtor thereof, Secured Party shall have any and all rights and remedies respecting Chaparral and the Collateral as are provided by the Uniform Commercial Code of the State of California and, in addition, shall have the right to require Debtor to assemble the Collateral and make it available to

Secured Party at a place reasonably convenient to Secured Party and Debtor.

4. Covenants of Debtor. Debtor covenants, so long as any portion of the Indebtedness remains unpaid, that:

(a) Debtor will not sell or assign the Collateral without the prior written consent of Secured Party, which consent shall not be unreasonably withheld if Secured Party is otherwise adequately secured in the reasonable opinion of Secured Party.

(b) Debtor will make proper entries upon its books disclosing and reflecting the security interest in the Collateral granted to Secured Party pursuant hereto, and, upon the reasonable request of Secured Party, will provide Secured Party with written evidence of the same.

(c) Debtor shall keep the Collateral in good condition and repair, ordinary wear and tear excepted.

(d) Upon the reasonable request of Secured Party, Debtor shall notify Secured Party of the location of the Collateral from time to time.

5. Termination. This Agreement, and Secured Party's security interest in the Collateral granted by Debtor pursuant hereto, shall terminate upon the full and complete satisfaction by Chaparral of the Indebtedness, and Secured Party agrees thereupon to promptly execute and deliver termination statements confirming such termination, together with any other

or further documents as may be deemed by Debtor to be reasonably necessary to confirm such termination.

6. Miscellaneous.

(a) All rights and remedies herein are cumulative and are in addition to any other remedies which Secured Party may have.

(b) All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, or, if mailed, after five (5) days from being deposited in the U.S. mail, first class certified mail, postage prepaid, return receipt requested, and addressed as follows:

To Debtor: Chaparral Energy, Inc.
Cleanburn L.P.G., Inc.
201 San Antonio Circle
Suite 115
P. O. Box 4651
Mountain View, California 94040
Attention: Mr. Dennis Givich

To Secured Party: Kern Oil & Refining Co.
100 Oceangate, Suite 1010
Long Beach, California 90802
Attention: Kenneth W. Slutsky, Esq.

(c) This Agreement is subject to the terms and conditions of the Letter. The Indebtedness is also secured by a certain Deed of Trust of even date herewith encumbering certain land owned by Desert Holding Corporation in Lyon County, Nevada (the "Deed of Trust"). This Agreement, the promissory notes of the Indebtedness, the Letter, and the

Deed of Trust set forth the entire agreement of the parties relating to the transactions contemplated herein. Any oral representations or modifications concerning this Agreement, the promissory notes of the Indebtedness, the Letter, and the Deed of Trust shall be of no force or effect unless contained within said documents or in a subsequent written modification thereof signed by the party to be charged.

(d) This Agreement has been made and entered into in, and shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

"DEBTOR"

CHAPARRAL ENERGY, INC.,
a California corporation

By *Winn J. Shively*
Title VICE-PRESIDENT

CLEANBURN L.P.G., INC.,
A California corporation

By *Levy M. Bortis*
Title VICE-PRESIDENT

"SECURED PARTY"

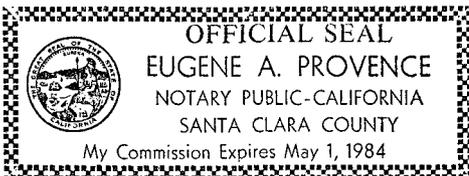
KERN OIL & REFINING CO.,
a partnership

By *Kenneth W. Skitsky*
Title Secretary

STATE OF CALIFORNIA)
)
COUNTY OF Santa Clara) SS.

On this 15th day of July in the year one thousand nine hundred and eighty-two, before me, Eugene A. Provence, a Notary Public, State of California, duly commissioned and sworn, personally appeared Dennis Girick known to me to be the Vice President of Chaparral Energy, Inc., the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the said corporation therein named, and acknowledged to me that such corporation executed the same as its corporate act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the Santa Clara County of California the day and year in this certificate first above written.

