



DIVISION OF  
CORPORATION FINANCE  
MAIL STOP 7010

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

August 9, 2007

Mr. Ian T. Bothwell  
Chief Financial Officer  
Penn Octane Corporation  
77-530 Enfield Lane, Building D  
Palm Desert, California 92211

**Re: Penn Octane Corporation**  
**Form 10-K for Fiscal Year Ended December 31, 2006**  
**Filed April 17, 2007**  
**File No. 0-24394**

Dear Mr. Bothwell:

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

Sincerely,

April Sifford  
Branch Chief