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WARE, FLETCHER & FREIDENRICH

A PROFESSIONAL CORPORATION

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PALO ALTO, CALIFORNIA 94301

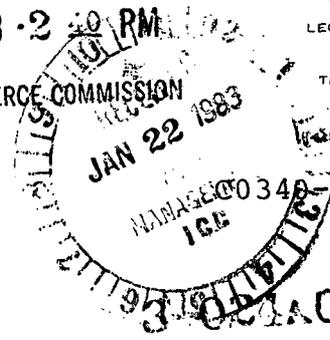
TELEPHONE
(415) 328-6555

RECORDATION NO. 13922
FILED 1425

JAN 24 1983 - 2 30 PM '83

January 21, 1983

INTERSTATE COMMERCE COMMISSION



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

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

No. JAN 24 1983

Date
Fee \$ 50.00

ICC Washington, D.C.

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 regard 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
180 East Oceangate Boulevard, Suite 910
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.

Interstate Commerce Commission
January 21, 1983
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 
James M. Koshland

JMK:ds
Enclosures
cc: Mr. Dennis Givich
Kenneth W. Slutsky, Esq.
EXPRESS MAIL

Interstate Commerce Commission
Washington, D.C. 20423

1/24/83

OFFICE OF THE SECRETARY

James M. Koshland
Ware Fletcher & Freidenrich
525 University Avenue
Palo Alto, Calif. 94301

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 **1/24/83** at **2:40pm**, and assigned re-
recording number(s). **13922**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

13922

RECORDATION NO. Filed 1425

SECURITY AGREEMENT

JAN 24 1983 - 2 40 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made and entered into this 1st day of December, 1982, between CHAPARRAL ENERGY, INC., a California corporation ("Chaparral"), CLEANBURN L.P.G., INC., a California corporation and wholly owned subsidiary of Chaparral ("Cleanburn") (Cleanburn and Chaparral are hereinafter collectively called "Debtor") and KERN OIL & REFINING CO., a partnership (hereinafter called "Secured Party").

RECITALS:

1. Chaparral is contemporaneously herewith becoming indebted to Secured Party, which indebtedness is evidenced by Chaparral's certain promissory note dated December 1, 1982 (the "Note") to the Secured Party in the principal amount of Three Hundred Thousand Dollars (\$300,000), a copy of which is attached hereto as Exhibit "A".

2. 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.

1.1 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 "B" 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").

1.2 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 the indebtedness represented by the Note, 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 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 document 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.
 180 East Oceangate Boulevard, Suite 910
 Long Beach, California 90802
 Attention: Kenneth W. Slutsky, Esq.

(c) 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 Note 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 Note and the Deed of Trust, shall be of no force or

representations or modifications concerning this Agreement, the Note 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"

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

By

James L. Church
Title Vice President

"SECURED PARTY"

KERN OIL & REFINING CO.,
a partnership

By

Kenneth W. Switzky
Title *Secretary & Gen'l Counsel*

"DEBTOR"

CHAPARRAL ENERGY, INC.
A California corporation

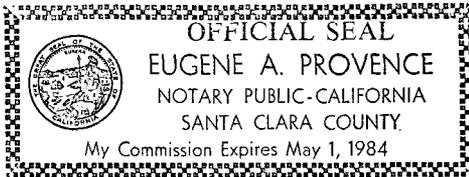
BY

James L. Church
Title President

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

On this 14th day of December 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 Sivich known to me to be the Vice President of 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 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 California County of Santa Clara 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 _____ day of _____ 19____, 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(s) who executed the within instrument on behalf of the partnership, and acknowledged to me that the partnership executed it.
WITNESS my hand and official seal.



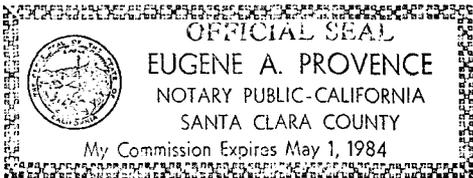
Jeanne M. Coots
Notary's Signature

STATE OF CALIFORNIA)
)
COUNTY OF Santa Clara)

SS.

On this 14th day of December 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 Girich known to me to be the President of 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 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 California County of Santa Clara the day and year in this certificate first above written.



Eugene A. Provence
Notary Public, State of California

EXHIBITS

Exhibit A - Promissory Note of Indebtedness

Exhibit B - Description of Collateral

PROMISSORY NOTE

\$300,000.00

Palo Alto, California
December 1, 1982

On January 1, 1983, for value received, the undersigned promises to pay to Kern Oil & Refining Co., a partnership ("Kern"), at 100 Oceangate, Suite 101, Long Beach, California 90802 the sum of Three Hundred Thousand Dollars (\$300,000.00), with interest from date until paid at the rate of twelve percent (12%), per annum, principal and accrued interest due and payable at maturity.

This Note is expressly subject to the terms and conditions of that certain Security Agreement dated December 1, 1982 by and between the undersigned and Kern (the "Security Agreement"). This Note is also expressly subject to the terms and conditions of that certain Deed of Trust dated December 1, 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 Security Agreement and Deed of Trust are incorporated herein by this reference.

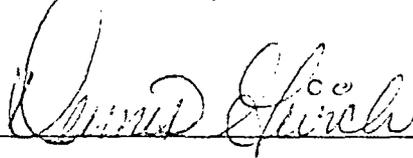
Should the undersigned default in payment of the indebtedness evidenced by this Note, which default remains uncured after thirty (30) days written notice of the same by the holder hereof to the undersigned, then in such event, the holder at its option may collect all indebtedness evidenced hereby.

EXHIBIT A

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

A handwritten signature in cursive script, appearing to read "David E. Smith", is written over a horizontal line. The signature is written in dark ink and is positioned to the right of the word "By".

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)