

LAW OFFICES
OF
GEORGE A. BARTON, P.C.

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Overland Park, KS 66204
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Stacy A. Burrows
DIRECT DIAL: (913) 563-6253
Email: stacy@georgebartonlaw.com

May 23, 2018

VIA PRIORITY MAIL

Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: *McClintock & Nikoloric, LLC's and U.S. Bank, NA as Trustee of the T.E. McClintock Trust's Form 38s – Payment of Proceeds Hearing Request*

Docket NO: 180700620

Dear COGCC:

Please find McClintock & Nikoloric, LLC's ("McClintock & Nikoloric") and U.S. Bank, NA as Trustee of the T.E. McClintock Trust's ("McClintock Trust") Form 38s attached hereto. The pertinent information attached includes: (1) completed copies of the Form 37s McClintock & Nikoloric and McClintock Trust submitted to Bill Barrett Corporation¹; (2) proof of mailing; (3) Bill Barrett Corporation's Response to Written Notice Pursuant to C.R.S. § 34-60-118.5(2.5); and (4) McClintock & Nikoloric's and McClintock Trust's Form 38s.

Please do not hesitate to contact me should you have any questions.

Very truly yours,

/s/ Stacy Burrows

Stacy Burrows

cc: Karen L. Spaulding (via mail w/ attachments)

¹ Bill Barrett Corporation recently changed its name to HighPoint Resources Corp. For consistency, we refer to the company as Bill Barrett Corporation

FORM

38

Rev
1/10

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

PAYMENT OF PROCEEDS HEARING REQUEST

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well), attach required documentation and mail to: COGCC, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 or fax to: (303) 894-2109. COGCC will investigate the report and determine what action, if any, should be taken.

PAYEE INFORMATION

NAME OF PAYEE: **PHONE NO:**
ADDRESS: **FAX:**
CITY: **STATE:** **ZIP:** **E-MAIL:**
PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: **COUNTY:**
QTR/QTR SEC: TOWNSHIP: RANGE:
 API NUMBER:

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided:	<input type="checkbox"/>
Late payment	<input checked="" type="checkbox"/>
Non payment	<input checked="" type="checkbox"/>
No interest paid on late payment	<input checked="" type="checkbox"/>
No response to Form 37 inquiry	<input type="checkbox"/>

All pertinent documentation must be attached. This includes: completed copy of operator contact Form 37, proof of mailing, response (if received from operator), redacted checkstub detail and any other documentation necessary.

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Non payment ☒

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MINERAL INFORMATION

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE **PHONE NO:** 913-563-6253
ADDRESS: P.O. Box 1588 **FAX:** (913) 563-6259
CITY: Tulsa **STATE:** OK **ZIP:** 74101 **E-MAIL:** stacy@georgebartonlaw.com
PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-3340BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWSW 21 5N 61W **API NUMBER:** 05-123-37756

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: _____
 Late payment _____ X
 Non payment _____ X
 No interest paid on late payment _____ X
 No response to Form 37 inquiry _____

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CITY: Tulsa **STATE:** OK **ZIP:** 74101 **E-MAIL:** stacy@georgebartonlaw.com
PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4841BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWSW 21 5N 61W **API NUMBER:** 05-123-37755

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: ☐
 Late payment ☒
 Non payment ☒
 No interest paid on late payment ☒
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PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4956BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWSW 21 5N 61W **API NUMBER:** 05-123-37750

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: _____
 Late payment _____ X
 Non payment _____ X
 No interest paid on late payment _____ X
 No response to Form 37 inquiry _____

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 CITY: Tulsa STATE: OK ZIP: 74101 E-MAIL: stacy@georgebartonlaw.com
 PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-6457BH COUNTY: Weld County, Colorado
 QTR/QTR SEC: TOWNSHIP: RANGE:
 NWSW 21 5N 61W API NUMBER: 05-123-37751

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: ☐
 Late payment ☒
 Non payment ☒
 No interest paid on late payment ☒
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PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-0108BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWNW 21 5N 61W **API NUMBER:** 05-123-38211

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: _____

Late payment _____

X

Non payment _____

X

No interest paid on late payment _____

X

No response to Form 37 inquiry _____

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CITY: Tulsa **STATE:** OK **ZIP:** 74101 **E-MAIL:** stacy@georgebartonlaw.com
PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1609BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWNW 21 5N 61W **API NUMBER:** 05-123-38212

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: _____
 Late payment _____X_____
 Non payment _____X_____
 No interest paid on late payment _____X_____
 No response to Form 37 inquiry _____

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PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1724BH **COUNTY:** Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:
 NWNW 21 5N 61W **API NUMBER:** 05-123-38224

NON-COMPLIANCE ISSUES NOT RESOLVED (PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided: _____
 Late payment _____ X
 Non payment _____ X
 No interest paid on late payment _____ X
 No response to Form 37 inquiry _____

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 CITY: Tulsa STATE: OK ZIP: 74101 E-MAIL: stacy@georgebartonlaw.com
 PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-3225BH COUNTY: Weld County, Colorado
 QTR/QTR SEC: TOWNSHIP: RANGE:
 NWNW 21 5N 61W API NUMBER: 05-123-38223

NON-COMPLIANCE ISSUES NOT RESOLVED
(PLEASE CHECK ALL THAT APPLY)

Required checkstub detail not provided:

Late payment

Non payment

No interest paid on late payment

No response to Form 37 inquiry

☐☒☒☒☐

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Stacy A. Burrows
DIRECT DIAL: (913) 563-6253
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March 22, 2018

VIA EMAIL AND CERTIFIED MAIL

Bill Barrett Corporation
Attn: Matt Barber
1099 18th Street, Suite 2300
Denver, Colorado 80202

Bill Barrett Corporation
Attn: Matt Barber
33105 County Road 33
Greeley, CO 80631

Re: Written notice pursuant to C.R.S. § 34-60-118.5(2.5) by McClintock & Nikoloric LLC and U.S. Bank, N.A., as Trustee of the T.E. McClintock Trust under the Will for the Benefit of Mary M. Swift to Bill Barrett Corporation of its failure to make timely payments for the full amount of royalties owed to McClintock & Nikoloric LLC and U.S. Bank, N.A., as Trustee of the T.E. McClintock Trust under the Will for the Benefit of Mary M. Swift under the Lease Agreements

Dear Bill Barrett Corporation:

McClintock & Nikoloric LLC ("McClintock & Nikoloric") and U.S. Bank, N.A., as Trustee of the T.E. McClintock Trust under the Will for the Benefit of Mary M. Swift (the "McClintock Trust") hereby provides written notice to Bill Barrett Corporation ("Bill Barrett") of its failure to make timely payments for the full amount of royalties owed to McClintock & Nikoloric and the McClintock Trust under the Lease Agreements, pursuant to C.R.S. § 34-60-118.5(2.5). Attached hereto are McClintock & Nikoloric's and the McClintock Trust's Form 37s regarding the following wells:

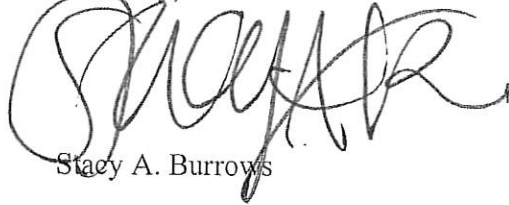
Kunsemiller 5-61-21-1609BH (API No. 05-123-38212)
Kunsemiller 5-61-21-1724BH (API No. 05-123-38224)
Kunsemiller 5-61-21-3225BH (API No. 05-123-38223)
Kunsemiller 5-61-21-0108BH (API No. 05-123-38211)
Hawkins 5-61-21-3340BH (API No. 05-123-37756)
Hawkins 5-61-21-4956BH (API No. 05-123-37750)
Hawkins 5-61-21-6457BH (API No. 05-123-37751)

Hawkins 5-61-21-4841BH (API No. 05-123-37755)

The Form 37s request the actual sales prices of the residue and natural gas liquid products and a written explanation of any and all deductions or adjustments which have reduced royalties to be paid or owed to McClintock & Nikoloric and the McClintock Trust. The Form 37 Attachment included in this letter is to be incorporated by reference into each Form 37 contained herein.

Also included in this letter is a sample royalty statement in which Bill Barrett paid royalties to McClintock & Nikoloric and the McClintock Trust. Only a sample royalty statement is being produced as Bill Barrett created and mailed the royalty statements that McClintock & Nikoloric and the McClintock Trust received on a monthly basis, and has in its possession such information for each month that Bill Barrett has paid royalties to McClintock & Nikoloric and the McClintock Trust.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stacy A. Burrows', with a large, stylized initial 'S'.

Stacy A. Burrows

cc: Mr. L. Poe Leggette (via email, w/ attachment)
Alexander K. Obrecht (via email, w/ attachment)

McClintock Form 37 Attachment

Under C.R.S. § 34-60-118.5(2.5), Payee seeks a written explanation for the above-referenced well for each month from October 22, 2009, to the present for following:

- 1) The gross weighted average sales price ("WASP") per MMBTU received for the residue gas at the point of sale (this price should be for all monthly sales for the "pool" at issue);
- 2) Any deductions taken which are stated or implied for conservation tax, severance tax, ad valorem tax, delivery costs, and costs of productions, including, but not limited to, transportation expenses or any expense associated with or attributable to treatment, gathering, trucking, processing, including volumetric deductions, and any other costs that were deducted from residue gas sales price before paying royalties;
- 3) The contract(s) or agreement(s) under which the residue gas was sold, which should include the payor, volume, and price;
- 4) Identification of the specific agreements under which the raw natural gas was transferred to a gathering or processing company prior to being processed at a processing plant;
- 5) The gross wellhead volume of the raw natural gas in MCFs;
- 6) The wellhead MMBTU content of the raw natural gas;
- 7) The remaining actual processed residue gas in MMBTUs after natural gas liquid products ("NGLs") have been removed and any fuel lost and unaccounted ("FLU") volumes have been accounted for;
- 8) Indicate how the royalty payments on the residue gas, after processing, are calculated (i.e. are the calculations based on net volume, after the FLU volumes are deducted, or are royalty payments adjusted to include FLU volumes in the royalty payment);
- 9) The total wellhead gallon volume of each of the NGLs contained within the raw natural gas stream;
- 10) The actual gallons recovered at the processing plant for each of the NGLs, expressed either as recovery of theoretical gallons or as actual gallons recovered at the processing plant;
- 11) Amount paid to Bill Barrett for the NGLs produced from this well including the gross value and the net value after fractionation and transportation costs deducted, if any;
- 12) The deductions from the actual sales prices of the natural gas liquid products for conservation tax, severance tax, ad valorem tax, delivery costs, and costs of productions,

including, but not limited to, transportation expenses or any expense associated with or attributable to treatment, gathering, trucking, and processing;

- 13) The maximum daily quantity fee or any other penalty or demand fee charge which is deducted by Bill Barrett from the royalty payments;
- 14) Any transportation fees deducted by Bill Barrett from the royalty payments;
- 15) Any costs that Bill Barrett paid to reserve space to transport natural gas products on the interstate pipeline ("Reservation Fees") deducted by Bill Barrett from the royalty payments;
- 16) Identify any unutilized Reservation Fees that were charged to the royalty owners;
- 17) The contract or agreement under which Reservation Fees and/or tariffs were paid by Bill Barrett, and deducted from the royalty payments; and
- 18) Identify the provision of the leases at issue that authorizes Bill Barrett to take any of the above-referenced deductions, adjustments, or reduce the royalties in any way.

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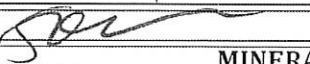
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well) and submit it to the payor issuing the payment. Operator addresses may be found at the COGCC website cogcc.state.co.us at DATABASE under the category NAME, ADDRESS AND FINANCIAL ASSURANCE. This form must be submitted to the payor via certified mail. Using this form to request information will not replace the need for a financial audit.

PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-3340BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37756	
NWSW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-3340BH		COUNTY: Weld County, Colorado
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37756
NWSW 21 5N 61W		

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253
ADDRESS: P.O. Box 1588		FAX: 913-563-6259
CITY: Tulsa	STATE: OK	ZIP: 74101
E-MAIL: stacy@georgebartonlaw.com		
SIGNATURE: 		PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4841BH	COUNTY: Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37755
NWSW 21 5N 61W	

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Hawkins 5-61-21-4841BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWSW 21 5N 61W	API NUMBER:	05-123-37755

The payee requests the payor to provide a reconciliation between the following volumes:

 GAS **OIL**

The month and year during which the sale occurred 10/22/09-present. X

Volume reported as produced 10/22/09-present. X

Volume reported as sold 10/22/09-present. X

Volumes shown as produced/sold do not agree with:

Volume reported to the COGCC 10/22/09-present. X

Volume reported to another government agency 10/22/09-present. X

Other information for sales reconciliation (specify request) X

See attached.