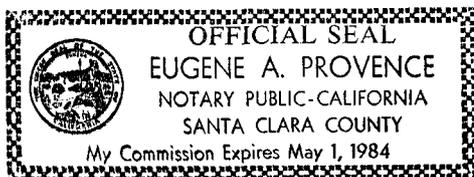


Eugene A. Provence
Notary Public, State of California

STATE OF CALIFORNIA)
)
COUNTY OF Santa Clara) SS.

On this 15th day of July in the year one thousand nine hundred and eighty-two, before me, Eugene A. Provence, a Notary Public, State of California, duly commissioned and sworn, personally appeared Gary M. Baxter known to me to be the Vice President of Cleanburn L.P.G., Inc., the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the said corporation therein named, and acknowledged to me that such corporation executed the same as its corporate act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the Santa Clara County of California the day and year in this certificate first above written.



Eugene A. Provence
Notary Public, State of California

STATE OF CALIFORNIA)
)
COUNTY OF _____) SS.

On _____, before me, the undersigned,
a Notary Public for California, personally appeared _____
_____ known to me (or proved to
me on the oath of _____), to be one of
the partners of the partnership that executed the within
instrument, and acknowledged to me that such partnership
executed the same.

Notary Public for California

State of California }
County of Los Angeles } SS.

On this the 20th day of July 1982, before me,
Jeanne M. Coots,
the undersigned Notary Public, personally appeared
Kenneth W. Slutsky,



personally known to me
 proved to me on the basis of satisfactory evidence
to be the person whose name is subscribed to the
within instrument, and acknowledged that he executed it.
WITNESS my hand and official seal.

Notary's Signature Jeanne M. Coots

EXHIBITS

Exhibit A - Description of Collateral

Exhibit B - Promissory Notes of Indebtedness

Serial Numbers

Railcars

33879
34720
34283
33811
35526
35541
35542
35543
35544
35545
35546
35547
35548
35549

Serial Numbers

Bobtail Trucks

IFDXC8084BVJ26466 (Ford)
IFDXC8086CVA15082 (Ford)
IFDXC8082CVA22272 (Ford)
N61WVM30437 (Ford)
CE531P103840 (Chevrolet)
416060H769461-7 (Int'l Harvester)
F61CRK27902 (Ford)
D0522FHA21756 (Int'l Harvester)
N71WVCB0741 (Ford)

PROMISSORY NOTE

\$340,000.00

Palo Alto, California
July 9, 1982

On July 16, 1982, for value received, the undersigned promises to pay to Kern Oil & Refining Co., a partnership ("Kern"), at 100 Oceangate, Suite 1010, Long Beach, California 90802 the sum of Three Hundred Forty Thousand Dollars (\$340,000.00), with interest from date until paid at the rate of sixteen and one half percent (16½%), per annum, principal and accrued interest due and payable at maturity.

This Note is expressly subject to the terms and conditions of that certain Letter Agreement and Security Agreement both dated July 9, 1982 by and between the undersigned and Kern (the "Letter" and "Security Agreement", respectively). This Note is also expressly subject to the terms and conditions of that certain Deed of Trust dated July 9, 1982 by and between Desert Holding Corporation and Kern encumbering certain land in Lyon County, Nevada (the "Deed of Trust"). The terms and conditions of the Letter, Security Agreement and Deed of Trust are incorporated herein by this reference.

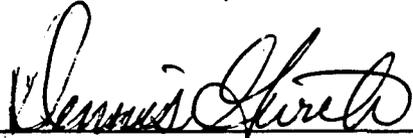
This Note is also issued in connection with the issuance of two (2) other promissory notes similar to this Note dated of even date hereof in the principal amounts of \$240,000.00 and \$60,000.00, respectively, made by the undersigned in favor of Kern (the "Other Notes").

