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OIL AND GAS CONSERVATION COMMISSION

STATE OF COLORADO

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REPORTER'S TRANSCRIPT

Cause No. 1, Docket No. 2-1-4
 Young Field, Morgan County
 February 20, 1996

1-61
 part 1 of 2

The February 1996 meeting of the Colorado Oil and Gas Conservation Commission commenced on Tuesday, February 20, 1996, at the hour of 8:35 a.m., at the offices of the Colorado Oil and Gas Conservation Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado.

ORIGINAL

COMMISSIONERS PRESENT:

Allan Heinle (Chairman)
 Bruce Johnson
 Logan MacMillan
 Michael Matheson
 Claudia Rebne
 Marla Williams

Patricia C. Beaver
 Morris Bell
 Richard Griebeling, Director
 Brian Macke

PROCEEDINGS

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CHAIRMAN HEINLE: Why don't we --
why don't we go ahead and get back on the record.
We've got a quorum present so we can get started.

The next -- next item on the docket is
Cause No. 1, Docket 2-1-4, Young Field, Morgan County.
The applicant is Wendell and Margaret Wacker. The -- this
is a request for a hearing regarding matters in Young
Field. And as I recall, this is a continuation from the
January snowstorm.

Mr. and Mrs. Wacker, you're present?

MR. WACKER: Yes, we are.

MRS. WACKER: Yes, we are.

CHAIRMAN HEINLE: Would you mind coming --
coming forward and perhaps sitting in front here. I've
had an opportunity --

COMMISSIONER MacMILLAN: Chairman Heinle.

CHAIRMAN HEINLE: Yes.

COMMISSIONER MacMILLAN: Excuse me to
interrupt, but before you get into this, I'd like to make
a statement for the record.

I've had a chance to speak with Mr. Wacker
on June 23, 1995, about matters that may be related to
this case. However, I don't believe that our conversation
would prejudice me in any way in hearing the matter.

1 CHAIRMAN HEINLE: Are there any concerns
2 from anybody in the audience regarding Commissioner
3 MacMillan's disclosure?

4 MR. WILLIAMS: Your Honor --

5 CHAIRMAN HEINLE: Could you please
6 identify yourself for the record.

7 MR. WILLIAMS: Michael Williams. I'm an
8 in-house attorney with Colorado Interstate Gas Company,
9 the operating partner in Young.

10 At this time, we're willing to accept
11 Mr. MacMillan's statement at face value, and we have no
12 objection.

13 CHAIRMAN HEINLE: Okay. Thank you.

14 I had the opportunity to read the
15 application. And I guess I've got some personal concerns
16 as to whether this Commission has jurisdiction over these
17 issues. However, what I'm -- what I'm inclined to do is,
18 you know, these applications are sometimes difficult to
19 fill out and there may be additional information that you
20 have that was not contained in the application that may
21 be of some merit.

22 And what I'm inclined to do is, perhaps
23 give you 20 or 30 minutes to present this information.
24 And at that point, I'm going to turn to our representative
25 from the attorney general's office and ask for a ruling

1 regarding jurisdiction.

2 (Commissioner Williams entering the room.)

3 CHAIRMAN HEINLE: And maybe I can even be
4 a little more specific. In regard to the injection well
5 matters, it appears that that well has met the rules and
6 regulations of the Oil and Gas Commission. Being that
7 the -- your interest was outside the designated radius
8 in regard to the condemnation proceedings, that appears to
9 be something that is out of the Oil and Gas' jurisdiction.

10 So those are the two areas that I'm
11 concerned about. Those are also the two matters before
12 us. So if -- if you would like to take 20 -- 20 minutes
13 or so to provide whatever additional information you think
14 is relevant, I am going to ask the attorney general to
15 rule on it at that point.

16 MR. WACKER: I also have a gentleman,
17 Richard Clark, that has a complaint about the Well No. 11.
18 It's a --

19 CHAIRMAN HEINLE: I -- I don't want
20 to really get into testimony at this point, although
21 I am going to swear you in. I want to see what materials
22 you have relative to those two items so the attorney
23 general can make a ruling on it because if we do not
24 have jurisdiction, you know, I don't want to take up
25 everybody's time here on a matter that is best dealt

1 with elsewhere.

2 So is there anything you'd like to say
3 before we proceed?

4 MS. COULTER: I think I would.

5 Mr. and Mrs. Wacker, even if this
6 Commission doesn't have jurisdiction over your case -- and
7 that jurisdiction is provided to us by the legislature of
8 Colorado. It tells us what we can hear and what we can't
9 hear.

10 Even if we don't have jurisdiction over
11 this case, that doesn't mean you don't have other legal
12 remedies. And I think you should just keep that in mind
13 pending the outcome of this matter. You may -- you may
14 want to explore other legal remedies that may be open to
15 you.

16 And I think what Commissioner Heinle
17 is indicating is that we have a jurisdictional issue
18 with respect to whether or not you're an interested
19 party who has the ability to file an application before
20 this Commission. And generally with respect to these
21 underground injection wells, we're looking at anybody
22 within a quarter-mile radius as being an interested party.

23 And I think -- so Commissioner Heinle is
24 interested in receiving some information from you about
25 how we might have jurisdiction over this matter with

1 regard to whether or not you're within a quarter-mile
2 radius and how this Commission might have jurisdiction
3 as to whether or not a taking might occur.

4 And I might indicate that those are fairly
5 substantial legal issues for you to provide us some
6 evidence about today.

7 CHAIRMAN HEINLE: Exactly. Thank you.

8 Mr. Wacker, would you raise your right
9 hand, please.

10 WENDELL WACKER,
11 having been called as a witness on behalf of the
12 applicant, being first duly sworn upon his oath,
13 testified as follows:

14 CHAIRMAN HEINLE: Would you state your
15 name for the record.

16 MR. WACKER: Wendell Wacker, Fort Morgan,
17 Colorado. Address is 17420 County Road W.

18 CHAIRMAN HEINLE: Thank you.

19 Do you have some materials that you'd like
20 to hand out before we proceed?

21 Oh, my legal representative just informed
22 me that we might want to determine the issue of -- of
23 legal jurisdiction before looking at the exhibits.

24 But what -- do the exhibits themselves
25 lend to the issue of jurisdiction?

1 MR. WACKER: Some of them will; some of
2 them won't.

3 MS. COULTER: I suggest you submit the
4 ones that relate to jurisdiction.

5 MR. WACKER: They're all tied in together.
6 If I have to give you one, I have to give you all of them.

7 MS. COULTER: I'd go ahead and accept
8 them. But we expect your references to be solely to
9 jurisdiction at this point.

