

NOAV# 1175528
PIT# 101099, 101100, 101101
Doc# 2303228
Date: 08/18/2005

Magpie Operating, Inc.
2707 South County Road 11
Loveland, CO 80537
Phone: (970) 669-6308
Fax: (970) 669-6396

August 17, 2005

Dear Mr. Rouse,

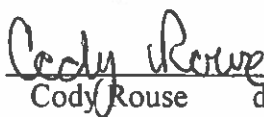
The Colorado Oil & Gas Commission (COGCC) has requested that Magpie Operating, Inc. take samples of the agricultural water well (windmill) to the northwest of the Rediess well. The required samples will be sent to Evergreen Analytical Laboratory for analyses in order to fulfill the guidelines of Form 27 – Site Investigation and Remediation Workplan. On Thursday August 18, 2005 at approximately 11:00 AM, representatives from Magpie Operating, Inc, Ryan Warner and Leslie Reeves, will meet Randall H. Ferguson of the COGCC at the Rediess well in Morgan County, Colorado to collect the samples of the produced water in the Redeiss pits. At this time, we would appreciate your permission to access your property and collect water samples from the windmill.

Please sign below to acknowledge that you have granted us your permission.

Thank you,


Leslie Reeves

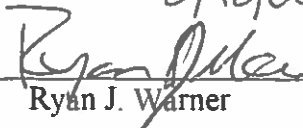
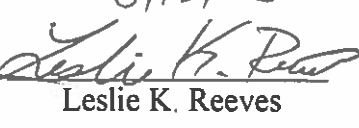
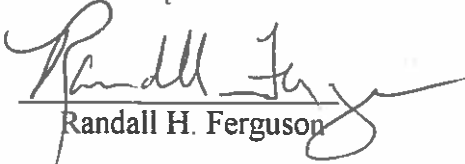
I, Cody Rouse, grant Ryan Warner and Leslie Reeves of Magpie Operating, Inc., and Randall Ferguson of the Colorado Oil & Gas Commission, my permission to access my property on Thursday August 18, 2005, at 11:00 AM, and collect water samples from the windmill.

 8/18/05
Cody Rouse date

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Representatives, Ryan Warner and Leslie Reeves, from Magpie Operating, Inc. met Randall H. Ferguson, an Environmental Protection Specialist from the Colorado Oil & Gas Conservation Commission (COGCC), on Thursday August 18, 2005 at approximately 11:00 AM at the Rediess well located at NESW Section 18 – T1N – R56W in Morgan County, Colorado. The purpose of this meeting was to determine if the disposal of produced water in the Redeiss pits had impacted the unconfined aquifer in the area. In order to do so, samples of the produced water and water samples from the nearby agricultural water well to the northwest (windmill) were collected and submitted for analyses to Evergreen Analytical Laboratory. These water samples are included in the guidelines of Form 27 – Site Investigation and Remediation Workplan. Instructions for corrective action are quoted verbatim from the letter dated August 2, 2005, sent to Mr. Jim Warner, President of Magpie Operating, Inc., by Randall H. Ferguson of the COGCC.

The parties involved agree that the statement above is both accurate and true.

8/18/05 8/18/05 8/18/05

Ryan J. Warner

Leslie K. Reeves

Randall H. Ferguson