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JONES VARGAS

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March 24, 2003

Mr. Peter Krueger Western Petroleum Marketers Assn. 2205 S. Arlington Ave., Ste. 3 Reno, NV 89509

Re:

Senate Bill 422

Dear Peter:

As we previously discussed, WSPA desires to make some minor changes to Nevada's divorcement law, which is accomplished by Senate Bill No. 422.

Simply stated, the purpose of Senate Bill 422 is to allow a refiner to operate a service station acquired from a retailer or a contract dealer. Much of the language of the bill was provided by the Legislative Council Bureau to update the existing law. As you will note, most of Section 1 of the bill eliminates obsolete references to 1997 and 1998 provisions. Also, Section 2 of the bill, which was added by the Legislative Council Bureau, clarifies that a refiner could not commence the direct operation of a service station acquired from a retailer, if the refiner would exceed the number limitation for company-operated stations set forth in NRS 597.440. You will note that the bill also repeals NRS 597.443 and 597.446, since these would be unnecessary with the changes I have discussed above.

If you have any questions regarding this explanation, please contact me.

Very truly yours,

JONES VARGAS

John P. Sande, III

JPS:nkb

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EXHIBIT I Senate Committee on Commerce/Labor

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