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CORAL PRODUCTION CORPORATION
1600 STOUT STREET, SUITE 1500
DENVER, COLORADO 80202

RECEIVED

JUL 29 2011

COGCC

(303) 623-3573
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July 28, 2011

Mr. Birdsall Young
39660 County Road 20
Akron, CO 80720

Mr. Young:

Recently, Coral Production Corp., operator of the Christenson # B-1, # B-3, and # B-5 Wells located on your lands, was required to dispose of heavy non-sellable oil collected for many years at the bottom of the oil tank serving these Christenson Wells. Coral's field personnel followed practices used by many operators in the area for many years by removing the oil from the tank and using the oil on the lease roads to stabilize the road and reduce dust emissions. The amount disposed of in this manner was limited to 20-30 barrels. The Colorado Oil and Gas Conservation Commission has cited Coral Production Corp. for violating its rules in taking this action. Coral is currently contracting with a dirt contractor to remove the soil affected by the recent oil disposal by Coral. The work may be underway by the time you receive this letter. The soil and road materials will be stored on the surface, on a plastic surface, pending identification of a suitable disposal site and removal to that site.

Coral representatives have previously verbally advised you of this situation, and we provide this letter at the request of the Colorado Oil and Gas Conservation Commission which serves to confirm that you, as the surface owner, are informed of this situation.

Please contact us if you have any questions.

Very truly yours,

James R. Weber
President

✓ Cc: Colorado Oil and Gas Conservation Commission.