



DIVISION OF  
CORPORATION FINANCE  
MAIL STOP 7010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
100 F Street, NE  
WASHINGTON, D.C. 20549-7010

August 11, 2008

Mr. Michael Neufeld  
Chief Executive Officer  
Pegasi Energy Resources Corporation  
218 N. Broadway, Suite 204  
Tyler, Texas 75702

**Re: Pegasi Energy Resources Corporation**  
**Form 10-KSB for Fiscal Year Ended December 31, 2007**  
**Filed April 21, 2008**  
**File No. 333-134568**

Dear Mr. Neufeld:

We have completed our review of your Form 10-KSB and related filings and do not, at this time, have any further comments.

Sincerely,

Jill S. Davis  
Branch Chief