

CONCLUSIONS



A very critical error was committed by the Commission personal by not including specific plugging instructions on the ADP (Form 2 – Application For Permit To Drill), a practice consistently issued to assist Operators to insure proper coverage of potential freshwater aquifers.

MGMI, (as a prudent Operator in the State of Colorado) acting in good faith and with due diligence, performed all verbal instructions as relayed to them from the Commission, covering our and other geologists interpretation of the Cheyenne Formation and certainly covering all the potential freshwater aquifers present.

As fully shown by the data presented by MGMI, we have fully complied with Rule 319 a.1 and additional coverage of this zone would not only be a waste of resources and monies, but would be an act of pure redundancy with no apparent benefits forthcoming to any of the concerned parties.

As attested to from expert witnesses who work the area, the zone of contest is not the Cheyenne but rather the Morrison Formation.

As evidenced by Mr. Graham (see transcript of Meeting dated September 23, 2002) and as fully attested to by recognized Expert's in Log Analysis of this zone, the zone in question is NOT NOW, NOR EVER WILL BE A VIABLE SOURCE OF FRESHWATER FIT FOR HUMAN OR ANIMAL CONSUMPTION NOR FIT FOR AGRICULTURE USAGE.

As evidenced in Cross Section A-A' (Exhibit II), of the 13 surrounding wells in the immediate area, only two of these wells covered the zone in question. (It should be noted here, that, the zones in question in these two wells were not covered to protect a non viable water source, but only to reinforce stability of the casing placed inhole to make the wells capable of Oil and/or Gas production).

Of the remaining 13 wells (11), NONE COVERED THE ZONE IN QUESTION NOR HAVE THESE OPERATORS BEEN APPROACHED

**IN THE MANNER DEALT TO MGMI. THUS, MGMI IS BEING
UNDUELY SINGLED OUT TO PERFORM UNNECESSARY WORK AT
GREAT EXPENSE TO IT'S INVESTORS.
IF THIS RULE IS TO APPLY TO MGMI, THEN IT MUST BE APPLIED
TO ALL THE SURROUNDING OPERATORS.**

Since this is a "Notice of Alleged Violation", MGMI asks that the Commission produce beyond a reasonable doubt, some data or physical evidence – per Rule 522-a-3, which justifies the necessity of expending the resources and large monetary output of monies necessary to cover this non viable, non drinkable saline zone.

In addition to the data provided, in the course of soliciting bids for the work you require on this well, Murfin Drilling Company and Eastern Colorado Well Services (Recognized Experts for this type of work), both have indicated that they strongly doubt that the work can be achieved. They feel, that, because of the excess of cement the Commission ordered to be placed in the Dakota Formation, that the drill bit will eventually just bounce off this cement causing the hole to be severely deviated and ultimately result in the loss of the hole. This will prevent any possibility of covering the saline zone the Commission has described as the "Cheyenne Formation.

For your convience, a table has been included at the end of this summary indicating those points MGMI considers salient along with the Commission's responses and pertinent accompanying data if any.

Monetary expenditures will not be discussed at this time – i.e. lawyers, professional help, drafting, copies, etc., as we see no avenue at this time to recover these costs. However, these costs have been recorded and itemized and will be dealt with if another course of action proves necessary.

Please understand that MGMI and it's principles are concerned over our future water resources and are dedicated to full cooperation with State Agencies to protect the viable freshwater drinking resources available. But we are justifiably opposed to expending large amounts of time and monies to protect those useless, highly saline, non viable, non drinking reservoirs such as the zone in question, when MGMI has already complied with Rule 319-a-1.