10 MR. WACKER: Those two points that --

11 MS. COULTER: Whether or not we have
12 jurisdiction to hear the issue and whether or not you're
13 within a quarter-mile radius.

14 MR. WACKER: I'm not so sure.

15 But let's start off with the Injection
16 Well No. 31.

17 And I don't know. I need to ask some
18 questions on this. What was the variance on the well
19 because there's a variance of 1- to 2-percent --

20 MRS. WACKER: Deviation.

21 MR. WACKER: -- deviation. Is that not
22 right? And I was wondering if they -- if CIG could answer
23 that.

24 Was that a zero deviation or -- because it
25 makes a difference because if it's a 2-percent deviation

1 and it goes to the east, then I am within that quarter
2 mile because it's the bottom hole that counts, where the
3 bottom is of the well.

4 CHAIRMAN HEINLE: Are you aware of any
5 surveys that were -- directional surveys that were
6 obtained on the well that could indicate as to the bottom
7 hole location?

8 MR. WACKER: No. Just the top.

9 CHAIRMAN HEINLE: Okay.

10 MR. WACKER: And we're 30 feet out of that
11 quarter of a mile, and that includes the road. Road 17.

12 COMMISSIONER MATHESON: That's your
13 property boundary?

14 MRS. WACKER: Yes.

15 MR. WACKER: Yes. That would be the
16 property boundary.

17 CHAIRMAN HEINLE: If you'd like to pass
18 those out. I think we did have a clarification from the
19 attorney general that we could look at those, but try to
20 direct your comments to the question of jurisdiction.

21 Would you provide a packet to the CIG
22 representatives also.

23 (The applicant handing out documents to
24 the commission and the CIG representatives.)

25 MR. WACKER: Another deviation of the

1 well. My geologist made a calculation that if it was
2 at 6,000 feet, if it is a 2-percent deviation, it would
3 be 209 feet at the barn. And as you know, most of these
4 wells are not -- are not straight. They don't -- they
5 can't -- they're not straight from the surface down.
6 They do deviate one way or the other. And I don't know.
7 I don't have any information if it was checked for
8 deviation.

9 CHAIRMAN HEINLE: Is this calculation
10 included in this packet somewhere?

11 MR. WACKER: No, it isn't. I just have
12 one.

13 MS. COULTER: So, Mr. Wacker, the
14 testimony you're providing is, there's a possibility
15 of a deviation, but your geologist doesn't really know
16 whether --

17 MR. WACKER: Well, we have no way of
18 knowing. We've looked at the records and there's no way
19 of knowing from what we have. That's why I was wondering
20 if there was a deviation. And I have no way of knowing
21 that.

22 And it would make a lot of difference
23 where that bottom hole is, I would think, where it stops.
24 If it's to the west or to the east or in between.

25 CHAIRMAN HEINLE: Clearly, the only way

1 to know for certain would be if there was a -- a survey
2 in the files and not just a -- a survey of the angle of
3 deviation which is commonly run, but actually a bottom
4 hole survey because the angle that might be placed in the
5 record in terms of so many degrees, et cetera, et cetera,
6 to depth doesn't tell you the direction --

7 MR. WACKER: No. I understand that.

8 CHAIRMAN HEINLE: -- that the wellbore
9 is headed. So without a directional survey, it would be
10 difficult to ascertain the location of the bottom of the
11 well.

12 MR. WACKER: Okay. Then I have a question
13 on the 31 well they said would be under gravity flow.

14 CHAIRMAN HEINLE: This is the -- this is
15 the injection well?

16 MR. WACKER: Yes. Water injection well.
17 Thirty-one well still.

18 They stated that it would -- the
19 Commission stated that it would be a -- it would be
20 under no -- no pressure at the surface. But I have a --
21 in -- in that packet under G, there is a document from the
22 Oil and Gas Commission where -- where they had reported
23 that they had injected -- the ninth monthly injections --
24 they injected 7,448 barrels at a pressure of 32 pounds.
25 And at the tenth month, they injected 32,501 barrels at

1 a pressure of 56 pounds. And then over here, it has a
2 column of maximum pressure of 1600 pounds.

3 And so I was wondering what -- why --
4 if it's supposed to be gravity flow, how can we have a
5 pressure of 1600 pounds? And that would -- that would
6 just throw out all the calculations that Mr. Dillon made.

7 If it's gravity flow, that's one thing.
8 But if it's pressurized, that's another thing; how far
9 that water would go.

10 And Colorado law on the surface says,
11 one man cannot put waste water on another man's property.
12 Being an irrigator, I'm well aware of that because we have
13 to control our waste water on the surface. And I believe
14 the state laws would be the same underground.

15 And at a meeting in January 12, 1996,
16 CIG admitted that they would be putting water under my
17 property.

18 MRS. WACKER: And that's also in there.

19 MR. WACKER: That should also be in the --
20 in the record of the Oil and Gas Commission.

21 The -- if -- if 56 pounds at the surface
22 pressure, Mr. Dillon said -- I asked him the point that
23 if -- if we -- what was the pressure in the pipeline.
24 And he said he did not know and did not ask CIG. So I
25 don't know how he could do a calculation if he didn't know

1 those two things because 56 pounds would be a sprinkler
2 system. He said it would be piped up to a 4-inch pipeline
3 coming up to the 2-inch, 2 7/8-inch pipe and just letting
4 it drop down.

5 But there's no way that you could restrict
6 that at that point where it turns and goes down into the
7 ground and call it gravity flow. If there's pressure at
8 that point, there's going to be pressure going down.

9 CHAIRMAN HEINLE: Is there a specific rule
10 or regulation of the Commission's that you're focusing at?

11 I -- I gather, based on your testimony,
12 what your concern is, is that -- that water being injected
13 into the J Sand formation at this location is -- is going
14 onto your property underground.

15 MR. WACKER: Yes. It's continuous.

16 The J Sand is continuous in this area.

17 CHAIRMAN HEINLE: Is there a rule or
18 regulation that -- that you can direct me to maybe that
19 to -- that speaks as to that particular issue?

20 MR. WACKER: None except that the Colorado
21 law states that one -- one party cannot run waste water on
22 another party.

23 CHAIRMAN HEINLE: This is the --

24 MR. WACKER: That is a surface well.

25 CHAIRMAN HEINLE: Do you know which law

1 Mr. Wacker might be referring to?

2 MS. COULTER: Colorado laws are pretty
3 extensive. I can only imagine water quality, but it
4 wouldn't be within our jurisdiction.

5 CHAIRMAN HEINLE: I guess I was going to
6 rephrase the issue.

7 Are you aware of any rule or regulation
8 within our act, commission rules already, that deal with
9 migration of injection fluids?