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

 GAS **OIL**

Shrinkage during transport.

Used for compression during transport.

Line loss or fuel use from the gathering line during transport.

A portion of the natural gas was vented or flared or used as fuel during transport.

Contractual overages or underages from previous months were rectified during this sales period.

Sold by others.

Other (Please Specify):

The gas meter(s) at this well site or lease was last calibrated on?

The gas meter(s) at the sales point was last calibrated on?

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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State of Colorado
 Oil and Gas Conservation Commission
 1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

PAYMENT OF PROCEEDS - SALES VOLUME RECONCILIATION PAYOR CONTACT FORM

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4956BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37750	
	NWSW 21 5N 61W		

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

 Name

 Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4956BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37750	
NWSW 21 5N 61W			

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	
Other information for sales reconciliation (specify request)	<u>X</u>	
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	Percentage of difference attributed to this cause.	
	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____.

The gas meter(s) at the sales point was last calibrated on? _____.

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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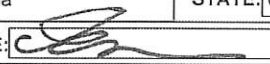
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-6457BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37751	
NWSW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-6457BH		COUNTY: Weld County, Colorado
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37751
NWSW 21 5N 61W		

The payee requests the payor to provide a reconciliation between the following volumes:

 GAS OIL

The month and year during which the sale occurred 10/22/09-present. X

Volume reported as produced 10/22/09-present. X

Volume reported as sold 10/22/09-present. X

Volumes shown as produced/sold do not agree with:

Volume reported to the COGCC 10/22/09-present. X

Volume reported to another government agency 10/22/09-present. X

Other information for sales reconciliation (specify request) X

See attached.

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

 GAS OIL

Shrinkage during transport.

Used for compression during transport.

Line loss or fuel use from the gathering line during transport.

A portion of the natural gas was vented or flared or used as fuel during transport.

Contractual overages or underages from previous months were rectified during this sales period.

Sold by others.

Other (Please Specify):

The gas meter(s) at this well site or lease was last calibrated on?

The gas meter(s) at the sales point was last calibrated on?

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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37
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01/10


State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253
ADDRESS: P.O. Box 1588		FAX: 913-563-6259
CITY: Tulsa	STATE: OK	ZIP: 74101
E-MAIL: stacy@georgebartonlaw.com		
SIGNATURE: 		PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-0108BH	COUNTY: Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38211
NWNW 21 5N 61W	

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

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The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-0108BH	COUNTY: Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE: NWNW 21 5N 61W	API NUMBER: 05-123-38211

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	
Other information for sales reconciliation (specify request)	<u>X</u>	
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	Percentage of difference attributed to this cause.	
	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

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State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

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**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well) and submit it to the payor issuing the payment. Operator addresses may be found at the COGCC website cogcc.state.co.us at DATABASE under the category NAME, ADDRESS AND FINANCIAL ASSURANCE. This form must be submitted to the payor via certified mail. Using this form to request information will not replace the need for a financial audit.

PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253
ADDRESS: P.O. Box 1588		FAX: 913-563-6259
CITY: Tulsa	STATE: OK	ZIP: 74101
E-MAIL: stacy@georgebartonlaw.com		
SIGNATURE: 		PAYEE NUMBER:

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1609BH	COUNTY: Weld County, Colorado
QTR/QTR SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38212
NWNW 21 5N 61W	

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1609BH		COUNTY: Weld County, Colorado
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38212
NWNW 21 5N 61W		

The payee requests the payor to provide a reconciliation between the following volumes:

 GAS OIL

The month and year during which the sale occurred 10/22/09-present. X

Volume reported as produced 10/22/09-present. X

Volume reported as sold 10/22/09-present. X

Volumes shown as produced/sold do not agree with:

Volume reported to the COGCC 10/22/09-present. X

Volume reported to another government agency 10/22/09-present. X

Other information for sales reconciliation (specify request) X

See attached.

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

 GAS OIL

Shrinkage during transport.

Used for compression during transport.

Line loss or fuel use from the gathering line during transport.

A portion of the natural gas was vented or flared or used as fuel during transport.

Contractual overages or underages from previous months were rectified during this sales period.

Sold by others.

Other (Please Specify):

The gas meter(s) at this well site or lease was last calibrated on?

The gas meter(s) at the sales point was last calibrated on?

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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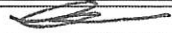
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well) and submit it to the payor issuing the payment. Operator addresses may be found at the COGCC website cogcc.state.co.us at DATABASE under the category NAME, ADDRESS AND FINANCIAL ASSURANCE. This form must be submitted to the payor via certified mail. Using this form to request information will not replace the need for a financial audit.

PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1724BH		COUNTY: Weld County, Colorado	
QTR/QTR SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38224		
NWNW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Kunsemiller 5-61-21-1724BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWNW 21 5N 61W	API NUMBER:	05-123-38224

The payee requests the payor to provide a reconciliation between the following volumes:

 GAS OIL

The month and year during which the sale occurred 10/22/09-present, X

Volume reported as produced 10/22/09-present, X

Volume reported as sold 10/22/09-present, X

Volumes shown as produced/sold do not agree with:

Volume reported to the COGCC 10/22/09-present, X

Volume reported to another government agency 10/22/09-present, X

Other information for sales reconciliation (specify request) X

See attached.

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

 GAS OIL

Shrinkage during transport.

Used for compression during transport.

Line loss or fuel use from the gathering line during transport.

A portion of the natural gas was vented or flared or used as fuel during transport.

Contractual overages or underages from previous months were rectified during this sales period.

Sold by others.

