

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES
SUITE 380 LOGAN TOWER BUILDING
1580 LOGAN STREET
DENVER, COLORADO 80203

WILLIAM R. SMITH
Director
DENNIS R. BICKNELL
Deputy Director

(303) 894-2100

May 4, 1990



ROY ROMER
Governor

M. W. Hamilton
Colorado Southern Gas Company, Inc.
811 South Central Expressway, Suite 600
Richardson, Texas

Dear Mert:

Thank you for your letter of April 19. It sounds like you are having quite a few problems with the lease for the Christiansen prospect. In the meantime, we have been informed by Virginia Drilling that the casing has been pulled and hole backfilled as needed. Our field engineer confirms that the location is properly reclaimed.

We are somewhat confused by an invoice that Virginia Drilling sent to us for \$525 for the plugging of the well. Normally, we would assume that you would pay that cost, along any other costs with the spudding operation. Upon further discussion with Virginia Drilling, it appears that they are asking us to pay the cost of the plugging by making a claim on your bond. We have not consented to this at this time, as we are sure that you intend to settle your outstanding obligations to Virginia Drilling in the near future. Please contact us if you have further questions.

Yours truly,

John R. Stowell
John R. Stowell
Deputy Director

enc: plugging invoice

xc: Virginia Drilling

JRS/js

Christiansen # 1
SENE 35-6N-67W



**COLORADO SOUTHERN
GAS COMPANY INC.**

April 19, 1990

RECEIVED
APR 23 1990
COLO. OIL & GAS CONS. COMM.

Mr. John Stowell
Deputy Director
Oil and Gas Conservation Commission
State of Colorado
Suite 380 Logan Tower Building
1580 Logan St.
Denver, Colorado 80203

RE: 160 Acre, J.E. Christian-
sen Lease, SENE 35-T6N-R67W,
Weld County, CO.

Dear John;

I apologise for the delay in replying to your letter dated March 30, 1990. However, I have been out of the city for an extended period.

Apparently, my efforts to resolve the problems involved in the drilling of the above captioned lease have turned into a total abortion. I have never received, other than maps, a response from the attorney representing the surface owners concerning surface damage charges. As you know, I offered to move the location. In addition, I received a rather "cutting" letter from an attorney representing the individual that sold me the lease stating that, in addition to the \$31,000.00 already paid, they would grant me a 45 day extension for \$10,000.00. At that juncture, I contacted Mr. John Amen with the Denver law firm of Burns, Wall, Smith and Mueller, P.C., who subsequently advised me that a 45 day extension would be worthless since his examination of the base lease showed the lease to expire prior to any 45 day extension date.

It is rather obvious that my only choice at this time would be to pursue, through the courts, legal action to see if I might recover some of the losses. Further, I have been advised that if I were successful, there would be, in all likelihood, nothing to recover from. As of this date, I have made no decision in that area.

Concerning the current status of the well, let me say this. Mr. Otis Shuck of Virginia Drilling advised me that he did, indeed, attempt to pull the 12' of water well casing from the hole, but was not successful.

As a suggestion, would you allow me to cut off the casing, say 3' down, fill it with cement inside and around the outside, weld a plate on top, back fill as needed and restore the location? If this is not acceptable to you, would you please advise me as to what needs to be done and I will do so immediately.

Thanking you in advance for your assistance in this matter,
I remain

Yours very truly,

A handwritten signature in dark ink, appearing to read 'M. W. Hamilton', with a long horizontal flourish extending to the right.

M. W. Hamilton

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES

SUITE 380 LOGAN TOWER BUILDING

1580 LOGAN STREET

DENVER, COLORADO 80203

(303) 894-2100

WILLIAM R. SMITH
Director

DENNIS R. BICKNELL
Deputy Director

ROY ROMER
Governor

March 30, 1990

M. W. Hamilton
Colorado Southern Gas Company
811 South Central, Suite 600
Richardson, Texas 75080

Re: J. E. Christiansen 35-1 well, SENE 35-T6N-R67W, Weld County

Dear Mr. Hamilton:

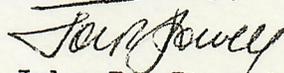
Our field engineer for the Weld County area informs us that the above mentioned well appears to have suspended operations. Please submit documentation on a Form 4, Sundry Notice, indicating your plans for this permitted well.