10 MS. COULTER: I think this might fall
11 generally under issues relative to issues of protection
12 of correlative rights. That's where you might be able
13 to hear this. However, you know, that again is limited
14 by who is defined as an interested party. And that's the
15 topic we're here to discuss today.

16 CHAIRMAN HEINLE: Right.

17 COMMISSIONER MATHESON: And that's where
18 the quarter-mile rule comes into place.

19 MS. COULTER: Right.

20 COMMISSIONER WILLIAMS: What is the cite
21 on that quarter-mile rule?

22 MS. COULTER: It's Rule 323.e. And what's
23 indicated is that -- under statute, it's indicated that
24 interested parties may bring an application. And since
25 the Commission has authority to define its jurisdiction,

1 it's gone ahead and enacted certain rules.

2 Our rules are providing right now that
3 an interested party is a person who's deemed to receive
4 notice under these rules as one who might be saying
5 directly or indirectly injured or aggrieved.

6 And notice for underground injection wells
7 is specifically provided by 323.e. And that's indicating
8 anybody within one quarter mile of the proposed injection
9 well.

10 COMMISSIONER MATHESON: Can I ask a
11 question of staff?

12 CHAIRMAN HEINLE: Go ahead, Commissioner
13 Matheson.

14 COMMISSIONER MATHESON: Is the injection
15 of water in and of itself a concern for correlative
16 rights, that that water would -- would displace gas or
17 somehow injure the resource to the point where it couldn't
18 be recovered?

19 MR. GRIEBLING: Injection into the J Sand?

20 COMMISSIONER MATHESON: Right.

21 MR. GRIEBLING: We've reviewed some
22 geologic and well information at Young Field and
23 surrounding areas with respect to the J Sand. All the
24 information that we've seen indicates that the J Sand
25 is a very uniform, continuous sand body and that in order

1 for correlative rights to be an issue, there would have
2 to be an accumulation that if -- we can't -- can't imagine
3 existing based on the data that we've seen.

4 And indeed for that accumulation to exist,
5 there would have to be some sort of fault separation which
6 the well data doesn't support or some sort of structural
7 trap that the well data doesn't -- doesn't support between
8 the Young Field and the applicant's property.

9 So the correlative rights issue in the
10 J Sand, staff's review does not indicate that -- that
11 there would be an accumulation of oil and gas that could
12 be affected.

13 COMMISSIONER MATHESON: Help me out with
14 the reservoir engineering here a little bit. If it was
15 water flowing itself, would that just be basically -- help
16 to maintain reservoir pressure as much as anything else
17 or -- I mean, is it actually displacing some volume of gas
18 that would be lost?

19 CHAIRMAN HEINLE: Well, for displacement
20 to occur, you would need a pressure sink somewhere to
21 cause movement of the fluids that were being injected.
22 And without a pressure sink, I'm not sure what level
23 of migration is going to include -- be created in the
24 reservoir.

25 It needs a below-pressure source to

1 bank -- in the case of a traditional water flood, the
2 entire reservoir is under a low pressure. And by
3 introducing water into the injection wells, you physically
4 repressure the reservoir and bank oil to the low pressure
5 sources; i.e., the producing wells.

6 Now, in a situation where you've got a
7 reservoir at the normal reservoir pressure or near normal
8 reservoir pressure and you inject water, the amount of
9 migration of that fluid is going to be limited and the
10 amount of injectivity is going to be limited too because
11 you can -- you're going to have to go to high pressure
12 to get any water in.

13 I don't know if that answered your
14 question.

15 COMMISSIONER MATHESON: It helps.

16 CHAIRMAN HEINLE: Mr. Wacker, was there
17 anything else you wanted to -- to add?

18 MR. WACKER: On 31?

19 CHAIRMAN HEINLE: Yeah.

20 MR. WACKER: Yes, there is.

21 I have a well that is situated in
22 Section 13 which is 661 feet from my property. And there
23 is no bottom plug between the D and the J. And I asked
24 Mr. Dillon at one point in a telephone conversation --

25 CHAIRMAN HEINLE: Excuse me. Is this a

1 well that's been plugged and abandoned?

2 MR. WACKER: Yes, it is.

3 CHAIRMAN HEINLE: Okay. All right.

4 MR. WACKER: -- if there was a chance for
5 the water coming up from the J into the D and flooding
6 those minerals out. And he said, yes, that was a
7 possibility and it might require a plug.

8 And I was wondering if that had any
9 bearing on this because we're talking about two sands now,
10 the D and the J.

11 CHAIRMAN HEINLE: I gather from what
12 Director Griebeling has indicated though, the issue as to
13 correlative rights still focuses around whether there was
14 an accumulation of oil and gas.

15 And you do have a dry hole on your
16 property that --

17 MR. WACKER: Well, it was drilled in 1954.
18 And at that time, they weren't looking for -- they were
19 looking for crude oil. They weren't looking for gas.
20 There have been a lot of wells drilled and abandoned and
21 had gas and oil.

22 CHAIRMAN HEINLE: Did they -- did they
23 test either one of those zones when they drilled the well
24 that you're aware of?

25 MR. WACKER: One of them, I -- they did

1 test; and the other one, no, they never. They never had a
2 drill stem test run on it.

3 COMMISSIONER MATHESON: So there might not
4 be anything there.

5 MR. GRIEBLING: In the J Sand?

6 You're saying that there's not -- there's
7 clearly not an oil and gas connection in the J Sand.

8 Our review of the D Sand indicated
9 that there was some testing, but it doesn't appear that
10 there would be commercially developable oil and gas
11 accumulations in the D Sand.

12 CHAIRMAN HEINLE: I assume that the logs
13 that were available on Mr. Wacker's well are of an old
14 vintage and that it's difficult to do any reservoir
15 calculations of porosity or water saturation.

16 MR. GRIEBLING: I think -- I guess I'm not
17 sure I can adequately respond to that. I think you can do
18 some calculations in those areas.

19 There is a great deal of data available
20 because of the Young Field storage field operations. And
21 there's a great deal of reservoir pressure measurements
22 data that's occurred recently that is pretty -- pretty
23 solid data with respect to the D Sand. And there are very
24 strong indications that there is no effective permeability
25 on the east side of Young Field between the applicant's

1 minerals and Young Field.

2 And the way that data happened to be
3 gathered was that as CIG developed the field, they had
4 hoped to establish, I believe, some reservoir permeability
5 on sort of the east side of the field. And several wells
6 that were drilled encountered those -- encountered that
7 permeability. And actually, that decreased the area of
8 the field to be used to store data.