Other (Please Specify): _____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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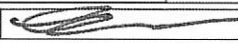
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

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PAYEE INFORMATION

NAME OF PAYEE: Colorado State Bank & Trust N A TTEE		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-3225BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38223	
NWNW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-3225BH		COUNTY: Weld County, Colorado
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38223
NWNW 21 5N 61W		

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

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**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

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PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-3340BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37756	
	NWSW 21 5N 61W		

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Hawkins 5-61-21-3340BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWSW 21 5N 61W	API NUMBER:	05-123-37756

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION PAYOR CONTACT FORM

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PAYEE INFORMATION

NAME OF PAYEE: <u>McClintock & Nikoloric LLC</u>		PHONE NO: <u>913-563-6253</u>	
ADDRESS: <u>P.O. Box 1588</u>		FAX: <u>913-563-6259</u>	
CITY: <u>Tulsa</u>	STATE: <u>OK</u>	ZIP: <u>74101</u>	E-MAIL: <u>stacy@georgebartonlaw.com</u>
SIGNATURE: 		PAYEE NUMBER: <u> </u>	

MINERAL INFORMATION

WELL NAME: <u>Hawkins 5-61-21-4841BH</u>		COUNTY: <u>Weld County, Colorado</u>	
QTR/QTR	SEC: <u>TOWNSHIP:</u>	RANGE: <u>API NUMBER: 05-123-37755</u>	
<u>NWSW 21 5N 61W</u>			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records X

Production reporting records X

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Hawkins 5-61-21-4841BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWSW 21 5N 61W		
		API NUMBER:	05-123-37755

The payee requests the payor to provide a reconciliation between the following volumes:

 GAS **OIL**

The month and year during which the sale occurred 10/22/09-present, **X**

Volume reported as produced 10/22/09-present, **X**

Volume reported as sold 10/22/09-present, **X**

Volumes shown as produced/sold do not agree with:

Volume reported to the COGCC 10/22/09-present, **X**

Volume reported to another government agency 10/22/09-present, **X**

Other information for sales reconciliation (specify request) **X**

See attached.

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

 GAS **OIL**

Shrinkage during transport.

Used for compression during transport.

Line loss or fuel use from the gathering line during transport.

A portion of the natural gas was vented or flared or used as fuel during transport.

Contractual overages or underages from previous months were rectified during this sales period.

Sold by others.

Other (Please Specify): _____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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01/10


State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS – SALES VOLUME RECONCILIATION
PAYOR CONTACT FORM**

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well) and submit it to the payor issuing the payment. Operator addresses may be found at the COGCC website cogcc.state.co.us at DATABASE under the category NAME, ADDRESS AND FINANCIAL ASSURANCE. This form must be submitted to the payor via certified mail. Using this form to request information will not replace the need for a financial audit.

PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER: _____	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-4956BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-37750	
NWSW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Hawkins 5-61-21-4956BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWSW 21 5N 61W	API NUMBER:	05-123-37750

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	
Other information for sales reconciliation (specify request)	<u>X</u>	
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.		
Used for compression during transport.		
Line loss or fuel use from the gathering line during transport.		
A portion of the natural gas was vented or flared or used as fuel during transport.		
Contractual overages or underages from previous months were rectified during this sales period.		
Sold by others.		
Other (Please Specify): _____		

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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Oil and Gas Conservation Commission
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PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Hawkins 5-61-21-6457BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP:	RANGE:	API NUMBER: 05-123-37751
NWSW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Hawkins 5-61-21-6457BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWSW 21 5N 61W	API NUMBER:	05-123-37751

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	
Other information for sales reconciliation (specify request)	<u>X</u>	
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date

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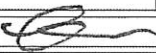
State of Colorado
Oil and Gas Conservation Commission
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PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-0108BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38211	
	NWNW 21 5N 61W		

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Kunsemiller 5-61-21-0108BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWNW 21 5N 61W	API NUMBER:	05-123-38211

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

Percentage of difference
attributed to this cause.

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

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PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1609BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38212	
	NWNW 21 5N 61W		

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Kunsemiller 5-61-21-1609BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWNW 21 5N 61W	API NUMBER:	05-123-38212

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

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PAYEE INFORMATION

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ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-1724BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38224	
NWNW 21 5N 61W			

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Kunsemiller 5-61-21-1724BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWNW 21 5N 61W		
API NUMBER:		05-123-38224	

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	_____
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	_____
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	_____
Other information for sales reconciliation (specify request)	<u>X</u>	_____
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	Percentage of difference attributed to this cause.	
	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

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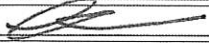
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PAYEE INFORMATION

NAME OF PAYEE: McClintock & Nikoloric LLC		PHONE NO: 913-563-6253	
ADDRESS: P.O. Box 1588		FAX: 913-563-6259	
CITY: Tulsa	STATE: OK	ZIP: 74101	E-MAIL: stacy@georgebartonlaw.com
SIGNATURE: 		PAYEE NUMBER:	

MINERAL INFORMATION

WELL NAME: Kunsemiller 5-61-21-3225BH		COUNTY: Weld County, Colorado	
QTR/QTR	SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-38223	
	NWNW 21 5N 61W		

REQUEST FOR PAYMENT OF PROCEEDS INFORMATION

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. _____

The month and year during which the sale occurred. _____

The total quantity of product sold attributable to such payment, including the units of measurement. _____

The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) _____

The total amount of severance taxes and any other production taxes or levies applied to the sale. _____

The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. _____

The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. _____

The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. _____

An address and telephone number from which additional information may be obtained and questions answered. _____

Additional Information Requested

[Note: This section asks for the additional information payee may request under 118.(2.5) as amended by HB 1180.]

Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:

See attached.

Meter calibration testing records ☒

Production reporting records ☒

PAYMENT OF PROCEEDS - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) I/we could not provide information concerning _____ for the following reasons:

Name

Contact Phone Number

REQUEST FOR SALES VOLUME RECONCILIATION INFORMATION

Payee should provide information at appropriate entries to request information regarding sales volume reconciliation.

