

DVR	✓
FJP	
HHM	
JAM	✓
LHD	✓



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March 21, 1969

COLO. OIL & GAS CONS. COMM.

*15-8N-54 W
Logan County*

Mr. Tom Swanson
Kansas-Nebraska Natural Gas Company
300 North St. Joseph Avenue
Hastings, Nebraska 68901

Re: State No. 1
Logan County, Colorado
Battery No. 106

Dear Mr. Swanson:

In looking at the gas sales for the above mentioned tank battery since gas/oil ratios have been used by your company, versus the period when the gas was being measured, I will set out below the monthly production and the gas sales, as well as the gas/oil ratios, and demand an explanation as to what is causing the discrepancy:

Month	Oil Produced Barrels	Gas Sales - MCF (per K-N Stmtts.)	Gas/Oil Ratio
December, 1968	242	1,670	6900 to 1
January, 1969	255	2,364	9270 to 1
February, 1969	224	200	892 to 1

Please explain how the gas/oil ratio can change from 6900 to 1 to 890 to 1, when nothing has been done to the well in the interim period, except that the measuring facilities have been removed. It looks like somebody should add another zero to the volume purchased in February.

Unless an explanation is forthcoming, I demand that a meter be reinstalled immediately on the above well on the following basis:

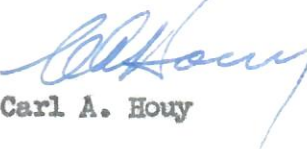
The record will show that the working interest owners in the State No. 1 have paid for the line, the meter and the meter run. A legal question is raised as to whether Kansas-Nebraska can remove these facilities, and appropriate this equipment for their own use, prior to the plugging and abandonment of this well.

file

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This will also answer the rumors of taking up the lines by Kansas-Nebraska as they are insistent that the operation of the lines is not economic. It is my contention that while Kansas-Nebraska is actively soliciting casing head gas connections and is not taking all of the gas produced from the present wells connected to their system, they are not about to take up a line because Kansas-Nebraska says it is uneconomic.

Very truly yours,



Carl A. Houy

CAH:tjb

cc: ✓ Mr. Doug V. Rogers, Director
Colorado Oil & Gas Conservation Commission

Mr. W. H. Pattison, Director
Colorado Board of Land Commissioners