9 CHAIRMAN HEINLE: Were -- were there any
10 tests performed on the J Sand in Mr. Wacker's well or
11 nearby that might indicate that reservoir rock to be of
12 low permeability?

13 MR. GRIEBLING: I think -- I'm not in the
14 J Sand.

15 CHAIRMAN HEINLE: In the J Sand.

16 MR. GRIEBLING: My understanding is that
17 the J Sand had very reasonable permeability and was
18 continuous and wet, very much so. And all the wells that
19 penetrated the J Sand and could be evaluated, all of the
20 data indicates that the J Sand was a continuous --

21 MR. WACKER: There was some J Sand oil
22 about two miles from this field in what is called the
23 Boyington Field. And that's about roughly two miles away
24 or less. So there was some J Sand oil production.

25 CHAIRMAN HEINLE: Do you have any other

1 additional testimony that you would like to give regarding
2 this issue of jurisdiction of interested parties?

3 MR. WACKER: Not on -- not on the J Sand,
4 not on this one. But when we get into the Well 11 which
5 is a water injection into the D Sand, there is some.

6 Richard Clark would like to give some
7 testimony.

8 CHAIRMAN HEINLE: Well, we -- we still
9 have to resolve the issue of -- of jurisdiction as to --
10 as regards -- regarding interested parties before we get
11 into that matter as I understand it.

12 MS. COULTER: That's correct. And I'm
13 not sure that we have an application before us concerning
14 D Sand.

15 Is this a separate well that --

16 MRS. WACKER: No.

17 MR. WACKER: It is a separate well, but
18 it's in the same field.

19 MRS. WACKER: The same field.

20 MS. COULTER: Is it Well No. 31?

21 MR. WACKER: No. It's Well 11.

22 CHAIRMAN HEINLE: So it's a new well
23 that's not been listed on the application.

24 MR. WACKER: No, it isn't.

25 CHAIRMAN HEINLE: I think that was your

1 question.

2 MS. COULTER: That was my question.

3 MR. WACKER: That's true.

4 MS. COULTER: I think I would -- subject
5 to the Commission's approval here, I would have to say
6 that if we don't receive notice of an application that
7 indicates your specific topic and what wells you're going
8 to deal with, we can't really hear an additional matter
9 today. You might --

10 MR. WACKER: Okay.

11 MS. COULTER: -- reserve that for the
12 future or feel free to file, you know, file another
13 application.

14 MR. WACKER: We will do that.

15 What my concern is, is in Weld County,
16 there's several waste water disposal wells. And it's a
17 good income -- it's a good income for those people that
18 have them. They get between 70 and 90 cents a barrel.

19 So if -- if they're getting paid for
20 that. And they've got to be using -- that water's got
21 to be going under my property because you just can't
22 keep pouring water down a hole, 100,000 barrels a month
23 for five years, and not expect it to go somewhere.

24 And Mr. Dillon said the water that's there
25 right now would be going under my property. It would have

1 to displace the water that's there now.

2 And if that's not -- it's just like gas.

3 You can't store gas under my property without paying me.

4 And I don't think you can store water. If they're -- if
5 they're -- and it's a clear water. The J Sand is a clear
6 water. And they're injecting water that couldn't be put
7 on top of the ground. It has to go into an injection well
8 like this. And they're polluting that J Sand which could
9 be, in time, used for drinking water purposes.

10 So they're damaging me that way and all
11 the neighbors around me.

12 CHAIRMAN HEINLE: There are -- there are
13 two other items listed on the notice here.

14 One is in regard to the -- this allegation
15 that CIG has released the property from the current FERC
16 jurisdiction but has kept its right to condemn. And the
17 other one, No. 4, alleges that CIG is removing condensates
18 and other hydrocarbons from the Young Field without paying
19 compensation to the involved mineral owners.

20 Is there any information that you can
21 provide us with in regard to those two items that
22 addresses the issue of jurisdiction?

23 Again, my -- my concern on the
24 condemnation one is that the Commission -- that that
25 appears to me to be out of the realm of what the Oil

1 and Gas Commission deals with.

2 MR. WACKER: Well, I'm not sure.

3 If they -- if CIG -- by filing this and --
4 and releasing it and keeping the right to condemn at any
5 time, that restricts me from getting someone to drill on
6 my property. And believe me, I've tried. I've been to
7 all of the -- about all of the companies that drill wells
8 in the northeastern part of Colorado.

9 And in that packet, you will see that
10 there is a reference to what CIG is -- they say that
11 they do not need my land at this time. But they --
12 nevertheless, it says, there remains the possibility that
13 as development of this project goes forward, further facts
14 could come to light that would require Young to preserve
15 (sic) its present judgment and conclude that acquisition
16 of the subject acreage be necessary.

17 I think that's a clear taking of my
18 correlative rights to drill on my property.

19 COMMISSIONER MacMILLAN: Which exhibit is
20 that?

21 MR. WACKER: Okay. That would be --

22 MRS. WACKER: It's Exhibit J.

23 CHAIRMAN HEINLE: Excuse me. Exhibit
24 what?

25 MR. WACKER: J.

1 MRS. WACKER: J.

2 COMMISSIONER MacMILLAN: What is the--
3 what's the date of this document that this was copied
4 from?

5 MR. WACKER: It is January 16, 1994.

6 COMMISSIONER MacMILLAN: And if you can
7 help me out here, Mr. Wacker, when was Young Field
8 approved by FERC for underground storage?

9 MR. GETTMAN: I believe that it was in
10 1994. 1993 or 1994.

11 CHAIRMAN HEINLE: Please identify yourself
12 for the record.

13 MR. GETTMAN: Greg Gettman with the
14 Colorado Interstate Gas Company.

15 CHAIRMAN HEINLE: Go ahead and respond.

16 MR. GETTMAN: The preliminary
17 determination we received on March 3, 1994. And we
18 received our final certificate of approval in June of
19 1994. I believe the application Mr. Wacker is referring
20 to was filed January 17 of 1995.

21 MR. WACKER: This day here is January 16,
22 1994.

23 CHAIRMAN HEINLE: And that is the letter
24 from which this Exhibit J was copied?

25 MR. WACKER: Yes, it is. It's on page 4

1 of this document unless this date is not right.

2 MR. GETTMAN: I'm just pulling up that.

3 CHAIRMAN HEINLE: Commissioner MacMillan,
4 does that answer your question?

5 COMMISSIONER MacMILLAN: Yeah. Thank you.

6 CHAIRMAN HEINLE: Okay. I -- I think
7 where we're at and what I've heard at this point, I still
8 have a concern as to -- to the issue of jurisdiction.
9 And I -- I have gone beyond my 20 minutes.