MINERAL INFORMATION

WELL NAME:	Kunsemiller 5-61-21-3225BH	COUNTY:	Weld County, Colorado
QTR/QTR	SEC:	TOWNSHIP:	RANGE:
	NWNW 21 5N 61W	API NUMBER:	05-123-38223

The payee requests the payor to provide a reconciliation between the following volumes:

	<u>GAS</u>	<u>OIL</u>
The month and year during which the sale occurred <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as produced <u>10/22/09-present</u> .	<u>X</u>	
Volume reported as sold <u>10/22/09-present</u> .	<u>X</u>	
Volumes shown as produced/sold do not agree with:		
Volume reported to the COGCC <u>10/22/09-present</u> .	<u>X</u>	
Volume reported to another government agency <u>10/22/09-present</u> .	<u>X</u>	
Other information for sales reconciliation (specify request)	<u>X</u>	
<u>See attached.</u>		

SALES VOLUME RECONCILIATION - PAYOR RESPONSE

The payor, _____, responded to this request on _____ (date). Produced volumes from this well/lease are higher/less than the sales volumes from this well/lease for the following reasons:

	Percentage of difference attributed to this cause.	
	<u>GAS</u>	<u>OIL</u>
Shrinkage during transport.	_____	_____
Used for compression during transport.	_____	_____
Line loss or fuel use from the gathering line during transport.	_____	_____
A portion of the natural gas was vented or flared or used as fuel during transport.	_____	_____
Contractual overages or underages from previous months were rectified during this sales period.	_____	_____
Sold by others.	_____	_____
Other (Please Specify): _____	_____	_____

The gas meter(s) at this well site or lease was last calibrated on? _____

The gas meter(s) at the sales point was last calibrated on? _____

CERTIFICATION

I hereby certify that the information provided on this form is, to the best of my knowledge, true, correct and complete.

Payor's Representative

Date



Bill Barrett Corporation
1099 18TH STREET, SUITE 2300
DENVER, CO 80202

Page: 2 of 3

PAYEE No	PAYEE NAME	CHECK DATE	CHECK NUMBER	CHECK TOTAL
32645	MCLINTOCK & NIKOLORIC LLC	Feb-22-2017	208833	\$3,114.80

WELL#	WELL NAME				GROSS		STATE		COUNTY	OWNER		DEDUCTIONS		NET SHARE	
DATE	PC	INT	PRICE	QUANTITY	VALUE					INTEREST	PAID	INT	VALUE	DEDUCTIONS	NET SHARE
						440.30	SEV	0.01041667	0.01041667			4.59	SEV		
						30.02	CON	0.01041667				0.32	CON		
18395				KUNSEHILLER 05-61-21-010BBH				CO	WELD						
12/16	RG	RI	2.80	1690.82	4736.70	331.57	ADV	4354.44	0.01041667	0.01041667	49.34	3.45	ADV		45.37
				BTU FACTOR 1.092		47.37	SEV			0.01041667		0.49	SEV		
						3.32	CON			0.01041667		0.03	CON		
12/16	PP	RI	0.40	11449.53	4559.24	106.02	PRC	4085.56	0.01041667	0.01041667	47.49	0.00	PRC		43.68
						319.15	ADV			0.01041667		3.32	ADV		
						44.52	SEV			0.01041667		0.46	SEV		
						3.19	CON			0.01041667		0.03	CON		
12/16	G	RI	3.54	57.71	204.30	57.71	CGATH	130.11	0.01041667	0.01041667	2.13	0.00	CGAT	1.96	
				BTU FACTOR 1.380		14.30	ADV			0.01041667		0.15	ADV		
						2.04	SEV			0.01041667		0.02	SEV		
						0.14	CON			0.01041667		0.00	CON		
12/16	O	RI	49.87	696.61	34736.94	2431.59	ADV	31933.66	0.01041667	0.01041667	361.84	25.33	ADV		332.64
						347.37	SEV			0.01041667		3.62	SEV		
						24.32	CON			0.01041667		0.25	CON		
18492				HAWKINS 5-61-21-3340BH				CO	WELD						
12/16	RG	RI	2.80	1106.46	3099.65	216.98	ADV	2449.50	0.01041667	0.01041667	32.29	2.26	ADV		29.69
				BTU FACTOR 1.092		31.00	SEV			0.01041667		0.32	SEV		
						2.17	CON			0.01041667		0.02	CON		
12/16	PP	RI	0.40	7492.47	2983.53	69.90	PRC	2673.55	0.01041667	0.01041667	31.08	0.00	PRC		28.58
						200.03	ADV			0.01041667		2.18	ADV		
						29.14	SEV			0.01041667		0.30	SEV		
						2.09	CON			0.01041667		0.02	CON		
12/16	G	RI	3.54	37.76	133.69	37.76	CGATH	85.14	0.01041667	0.01041667	1.39	0.00	CGAT	1.28	
				BTU FACTOR 1.380		9.36	ADV			0.01041667		0.10	ADV		
						0.09	CON			0.01041667		0.01	CON		
						1.34	SEV			0.01041667		0.00	SEV		
12/16	O	RI	49.87	453.55	22616.59	1583.16	ADV	20791.43	0.01041667	0.01041667	235.59	16.49	ADV		216.58
						226.17	SEV			0.01041667		2.36	SEV		
						15.83	CON			0.01041667		0.16	CON		
18493				HAWKINS 5-61-21-4956BH				CO	WELD						
12/16	RG	RI	2.80	1030.20	2886.02	202.02	ADV	2653.12	0.01041667	0.01041667	30.06	2.10	ADV		27.64
				BTU FACTOR 1.092		28.66	SEV			0.01041667		0.30	SEV		
						2.02	CON			0.01041667		0.02	CON		
12/16	PP	RI	0.40	6976.08	2777.90	65.08	PRC	2489.30	0.01041667	0.01041667	28.94	0.00	PRC		26.61
						194.45	ADV			0.01041667		2.03	ADV		
						27.13	SEV			0.01041667		0.28	SEV		
						1.96	CON			0.01041667		0.02	CON		
12/16	G	RI	3.54	35.16	124.48	35.16	CGATH	79.28	0.01041667	0.01041667	1.30	0.00	CGAT	1.20	
				BTU FACTOR 1.380		8.71	ADV			0.01041667		0.09	ADV		
						1.24	SEV			0.01041667		0.01	SEV		
						0.09	CON			0.01041667		0.00	CON		
12/16	O	RI	49.87	492.81	24574.32	1720.20	ADV	22591.18	0.01041667	0.01041667	255.98	17.92	ADV		235.32
						245.74	SEV			0.01041667		2.56	SEV		
						1.20	CON			0.01041667		0.18	CON		
18495				HAWKINS 5-61-21-6457BH				CO	WELD						
12/16	RG	RI	2.80	2023.42	5688.43	396.79	ADV	5210.99	0.01041667	0.01041667	59.05	4.13	ADV		54.29
				BTU FACTOR 1.092		56.68	SEV			0.01041667		0.59	SEV		
						3.97	CON			0.01041667		0.04	CON		
12/16	PP	RI	0.40	13701.70	5456.07	127.03	PRC	4889.22	0.01041667	0.01041667	56.83	0.00	PRC		52.25
						381.02	ADV			0.01041667		3.98	ADV		
						53.28	SEV			0.01041667		0.56	SEV		
						3.82	CON			0.01041667		0.04	CON		
12/16	G	RI	3.54	69.06	244.45	69.06	CGATH	155.71	0.01041667	0.01041667	2.55	0.00	CGAT	2.34	
				BTU FACTOR 1.380		17.11	ADV			0.01041667		0.16	ADV		
						2.44	SEV			0.01041667		0.02	SEV		
						0.17	CON			0.01041667		0.00	CON		
12/16	O	RI	49.87	601.28	29982.25	2089.83	ADV	27563.60	0.01041667	0.01041667	312.33	21.86	ADV		287.13
						299.83	SEV			0.01041667		3.12	SEV		
						20.99	CON			0.01041667		0.22	CON		
18496				HAWKINS 5-61-21-4841BH				CO	WELD						
12/16	RG	RI	2.80	1911.46	5354.80	374.84	ADV	4922.86	0.01041667	0.01041667	55.78	3.90	ADV		51.28
				BTU FACTOR 1.092		53.53	SEV			0.01041667		0.56	SEV		
						3.75	CON			0.01041667		0.04	CON		
12/16	PP	RI	0.40	12943.61	5154.19	120.76	PRC	4618.70	0.01041667	0.01041667	53.69	0.00	PRC		49.37
						360.79	ADV			0.01041667		3.76	ADV		
						50.33	SEV			0.01041667		0.52	SEV		
						3.61	CON			0.01041667		0.04	CON		
12/16	G	RI	3.54	65.24	230.96	65.24	CGATH	147.08	0.01041667	0.01041667	2.41	0.00	CGAT	2.22	
				BTU FACTOR 1.380		16.17	ADV			0.01041667		0.17	ADV		
						2.31	SEV			0.01041667		0.02	SEV		

