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Littleton, Colorado 80120
Telephone (303) 794-5300

Mr. Rob Young
Colorado Oil & Gas
Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Form 27 Request

Mr. Young:

Thank you for taking my call the other day. You have been most helpful.

As I explained, based on my production reporting, a Form 27 does appear to be in order. Per your instructions, please accept this letter explaining my errors in production reporting.

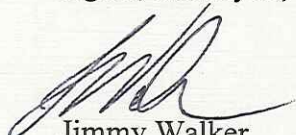
First, it is of interest to note that when Petron took over the Meade 2-32, COGCC contacted us concerning the "transfer" of the pit operations. Both my pumper and the COGCC inspector were unable to find any remanence of any pit. Consequently, that facility was closed out after Petron filed a Form 27.

As to the 3 wells in which you have requested Form 27's, similar circumstances exist except for the actual water production reporting on the Form 7's. Petron's reporting software allows a "copy" function when adding properties. In the well file there is an allowance for a water production formula. In other words, I inadvertently copied over this formula into each well file from another well file. To compound my error, I never caught the mistake and made monthly water production reports to the COGCC. If, the COGCC finds it necessary to correct the reports, I shall gladly do so.

With the filing of these new Form 27's, you will note there is no remediation action entered. To the best of my knowledge and to the best of my pumper's knowledge, pits were never observed at these sights.

I apologize for my error(s) and please let me know if you require any additional actions except filing a closing Form 27 for each of these wells.

Again, thank you,


Jimmy Walker
Sec./Treas.