10 And is there -- is there anything else
11 that you can point to in the next few minutes that can
12 help the attorney general in addressing this issue of
13 being an interested party?

14 MR. WACKER: Okay. Also, in Section 13,
15 I have 20 percent of the minerals. And CIG has already
16 purchased the rest of the minerals in that one particular
17 section that I own.

18 And if that's not a clear indication
19 that they need my property, then I don't know what is.
20 If they don't need that, why did they purchase the
21 minerals? And that also will limit me to drilling because
22 I would have to -- there would be no way that they're
23 going to give me permission to drill. I would have to do
24 other means which would be -- I can't think of the word
25 where I would --



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1 CHAIRMAN HEINLE: Force pooling?

2 MR. WACKER: Force pooling, yes, sir.

3 Thank you.

4 That. And I was -- in 1958, I have

5 documents that state I was part of the Young Field.

6 And when it was -- when it was first mapped out, I was

7 part of the Young Field, which my -- I don't know how

8 if I was part of the Young Field in 1958, I don't know

9 how they could kick me out of it except that I hadn't

10 signed up with it.

11 And why I hadn't signed up is because the

12 price was real low. I think \$25 for a man's minerals is

13 way too low.

14 CHAIRMAN HEINLE: Ms. Coulter.

15 MS. COULTER: You know, I --

16 jurisdictionally, with respect to the water disposal

17 issue, I believe that issue is going to be outside of

18 our jurisdiction because you are outside that quarter-mile

19 radius.

20 And to this point in time, I really don't

21 have any evidence from you of any of -- of what the

22 specific deviation is, if any exists. I think if you

23 could show us there was a deviation with specific evidence

24 without saying possible, that we might be able to have

25 jurisdiction over that matter.

1 Definitely we don't have jurisdiction to
2 determine whether or not a taking has occurred. That
3 would -- that would be left up to the civil courts because
4 the legislature just hasn't given us that authority to
5 determine that.

6 The one issue in your application I am
7 somewhat concerned about is the -- is No. 4 where the
8 applicant alleges that CIG is removing condensates and
9 hydrocarbons from Young Field without paying any
10 compensation. Have we heard --

11 CHAIRMAN HEINLE: I don't think we've
12 heard anything from Mr. Wacker on that particular item.

13 Could you elaborate on that a little bit,
14 what -- what that allegation is.

15 MR. WACKER: Okay. They are doing what
16 I would call is a flood of the -- of the D Sand formation
17 in the Young Field. And -- and all of the parties out
18 there have signed off except for me on that. And if I'm a
19 party to the Young Field, then I should be getting some
20 payment out of that, I would think.

21 And there is -- Mr. Clark has not signed
22 his minerals away, and he is in the Young Field. And I
23 don't see how they can do that without paying royalty to
24 people. I can -- I can let him address that if you would
25 like because that's something that's --

1 CHAIRMAN HEINLE: I guess what -- what
2 you're alleging is that the D Sand on your property
3 contains hydrocarbons.

4 MR. WACKER: Well, I would think.

5 CHAIRMAN HEINLE: And those hydrocarbons
6 are being produced --

7 MR. WACKER: Through the flood process.

8 CHAIRMAN HEINLE: -- through the injection
9 and withdrawal process off of your property and you're not
10 being compensated for it; is that correct?

11 MR. WACKER: Yes. That's correct.

12 And I have no way and they have no way of knowing that.

13 CHAIRMAN HEINLE: Now, is this in the same
14 location as the well that was drilled to the D and J and
15 plugged?

16 MR. WACKER: Yes. And I have some other
17 minerals too north of there where I have a hundred percent
18 of the minerals.

19 CHAIRMAN HEINLE: And there's -- there's
20 no well?

21 MR. WACKER: There was a well there too,
22 and it shows some hydrocarbons. It showed hydrocarbons.

23 CHAIRMAN HEINLE: And at whatever point in
24 time was it drilled --

25 MR. WACKER: It was never tested. It was

1 never tested.

2 CHAIRMAN HEINLE: So there was no
3 commercial production established.

4 MR. WACKER: No.

5 COMMISSIONER MATHESON: Where are these
6 condensates or hydrocarbons being removed?

7 MR. WACKER: It's approximately from
8 my property about half a mile at the Young compressor
9 station. There should be a map in there. I think it's --
10 I think it's --

11 CHAIRMAN HEINLE: Is it behind Exhibit J?

12 MR. WACKER: Yeah. I believe it is I.

13 COMMISSIONER MacMILLAN: Mr. Wacker, if
14 you don't mind, let me help you. I -- I have a map here.
15 And if I can just hold it up.

16 And is this one of the ones that you're
17 referring to?

18 MR. WACKER: Yes, it is.

19 COMMISSIONER MacMILLAN: That's two pages
20 behind the tag in Exhibit J in our copies.

21 CHAIRMAN HEINLE: Got it.

22 Rich.

23 MR. GRIEBLING: May I just ask a couple
24 questions.

25 MR. WACKER: Yes, sir.

1 MR. GRIEBLING: With respect to the
2 No. 6 well, that's a plugged and abandoned well on your
3 property; is that correct?

4 MR. WACKER: Yes, it is.

5 MR. GRIEBLING: Has the status of that
6 well changed? Has that well been re-entered?

7 MR. WACKER: No it hasn't.

8 MR. GRIEBLING: Did CIG offer to re-enter
9 that well --

10 MR. WACKER: Yes, they did.

11 MR. GRIEBLING: -- or plug it?

12 MR. WACKER: Yes, they did.

13 They condemned me to do that.

14 MR. GRIEBLING: It seems to me that
15 like a potential remedy to your concern that you may
16 be being -- your minerals may be being somewhat affected,
17 would be to allow that well to be completed to a
18 monitoring well, which I understand CIG has offered
19 to do.

20 And if -- if monitoring of pressure in
21 that well were to determine that the Young gas storage
22 field was in pressure communication with your minerals,
23 appropriate actions could be taken. Are you aware that
24 that's an option?

25 MR. WACKER: Yes, I am. But can I get

1 that data? I have asked for that.

2 MR. GRIEBLING: Just one second.

3 CIG, is that correct? Is it my
4 understanding that you have offered to re-enter that well?

5 MR. WACKER: No, I haven't.

6 MR. GRIEBLING: I was just asking CIG real
7 quickly.

8 Am I understanding that CIG has offered to
9 re-enter that No. 6 well?

10 MR. GETTMAN: We offered to re-enter
11 and replug that well because there were concerns about
12 the adequacy of the plugging job and gaining reservoir
13 information.

