

EXHIBIT A

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

IN THE MATTER OF THE PROMULGATION )  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE MC CLAVE )  
FIELD, BENT AND KIOWA COUNTIES, )  
COLORADO )

CAUSE NO. 105

STATE OF COLORADO



OIL AND GAS  
CONSERVATION COMMISSION  
DEPARTMENT OF NATURAL RESOURCES  
1845 SHERMAN ST., ROOM 237  
DENVER, COLORADO 80203

NOTICE OF CONTINUATION OF HEARING

TO ALL INTERESTED PERSONS AND TO WHOM IT MAY CONCERN:

\* On December 27, 1972, Jack J. Grynberg, Planet Associates, Inc., and Frederick I. Shaffer, Jr., through their attorneys, filed with the Commission an application for an order requiring the pooling of all tracts of land within Section 6, Township 20 South, Range 48 West, 6th P.M., Kiowa County, Colorado, for the development of the McClave Sand underlying said lands in the McClave Field. The matter was set for hearing on January 16, 1973 and was set over until the March 20, 1973 hearing date. On March 16, 1973, the applicants requested that the hearing be re-scheduled again until the next meeting.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

DATE: Tuesday, April 17, 1973

TIME: 9 a.m.

PLACE: Auditorium, Social Services Building  
1575 Sherman Street  
Denver, Colorado

Valuation \$880  
Tax \$175.43  
Hares \$15.10  
shen

Pursuant to said hearing in the above-entitled matter, at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to prevent the waste of oil and gas, either or both, in the operation of said field, and to carry out the purposes of the statute.

IN THE NAME OF THE STATE OF COLORADO.

V. L. Ford, sec.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

\* Ron Shaffer  
Kansas Crude, Inc.  
Suite 202  
Wolcott Bldg.  
Hutchinson, Kansas 67501

By Frank J. Piro  
Frank J. Piro, Secretary

Dated at Denver, Colorado  
March 23, 1973

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

*official publication or doctrine*  
IN THE MATTER OF THE PROMULGATION )  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE MC CLAVE )  
FIELD, BENT AND KIOWA COUNTIES, )  
COLORADO )

CAUSE NO. 105

STATE OF COLORADO



OIL AND GAS

CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES

1845 SHERMAN ST., ROOM 237

DENVER, COLORADO 80203

NOTICE OF CONTINUATION OF HEARING

TO ALL INTERESTED PERSONS AND TO WHOM IT MAY CONCERN:

\* On December 27, 1972, Jack J. Grynberg, Planet Associates, Inc., and Frederick I. Shaffer, Jr., through their attorneys, filed with the Commission an application for an order requiring the pooling of all tracts of land within Section 6, Township 20 South, Range 48 West, 6th P.M., Kiowa County, Colorado, for the development of the McClave Sand underlying said lands in the McClave Field. The matter was set for hearing on January 16, 1973 and was set over until the March 20, 1973 hearing date. On March 16, 1973, the applicants requested that the hearing be rescheduled again until the next meeting.

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DATE: Tuesday, April 17, 1973  
TIME: 9 a.m.  
PLACE: Auditorium, Social Services Building  
1575 Sherman Street  
Denver, Colorado

*Valuation \$880*  
*tax \$175.43*  
*Net \$15.10*  
*share*

Pursuant to said hearing in the above-entitled matter, at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to prevent the waste of oil and gas, either or both, in the operation of said field, and to carry out the purposes of the statute.

IN THE NAME OF THE STATE OF COLORADO.

*Vicks Ford, sec.*

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

\* *Ron Shaffer*  
*Kansas Crude, Inc.*  
*Suite 202*  
*Wolcott Bldg.*  
*Hutchinson, Kansas 67501*

By *Frank J. Piro*  
Frank J. Piro, Secretary

Dated at Denver, Colorado  
March 23, 1973

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

*official publication or doctrine*  
IN THE MATTER OF THE PROMULGATION )  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE MC CLAVE )  
FIELD, BENT AND KIOWA COUNTIES, )  
COLORADO )

CAUSE NO. 105

STATE OF COLORADO



OIL AND GAS

CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCE

1845 SHERMAN ST., ROOM 237

DENVER, COLORADO 80203

NOTICE OF CONTINUATION OF HEARING

TO ALL INTERESTED PERSONS AND TO WHOM IT MAY CONCERN:

On December 27, 1972, Jack J. Grynberg, Plant Associates, Inc., and Frederick L. Shaffer, Jr., through their attorneys, filed with the Commission an application for an order regarding the pooling of all tracts of land within Section 6, Township 20 South, Range 48 West, 6th P.M., Kiowa County, Colorado, for the development of the McClave Sand underlying said lands in the McClave Field. The matter was set for hearing on January 16, 1973 and was set over until the March 20, 1973 hearing date. On March 16, 1973, the applicants requested that the hearing be rescheduled again until the next meeting.

*Property NE 6-20-48*

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

DATE: Tuesday, April 17, 1973  
TIME: 9 a.m.  
PLACE: Auditorium, Social Services Building  
1575 Sherman Street  
Denver, Colorado

*Valuation \$80  
Lump \$175.43  
Navy \$15.10  
Shaffer*

Pursuant to said hearing in the above-entitled matter, at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to prevent the waste of oil and gas, either or both, in the operation of said field, and to carry out the purposes of the statute.

IN THE NAME OF THE STATE OF COLORADO

*Wick Ford, etc.*

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

\* *Ron Shaffer*  
*Kansas County, Iowa*  
*Suite 202*  
*Wolcott Bldg.*  
*Hutchinson, Kansas 67501*

By *Frank J. Pro*  
Frank J. Pro, Secretary

Dated at Denver, Colorado  
March 28, 1973



JAN - 8 1997

OIL & GAS CONS. CO.

EXHIBIT B

Oct. 28, 1985

DISTRICT COURT, KIOWA COUNTY, COLORADO

CASE NO. 85CV23

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DECREE

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RAY W. MCMULLEN, HAROLD HOUGH, EDNA LOUISE HAMMAN, FRANCES HAMMAN, HELEN E. FITZPATRICK, ALBERTA L. WOELLNER and FRANCES RICHARDS, Plaintiffs,

vs.

GEORGE E. WOELLNER, ALSO KNOWN AS EMIL WOELLNER, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF GEORGE E. WOELLNER; MINNIE A. HOUGH, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF MINNIE A. HOUGH; EMMA C. HAMMAN, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF EMMA C. HAMMAN; HELEN HAMMAN MCMULLEN, ALSO KNOWN AS HELEN MCMULLEN, ALSO KNOWN HELEN HAMMAN, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF HELEN HAMMAN MCMULLEN; ALBERT G. WOELLNER, ALL THE UNKNOWN HEIRS, DEVISEES, and LEGATEES OF ALBERT G. WOELLNER; GEORGIA L. WOELLNER, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF GEORGIA L. WOELLNER; LOUISE D. FITZPATRICK, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF LOUISE D. FITZPATRICK; LOUIS WOELLNER, ALL THE UNKNOWN HEIRS, DEVISEES and LEGATEES OF LOUIS WOELLNER; JOHN FITZPATRICK; and ALL THE UNKNOWN PERSONS WHO CLAIM ANY INTEREST IN THE SUBJECT MATTER OF THIS ACTION, Defendants.

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THIS CAUSE coming on to be heard:

THE COURT FINDS:

That each Defendant has been properly served as required by law and rule of Court; that Larry Stutler, Attorney at Law, has been heretofore appointed and appeared for any and all Defendants who are in, or who may be in, or who may have been ordered to report for induction into, the military service as defined by the Soldiers' and Sailors' Civil Relief Act of 1940, as Amended; that this is an action in rem affecting specific real property; that the Court has jurisdiction of all parties to this action; that the allegations of the Complaint are true; that every claim made by said Defendants is unlawful and without right; that no Defendant herein has any title or interest in or to the property described herein or any part thereof.

The Defendant GEORGE E. WOELLNER died testate on March 2, 1930, his last place of residence having been St. Joseph, Buchanan County, Missouri.

That Exhibit "A" attached to the Complaint, is a true copy of the Last Will of George E. Woellner, which was duly admitted to probate in the Probate Court of the County of Buchanan, State of Missouri, and which was duly admitted to probate in the County Court of Kiowa, State of Colorado, on May 28, 1953, as a Foreign Will.