The present status is not acceptable for a number of reasons. The surface casing, as permitted, is to be 8.625" diameter, set to 350 feet. Apparently, approximately 20 feet of 6 inch water well casing has been driven to a depth of 12 feet. Unless you can furnish us with a revised drilling prognosis that includes this "conductor string", we ask that this pipe be pulled and the existing hole be back-filled. If you have any objections or reasons that this work can not be performed in the next two weeks, please give me a call. Our field engineer, Bob Van Sickle, will inspect the site once the work is completed.

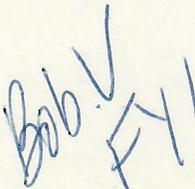
Also, please note that if your alternate plans include moving the location, your permit expires on April 27. You may submit an alternate location (with plat), providing that the lease and other information submitted on the original application is still valid.

Please respond as soon as possible, as we do not consider it a good practice to leave uncemented, unattended, unsecured pipe in the ground.

Yours truly,



John R. Stowell
Deputy Director


cc: well file

O. C. SHUCK • MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED/BONDED/INSURED/LICENSE 426

3/28/90

RECEIVED

MAR 30 1990

COLO. OIL & GAS CONS. COMM.

Oil & Gas Commission
Attn: Steve Potts
1580 Logan
Suite 380
Denver, CO 80203

Dear Mr. Potts:

Enclosed, please find a billing for the plugging of the well located in Section 35, Township 6 North, Range 67 West in Weld County on the Christenson Oil Lease.

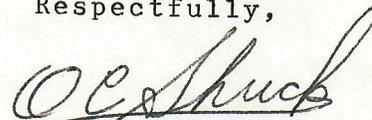
We have plugged the well as you had requested. Also enclosed are copies of the unpaid billings sent to Mr. Mert Hamelton of Colorado Southern Gas, Inc.

The enclosed copies also include a copy of the billings from Jim's Water Service which filled the ditch and graded the road so that it was possible for us to move onto the location. Our office has been in contact with Jim's Water Service recently and found that they too have not been paid for their work.

We would appreciate our prompt attention on this matter. We would also appreciate payment of this account as soon as possible as some of the billings are over 2 months old.

If you have any questions, please feel free to contact us and we will be happy to help in anyway.

Respectfully,



O.C. Shuck

Virginia Drilling Co, Inc.

No 3710

copy

WATER WELL DRILLING • MECHANICAL • ELECTRICAL • IRRIGATION • COMMERCIAL • PUMPS • PIPES • SUPPLIES

O. C. SHUCK • MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED/BONDED/INSURED/LICENSE 426

Sold to Colo Southern Gas, Inc
Attn: Mert Hamilton
811 S. Central Freeway
6th Floor
Richardson, TX 75080

Date 2/19/90

Job No. Christinson Oil Well

Customer's No.

WE WILL NOT BE RESPONSIBLE FOR QUANTITY OR QUALITY OF WATER.

QUAN.	DESCRIPTION	AMOUNT	TOTAL
	Standby time @ \$75.00 per day from 2/10 to 2/15/90	\$ 450.00	
	2/16/90 Standby, Moved Rig off location, attempt to remove 8 5/8" casing from ground. (we attempted to pull the casing from the ground, but the casing was frozen into ground and could not be moved)	\$ 75.00	\$ 525.00

INTEREST AT THE RATE OF 1 1/4% PER MO. WILL BE CHARGED ON ALL MONEY NOT PAID WHEN DUE.

***PLEASE REMIT ALL PAYMENTS TO: ***
*** P.O. BOX 29504 ***
*** THORNTON, CO 80229 ***

STATE TAX	
CITY TAX	
INVOICE TOTAL	\$ 525.00

VIRGINIA DRILLING CO. INC

BRUCE HASTING • 110 W. E. 11th STREET • THORNTON, CO 80229 • 303-763-1100

MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED BONDING AGENT

Sold to: Colo Southern Gas, Inc
 Attn: Mark Hamilton
 811 S. Central Freeway
 6th Floor
 Richardson, TX 75080

Customer's No.: Well
Job No.: Christian 011
Date: 2/12/90

WE WILL NOT BE RESPONSIBLE FOR QUANTITY OR QUALITY OF WATER

AMOUNT	DESCRIPTION
\$ 420.00	Day from 2/12 to 2/12/90
\$ 75.00	1/2 hr off location, attempt to locate casing from the ground, but no casing found and could not be located.
STATE TAX	
CITY TAX	
INVOICE TOTAL	

This Billing is still due to Jim's Water Ser.