14 And at this time, we have removed the need
15 to re-enter the well and cement pipe from our federal
16 energy regulatory energy application. And we have to
17 revisit whether or not we want to spend the money to set
18 the pipe, but we'd certainly replug it and gather bottom
19 hole pressure data.

20 MR. GRIEBLING: During that process of --
21 if you were to re-enter and plug, your initial offer was
22 to acquire reservoir information to determine whether
23 there was any communication between Young Field gas in the
24 field and the No. 6 well.

25 MR. GETTMAN: Yes.

1 MR. GRIEBLING: And -- and that was a
2 remedy that you had but elected not to pursue. Is that
3 correct, Mr. Wacker?

4 MR. WACKER: Yes, it is.

5 MR. GRIEBLING: Thanks a lot. I just
6 wanted to be sure that was on the record and there's a
7 clear understanding of it.

8 That's all I had.

9 CHAIRMAN HEINLE: The -- what is the
10 dashed-out line on your map there, Mr. Wacker?

11 MR. WACKER: That --

12 CHAIRMAN HEINLE: If you know.

13 Two pages beyond Exhibit J is the map.

14 COMMISSIONER MacMILLAN: Here, Mr. Wacker,
15 you can look at this.

16 (Commissioner MacMillan handing a document
17 to the applicant.)

18 MR. WACKER: What was -- what was the
19 question?

20 CHAIRMAN HEINLE: The dashed line around
21 the perimeter.

22 MR. WACKER: Okay. That was -- that was
23 their -- that map right there was -- was their initial
24 FERC filing.

25 CHAIRMAN HEINLE: So everything within

1 that dashed line -- and correct me if I'm wrong,
2 representatives of CIG -- everything within that dashed
3 line was part of the condemnation procedure that CIG went
4 through when the -- when the gas collection unit was
5 formed?

6 MR. WILLIAMS: It was part of the
7 certificate of filing with the FERC.

8 CHAIRMAN HEINLE: Okay.

9 MR. WILLIAMS: And I believe it was
10 part of the acreage that we attempted to acquire by
11 contract. And then I believe -- does anyone else other
12 than Mr. Wacker --

13 MR. GETTMAN: No.

14 MR. WILLIAMS: There was only one
15 condemnation action, but Mr. Wacker was the only one
16 that we were unable to reach agreement with.

17 CHAIRMAN HEINLE: It appears to me that
18 we're rapidly getting into the testimony stage of -- of
19 that particular allegation. And the matter at hand is,
20 trying to determine whether we have jurisdiction over it.
21 And because of that, a certain amount of testimony is
22 required because of -- as I understand it, we would need
23 to establish that there's perhaps some correlative rights
24 issues at hand here in the D Sand reservoir.

25 MS. COULTER: Well, I -- I could have

1 more of an issue now that there was a FERC condemnation.
2 I wasn't aware of that.

3 Did Mr. Wacker have the means to obtain
4 just compensation through a FERC condemnation or --

5 MR. WILLIAMS: Well, the history of the
6 FERC certificate was, we filed a certificate that included
7 Mr. Wacker's property. He protested the inclusion of his
8 property. The FERC denied his claim.

9 Then as additional data came in and
10 wells between Mr. Wacker's property and the injection
11 part of the reservoir were drilled, intended to be
12 injection and withdrawal wells which, in fact, were
13 incapable of producing hydrocarbons, they show that
14 there was a boundary between Mr. Wacker's property and
15 where we were producing from. So we did not need to
16 include Mr. Wacker's property.

17 We went back to the FERC, amended our
18 certificate, and withdrew the inclusion of Mr. Wacker's
19 property. He again protested, now raising the same
20 issues that he has raised today.

21 The FERC geologists and reservoir
22 engineers looked at the data, and they rejected his
23 claim finding that it was without merit.

24 MS. COULTER: It would appear to me then
25 that another administrative body has already determined

1 whether or not there's an encroachment of correlative
2 rights in this case.

3 MR. WACKER: Well, what I would like
4 to do is, if they don't need my property, that's fine.
5 That's fine. But remove all cloud of them coming back
6 later and taking my property --

7 MS. COULTER: We're not able to do that.

8 MR. WACKER: -- because I can't get anyone
9 to drill on it with that clause on my property.

10 CHAIRMAN HEINLE: Well, wouldn't a
11 prospective operator -- and if they drilled on your
12 property and found production and that property is
13 condemned, under the Fifth Amendment (sic), those parties
14 are entitled to just compensation. And there would be
15 a hearing on -- as to what the value of that mineral is
16 at that point in time. And -- and everybody would be
17 compensated.

18 MR. WACKER: This is true. But you try
19 to find someone that's willing to take on a lawsuit.
20 That's the thing.

21 COMMISSIONER WILLIAMS: Can I ask:
22 When you say this clause hanging over your property,
23 what is that specifically?

24 MR. WACKER: Well, it was that statement
25 that they have the right to come back later and condemn

1 at will.

2 COMMISSIONER WILLIAMS: But they have
3 that right with everyone's property all the time; mine,
4 everyone here.

5 MR. WACKER: Not -- the word -- nary
6 property out there that's being drilled on, they don't
7 have that right. They would have to get a FERC
8 certificate and all that.

9 COMMISSIONER WILLIAMS: I understand that.
10 But the right of condemnation is -- is a right that stands
11 against every citizen.

12 MR. WACKER: That's true.

13 COMMISSIONER WILLIAMS: So I'm trying
14 to -- why do you feel that your property is more
15 vulnerable?

16 MR. WACKER: Because it's right next to
17 their property.

18 COMMISSIONER WILLIAMS: It's because of
19 location and not any specific, extra, additional legal
20 rights that CIG might have?

21 MR. WACKER: Agree. It's the location.

22 MRS. WACKER: Can I say something?

23 CHAIRMAN HEINLE: Go ahead and identify
24 yourself for the record. I haven't sworn you in, but --

25 MRS. WACKER: I am Mrs. Wacker.

1 Margaret Wacker.

2 And you will see on the maps where our
3 property does lie. You can see that on the map.

4 MR. WACKER: Here is their latest map that
5 says where their pool is now. And this other one where
6 they condemned another had my land in it.

7 And all they have is two little 8-inch
8 holes out here in Section 30 -- no, Section 12. It would
9 be Section 14, I guess it would be. And that's all the --
10 that's all the proof that they have that it doesn't
11 migrate on my land. My experts tell me that I am
12 impacted.

