

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

March 2, 1987

RECEIVED

APR 27 1987

COLO. OIL & GAS CONS. COMM

L.B. Oil & Gas Corp.
370 17th Street
Suite 3200
Denver, CO 80202

Attention: Mr. Mike Scribner

RE: Waiver of Location
Mallon #32-6 Utterback Federal
Routt County, Colorado

Dear Mr. Scribner:

Per your phone conversation with Mr. Joe Cox in our office, Mallon Oil Company requests that L.B. Oil & Gas Corp. and CSX Oil & Gas Corp. waive any objection to our Mallon #32-6 Utterback Federal well location, pursuant to Rule 318 of the Oil and Gas Conservation Commission Rules and Regulations.

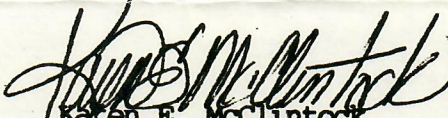
The footages for the above captioned well are 1695' FNL and 1814' FWL, Section 32, Township 7-North, Range 86 West, 6th P.M., Routt County, Colorado.

If you agree to waive any objection to our well location, please so indicate having L.B. Oil & Gas Corp. and CSX Oil & Gas Corp. sign and return the indicated copies of this letter to Mallon Oil Company.

Your cooperation in this matter is greatly appreciated.

Sincerely,

MALLON OIL COMPANY

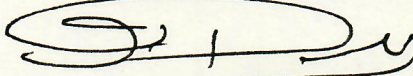

Karen E. McClintock
Landman



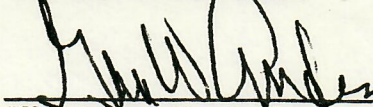
00221483

AGREED TO AND ACCEPTED this 20th day of March, 1987.

L.B. OIL & GAS CORP.


BY: HANS PATEL, PRESIDENT

CSX OIL & GAS CORP.


BY: Gene W. Anderson CKO
District Landman