Rear Image



Bill Barrett Corporation
1099 18TH STREET SUITE 2300
DENVER, CO 80202

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PAYEE No		PAYEE NAME										CHECK DATE		CHECK NUMBER		CHECK TOTAL		
26817		COLORADO STATE BANK & TRUST N A TTEE										Oct-21-2015		190344		\$4,425.67		
WELL#	DATE	PC	TYP	INT	PRICE	QUANTITY	VALUE	GROSS	DEDUCTIONS		NET	INTEREST	PAID	INT	VALUE	OWNER	DEDUCTIONS	NET SHARE
									0 13	CON			0 01041666				0 00	CON
18393	08/15	O	RI															
										</								

Rear Image

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW

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WYOMING

KAREN L. SPAULDING

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KSPAULDING@BWENERGYLAW.COM

May 21, 2018

Stacy A. Burrows
Law Offices of George A. Barton, P.C.
7227 Metcalf Ave. #301
Overland Park, KS 66204

Re: Response to Form 37s Submitted by McClintock & Nikoloric LLC and U.S. Bank, NA as
Trustee of the T.E. McClintock Trust

Dear Stacy:

This letter is in response to the Form 37s submitted by the Law Offices of George A. Barton, P.C. on behalf of McClintock & Nikoloric LLC and U.S. Bank, NA as Trustee of the T.E. McClintock Trust (collectively referred to herein as "McClintock"). Through this letter, HighPoint Operating Corporation¹ responds to the Form 37s for each of the wells identified on page 1 of your letter of March 22, 2018, and in each respective Form 37. As the Form 37s request data for multiple wells, HighPoint has provided its certification for the information provided for all eight (8) of these wells at the end of this letter.

HighPoint appreciates the opportunity to explain the royalty payments made to McClintock. Form 37 allows McClintock to request specific categories of information from HighPoint, according to statute or Colorado Oil and Gas Conservation Commission ("Commission") rules and regulations. Through the Form 37, a payee can request: (1) "payment

¹ On April 2, 2018, Bill Barrett Corporation changed its name to HighPoint Operating Corporation. For consistency, I will refer to the company as HighPoint.

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of proceeds information" required by section 34-60- 118.5(2.3) of the Colorado Revised Statutes; (2) an "explanation of deductions or adjustments over which pay[e]r has control or information, (whether or not identified with the payment)" as allowed by section 34-60-118.5(2.5); (3) "Meter calibration testing records" as allowed under section 34- 60-106(1)(e) and Commission Rules 205 and 329; (4) "production reporting records" as allowed under section 34-60-106(1)(e) and Commission Rules 205 and 329; and (5) "sales volume reconciliation information" as allowed by Commission Rule 329(e). Accordingly, HighPoint will respond to the information that the Form 37 and related statutes and regulations allow McClintock, as a payee, to request.

In addition to the Form 37, McClintock has submitted a request for 18 additional categories of information. HighPoint has attempted to answer McClintock's requests as completely as possible. But much of the requested information goes beyond the records that the above referenced statutes and regulations require HighPoint to provide or maintain in its possession. McClintock also requests information for which HighPoint does not have information; i.e., prices that HighPoint never received and information related to products that HighPoint never sold. Finally, HighPoint cannot produce much of the requested information because it constitutes confidential business information or a trade secret that is protected by law. Without waiving any objections or rights, and reserving any and all objections or legal rights, HighPoint has answered, in part, McClintock's additional inquiries that are not allowed by the Form 37, regulations, or statute.

McClintock requests data for nearly a ten-year period from October 2009 to the present. First, McClintock's request seeks data outside the record retention requirements of the applicable

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statutes and regulations. *See, e.g.*, Colo. Rev. Stat. § 34-60-106(1)(e) (five-year limit for record retention); Commission Rule 329(e) (one-year limit for sales volume reconciliation). Second, the time period reaches past any applicable statute of limitation that would apply in the court system.

Third, HighPoint has not owned the McClintock leases for the entirety of that time period. HighPoint acquired the McClintock Leases in 2012. Fourth, the subject wells were drilled in 2013 and began producing hydrocarbons in late 2013 and/or early 2014. *See* HPO_00107 – HPO_00137. Thus, the request for information since October 22, 2009 to the date of first production is not applicable. Accordingly, HighPoint will respond with data dating back to the most appropriate retention period required by law or regulation.