13 COMMISSIONER WILLIAMS: I have a -- I have
14 a couple concerns here.

15 I'm not sure on the jurisdictional issue.
16 I'm a little uncomfortable because we have these deviation
17 issues and whatnot placing upon the Wackers the obligation
18 of showing or having to demonstrate that some deviation
19 occurred or didn't occur when we're talking these margins
20 of 30 feet. I think we're asking them to do something
21 that is really beyond their power to do.

22 If they have shown a tolerable instance
23 that their subsurface is being intruded upon and -- and
24 makes them actually an interested party as opposed to what
25 we presume to be an interested party by our rules, then

1 I have some concerns about the workability of our rules
2 and their fairness in this particular application.

3 But even if we got past that point where
4 we said, yes, you're within the quarter mile or we'll
5 assume you're within the quarter mile or even if you're
6 not within the quarter mile, we think that the chances of
7 some actual subsurface intrusion is a likely possibility,
8 I'm still not sure that gets us to a position where this
9 body can do anything to help you.

10 We can't change the location of your
11 property. We can't compensate you for any losses that
12 you may have incurred as a result. So even if we get
13 to this sort of formal front-line jurisdiction issue and
14 get beyond that, then I guess the question is, are they
15 asking for a remedy that we can provide?

16 And that, Mr. Wacker, unfortunately,
17 I'm not sure we can. If someone has improperly taken
18 your land without just compensation, that's a matter
19 for the courts and not for this body. Our jurisdiction --
20 the legislature doesn't let us decide everybody's rights
21 left and right. We have a very circumspect area that we
22 examine.

23 So I'm not sure even if we got past the
24 quarter-mile issue, that we would have the ability to
25 grant you, even if we -- even if we agreed with everything

1 you said here today, my concern -- and I have defer to
2 our -- to our assistant attorney general -- is that we
3 don't have the means or the power to give what you're here
4 asking us for.

5 MS. COULTER: That would be correct.

6 And I would just add that that might not
7 mean that you wouldn't have any other legal remedies
8 available to you.

9 MR. WACKER: What other body of the State
10 would we go to?

11 MS. COULTER: You might want to look to
12 the court system.

13 COMMISSIONER MacMILLAN: There's --
14 there's a slight variation that I'd like to give to
15 Commissioner Williams' assessment and interpretation.

16 I believe that from just the stuff that
17 I've seen here, not eloquently presented by Mr. Wacker --
18 and I want to be clear on that. When you come as a
19 proponent for a case, you have to prove your case.

20 There's a gob of information in here.

21 MR. WACKER: Yes, there is.

22 COMMISSIONER MacMILLAN: But at least at
23 this point in time, either you haven't had an opportunity
24 to present it or call other witnesses, but you haven't
25 demonstrated to me that you have an understanding of what

1 this data is.

2 Having looked at it, I can see that
3 there's available subsurface control that can define the
4 boundaries of the gas storage reservoir. I don't think
5 that it would be disputed what those boundaries of the
6 gas storage area are by the protestant in this case if we
7 were to hear from them and look at their interpretations.

8 The thing that I do believe that we can
9 provide, although it's a stretch. It's a liberal
10 interpretation of what our authority is, is because
11 we have the knowledge and the staff to be able to review
12 this kind of data, we can say that the gas storage data
13 area is defined by testimony yet to be given.

14 And that may provide a remedy for
15 Mr. Wacker in -- in saying that the likelihood of
16 hydrocarbons from this gas storage area moving onto his
17 property or not moving onto his property then allows him
18 the opportunity to have additional wells drilled on his
19 land for -- to look for another pool, which he has said
20 he's precluded from now because of the clouding of the
21 title issue.

22 If, in fact, another operator were to come
23 in and drill a well, that well could be condemned by the
24 gas storage people as either being part of or not part of
25 the existing pool.

1 Now, we do that all the time or we have
2 the capability of doing it all the time; is evaluating the
3 subsurface data, defining what the areal limits of a pool
4 boundary are. And in this particular case, that pool
5 boundary has been converted to a gas storage facility.

6 And again, from the maps I've seen,
7 that -- that can be part of the testimony. But quite
8 honestly, I don't believe it's going to be disputed by
9 the protestant in this matter.

10 So the only remedy that I see that we
11 can give on this thing is our determination of what the
12 former pool boundary, which is now the gas storage site,
13 is for this particular gas storage facility and then some
14 kind of statement that other pools may yet be defined,
15 but we don't believe that they're going to be part of the
16 currently existing deal; i.e., some technical analysis by
17 this group that says if there are additional hydrocarbons
18 to be found on Wacker's land, that's up to him to define.
19 But a release from the right for condemnation by the gas
20 storage operator.

21 CHAIRMAN HEINLE: You know, it seems to
22 me that that really doesn't get us anywhere. The issue
23 is still how -- what -- what resolution does that bring
24 about?

25 And -- and I -- I agree with Commissioner

1 Williams. I think even if we get past these issues, what
2 you're dealing with is a matter that probably best resides
3 in the court system to resolve. And I'm not sure having
4 the Commission ruling on boundaries that have already been
5 testified to and established in a -- in a FERC hearing is
6 going to help Mr. Wacker one way -- one way or the other.

7 And as a matter of fact, I'm not sure that
8 we necessarily want to wade in on one side of the issue
9 and help establish somebody's case for them.

10 COMMISSIONER MATHESON: You're referring
11 to the D Sand also too?

12 COMMISSIONER MacMILLAN: That's
13 specifically what I'm referring to.

14 COMMISSIONER MATHESON: I know.

15 CHAIRMAN HEINLE: So I don't see where
16 it gets us.

17 It seems that -- it seems that we need
18 to either -- either rule on the jurisdictional issues and
19 resolve the matter that way or we need to, if we want to
20 move beyond that and assume there is any jurisdictional
21 issues, if there is anything we can deal with on these
22 matters at that point. If there isn't -- if there isn't
23 anything within our rules and regs., you know, then the
24 matter should be dismissed for the Commission and the
25 Wackers could pursue whatever avenues that are available

1 to them.

2 If -- if we believe that we've got
3 jurisdiction and -- and there's a remedy that we can
4 provide, then we need to hear the matter on whatever
5 items we can hear and provide that remedy. But I don't
6 see where there is a remedy that we can provide.

7 Are there any other comments from any of
8 the other commissioners?

9 Commissioner Matheson.

10 COMMISSIONER MATHESON: I would just like
11 to touch on the quarter-mile thing. To put it quite
12 simply, I think Commissioner Williams put it quite nicely.

13 But it's close enough given the
14 uncertainty of the situation. So from that standpoint,
15 I would be comfortable in calling them an interested
16 party.

17 But again, I don't know that we have in
18 front of us an application that corresponds with the
19 concern of the D Sand that corresponds with a violation
20 of our rules, you know, and, therefore, we could rule
21 on something.