That Exhibit "B" attached to the Complaint, is a true copy of the Order Admitting Foreign Will To Probate entered by the County Court of Kiowa County, State of Colorado on May 28, 1953, in the Estate of Emil Woellner.

The Defendant George E. Woellner was also known as Emil Woellner.

The persons entitled to receive the real property hereinafter described from Emil Woellner are:

Minnie A. Hough, Emma A. Hamman, Albert G. Woellner, Louise D. Fitzpatrick and Louis Woellner.

The Defendant MINNIE A. HOUGH died intestate, at Camden, South Carolina, on or about January 28, 1964, her last place of residence having been in the city of Camden, Kershaw County, State of South Carolina, and the names, addresses and relationships to the decedent of all heirs entitled to an interest in the real property hereinafter described are:

NAME	ADDRESS	RELATIONSHIP	INTEREST
Harold Hough	1407 Broad St. Camden, SC	Son	All

The Defendant ALBERT G. WOELLNER died intestate, on or about August 16, 1977, his last place of residence having been in Johnson County, State of Kansas.

That Exhibit "C" attached to the Complaint is a true copy of the Decree of Descent entered by the District Court of Johnson County, Kansas, Case No. P-17282, in the Estate of Albert G. Woellner, and is entitled to receive full faith and credit in this District Court of Kiowa County, Colorado.

Pursuant to the Decree of Descent marked as Exhibit "C", the persons entitled to receive the entire interest of Albert G. Woellner are:

Georgia L. Woellner and Alberta L. Woellner.

The Defendant GEORGIA L. WOELLNER died intestate, on or about January 17, 1980, her last place of residence having been in Johnson County, State of Kansas.

That Exhibit "D" attached to the Complaint is a true copy of the Journal Entry of Final Settlement entered by the District Court of Johnson County, Kansas, Case No. P-18716, in the Estate of Georgia L. Woellner and is entitled to receive full faith and credit in this District Court of Kiowa County, Colorado.

Pursuant to the Journal Entry of Final Settlement marked as Exhibit "D", the person entitled to receive the entire interest of Georgia L. Woellner is Alberta L. Woellner.

The Defendant LOUISE D. FITZPATRICK died intestate at St. Joseph, Missouri, on or about September 27, 1934, her last place of residence having been in the city of St. Joseph, County of Buchanan, State of Missouri, and the names, addresses and relationships to the decedent of all the heirs entitled to an interest in the real property hereinafter described are:

NAME	ADDRESS	RELATIONSHIP	INTEREST
Helen E. Fitzpatrick	823 S. Chapel #18 Alhambra, CA	Daughter	One Third (1/3)
Frances Richards	735 Dalton Ave. Glendora, CA 91740	Daughter	One Third (1/3)
John M. Fitzpatrick	Address Unknown	Son	One Third (1/3)

The Defendant JOHN M. FITZPATRICK, did convey all of his interest to Helen E. Fitzpatrick by Quit Claim Deed March 2, 1977, which was duly recorded in the County Records at the office of the County Clerk and Recorder, Kiowa County, Colorado, in Book 328, Page 221.

The Defendant LOUIS WOELLNER died testate at Inglewood California, on or about January 17, 1973, his last place of residence having been Los Angeles, California.

That Exhibit "F" attached to the Complaint is a true copy of the Last Will of Louis Woellner, which was duly admitted to probate in the Superior Court of California, in and for the County of Los Angeles, Case No. SWP-10040, on March 23, 1973.

That Exhibit "G" attached to the Complaint is a true copy of the Order Approving Final Report, For Fees and For Distribution entered by the Superior Court of California, in and for the county of Los Angeles, Case No. SWP-10040, in the Estate of Louis Woellner, which order is entitled to receive full faith and credit in this District Court of Kiowa County, Colorado.

The persons entitled to receive the interest of Louis Woellner in the real property which is the subject matter of this action are:

Frances Hamman, Edna Louise Hamman, Helen Hamman McMullen.

The Defendant EMMA C. HAMMAN, died testate at Inglewood, California, on or about March 5, 1969, her last place of residence having been Los Angeles, California.

That Exhibit "H" attached to the Complaint is a true copy of the Last Will of Emma C. Hamman.

