



DEPARTMENT OF NATURAL RESOURCES
Roy Romer, Governor
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James J. Adkins
Northwest Area Engineer
P.O. Box 98
Loma, Colorado 81524

Robert Loveland
Allie Oil Company
565 Sandrock Drive
Craig, Colorado 81625

January 3, 1997

Re: Compliance requirements for Violations at the
Bear Victor #16-11, API# 107-06041, SESE, SEC 11, T6N, R87W
Tow Creek #7-14, API# 107-06050, SWNE, SEC 14, T6N, R87W
MacKinlay #1, API# 107-05206, SESE, SEC 23, T6N, R87W

Dear Mr. Loveland,

We have received your December 9, 1996 letter and found your proposal to resolve the above issues unacceptable. As written, your proposal is open ended with no firm compliance deadline for the plugging and cementing work.

Because of your stated concerns for the health of your partner Mr. Eilts the commission will extend the deadline for the plugging of the MacKinlay #1 and remedial cementing work on the Bear Victor #16-11 to February 15, 1997 as requested. There will be no further extensions for weather or contractor difficulties. The other terms and conditions you agreed to remain unchanged.

One other item will be necessary because of the extension. The current bond intended to provide surety on the MacKinlay #1 refers to the well as the BMG #2. In order for us to extend the deadline you must file a sundry notice changing the well name back to BMG #2. This, like the other paperwork issues must be completed by January 15, 1997.

If you have any questions or comments please contact me at (970) 858-7521.

Sincerely,