

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.**

**RECEIVED**

APR 23 1990

**COLO. OIL & GAS CON. COMM.**

April 19, 1990

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.

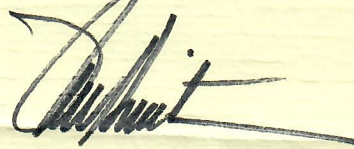
Concerning the current status of the well, let me say this. Mr. Otis Shuck of Virginia Drilling advised me that he did, indeed, attempt to pull the 12' of water well casing from the hole, but was not successful.



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 stylized 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

WILLIAM R. SMITH  
Director

DENNIS R. BICKNELL  
Deputy Director

(303) 894-2100

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.

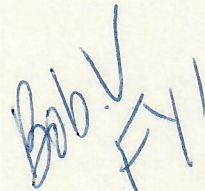
The present status is not acceptable for a number of reasons. The surface casing, as permitted, is to be 8.625" diameter, set to 350 feet. Apparently, approximately 20 feet of 6 inch water well casing has been driven to a depth of 12 feet. Unless you can furnish us with a revised drilling prognosis that 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.

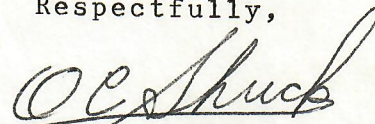
We have plugged the well as you had requested. Also enclosed are copies of the unpaid billings sent to Mr. Mert Hamelton of Colorado Southern Gas, Inc.

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.	\$ 75.00	\$ 525.00
(we attempted to pull the casing from the ground, but the casing was frozen into ground and could not be moved)		

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.

MEMBER OF NATIONAL AND STATE WATER WELL ASSOC. • LICENSED BOND INSURED LICENSE #55  
O. C. SHUCK •  
Sold to: Gold Southern Gas, Inc.  
Attn: Mark Hamilton  
811 S. Central Freeway  
6th Floor  
Richardson, TX 75080  
Customer's No.  
Job No. Christensen 011  
Well  
Date 2/12/90  
WE WILL NOT BE RESPONSIBLE FOR QUANTITY OR QUALITY OF WATER

AMOUNT	DESCRIPTION
\$ 450.00	Day from 2/10 to 2/12/90
\$ 75.00	Wells off location, attempt to locate from ground.
	the casing from the ground, but no ground and could not be
STATE TAX	WILL BE CHARGED ON ALL MONEY NOT PAID WHEN DUE
CITY TAX	ALL PAYMENTS FOR
INVOICE TOTAL	ON, CO 80329

This Billing is  
still due to  
Jim's Water Ser.  
  
Total  
Bills \$540<sup>00</sup>

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 Ave. East, Suite 100, Dallas TX 75201 • 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

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  
2-13-90 730

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



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

Customer's No. \_\_\_\_\_ Job No. \_\_\_\_\_ Date 1/11/90

Sold to Colo. Southern Gas, Inc.  
811 S. Central Freeway  
8th Floor  
Richardson, TX 75080

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

QUAN	DESCRIPTION	AMOUNT
12/30/89	Occ/Man to check location	\$ 100.00
12/31/89	Man to location (hand hole installed pipe into ground) @ \$15.00 per hr	\$ 90.00
1/03/90	Equipment moved to location @ \$15.00 per hr	\$ 800.00
1/07/90	2 men @ \$15.00 per man per hr (11 hrs)	\$ 330.00
1/06/90	2 men drilling 2" x 8" casing @ \$15.00 per man per hr	\$ 195.00
1/11/90	Standby time @ \$15.00 per day for 2 hrs	\$ 30.00
1/11/90	2" x 8" steel casing @ \$15.00 per ft	\$ 162.00
	Long distance phone calls, Texas	\$ 25.00
	<b>INVOICE TOTAL</b>	<b>\$ 2,252.00</b>
	<b>CITY TAX</b>	
	<b>STATE TAX</b>	

PLEASE REMIT ALL PAYMENTS TO:  
P.O. BOX 12204  
THORNTON, CO 80229

INTEREST AT THE RATE OF 1% PER ANNUM WILL BE CHARGED ON ALL MONIES NOT PAID WITHIN THE