22 So I'm not concerned about the quarter
23 mile. I think they're close enough. That's my lay
24 perspective, not a legal perspective. But I don't know
25 that we can offer them anything.

1 CHAIRMAN HEINLE: One of the things that
2 I am concerned about is if you start being subjective
3 on a very objective rule, you open up the door.

4 COMMISSIONER MATHESON: That's your view.

5 CHAIRMAN HEINLE: Well, it is.

6 I mean, there's a reason these rules are
7 stated that way. And I, you know, wells do deviate there.
8 But it would just as likewise deviate to the east rather
9 than the west and be even further away from them. The
10 problem is, we don't have any evidence to -- to define
11 that.

12 And I get concerned when we take a rule
13 that's pretty black and white and start saying, well, you
14 know, maybe, you know, it becomes difficult to apply that
15 rule.

16 MR. WACKER: Is that rule --

17 CHAIRMAN HEINLE: What I'd like to
18 do at this point is get some discussion amongst the
19 commissioners to see if we could bring this to resolution
20 one way or the other. It's 11:10 and we need to break
21 for lunch shortly.

22 And I want to get a sense from the
23 commissioners right now whether they feel that we can
24 resolve this in the next five minutes or whether we
25 should go ahead and break and pick it up after lunch.

1 Commissioner Matheson.

2 COMMISSIONER MATHESON: I've said my
3 peace.

4 CHAIRMAN HEINLE: Commissioner Johnson.

5 COMMISSIONER JOHNSON: I guess I'm in
6 concurrence with what Commissioner Williams said.

7 That to me, in a practical sense that
8 there's -- it's not clear as to whether we're in or
9 we're out. And even if we are in, I can't see that we're
10 going to do them -- the applicant any duty -- any justice.
11 We can't give them any compensation. We can't undo the
12 things that have already been done.

13 These are only -- in my mind, only done
14 in a court of law.

15 CHAIRMAN HEINLE: Commissioner Rebne.

16 COMMISSIONER REBNE: I tend to agree with
17 what Commissioner Johnson just said. And I don't see that
18 we have any evidence that there's been any violations of
19 our rules. So I'm not sure what we can do.

20 CHAIRMAN HEINLE: Commissioner MacMillan,
21 is there anything you want to add?

22 COMMISSIONER MacMILLAN: Yeah. Real
23 quickly.

24 The exhibit that was referred to by the
25 Wackers here, Exhibit J, is a copy of the CIG letter.

1 And the underlying portion of that is specifically the
2 stuff that I think is referred to in the Applicants'
3 Point No. 3. They allege that CIG has released the
4 property from current FERC jurisdiction, but CIG has
5 kept the right to condemn the applicants' property at
6 will. We can remedy that.

7 That's my point. We can remedy that by
8 looking at the data and finding one way or another whether
9 there's connection onto the Wackers' property or not.

10 On the other matters, I don't believe
11 that we have jurisdiction. And in this particular case,
12 I'm convinced we're the better -- we are a better body
13 to provide those kinds of findings than FERC is, past
14 present, or future. And that's our responsibility.

15 CHAIRMAN HEINLE: Commissioner Williams.

16 COMMISSIONER WILLIAMS: I would disagree
17 that as a legal matter that we could do anything that
18 could truncate their rights -- CIG's rights to in the
19 future go before the -- to go before the FERC and exercise
20 whatever additional condemnation powers they may have.

21 I do not believe that either our factual
22 findings would be the, you know, that would preclude any
23 further factual findings in front of the FERC, nor do I
24 believe that we have the power to withdraw from the FERC
25 to give them the particular compensation if the facts were

1 proved adequately by CIG in the future that that was what
2 was required by the -- for this project.

3 On the other hand, I also agree with your
4 statement that the FERC would also have the constitutional
5 obligation to protect the property rights to the Wackers
6 and whether this project were expanded to include their
7 property.

8 Bottom line, I'm -- I'm a little
9 uncomfortable with this quarter-mile rule as applied
10 in this situation, but I don't believe that -- since
11 I don't believe that we can give them any -- any remedy
12 that they're asking for, and -- and I'm saying that and
13 even if we assume everything that you've said is true,
14 I'm still not persuaded that we have the ability to do
15 anything for you.

16 So -- so that point of the quarter-mile
17 issue becomes less important because it doesn't get us
18 anywhere if we don't get past that hurdle.

19 CHAIRMAN HEINLE: Hearing from all the
20 commissioners, I guess at this point in time, that the --
21 the Chair would entertain a motion to dismiss this matter.
22 I mean, that's what I thought I was hearing.

23 COMMISSIONER WILLIAMS: I -- I -- I
24 reluctantly so -- so move.

25 CHAIRMAN HEINLE: Do I have a second?

1 COMMISSIONER JOHNSON: Second.

2 CHAIRMAN HEINLE: All in favor, respond
3 by saying "aye."

4 COMMISSIONER WILLIAMS: Aye.

5 COMMISSIONER JOHNSON: Aye.

6 COMMISSIONER MATHESON: Aye.

7 COMMISSIONER REBNE: Aye.

8 CHAIRMAN HEINLE: Aye.

9 Opposed.

10 COMMISSIONER MacMILLAN: Aye.

11 (The motion passed.)

12 CHAIRMAN HEINLE: Motion carries.

13 Thank you.

14 We'll recess at this time. We'll try to
15 be back by 1:45.

16 (Recess.)

17 CHAIRMAN HEINLE: Why don't we go ahead
18 and get back on the record. I just need to add something
19 to the record in regard to the matter that we heard before
20 lunch that's Cause No. 1, Docket No. 2-1-4, Young Field,
21 Morgan County.

22 I'd just like the record to reflect that
23 Commissioner Blackwell was not present for that matter,
24 but she has rejoined us.

25

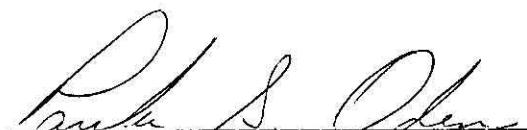
1 (Whereupon, the meeting continued on with
2 the hearing of other matters and concluded at the hour of
3 4:45 p.m.)

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REPORTER'S CERTIFICATE

I, Paula S. Oden, Certified Shorthand Reporter and Notary Public in and for the State of Colorado, duly appointed to take the within hearing, certify that the hearing was taken in shorthand by me at the time and place hereinabove set forth and was thereafter reduced to typewritten form by the use of computer-aided transcription under my direct supervision; that the same is a full, true, and correct transcription of my shorthand notes then and there taken.

DATED this 4th day of March, 1996.



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