The Last Will of Emma C. Hamman was never probated as the valid Last Will of Emma C. Hamman; however pursuant to C.R.S. 15-12-102, an unrevoked Will which has not been probated may be admitted as evidence of a devise, and that according to the Will the heirs entitled to an interest in the real property described are:

NAME	ADDRESS	RELATIONSHIP	INTEREST
Frances Hamman	111D Via Estrada Laguna Hills, CA 92653	Daughter	One Third (1/3)
Edna Louise Hamman	806 No. Edgewood Apt. 12 Inglewood, CA 90302	Daughter	One Third (1/3)
Helen Hamman McMullen	5638 Edgemar Ave Los Angeles, CA	Daughter	One Third (1/3)

The Defendant HELEN HAMMAN MCMULLEN, died testate at Los Angeles, California, on or about January 22, 1983, her last place of residence having been Los Angeles, California.

That Exhibit "I" attached to the Complaint is a true copy of the Last Will of Helen Hamman McMullen.

The Last Will of Helen Hamman McMullen was never probated as the valid Last will of Helen Hamman McMullen; however pursuant to C.R.S. 15-12-102, an unrevoked Will which has not been probated may be admitted as evidence of a devise, and that according to the Will the heirs entitled to an interest in the real property above described are:

NAME	ADDRESS	RELATIONSHIP	INTEREST
Ray W. McMullen	22411 Robin Oaks Diamond Bar, CA	Son	All

IT IS ADJUDGED AND DECREED that Ray W. McMullen, Harold Hough, Edna Louise Hamman, Frances Hamman, Helen Fitzpatrick, Frances Richards and Alberta L. Woellner, Plaintiffs at the time of the commencement of this proceeding, were and they now are, the owners in fee simple as tenants in common, with right to possession, of the following real property situate in Kiowa County, Colorado:

The Northeast Quarter (NE $\frac{1}{4}$ ) of Section Six (6), in Township Twenty (20) South, Range Forty-eight (48), West of the Sixth (6th) Principal Meridian, Kiowa County, Colorado.

The undivided interests of said owners in and to said real property are as follows:

NAME	UNDIVIDED INTEREST
Ray W. McMullen	Two Fifteenths (2/15)
Harold Hough	One Fifth (1/5)
Edna Louise Hamman	Two Fifteenths (2/15)
Frances Hamman	Two Fifteenths (2/15)
Helen E. Fitzpatrick	Two Fifteenths (2/15)
Frances Richards	One Fifteenth (1/15)
Alberta L. Woellner	One Fifth (1/5)

That fee simple title in and to said real property be, and the same hereby is, quieted in the Plaintiffs, and that each of the Defendants has no right, title, or interest in or to the real property or any part thereof, and that they are forever enjoined from asserting any claim, right, title or interest in or to the said real property or any part thereof.

FURTHER ORDERED, ADJUDGED AND DECREED that from and after the date of this Decree, the Plaintiffs and their successors in title shall have such further orders and decrees as may be necessary to carry out this Decree, and as may be necessary to quiet the Plaintiffs' title to the land and real estate above described.

Signed October 28, 1985.

BY THE COURT:

John E. Ottala  
District Judge

DISTRICT COURT  
366-30  
By John E. Ottala  
Judge

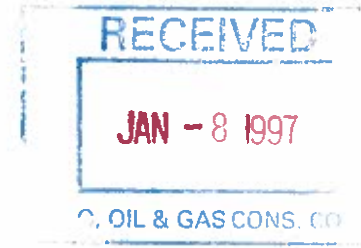


EXHIBIT C AND D

PS Form 3800, March 1993

7 395 964 504



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <b>Frederick I. Shaffer</b>	
Street and No. <b>335 N. Washington</b>	
P.O., State and ZIP Code <b>Hutchinson, KS 67501</b>	
Postage	<b>\$ 32</b>
Certified Fee	<b>110</b>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	<b>110</b>
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL POSTAGE & Fees	<b>\$252</b>
Postmark or Date Stamp <b>CAMDEN, SC 29020 28 1995 USPS</b>	

Is your RETURN ADDRESS completed on the reverse side?

## SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
  - ☐ Restricted Delivery
- Consult postmaster for fee.

### 3. Article Addressed to:

**Frederick I. Shaffer  
335 N. Washington  
Hutchinson, KS 67501**

### 4a. Article Number

**2395964 504**

### 4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered           | <input type="checkbox"/> Insured                        |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD                            |
| <input type="checkbox"/> Express Mail         | <input type="checkbox"/> Return Receipt for Merchandise |

### 7. Date of Delivery

**1-4-96**

### 8. Addressee's Address (Only if requested and fee is paid)

### 5. Signature (Addressee)

**Frederick I. Shaffer**

### 6. Signature (Agent)

**[Signature]**

PS Form 3811, December 1991

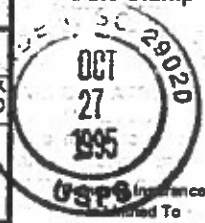
U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

## Registered No.

**R239214600**

## Date Stamp



To Be Completed By Post Office	Reg. Fee	\$485	Special Delivery	\$
	Handling Charge	\$	Return Receipt	\$110
	Postage	\$32	Restricted Delivery	\$
	Received by	<b>[Signature]</b>		

Customer Must Declare Full Value \$

- ☐ With Postal Insurance  
☐ Without Postal Insurance

\$25,000; International Indemnity Is Limited (See Reverse)

To Be Completed By Customer (Please Print) All Entries Must Be in Ballpoint or Typed

FROM	<b>Harold Hough 1407 Broad St. Camden S.C. 29020</b>
TO	<b>Brian J. Berardini 3773 Cherry Cr. Dr. No Ste 1020 Denver, Colorado 80209</b>

PS Form 3806, February 1995

## Receipt for Registered Mail

(Customer Copy)  
(See Information on Reverse)

Is your RETURN ADDRESS completed on the reverse side?

## SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
  - ☐ Restricted Delivery
- Consult postmaster for fee.

### 3. Article Addressed to:

**Brian J. Berardini  
3773 Cherry Cr. Dr. No Ste 1020  
Denver  
Colorado 80209**

### 4a. Article Number

**R239214600**

### 4b. Service Type

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Registered | <input type="checkbox"/> Insured                        |
| <input type="checkbox"/> Certified             | <input type="checkbox"/> COD                            |
| <input type="checkbox"/> Express Mail          | <input type="checkbox"/> Return Receipt for Merchandise |

### 7. Date of Delivery

**30  
1995**

### 8. Addressee's Address (Only if requested and fee is paid)

### 5. Signature (Addressee)

**[Signature]**

### 6. Signature (Agent)

**[Signature]**

PS Form 3811, December 1991

U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

TO: Frederick I. Shaffer, a/k/a Frederick I. Shaffer, Jr.  
335 N. Washington, Suite 60  
Hutchinson, Kansas 67501

DATE: Dec. 27, 1995

FROM: Harold Hough  
1407 Broad St.  
Camden, S. C. 29020

ORIGINAL

SUBJECT: My condensate and gas Royalties for about 21 years, and my Working Interests (for a little less time) are long over due from #1 Pyles well. I am a non-consenting owner of NE/4, Section 6, T20S-R48W, McClave Field, 6th P. M. Kiowa County, Colorado. Through this certified-mail, written notice, I am seeking relief from your failure to make timely payment. Copies of this notice have been mailed to the Colorado Oil and Gas Conservation Commission, your attorney in Denver, and to your sons who were working with you as president of Kansas Crude, and other companies.

On January 16, 1973, I was in Denver for the first scheduled pooling hearing of #1 Pyles well. Then and there, I officially proved to well officials that I had a clear title; CCGCC officials told me that my share would be handled by you in escrow as I was a non-consenting owner. Oil and Gas Conservation Act 34-60-116, subsection 6 and 7 a, b, c confirm this.

For several summers I returned to the #1 Pyles well, took pictures, read the gauges, and talked with the caretaker (Bud Abrams) who said that #1 Pyles well was a strong well. Spud date was December 6, 1973. On Nov. 10, 1981, your son, Len, wrote for confirmation of my Social Security number and for a telephone number where I could be reached. Both of these, I immediately mailed to him.