EXHIBIT B

Should the undersigned default in payment of the indebtedness evidenced by this Note, which default remains uncured after thirty (30) days written notice of the same by the holder hereof to the undersigned, then in such event, the holder at its option may collect all indebtedness evidenced hereby and may also, at its option, accelerate payment of all indebtedness evidenced by the Other Notes.

This Note may be prepaid in part or in full without penalty. Principal and interest payable in lawful money of the United States of America.

CHAPARRAL ENERGY, INC.

By 

PROMISSORY NOTE

\$240,000.00

Palo Alto, California
July 9, 1982

On October 7, 1982, for value received, the undersigned promises to pay to Kern Oil & Refining Co., a partnership ("Kern"), at 100 Oceangate, Suite 1010, Long Beach, California 90802 the sum of Two Hundred Forty Thousand Dollars (\$240,000.00), with interest from date until paid at the rate of sixteen and one half percent (16½%), per annum, principal and accrued interest due and payable at maturity.

This Note is expressly subject to the terms and conditions of that certain Letter Agreement and Security Agreement both dated July 9, 1982 by and between the undersigned and Kern (the "Letter" and "Security Agreement", respectively). This Note is also expressly subject to the terms and conditions of that certain Deed of Trust dated July 9, 1982 by and between Desert Holding Corporation and Kern encumbering certain land in Lyon County, Nevada (the "Deed of Trust"). The terms and conditions of the Letter, Security Agreement and Deed of Trust are incorporated herein by this reference.

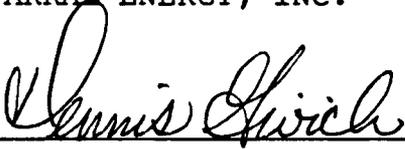
This Note is also issued in connection with the issuance of two (2) other promissory notes similar to this Note dated of even date hereof in the principal amounts of \$340,000.00 and \$60,000.00, respectively, made by the undersigned in favor of Kern (the "Other Notes").

Should the undersigned default in payment of the indebtedness evidenced by this Note, which default remains uncured after thirty (30) days written notice of the same by the holder hereof to the undersigned, then in such event, the holder at its option may collect all indebtedness evidenced hereby and may also, at its option, accelerate payment of all indebtedness evidenced by the Other Notes.

This Note may be prepaid in part or in full without penalty. Principal and interest payable in lawful money of the United States of America.

CHAPARRAL ENERGY, INC.

By



PROMISSORY NOTE

\$60,000.00

Palo Alto, California
July 9, 1982

On November 7, 1982, for value received, the undersigned promises to pay to Kern Oil & Refining Co., a partnership ("Kern"), at 100 Oceangate, Suite 1010, Long Beach, California 90802 the sum of Sixty Thousand Dollars (\$60,000.00), with interest from date until paid at the rate of sixteen and one half percent (16½%), per annum, principal and accrued interest due and payable at maturity.

This Note is expressly subject to the terms and conditions of that certain Letter Agreement and Security Agreement both dated July 9, 1982 by and between the undersigned and Kern (the "Letter" and "Security Agreement", respectively). This Note is also expressly subject to the terms and conditions of that certain Deed of Trust dated July 9, 1982 by and between Desert Holding Corporation and Kern encumbering certain land in Lyon County, Nevada (the "Deed of Trust"). The terms and conditions of the Letter, Security Agreement and Deed of Trust are incorporated herein by this reference.

This Note is also issued in connection with the issuance of two (2) other promissory notes similar to this Note dated of even date hereof in the principal amounts of \$340,000.00 and \$240,000.00, respectively, made by the undersigned in favor of Kern (the "Other Notes").

Should the undersigned default in payment of the indebtedness evidenced by this Note, which default remains uncured after thirty (30) days written notice of the same by the holder hereof to the undersigned, then in such event, the holder at its option may collect all indebtedness evidenced hereby and may also, at its option, accelerate payment of all indebtedness evidenced by the Other Notes.

This Note may be prepaid in part or in full without penalty. Principal and interest payable in lawful money of the United States of America.

CHAPARRAL ENERGY, INC.

By