Total Bills: \$540⁰⁰

DRILLING CO

COLORADO SOUTHERN GAS CO., INC.
 811 S. CENTRAL, NO. 600 PH. 214-644-7991
 RICHARDSON, TEXAS 75080

730

GATEWAY
 NATIONAL BANK
 811 S. Central, Dallas TX 75201 • 3000 Sheppard Ln, El Paso, Texas 79905
 214-694-1300 214-286-3000

PAY TO THE ORDER OF Virginia Drilling Co. Inc.

2-12 19 90

32-1006
1110

\$ 2,555.00

Two thousand five hundred fifty five dollars and no/100-----DOLLARS

Invoice #3702

[Handwritten Signature]

THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED

⑈000730⑈ ⑆111010060⑆ ⑈00 1519 8⑈

Rec. 2/13/90 by UPS next day delivery

Copy

No 3702

PA 2-13-90
dc 730

WATER WELL DRILLING • Mountain • Domestic • Irrigation • Commercial • Pumps • Pipe • Supplies

O. C. SHUCK • MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED/BONDED/INSURED/LICENSE 426

Sold to Colo. Southern Gas, Inc
 811 S. Central Freeway
 6th Floor
 Richardson, TX 75080

Date 1/11/90

Job No.

Customer's No.

WE WILL NOT BE RESPONSIBLE FOR QUANTITY OR QUALITY OF WATER.

QUAN.	DESCRIPTION	AMOUNT	TOTAL
12/30/89	OCS/men to check location		
12/31/89	1 man to location (hand dug hole/installed pipe into ground) 6 hrs @ \$16.00 per hr	\$ 100.00	
1/01/90	Rig/equipment moved to location: 8 hrs @ \$100.00 per hr	\$ 96.00	
1/01/90	2 men @ \$16.00 per man/per hr (11 hrs)	\$ 800.00	
1/06/90	2 men drilling/install 8 5/8" casing 6 hrs @ \$16.00 per man/per hr	\$ 352.00	
1/1-1/11/90:	Standby time @ \$75.00 per day for rig.	\$ 192.00	
	22' of 8 5/8" steel casing @ \$7.50 per ft.	\$ 825.00	
	Long distance phone calls/Texas	\$ 165.00	
		\$ 25.00	\$2555.00

INTEREST AT THE RATE OF 1 1/4% PER MO. WILL BE CHARGED ON ALL MONEY NOT PAID WHEN DUE.

PLEASE REMIT ALL PAYMENTS TO:
 *** P.O. BOX 29504 ***
 *** THORNTON, CO 80229 ***

STATE TAX	
CITY TAX	
INVOICE TOTAL	\$2555.00

VIRGINIA DRILLING CO. INC.

8871 HASTINGS WAY WESTMINSTER, COLO. 80030/3031 429 6697

5-15

\$ 2,287.00

Virginia Drilling Co., Inc.

PAY TO THE ORDER OF

QUALITY

Two thousand five hundred fifty five dollars and no/100

Invoice 13702

40007304 4114010000 400 1214 B

[Handwritten signature]

See sheets for list of items

Copy of Statement
Sent to Colo Southern
on Outstanding bills
on Christenson Oil lease
Job

1980

Net 370

O. C. SHUCK, MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED BORED DRILLER

Sold to Colo. Southern Gas, Inc.
811 S. Central Freeway
6th Floor
Richardson, TX 75080

Date 1/11/80
Job No.
Customer's No.

WE WILL NOT BE RESPONSIBLE FOR QUANTITY OR QUALITY OF WATER.

AMOUNT	DESCRIPTION	QUAN
\$ 100.00	12/30/79 Occasion to check location	
\$ 90.00	12/31/79 1 man to location (hand dug hole installed pipe into ground) @ hrs @ \$10.00 per hr	
\$ 800.00	1/01/80 Equipment moved to location @ hrs @ \$100.00 per hr	
\$ 352.00	1/01/80 2 men @ \$18.00 per man per hr (11 hrs)	
\$ 192.00	1/02/80 2 men drilling casing @ \$18.00 per man per hr	
\$ 822.00	1/11/80 Standby time @ \$12.00 per day for 2 hrs	
\$ 162.00	12/01/79 @ \$18.00 per hr	
\$ 222.00	long distance phone calls Texas	
STATE TAX		
CITY TAX		
INVOICE TOTAL		

PLEASE REMIT ALL PAYMENTS TO
P.O. BOX 12284
THORNTON, CO 80242