On Oct. 12, 1982 your son, Tim, sent me a check which he later asked to be returned to him "due to a computer error." When I returned his check, I asked for information on the well status and my proceeds. He did not answer, contrary to Rule 34-60-116 (7c)

Last October my wife and I visited you, Tim and Ann in your suite and told you that I had received nothing from the #1 Pyles well production. We also talked about the lis pendis which Jack Grynberg's wife, Celeste, instituted on February 27, 1995, against you, your family, your companies, and your investors. Before I accepted Grynberg's invitation to join him and the rest of the owners of Section 6 in a lawsuit, I first wanted to work things out with you. I still do. Unlike me, they have been paid some Royalties.

After studying Eads County deeds, leases, assignments, etc. concerning Section 6, I sent a registered letter to your Denver attorney, Oct. 26, 1995, copies of which I mailed to you and to your sons. Tim, whom you told us is handling your gas matters, answered with a question about proof of my clear title. On November 10, 1995, I sent Tim photocopies of proof:

- I. Pooling Agreement # 204972, Bk. 319, pages 454 through 464, begun Jan. 31, 1973, and recorded Oct. 1, 1974, at the Eads Co. Courthouse.
- II. District Court Case #85CV13 of Oct. 28, 1985, in which my "celler" kin cleared their titles, and reaffirmed mine, to the NE/4.

Tim answered that he understood my Royalty claim, but not that of my Working Interest claim. (I am sending him a photocopy of the Colorado Oil and Gas Conservation Commission rule 34-60-116 which explains my Working Interest share as a non-consenting owner.) He is dragging his feet.

COGCC reports that you have had a cumulative gas production of 738,478 MCF by Sept. 1994 when you, as operator of #1 Pyles well, last reported. (Jack Grynberg figures that you have had a cumulative gas of 771,558 MCF production to March 1995, when a court order shut down said well. He further contends a professionally-estimated production of 197,482 barrels of condensate (light oil) which you have never reported to COGCC.)

Last October my wife and I visited you, Tim and Ron in your suite and told you that I had received nothing from the #1 Pyles well production. We also talked about the lis pendis which Jack Grynberg's wife, Celeste, instituted on February 27, 1995, against you, your family, your companies, and your investors. Before I accepted Grynberg's invitation to join him and the rest of the owners of Section 6 in a lawsuit, I first wanted to work things out with you. I still do. Unlike me, they have been paid some Royalties.

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- I. Pooling Agreement # 204972, Bk. 319, pages 454 through 464, begun Jan. 31, 1973, and recorded Oct. 1, 1974, at the Eads Co. Courthouse.
- II. District Court Case #85CV43 of Oct. 28, 1985, in which my wellner kin cleared their titles, and reaffirmed mine, to the NE/4.

Tim answered that he understood my Royalty claim, but not that of my Working Interest claim. (I am sending him a photocopy of the Colorado Oil and Gas Conservation Commission Rule 34-60-116 which explains my Working Interest share as a non-consenting owner.) He is dragging his feet.

COGCC reports that you have had a cumulative gas production of 738,478 MCF by Sept. 1994 when you, as operator of #1 Pyles well, last reported. (Jack Grynberg figures that you have had a cumulative gas of 771,558 MCF production to March 1995, when a court order shut down said well. He further contends a professionally-estimated production of 197,482 barrels of condensate (light oil) which you have never reported to COGCC.)

34-60-118.5 (4)↵  
If we cannot agree on my proceeds plus interest, bear in mind that  
CCGCC has exclusive jurisdiction. See rule 34-60-118.5 (5 a b c) and (6);  
also 34-60-116 subsection 7b.

I have mailed a copy of this letter to CCGCC, to your Denver attorney,  
Mr. Brian J. Beradini, and to your two sons. Within twenty days after  
receipt of this notice, you must pay or respond in writing explaining  
the reason for non-payment. Otherwise, I shall have to resort to  
further steps with the CCGCC, or I may reluctantly accept Jack Grynberg's  
invitation.

