



Redstone Resources, Inc. *SB 258*

Exhibit No. 2
Date 2-3-05
File No. 53258

Mr. David Tate
520 Hall Road
HCR 77
Gillette, Wyoming 82716

June 19, 2002

**Re: Wildcat Creek Waterflows
Rough Draw Field
Campbell County, Wyoming**

Dear Dave:

Enclosed please find the Wildcat Creek flow data Redstone Resources, Inc. has collected from daily weir readings within the Wildcat Creek drainage that you requested.

A few notes about the data:

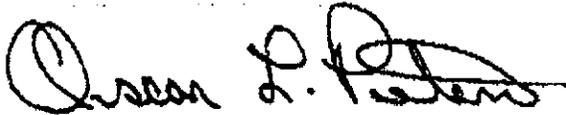
- The Harris weir is located in the NE/4, SW/4, Sec. 8, T52N-R73W.
- The Jamison Prong weir is located in the SE/4, NE/4, Sec. 33, T53N-R73W at the confluence of the Jamison Prong and Soukoup Draw channels.
- The Butcher weir is located in the SW/4, SE/4, Sec. 21, T53N-R73W.
- The days where no readings were taken was due to muddy conditions, and no readings were taken in an effort to minimize surface damages when possible.
- The high flow readings at the Jamison Prong and Butcher weirs from May 30th thru June 6th were due to a release by Devon on Butcher Trust land in Sec. 5, T52N-R73W.
- The high flow readings from June 14th thru June 18th were due to a reservoir release upstream of the Harris weir. This was most likely by Devon in the North Kitty Field.

We are aware of statements by both Devon Energy Corporation and Wyoming DEQ personnel that Redstone has made releases from reservoirs since May 1st; I will go on record that Redstone Resources, Inc. has not made a CBM reservoir release since April 1, 2002. The reason for this is that we are strictly regulated by the Wyoming DEQ not to release from April 1st thru October 1st of each calendar year, as this time period is considered the irrigation season.

Redstone Resources, Inc. has invested a significant amount of time and capital to manage water within the Rough Draw Field, and I take strong exception to anyone who says we are skirting our requirements. I would also state that our field personnel (Larry Curtis, David Tysdal and Doug Livingston to name a few) take great pride in the operation of our field, and to accuse them of not doing their job may be risking significant physical harm.

I hope this is the information you need, and if I can do anything to assist you further in this matter please call me at (303) 893-0283 ext. 11.

Sincerely,

A handwritten signature in black ink, appearing to read "Oscar L. Peters". The signature is fluid and cursive, with a large initial "O" and a long horizontal stroke at the end.

Oscar L. Peters
VP of Operations & Engineering

CC: Larry Curtis, Newcastle Office