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1-61
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January 12, 1996

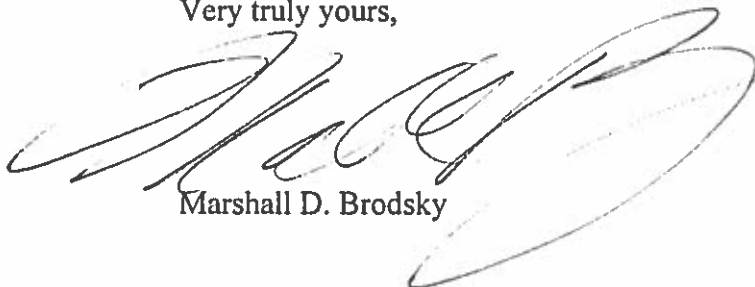
Wendell Wacker
17420 County Road W
Fort Morgan, CO 80701

Dear Mr. Wacker:

On March 3, 1995, I attended a meeting of the Colorado Oil and Gas Commission concerning storage of gas under your property by Colorado Interstate Gas.

At that meeting, Colorado Interstate Gas admitted that when in operation, their facility adjoining your property would pump waste water into an underground formation which continued without interruption from their property to yours.

Very truly yours,



Marshall D. Brodsky

MDB/bcg

February 24, 1995

1-61

Wendall Wacker
17420 Morgan County Road W
Fort Morgan, Colorado

RE: Plug and abandonment issues.

Dear Mr. Wacker:

The last time I met with you on February 3, 1995, I understood that you were willing to allow CIG to replug old abandoned wells on your property if they were willing to pay for the cost of the abandonment and restoration of the land according to OGCC Rules. Therefore, I attempted to organize this effort through my letter dated 2-14-95.

However, based on our telephone conversation the evening of February 23, 1995, I am unable to assist in negotiation for your concern about damage fees. Also, since there is no mineral contract between yourself and Colorado Interstate Gas Company (CIG) the Oil and Gas Commission is unable to effect a bond to be made for surface reclamation assurance without your agreement.

The Colorado Oil and Gas Conservation Commission will review CIG plans for the Young Gas Storage Unit on March 3, 1995, in our Denver office, from Noon to 2:00 p.m. You are invited to attend.

I am available if you have other questions at 842-4465.

Sincerely,



Eddie B. Binkley
NE Area Engineer

cc: Dave Dillon, Rich Griebling
Greg Gettman-CIG

March 6, 1995

1-61

Mr. Wendall Wacker
17420 Morgan County Road W
Fort Morgan, Colorado 80701

RE: Replugging of Dakota Sand Wells
Young Gas Storage Facility
T 4 N, R 58 W, Morgan County, Colorado

Dear Mr. Wacker,

Thank you for attending the meeting with CIG held on March 3rd in our offices. As we discussed in the meeting, the Colorado Oil and Gas Conservation Commission will not require CIG to replug the Plumb #1 well located in the NW/4 of Sec 13. The COGCC feels that the existing monitoring wells are sufficient safety precautions in this area.

Also, the COGCC will not require CIG to replug the Hemphill #1 well (NW/4 Sec 12) at this time. This decision may change depending on the results of future drilling in the Hemphill #1 area.

If you need additional information, please contact me at 303-894-2100 ext 104.

Very truly yours,



David K. Dillon
Sr. Petroleum Engineer

cc: Greg Gettman

GORSUCH K

ATTORNEY

BEST IMAGE
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DENVER, COLORADO 80217-0180WILLIAM K. GORSUCH
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April 1, 1994

BEST IMAGE
AVAILABLEMr and Mrs. Wendell M. Wacker
17420 Morgan County Road West
Fort Morgan, Colorado 80701

Re: Young Gas Storage Field Project

Dear Wendell and Margaret:

In furtherance of the agreements which were entered into yesterday between Young Gas Storage Company, Ltd. and you (and Christina L. Wacker), you should be aware that I received a letter from Young's attorney specifically agreeing that upon your request, you will be provided all information, including all the reports and maps generated by the seismic operation. In addition, Young's attorney has filed for dismissal of the current litigation (Case No. 94-B-667) in the United States District Court. It would appear then that this first part of the overall problem concerning the compensation due you in connection with the storage project has been concluded, hopefully to your satisfaction.

Attached to this letter is a draft letter which I am proposing be sent to Young's attorney early next week. In a brief telephone conversation I had with Don Blackwell yesterday, I informed him that he could expect a counterproposal from you, perhaps as early as Monday. After the two of you (and Christina if she intends to participate in the decision making process) have decided which figures to insert in the various blanks, please give me a call so that I can complete the letter to Blackwell. Obviously, if you have any comments regarding the content of the letter itself or any other issues to be addressed, you should let me know that too.

I believe very strongly that now is the time to put maximum pressure on CIG to arrive at an acceptable agreement with you. Please give me a call on Monday morning if you have had time to think about what should be in your counteroffer at that time.

WILLIAM K. GORSUCH, P.C.

WAK/jc