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1                   BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
2                                   OF THE STATE OF COLORADO

3

4       IN THE MATTER OF THE REQUEST TO                   ) CAUSE NO. 1  
5       DETERMINE AND AWARD PROCEEDS DUE TO       ) Docket 8-7-16  
6       ROYALTY INTEREST OWNER FROM THE           )  
7       MEYER OIL COMPANY FOR A WELL LOCATED       )  
8       IN THE HOLLAND WEST FIELD, BOULDER       )  
9       COUNTY, COLORADO                           )

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8

**ORIGINAL**

9                   PURSUANT TO NOTICE to all parties in  
10       interest, the above-entitled matter came duly on for  
11       hearing in the State Services Building, 1525 Sherman  
12       Street, Room 620, Denver, Colorado 80203, on Monday,  
13       August 22, 1994.

14

**RECEIVED**

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BEFORE:

**DEC 19 1994**

16

Commissioner John Campbell

COLO. OIL & GAS CON.S. COMM.

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Chairman Mary Larson

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Commissioner Logan MacMillan

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Commissioner Bruce Johnson

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Commissioner Judith Brazie

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Richard Griebeling, Director

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Brian Macke, Deputy Director

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Patricia Beaver, Technical Secretary

1                   CHAIRMAN LARSON:   Okay.   Can we start  
2 again?   I would like to reverse the next two docket  
3 matters, which both involve Meyer Oil Company, and  
4 hear the Hindman matter first, and in deference to  
5 people's schedules.

6                   So, I would like to hear Cause No. 1,  
7 Docket No. 8-7-16.   The applicant is Nancy S.  
8 Hindman.   The subject is the request to determine an  
9 order of proceedings due to royalty interest owner  
10 from the Meyer Oil Company, since 1990, on the Dodd  
11 No. 1 well, located in the northwest quarter  
12 northeast quarter, Section 25, Township 2 North,  
13 Range 70 West, and this was continued from the July  
14 hearing to get more information on oil prices and --  
15 I mean gas prices, and to determine whether the  
16 parties could agree on the amount owed.

17                   MR. HINDMAN:   I thought it was.   This  
18 is a continuation.   I am speaking for my wife, Nancy  
19 Hindman.   I am Pat Hindman.   We have met with Mr.  
20 Meyer since the last meeting.   And there in this  
21 packet are two charts, one relating to the production  
22 on the Dodd well and the other relating to expenses  
23 we have incurred, trying to collect our proceeds from  
24 that well.

25                   As I say, we have met with Mr. Meyer

1 and gone over these, and he's agreed with us that the  
2 expenses and the interests on the well are adequate  
3 and fair, and the dollar per MCF that he -- MCF that  
4 he asked or suggested was correct the last time we  
5 talked to Vessels Oil, and that is, in fact,  
6 correct. We have changed that.

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8 relating to attempting to get these proceeds. At  
9 that time he said these expenses were very fair and  
10 honest, and that if we had retained a lawyer, that it  
11 would have been many, many times higher than that,  
12 but after all of these discussions, we still have no  
13 income from the proceeds and the well continues to  
14 produce and Mr. Meyer continues to receive the  
15 proceeds, and that's where we are today.

16 So, if you have any questions, I don't  
17 know that I need to read this whole letter, but if  
18 you have any questions, I will be glad to answer  
19 them.

20 In summary, we would like for the  
21 commission to formally order Mr. Meyer to pay, with  
22 interest, the amount which is legally and rightfully  
23 owed. And we further request that the commission  
24 order that the Dodd 25-1 be plugged and the site be  
25 cleaned in compliance with the rules set forth by

1 this commission. We're not looking forward to  
2 monitoring the Meyer Oil situation for the next ten  
3 years on this well.

4 So, if you have questions, say,  
5 pertaining to the expenses, I think it's very  
6 reasonable, we have documented them. I have  
7 receipts, where appropriate, to back them up.

