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2 July 1981

United States Dept. of the Interior Geological Survey - Conservation Div. District Oil & Gas Office P.O. Box 3768 Grand Junction, Colorado

Re: Incidents of Noncompliance

Federal Leases - Brandon Field

Kiowa County, Colorado

Attn: John L. Price

Dear Mr. Price:

The purpose of this letter is to inform you of corrections made to "Incidents of Noncompliance" cited in your letter dated May 4, 1981 and your subsequent letter dated June 9, 1981. Attached please find sundry notices for wells USA Butler #1, USA Butler #1-X, USA Butler #2, and USA #1-15.

We notified Mr. Floyd McMullen with the BLM this date of our intentions to begin work on the main roads, reclamation of old roads and installation of diking and fencing around the batteries. To date we have installed locks and seals on all storage tanks, cleaned up oil and produced fluids in and around the batteries, replaced wind eroded soil, installed missing plugs on sales lines and cleaned heater treater houses.

We have contacted Oilind Safety Engineering Ltd., to monitor HoS concentrations in the area and will notify your office of our contingency plans once Oilind's evaluation is complete.

All necessary forms will be filed with your office as soon as all work is complete. If you should have any questions concerning progress of the work please contact Roger Olgaard in our Denver office (303) 839-5525 or Bill Koehler in our Brandon office (303) 729-3391.

Respectfully,

INEXCO OIL COMPANY

W.R. Emmett

Division Operations Manager

REO/jal

Bill Koehler

Roger Olgaard

Fred Van Matre N.A. Prince

Reuben Blount