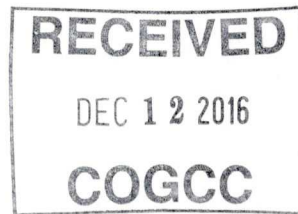


From: **BRIAN B QUALLS** hooperbrianq@mac.com
Subject: Andrew Stone NOAV 401128719
Date: December 7, 2016 at 1:56 PM
To: dnr_cogccenforecment@state.co.us



To Whom it May Concern,

Thank you for your letter dated March 3, 2016 (API Number: 001-09718).

My name is Brian Qualls. I am the personal representative for the Estate of Joseph JC Paine (formerly Paine Petroleum Company, LLC).

I am attempting to respond to your letter in the most quick and efficient way so please pardon my brevity. I am unfortunately dealing with the closure of Mr. Paines Estate which includes managing a well Mr. Paine drilled called Anadarko #1. This well, Anadarko #1 is the subject of your warning letter.

Let me make some notes and describe my challenges with the operation of this well and additionally, with the compliance issues described in your letter. Please be aware that although my father was in the Oil and Gas industry and I know a few things, I am absolutely NOT an Oil and Gas person and I have extremely limited knowledge of the rules and regulations. I have such little experience and knowledge, that 2 years ago, I gave, free of charge, 1/2 of the estates Operating Interest in Anadarko#1 to a skilled oil and gas production company. Unfortunately, within the last month, this company has resigned and returned the interest in this well back to the estate. A copy of his resignation letter is attached.

STATUS OF WELL:

Currently the Well is not producing. I am in contact with the pumper to attempt to get this well back producing. The mineral owner, Anadarko Petroleum is actively attempting to get me to plug and abandon this well.

PLANS FOR THE WELL: I am attempting to raise a small amount of capital from the other well interest owners to "Re-Complete" this well in a hail merry attempt to make this well produce an amount of oil sufficient to not be left with the realization that it may have to be plugged. I intend to have this done prior to the end of January 2017.

I am actively looking for an Oil and Gas Partner that can help me with the Options described in your letter. I hope to have another skilled partner before the end of December, 2016.

Please understand the difficult situation that I, Mr. Paine's estate and the Anadarko #1 well find ourselves in. Please grant us a couple short months to attempt a resolution to your multiple requests contained in your letter.

Please contact me at anytime to discuss.

Kind Regards,

Brian Qualls

www.corelabshome.com
brian.q@corelabshome.com

CoRE labs, LLC
3720 S. Lipan Street
Englewood, CO 80110
United States of America

Tel: (303) 761-0131
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Cell: (303) 921-9809



9-27-2016

Brian Qualls
Paine Petroleum
3720 S. Lipan
Englewood, CO 80110

Brian,

I have enclosed several invoices for work that has been done to the Paine well. But the well has developed a leak in one of the tanks and we had to shut it down. I'm not sure how much it will cost to clean up the tank and repair it, and I'm not sure if you want to continue to spend money on this thing.

I really wish we would have sold it to my buyer a year or two ago when it still had value, but we missed that boat.

I have a very large natural gas project in Montana that I'm getting kicked off this month and I'm simply buried with that project. I was asked by Pamela to update the pumping paperwork several months ago but I simply have not had time.

So on that note I think it is time for me to resign from my management position and ownership of this well. I will mail over any and all info I have on the well and all pumping records. But since I do not have time to do my job for you I feel the need to hand it back to you and the other owners.

Sincerely,