8 CHAIRMAN LARSON: Thank you.

9 MR. MEYER: Okay. Were the expenses  
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11 contest any of the royalties or expenses. I just  
12 don't have any money. I am not going to argue with  
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24 it's supposed to go. That would certainly be one  
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1                   CHAIRMAN LARSON: I think the first  
2 issue we should address is whether we enter an order  
3 awarding Nancy Hindman total expenses and royalties  
4 plus interest as requested by Ms. Hindman of  
5 \$1,873.76.

6                   MR. MONAHAN: Under the statute, you  
7 have the authority to award the amount of royalties  
8 that are due, the interest that is due, and you also  
9 have the authority to indicate that -- or award  
10 reasonable attorney's fees and costs to the  
11 prevailing parties, which are the types of things  
12 that are listed in the submittal that the commission  
13 has today.

14                   CHAIRMAN LARSON: All right. And as  
15 far as going beyond that, I am not clear on what our  
16 authority is, but I think, first, we should determine  
17 the issue of whether we award \$1,873.76 to Ms.  
18 Hindman.

19                   MR. MONAHAN: That's, I think, that's  
20 appropriate.

21                   CHAIRMAN LARSON: In light of the fact  
22 that Mr. Meyer doesn't dispute any of these costs, I  
23 would suggest that we do it as a commission order.

24                   COMMISSIONER JOHNSON: So moved.

25                   CHAIRMAN MacMILLAN: Second.

1 (Whereupon the vote was called.)

2 CHAIRMAN LARSON: Motion carries.

3 Now, with respect to the additional  
4 relief requested by Mr. Hindman, I am not sure it's  
5 in the notice as far as you mentioned plugging and  
6 abandoning the well, and also putting some sort of a  
7 lien, I take it, on award of proceedings, and I am  
8 not clear on our authority to do any of those things,  
9 given the notice and also just given our statutory  
10 authority.

11 MR. MONAHAN: Section 118.5 that talks  
12 about payments of proceeds and proceeds hearings,  
13 sets forth how you award proceeds to prevailing  
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15 section, and I think that's the issue that you are  
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19 the purchaser of the oil pay that money to the  
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23 concerning whether or not, based on a lack of payment  
24 of proceeds, you can order that the well be plugged  
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1                   This, as I understand, is a producing  
2 oil and gas well, and it continues to produce. In  
3 light of the fact that the Oil and Gas Act does not  
4 discuss these types of remedies, and there is  
5 existing Colorado case law that indicates that all  
6 state agencies are of limited authority, and you only  
7 have the authorities that are expressed within your  
8 statute, I would counsel the commission against  
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20                   MR. HINDMAN: Then, if I understand,  
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1 to be much more than they are now, the thing that  
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3 We're going to be back here in six months, asking for  
4 additional proceeds. And this is not going to solve  
5 anything. But if you don't have the authority to do  
6 this, I don't know what else to say.

7 CHAIRMAN LARSON: Contact your  
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9 statute.

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13 our authority is limited here. We're giving you the  
14 relief that we do have the authority to give you  
15 and --

16 MR. HINDMAN: All right.

17 CHAIRMAN LARSON: You will be  
18 receiving a written order.

19 MS. BEAVER: That's correct.

20 CHAIRMAN MacMILLAN: One other thing,  
21 if we look at No. 5 here, ask staff to -- Rich.

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23 as, you know, the next item we're going to hear on  
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7 MR. MONAHAN: Let's discuss that  
8 issue, when the next matter that comes up.

9 CHAIRMAN LARSON: I don't think that's  
10 part of this hearing.

11 MR. GRIEBLING: I raise it as an  
12 option you might have in the future.

13 COMMISSIONER CAMPBELL: Can we direct  
14 staff to get copies of this proceeding? Can we do  
15 that?

16 MS. BEAVER: Direct staff to get --

17 COMMISSIONER CAMPBELL: Copies of the  
18 proceedings from him.

19 MS. BEAVER: The minutes are obtained  
20 through Midyett Reporting Service.

21 CHAIRMAN LARSON: You will receive an  
22 order, outlines what we have --

23 MS. BEAVER: To have a copy of  
24 everything that's been said, I can provide you with  
25 Midyett --

1 MR. HINDMAN: I would like a copy of  
2 what's been said as pertains to us.

3 MS. BEAVER: You can just reference  
4 this call number and docket number to Midyett, and  
5 they can provide you just this portion.

