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RECEIVED

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Mr. D. V. Rogers
 Director, Colorado Oil and Gas Conservation
 Commission
 Room 237
 1845 Sherman Street
 Denver, Colorado 80203

COLO. OIL & GAS CONS. COMM.

Re: Union Pacific Railroad Company-Champlin
 Petroleum Company.

Dear Mr. Rogers:

This letter is the follow-up to our informal conversation earlier today concerning the reorganization of Union Pacific Railroad Company.

The essence of the transaction insofar as the Commission may be concerned is that Union Pacific Railroad Company is out of the oil and gas business, and it has transferred all of its mineral interests and rights to subsidiaries. In the case of Colorado it is Champlin Petroleum Company. By various forms of conveyances, effective March 31, 1971, which have been recorded in the respective counties, Union Pacific Railroad Company conveyed to Champlin Petroleum Company all of its oil and gas interests in producing properties, all of its title and interest in all facilities and improvements, unit and unit operating agreements, joint operating agreements, communitization agreements, and any other agreements relating to the operation of such properties, as well as all of its title to oil and gas leases. The interest and title of Champlin is determinable, and at such times, and from time to time, as there are no exploratory, developmental or producing operations being undertaken on particular lands, or such lands are not burdened by any oil and gas lease, contract or other agreement for such activities, the mineral title will revert to another subsidiary, Union Pacific Land Resources Corporation. The latter will not conduct any operations or hold oil and gas title to any lands upon which such operations are conducted or which are subject to lease or agreement.

In our discussions, it did not appear to either of us that it was necessary to embark upon any administrative procedure whereby the records of the Commission would be changed or noted to reflect the substitution of Champlin Petroleum Company in all cases for Union Pacific

MR