While HighPoint will attempt to answer all of McClintock's requests to the extent possible, HighPoint notes that Commission Rule 329(e) prevents the abuse of the Form 37 process:

The Commission may act to prohibit or terminate any abuse of the reconciliation process, such as the submittal by a payee of multiple repeated requests for sales volume reconciliation regarding the same well. Such action by the Commission may include, but is not limited to, reliving the payer from its obligation to answer the request and limiting or prohibiting the payee's submittal of additional requests.

Commission Rule 329(e). McClintock's requests extend well beyond the appropriate time period, seek information not required by statute or regulation, and seek confidential information. While HighPoint responds in good faith in an attempt to answer McClintock's questions, HighPoint does not waive its right to seek relief from the Commission for the impropriety of McClintock's requests.

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FORM 37 RESPONSE

McClintock attached only an October 2015 (Colorado State Bank) and a February 2017 (McClintock & Nikoloric LLC) check stub with its Form 37s. The October 2015 check stub shows deductions taken against McClintock's royalties for compression ("COMP") and processing ("PRC"). HighPoint refunded the McClintocks for all compression and processing deductions previously taken, on their February 22, 2016 checks (#195973 & #195974). HighPoint's methodology going forward from March 2016 accounted for these deduction adjustments, as you can see from a review of those check stubs.

Therefore, as both parties have all of the check stubs, HighPoint will use McClintock's January 2018 check stub that reflects the adjustments as a reference to respond to McClintock's Form 37s. McClintock's January 2018 check stub is attached as **Exhibit 1**. HighPoint has also attached as **Exhibit 2-HPO_00138** a pay detail for McClintock from the inception of royalty payments from each of the 8 wells.

I. Payment of Proceeds and Written Explanation of Deductions or Adjustments

The payment-of-proceeds information requested by McClintock can largely be answered by reference to McClintock's check stubs. As seen in **Exhibit 1**, p. 1, McClintock owns a royalty interest in well number 18392, Kunsemiller 05-61-21-1609BH, located in the Denver-Julesburg Basin, Weld County, Colorado.

For this well, and the other seven wells, HighPoint sold unprocessed gas under a percentage-of-proceeds ("POP") contract to an unaffiliated party shortly downstream of the wellhead. Under the POP contract, HighPoint received a set percentage of the proceeds that the

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unaffiliated party received for the unaffiliated party's subsequent re-sale of various hydrocarbon products attributable to HighPoint's unprocessed gas. HighPoint accounted for the constituents of the unprocessed gas on a three-stream basis, which is customary for Securities and Exchange Commission reporting requirements. In other words, McClintock's check stub shows entries for the following product codes: (1) "O"-oil; (2) "RG"-residue gas; and (3) "PP"-plant products (natural gas liquids). As explained below, the check stub also contains entries for "G"-gas. Page 3 of **Exhibit 1**, McClintock's January 2018 check stub, describes these product codes.

McClintock's Form 37s only request information on gas, so HighPoint will not address oil.

a. **RG-Residue Gas**

i. *Payment of Proceeds*

As seen in Exhibit 2, p. 1, line 1 under the well number (18392) and well name for the Kunsemiller 05-61-21-1609BH well lists the following information after "11/17 RG":

- The column "Price" after the "Type" (RI or royalty interest) reflects the price received per MCF for RG. *See* Colo. Rev. Stat. § 34-60-118.5(2.3)(d).
- The next column "Quantity" reflects the total quantity in thousand cubic feet ("MCF") of RG attributable to HighPoint's wellhead sale of unprocessed gas. *See id.* § 34-60-118.5(2.3)(c).
- The next column "Deductions" reflects the severance ("SEV"), ad valorem ("ADV"), and conservation ("CON") taxes applied to the sale. *See id.* § 34-60-118.5(2.3)(e).

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- The column marked “Interest” reflects McClintock's decimal interest in the sale. *See id.* § 34-60-118.5(2.3)(f).
- The next column “Value” reflects McClintock's dollar-value share of the sale before any deductions or adjustments. *See id.* § 34-60-118.5(2.3)(g). This number is McClintock's share of the *gross value* - not of the net value HighPoint actually received.
- The last column “Net Share” reflects McClintock's dollar-value share of the sale after all deductions or adjustments. *See id.* § 34-60-118.5(2.3)(h). HighPoint only deducted the three taxes-ADV, SEV, and CON-from McClintock's share of RG as allowed by law and the leases.

ii. Explanation of Other Deductions or Adjustments

HighPoint incurred a number of costs related to the sale of unprocessed gas that was later processed by the unaffiliated party to which HighPoint sold. For residue gas obtained from the unprocessed gas produced from Kunsemiller 05-61-21-1609BH, as reflected in the “Gross-Deductions” column, in addition to the SEV, ADV, and CON deduction previously discussed above, HighPoint incurred charges for “CFUEL”—fuel and “COMP”—compression.

As reflected in the “Owner- Deductions” column to the right, HighPoint did not charge McClintock for either CFUEL or COMP. Both entries show the amount of 0.00 for deductions for fuel and compression to McClintock. As noted above, HighPoint only charged McClintock the three required taxes.

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As is customary in oil and gas operations, some gas may have been used by HighPoint or a third party to power compressor stations. Some gas may also have been unavoidably lost or unaccounted for as the gas traveled from the wellhead to the unaffiliated party's processing plant. All volumes for gas used as fuel or otherwise lost or unaccounted for from the wellhead to the inlet of the processing plant were credited to McClintock at the sales price identified above. HighPoint never received sales proceeds for these volumes.

b. G—Gas

i. *Payments of Proceeds*

The G entries reflect a relatively small amount of unprocessed gas that the unaffiliated party could not accept for processing at its processing plants. That gas was "bypassed" around the processing plants for a fee. HighPoint was charged the fee but did not charge the bypass fee to McClintock. HighPoint received 100% of the value of the unaffiliated party's resale of the bypass gas minus the bypass fee. In other words, there was no POP charged to the unprocessed gas designated as G. The bypass option ensured that HighPoint had a market for its gas, which allowed the wells to keep producing rather than be shut in due to the unaffiliated party's capacity constraints.

Like the RG - residue gas - entry, the G - gas - entry (*see* line 3 on p. 1 of **Exhibit 1**) contains all of the payment-of-proceeds information.

- The column "Price" the price received per thousand cubic feet ("MCF") for G.
See Colo. Rev. Stat. § 34-60-118.5(2.3)(d) .