Yours sincerely,

Harold Hough

CC: Brian J. Beradini

Tim Shaffer

Ron Shaffer

Colorado Oil and Gas Conservation Commission

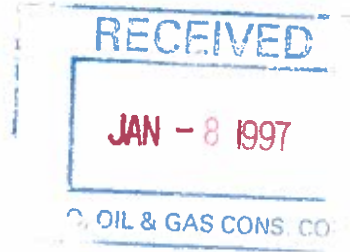


EXHIBIT E AND F

- E = Proof of Ron and Tim Shaffer's connections with the well proceeds due the Applicant.
- F = The Applicant's last letters to their attorney and a personal one to Tim. (Both letters are still unanswered!)

# KANSAS CRUDE, INC.

Ron Shaffer

November 19, 1981

NAME: *Harold Hough*

Dear Investor,

We are in the process of putting our records on computer. We do not have a social security number for you. It will be necessary for us to have this information. It will also be helpful to have your current telephone numbers. Please fill out the bottom of this letter and return it to us, so we can complete our records. Thank you in advance.

Sincerely

*Vicki*

Vicki Ford

*the  
applicant  
complied  
immediately.*

\_\_\_\_\_  
Social Security Number or I.D. Number

\_\_\_\_\_  
Office Telephone

\_\_\_\_\_  
HOME TELEPHONE

Wolcott Building / Hutchinson, Kansas 67501  
(316) 665-7201 / (316) 665-7332



TIM SHAFFER  
Kansas Crude, Inc.  
202 Wolcott Bldg.  
Hutchinson, KS 67501

September 15, 1982

Harold Hough  
1407 Broad Street  
Camden, SC 29020

Dear Mr. Hough:

On September 3, 1982 our office mailed you check number 04038 dated 7-15-82 in the amount of \$701.68. This was an error. We have just gone on computer and the check should not have been issued. We would appreciate your returning the check to us.

Thank you and we are sorry for any inconvenience we have caused you.

Yours truly,

  
Shirley A. Wilson

SW/tj

← The Applicant  
returned  
the money  
to Tim.

To: Brian J. Berardini, attorney for Tim Shaffer, et al  
1020 Ptarmigan Place  
3773 Cherry Creek Drive North  
Denver, Colorado 80209

Date: 9 June 1996

From: Harold Woellner Hough  
1407 Broad St.  
Camden, S. C. 29020  
Payment of my

Subject: / condensate and gas royalties for about 21 years, and my  
Working Interests, all of which are long overdue, as a  
non-consenting owner of NE/4, Section 6, T20S-R48W, McClave  
Field, 6th P. M. Kiowa County, Colorado.

Dear Mr. Berardini:

I received your letter of June 3, 1996, suggesting a face-to-face meeting to discuss the above subject when my wife and I are in Colorado this summer. We have conferred face-to-face with Tim Shaffer, his brother Ron, and their father, Fred. Besides the casual letter to Tim on March 12, 1996, which had references which confused you, we have also sent him, etc. four formal letters: *Which ones?*

1. Oct. 26, 1995, of two pages, copies of which were mailed individually to you, Fred and Ron, as well as to Tim.  
*(Yours was registered and signed by S. Richardson)*
2. Nov. 10, 1995, of one page confirming my constantly-clear title, sent individually to you and to Tim.
3. Nov. 28, 1995, of one page concerning the output of Pyles #1 Well mailed individually to the Shaffers, the Oil and Gas Conservation Commission, the Attorney General of the State of Colorado and the Dept. of Natural Resources, Minerals and Geology Div.
4. Dec. 27, 1995, of three pages (a full-summary complaint) sent individually to you, to Tim, to Ron and to the COGCC files.

As defined in 34-60-118.5 of the Oil and Gas Conservation Act, as amended, we sent <sup>Fred</sup> Shaffer a certified-mail letter, and sent the receipt to the COGCC.  
*(Receipt signed by Barb Hart)* *copy of it and his*

Surely you have a copy of the Act, or Tim has given you the copy which I sent him. Since I did not sign a pooling agreement, farmout agreement, or lease, it appears that Fred Shaffer decided to produce this well in non-compliance of Order 105-1, Rule 1.; he did not contact me on a monthly basis, etc.; never sent a cost breakdown for this well even though it was his responsibility, and is delinquent in production reporting. I understand that about two years ago he had health problems, but his business affairs should, by now, be in order.