6 CHAIRMAN MacMILLAN: Have you seen a  
7 copy of the letter to the Oil and Gas Commission?

8 MR. MEYER: No.

9 CHAIRMAN MacMILLAN: Let me direct  
10 your very, very focused attention to Part No. 5,  
11 which is the well site itself. I would like to ask  
12 staff to inspect the well in question so that we can  
13 get those things taken care of.

14 MR. MEYER: Before the hearing, I  
15 might mention, he had pointed out to me he didn't  
16 like the weeds around the well, so, before the  
17 hearing, I conferred with him, told him they would be  
18 done by this weekend.

19 CHAIRMAN LARSON: Well --

20 COMMISSIONER MacMILLAN: Well,  
21 obviously this has been going on for a while.  
22 Whatever we need to do, to improve communications  
23 between the two of you, we're going to do, but it's  
24 not nearly as good as you all doing them yourself.  
25 And if staff gets involved, then we're looking for

1 some kind of report back, which may be a notice of  
2 violation, which, as you've seen, isn't an  
3 inexpensive venture for you.

4 MR. HINDMAN: I would like to mention  
5 one other thing before this is over. I know this is  
6 very time-consuming and expensive for you all too.  
7 But, there's going to be three other interest owners  
8 notified or notifying you that they are not receiving  
9 any proceeds either. So, you may have to go through  
10 this more than one time, with one party.

11 CHAIRMAN LARSON: Thank you.

12 MR. HINDMAN: That's it.

13 CHAIRMAN LARSON: That's it.

14 MR. MEYER: I might point out one  
15 thing on this letter, since I have had an opportunity  
16 to look at it. Item No. 4, that one tickled me to  
17 death. The reason I got in this situation, when I  
18 bought these wells, Adobe Well out of Texas purchased  
19 the gas on these wells. Nice clean deal, no  
20 distribution for me. After they later sold that plat  
21 gas to Vessels, which did not offer any distribution,  
22 I tried to get them to distribute the revenues to the  
23 royalties owners and they, for 500 a month a well,  
24 they would, which is more than what the gas off the  
25 wells came to. That's basically how this thing came

1 up on the -- I thought it was a nice clean deal.  
2 Because of my procrastination and lack of funds, I  
3 got in the hole.

4 MR. HINDMAN: We have no problem who  
5 distributes the funds. Just the fact that no one is.

6 MR. MONAHAN: Without the existence of  
7 a payment agreement, Mr. Meyer is responsible for  
8 making those payments to you, and the first purchaser  
9 of that oil and gas is not, unless there is, in fact,  
10 a written agreement concerning those payments.

11 COMMISSIONER JOHNSON: They could  
12 agree to that between the two of them.

13 MR. MONAHAN: They could. You are  
14 hearing from Mr. Meyer that his first purchaser of  
15 the oil and gas requires \$500 a month to make those  
16 distribution payments on his behalf.

17 (Thereupon this portion of the  
18 proceedings were concluded on Monday, August 22,  
19 1994.)

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CERTIFICATE

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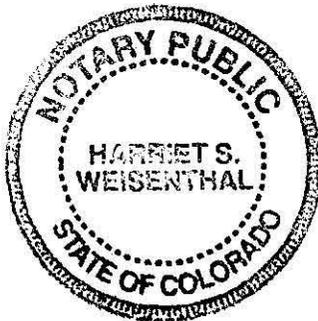
STATE OF COLORADO ) ss  
CITY AND COUNTY OF DENVER )

I, Harriet S. Weisenthal, Certified Shorthand Reporter and Notary Public for the City and County of Denver, State of Colorado, do hereby certify that the foregoing proceedings were taken in shorthand by me at 1525 Sherman Street, Denver, Colorado on the 22nd day of August, 1994, and was reduced to computer-aided typewritten form under my supervision;

That the foregoing is a true transcript of the proceedings had; that I am neither attorney nor counsel, nor in any way connected with any attorney or counsel for any of the parties to said action or otherwise interested in the event;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 1st day of September, 1994.  
My Commission expires October 15, 1997.

