

DAWSON, NAGEL, SHERMAN & HOWARD

1900 FIRST NATIONAL BANK BUILDING

DENVER, COLORADO 80202

266-3401 AREA CODE 303

December 27, 1974



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COLO. OIL & GAS CONS. COMM.

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TXW 910-931-0812

Continental Oil Company
152 North Durbin
Pacific Western Life Bldg.
Casper, Wyoming 82601

Attention: Mr. W. C. Blackburn

Dear Mr. Blackburn:

Re: Kodak Well No. 1
Weld County, Colorado

As attorneys for Eastman Kodak Company, we hereby confirm Tuesday's telephone conversation and notify you that Eastman Kodak Company elects to complete the above well as an emergency fire-fighting water well. This election is to be effective after (i) the well has been plugged in accordance with the rules of the Oil and Gas Conservation Commission, (ii) a removable bull plug has been placed in the top of the surface casing, and (iii) all reports required by the Commission have been approved. This letter does not affect any of the other obligations under the oil and gas lease, as amended, or relieve the operator or lessees of any other obligations.

Pursuant to Oil and Gas Conservation Commission Rule 331(g), we state that:

(1) Eastman Kodak Company is the landowner and desires such utilization, and

(2) Eastman Kodak Company assumes the responsibility to plug the well above the top plug set by Continental if it is ever abandoned as a water well. This would be done in accordance with the appropriate rules then in effect.

Because the well will be plugged so soon, it may not be possible to have the final permit for a water well approved by the Division of Water Resources before the well is abandoned. We discussed this matter with Mr. Frank J. Piro, Secretary of the Oil and

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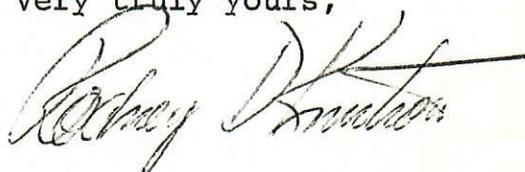
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Gas Conservation Commission, and Mr. William R. Smith, Deputy State Engineer, on December 20, 1974, and agreed on the following procedure:

- (1) Continental Oil Company will proceed with obtaining the necessary approval to plug and abandon the well.
- (2) The top of the shallow plug will be set at approximately 300 feet, at the bottom of the deepest water-bearing gravel.
- (3) After that has been done, the Oil and Gas Commission will allow the well to be administered as a water well under the authority of the State Engineer.
- (4) Eastman Kodak Company will obtain all necessary permits from the State Engineer. It will plug the well (if ever so directed) in accordance with the State Engineer's directions.
- (5) Eastman Kodak Company will provide the Commission with a copy of the well permit when it is approved. A copy of the permit application form filed today is enclosed.

If there are any questions regarding these procedures, please contact me, Mr. Piro, or Mr. Smith.

Very truly yours,



RDK/11
enclosure

cc: Mr. W. Smith, Deputy State Engineer
Mr. F. Piro, Secretary, Oil and Gas Conservation Commission ✓
Mr. Clark R. Colton, Colton & Colton
Eastman Kodak Company, Legal Department
Eastman Kodak Company, Kodak Colorado Division