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Re: Beren update to COGCC staff regarding Lindon/Bison field work schedule for certain leases located in Washington County

Dear All:

The purpose of this letter is to provide the Colorado Oil and Gas Conservation Commission ("COGCC") staff with an update on work performed by Beren Corporation ("Beren") under the *Beren Corporation Lindon/Bison Field Work Schedule* (introduced to the staff in Beren's July 2, 2012, letter to Thom Kerr, COGCC Acting Director). Rodney Reynolds, Division Engineer for Beren, provided the following updates to the schedule:

1. *Complete ground water assessment on Loudder lease and receive all completed testing results. Field work including drilling monitor wells was completed June 21, 2012. Est completion for lab work and final report preparation: prior to July 15, 2012.*

This action step has been completed. On or about August 7, 2012, LT Environmental submitted a Form 27, Site Investigation and Remediation Workplan, and associated report, which found no contamination in samples collected at the site in excess of Table 910-1 concentrations. The final report was subsequently approved by staff.

2. *File plugging application for Cook 1X. Est completion date: July 15, 2012.*

As previously updated, the Form 6, Well Abandonment Report, for plugging the Cook 1X was submitted to staff on July 6, 2012, and approved on July 23, 2012.

3. *Upon completion of Loudder ground water assessment with satisfactory results, modify Loudder lease existing skimming system to eliminate use of existing unlined skim pit. Complete installation of fiberglass skim tank in place of unlined skim pit and cease use of unlined skim pits on Loudder lease. Plan to have onsite meeting of Rodney Reynolds, Diana Burn and John Axelson to review and inspect work completed. Est completion date: September 1, 2012.*

Beren has modified production equipment in use at the Loudder lease to eliminate the use of the unlined skim pit in favor of alternate skimming equipment. Beren would like to coordinate a site inspection with

staff in about two weeks for the combined inspection of the Loudder, Scott and Wright leases (see Action Step #7).

4. *Modify Scott lease existing skimming system to eliminate use of existing unlined skim pit. Complete installation of fiberglass skim tank in place of unlined skim pit and cease use of unlined skim pit on Scott leases. Est completion date: October 1, 2012.*

This step is nearing completion. Beren is not presently using the existing skim pit, and will submit Form 27s this week for the Scott and Wright leases seeking permission to close their skim pits. Once it receives approval from staff, Beren plans to backfill the skim pits and install alternate skimming equipment.

5. *Modify Wright leases existing skimming system to eliminate use of existing unlined skim pit. Complete installation of fiberglass skim tank in place of unlined skimpit and cease use of unlined skim pit on Wright leases. Est completion date: November 1, 2012.*

This step is also nearing completion (see Action Step #4).

6. *Plug and abandon Cook #IX wellbore. Est completion date: November 1, 2012.*

The application to conduct this work has been approved by staff. Beren is currently waiting on a rig to plug the well.

7. *Remediate unlined skim pits that were removed from service on Loudder, Scott and Wright leases. Excavate and land farm with approved remediation plan from COGCC. Est completion date: summer 2013 for excavation and land farming. Est pit closure date: summer 2014.*

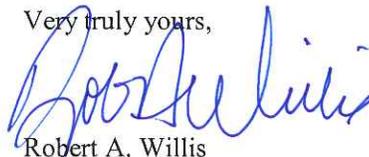
Beren reports that it is ahead of schedule as to this step. Beren has completed the excavation of the unlined skim pits on the Loudder, Scott and Wright leases, and plans on closing those pits when it receives approval by staff.

8. *Remediate all pits, well and tank battery site for the Cook lease. Excavate and land farm with approved remediation plan from COGCC. Est completion date: summer 2013 for excavation and land farming. Est pit closure date: summer 2014.*

Work to remediate the Cook lease is underway. Beren reports that it has completed excavation as to all pits on the lease, and will be submitting a Form 27 to staff detailing the workplan.

Beren looks forward to continuing its working relationship with the COGCC staff as it assesses Beren's field operations, and would like to coordinate a date/time with staff for the combined inspection of the Loudder, Scott and Wright leases. Please contact Rodney Reynolds (785.332.9809 is his cellphone number and his email address is Reynoldsr@berexco.com) directly to schedule the inspection.

Very truly yours,



Robert A. Willis