

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Warrants	\$ 0.75	01/12/2009		A ⁽³⁾		300,000		01/12/2009	12/31/2018	Common Stock
Deferred Compensation Obligation	\$ 0.75	01/12/2009		A ⁽⁴⁾		\$ 66,076		01/12/2009	12/31/2009	Common Stock
Deferred Compensation Obligation	\$ 0.75	01/12/2009		C ⁽¹⁾		\$ 66,076		01/12/2009	12/31/2009	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH MARK A BOX 566 CRESTONE, CO 81131	X		President	

Signatures

/s Mark A.
Smith

01/15/2009

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Represents conversion of deferred compensation due on 12/31/08 of \$66,076 into 88,102 shares of common stock at \$.75 per share.
- (2) Represents acceptance of "pre-payment" of 2009 base compensation of \$150,000 for 200,000 shares at \$.75 per share.
- (3) Represents warrant to purchase 300,000 shares of common stock at \$.75 per share until 12/31/08 issued as \$30,000 of a \$37,500 bonus.
- (4) Represents option to convert the deferred compensation due on December 31, 2008 of \$66,076 to 88,102 shares of restricted common stock at \$.75 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.