Stacy A. Burrows
May 21, 2018
Page 8

- The column “Quantity” reflects the total quantity in MCF of G attributable to HighPoint’s wellhead sale of unprocessed gas. *See id.* § 34-60-118.5(2.3)(c).
- The column “Gross - Deductions” reflects the severance ("SEV"), ad valorem ("ADV"), and conservation ("CON") taxes applied to the sale. *See id.* § 34-60-118.5(2.3)(e).
- The column “Interest” reflects McClintock's interest in the sale. *See id.* § 34-60-118.5(2.3)(f).
- The column “Value” reflects McClintock's dollar-value share of the sale before any deductions or adjustments. *See id.* § 34-60-118.5(2.3)(g). This number is McClintock's share of the *gross value* - not of the net value HighPoint actually received.
- The column “Net Share” reflects McClintock's dollar-value share of the sale after all deductions or adjustments. *See id.* § 34-60-118.5(2.3)(h). HighPoint only deducted the three taxes-ADV, SEV, and CON-from McClintock's share of G as allowed by law and the leases.

ii. Explanation of Deductions or Adjustments

HighPoint incurred a number of costs related to the sale of unprocessed gas that was bypassed by the unaffiliated party to which HighPoint sold. For gas produced from Kunsemiller 05-61-21-1609BH, as reflected below in the “Gross-Deductions” column, in addition to the SEV, ADV, and CON deductions discussed above, HighPoint incurred charges for “CGATH”-gathering and “COMP”- compression.

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As reflected in the column “Owner-Deductions” for G, HighPoint did not charge McClintock for either CGATH or COMP. HighPoint only charged McClintock the three taxes.

c. PP—Plant Products

i. Payments of Proceeds

Line 2 on p. 1 of **Exhibit 1** contains the payment of proceeds information for PP for the Kunsemiller 05-61-21-1609BH well as follows:

- The column “Price” reflects the price received per gallon for PP. *See* Colo. Rev. Stat. § 34-60-118.5(2.3)(d). As explained below, the PP price was adjusted to account for the POP reduction to the value HighPoint received for the sale of its unprocessed gas at the wellhead.
- The column “Quantity” reflects the total quantity in gallons of PP attributable to HighPoint's wellhead sale of unprocessed gas. *See id.* § 34-60-118.5(2.3)(c).
- The column “Gross- Deductions” reflects the severance (“SEV”), ad valorem (“ADV”), and conservation (“CON”) taxes applied to the sale. *See id.* § 34-60-118.5(2.3)(e).
- The column “Interest” reflects McClintock's interest in the sale. *See id.* § 34-60-118.5(2.3)(f).
- The column “Value” reflects McClintock's dollar-value share of the sale before any deductions or adjustments, excepting the adjustment to the price received for PP to incorporate the POP contract structure. As explained below, this value also

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accounts for condensate that was collected and sold. *See* further explanation below. *See id.* § 34-60-1 18.5(2.3)(g).

- The column “Net Share” reflects McClintock's dollar-value share of the sale after all deductions or adjustments. *See id.* § 34-60-118.5(2 .3)(h). HighPoint only deducted the three taxes-ADV, SEV, and CON-from McClintock's share of PP as allowed by paragraph law and the lease.

ii. *Explanation of Deductions or Adjustments*

HighPoint incurred a number of costs related to the sale of unprocessed gas that was later processed into plant products by the unaffiliated party to which HighPoint sold. For plant products obtained from the unprocessed gas produced from the Kunsemiller 05-61-21-1609BH well, as reflected in the column “Gross- Deductions” in addition to SEV, ADV, and CON discussed above, HighPoint incurred charges for "PRC"-processing.

As reflected in the column “Owner- Deductions” HighPoint did not charge McClintock for PRC. Again, HighPoint only charged McClintock the three taxes.

HighPoint also gathers heavier liquid hydrocarbons that fall out of the unprocessed gas stream during gathering or compression. These liquids are commonly referred to as "condensate." HighPoint sells the condensate to an unaffiliated party. The price and value received for the volume of condensate is added into the price and value of plant products reported on McClintock's check stubs.

The price received for plant products from the unaffiliated purchaser contains an adjustment for the value of the POP retained by the unaffiliated party from its eventual re-sale of

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products obtained from HighPoint's unprocessed gas. The price received for plant products is reduced by the value of the POP divided by the total gallons of plant products and includes the price received for condensate. Rather than accounting for the POP through reductions to volumes for residue gas or plant products, the POP is entirely accounted for through the price received for plant products.

II. Meter Calibration Testing Records

Also included are the meter calibration testing records for the 8 wells listed on the Form 37's and in your letter of March 22, 2018 as required by sections 34-60-106(1)(e) and 118.5(2.5).² HPO_00001 – HPO_00106.

HighPoint has provided meter calibration records from October 2013, when the 8 wells were drilled to present. There are no meter calibration records for any time periods prior to October 2013, as requested.

III. Production Reporting Records

HighPoint has included the production reporting records for the 8 wells listed on the Form 37's and in your letter of March 22, 2018. These records are publicly available on the Commission's website, but are produced at HPO_00107 to HPO_00137.

IV. Sales Volume Reconciliation

To reconcile sales volumes for the production related to McClintock's January 2018 check stub, HighPoint has produced its internal production records for November 2017,

² HighPoint is producing the Bates numbered Exhibits referred to herein. Any other documents and large attachments to this letter will be loaded into an FTP site due to the volume and size of the data requested by McClintock, which FTP site will be noted in the accompanying email.

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which is attached as **Exhibit 3**. HPO_00139. As a comparison between HighPoint's internal production and sale records and the Commission's records show, the gas produced, flared³, and used volumes match. The only difference is that the "Gas Sold" entry in the Commission's records incorrectly includes a small volume of gas that was used not sold. This small amount of gas used is reflected in the "Gas Shrink" entry in HighPoint's internal records.

Please do not hesitate to contact me if you have any further questions.

Very truly yours,

BEATTY & WOZNIAK, P.C.



Karen L. Spaulding

Enc: **Exhibits 1-3** and Ftp site
cc: Ken Wonstolen (w/out enc.)

³ The flare volumes in the attached **Exhibit 3** are correct, but are slightly different than what was initially reported to the COGCC. The flared volumes as reported to the COGCC will be corrected by HighPoint.

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CERTIFICATION

I hereby certify that the information provided in this letter and related exhibits are, to the best of my knowledge, true, correct, and complete.

Tiffany Cran

5/21/18
Date