*Harriet Weisenthal*  
Harriet S. Weisenthal





1#183

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

RECEIVED  
OCT 28 1994

COLO. OIL & GAS CONS. COMM.

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IN THE HOLLAND WEST FIELD, BOULDER )  
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14 relief that we do have the authority to give you  
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17 CHAIRMAN LARSON: You will be  
18 receiving a written order.

19 MS. BEAVER: That's correct.

20 CHAIRMAN MacMILLAN: One other thing,  
21 if we look at No. 5 here, ask staff to -- Rich.

22 MR. GRIEBLING: I might just comment  
23 as, you know, the next item we're going to hear on  
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24 not nearly as good as you all doing them yourself.  
25 And if staff gets involved, then we're looking for

1 some kind of report back, which may be a notice of  
2 violation, which, as you've seen, isn't an  
3 inexpensive venture for you.

4 MR. HINDMAN: I would like to mention  
5 one other thing before this is over. I know this is  
6 very time-consuming and expensive for you all too.  
7 But, there's going to be three other interest owners  
8 notified or notifying you that they are not receiving  
9 any proceeds either. So, you may have to go through  
10 this more than one time, with one party.

11 CHAIRMAN LARSON: Thank you.

12 MR. HINDMAN: That's it.

13 CHAIRMAN LARSON: That's it.

14 MR. MEYER: I might point out one  
15 thing on this letter, since I have had an opportunity  
16 to look at it. Item No. 4, that one tickled me to  
17 death. The reason I got in this situation, when I  
18 bought these wells, Adobe Well out of Texas purchased  
19 the gas on these wells. Nice clean deal, no  
20 distribution for me. After they later sold that plat  
21 gas to Vessels, which did not offer any distribution,  
22 I tried to get them to distribute the revenues to the  
23 royalties owners and they, for 500 a month a well,  
24 they would, which is more than what the gas off the  
25 wells came to. That's basically how this thing came

1 up on the -- I thought it was a nice clean deal.  
2 Because of my procrastination and lack of funds, I  
3 got in the hole.

4 MR. HINDMAN: We have no problem who  
5 distributes the funds. Just the fact that no one is.

6 MR. MONAHAN: Without the existence of  
7 a payment agreement, Mr. Meyer is responsible for  
8 making those payments to you, and the first purchaser  
9 of that oil and gas is not, unless there is, in fact,  
10 a written agreement concerning those payments.

11 COMMISSIONER JOHNSON: They could  
12 agree to that between the two of them.

13 MR. MONAHAN: They could. You are  
14 hearing from Mr. Meyer that his first purchaser of  
15 the oil and gas requires \$500 a month to make those  
16 distribution payments on his behalf.

17 (Thereupon this portion of the  
18 proceedings were concluded on Monday, August 22,  
19 1994.)

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CERTIFICATE

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STATE OF COLORADO ) ss  
CITY AND COUNTY OF DENVER )

I, Harriet S. Weisenthal, Certified Shorthand Reporter and Notary Public for the City and County of Denver, State of Colorado, do hereby certify that the foregoing proceedings were taken in shorthand by me at 1525 Sherman Street, Denver, Colorado on the 22nd day of August, 1994, and was reduced to computer-aided typewritten form under my supervision;

That the foregoing is a true transcript of the proceedings had; that I am neither attorney nor counsel, nor in any way connected with any attorney or counsel for any of the parties to said action or otherwise interested in the event;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 1st day of September, 1994.

My Commission expires October 15, 1997.

*Harriet Weisenthal*

Harriet S. Weisenthal