Yours truly,

*Harold W. Hough*  
Harold W. Hough

1407 Broad St.  
Camden, S.C. 29020  
August 23, 1996

Dear Tim,

We had hoped that you would settle with us before turning our complaint over to an attorney, so, it was a shock to receive Mr. Brian Berardini's letter of June 3 which we answered immediately. It is now <sup>you're of</sup> three months later and still no answer from him. Also until Aug. 6, we had not heard from you since Nov. 20, 1995, after which three letters to you were ignored — reminiscent of Nov. 19, 1981, when Ron of Kansas & Co. and you of Kansas & Co. Oct 12, 1982, chose not to answer our concerns over our share in #1 Pylewell — "Oh, what a tangled web we weave when first we practice to deceive!"

Spent date Dec. 1973

You and Ron were very thick in <sup>our</sup> ~~the~~ mess, which your father signed as late as Sept. 1994, as operator of Pylewell Production Reports; ~~he~~ began on 18 March 1974 when he had his lawyer write the COGCC requesting "to withdraw the forced pooling application for #1 Pylewell" which COGCC says that they honored and considered the matter closed.

The two dozen sets of legal papers we had photocopied at Cedar, CO. showed us last fall how you folks and Dyrnberg have shuffled the lease owners — one was 5% from your father to your mother so I'm not surprised that Dyrnberg has involved your mother. How about Stephanie and Diane, and John, the attorney? Remember that the well caretaker (Bud Abrams) had to get a lien from you folks for \$12,300 on 12 June 1987.

We could sing a hard-luck story, too, about Hurricane Hugo destroying our dream house being built, about the many successive droughts that have ruined our old and new pastures, and about the current plummet in cattle prices!

This clip from the American Legion Magazine of June/July 1996 reminds me of our situation, but you folks aren't the only ones involved in our complaint. We'll be in Colorado this fall (within the next few weeks) to continue our complaint. In the light of what has transpired since we last saw you, we see no reason personally to contact you folks, or your lawyer who also knows how to stall and "play dumb."

#### Organ Recital

A man called his creditors together and told them, "I owe you about a million dollars. My assets come to \$1,200. You can divvy that up. If that's not good enough, you can just cut me up into small pieces and divide those."

One creditor said, "If we do that, can I have his gall?"

Regretfully,

Mr. & Mrs. Harold Hough



STATE OF  
COLORADO  
**OIL &  
GAS**  
CONSERVATION COMMISSION



EXHIBIT 2

DEPARTMENT OF NATURAL RESOURCES  
Roy Romer, Governor  
1120 Lincoln St., Suite 801  
Denver, CO 80203  
Phone: (303) 894-2100  
FAX: (303) 894-2109

March 28, 1997

Mr. Ronald Dashner  
Patina Oil and Gas Corporation  
625 Broadway Suite 801  
Denver, CO 80203

1-71

Dear Ron:

Enclosed please find a signed copy of your letter dated February 17, 1997. Also enclosed are COGCC production records for the McGuckin and the Acco Terra wells and a spreadsheet of shut-in wells.

The COGCC agrees with your proposal to add the following wells to Schedule 1:

State #4	20-T4N-R65W
Watson E#28-03	28-T6N-R65W
TLD #13-4	13-T1S-R70W
JSB #13-1	13-T1S-R70W
Cox #13-3	13-T1S-R70W

The program to resolve 45 inactive wells per year is an acceptable schedule. If additional inactive wells are identified they can be added to Schedule 1 and the time frame to resolve the additional wells can be extended past 1998.

As you may know, new financial surety rules were adopted by the COGCC last hearing and are effective April 30, 1997. These rules will require Patina to post a \$100,000 blanket bond. The new rules also require Patina to submit a \$5000 bond for each inactive well in excess of 20 inactive wells.

The inactive well bond requirement may be modified or waived at Commission hearing if the operator provides a plan for returning the wells to production or plugging and abandoning the wells on an acceptable schedule. The staff believes the shut-in well agreement in place meets these requirements and the staff would support Patina in an application to waive the inactive well bonding requirement at Commission hearing. The June 30/July 1 Commission hearing may be an appropriate time for this application.

As I discussed with Scott Reasoner this week, production from the McGuckin and Acco Terra wells are not recorded. Please review the production from these wells and confirm how the production is being reported to the COGCC.