



**PATINA**  
OIL & GAS CORPORATION

1625 Broadway Suite 2000  
Denver, Colorado 80202  
(303) 389-3600  
(303) 389-3680 Fax

February 17, 1997

Mr. Morris Bell  
Colorado Oil & Gas Conservation Commission  
The Chancery Building  
1120 Lincoln Street, #801  
Denver, CO 80203

1-71

Dear Morris:

Patina is in receipt of your request to add the following wells to Schedule 1 of the December 5, 1996, Letter Agreement with the Commission addressing inactive wells:

State #4 (20-T4N-R65W) – ADD TO SCHEDULE 1  
Watson E#28-03 (28-T6N-R65W) – ADD TO SCHEDULE 1  
McGuckin H#32-13J (32-T3N-R65W)  
Acco Terra State #32 (20-T3N-R63W)

The McGuckin and Acco Terra wells are in production and are not current P&A candidates. Patina hereby agrees to add the State #4 and Watson E#28-03 wells to Schedule 1 in accordance with the provision that "additional wells may be added to the Agreement by mutual agreement of Patina and the COGCC." Patina further proposes to add the following additional wells to Schedule 1:

TLD #13-4 (NESE 13-T1S-R70W) – ADD TO SCHEDULE 1  
JSB #13-1 (NWNE 13-T1S-R70W) – ADD TO SCHEDULE 1  
Cox # 13-3 (SWSW 13-T1S-R70W) – ADD TO SCHEDULE 1

These wells have been shut-in due to the abandonment of the Northern Natural pipeline which transported their production.

Under the Agreement, Patina was obligated to address one-half (45) of the wells on Schedule 1 as of the date of the Agreement in calendar year 1997, with the "remaining half" (45 wells) to be plugged and abandoned, tested pursuant to Rule 326.b or returned to production in calendar year 1998. The Agreement does not specifically address the treatment of additional wells added to Schedule 1 by mutual agreement. However, Patina is amenable to continuing the program on the same terms in years following 1998, that is, by addressing up to 45 inactive wells in each subsequent calendar year.

Morris Bell  
February 17, 1997  
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This arrangement is, of course, subject to ongoing Commission review and adjustment, including additional financial assurance under the pending rules, if the backlog of such additional inactive wells grows beyond an acceptable number. It is our understanding that Patina may, as a matter of operational flexibility, choose from any of the wells\* on Schedule 1, as supplemented, in meeting its forty-five well per year obligation. For example, Patina intends to P&A the JSB, TLD and Cox wells in 1997 due to the loss of the pipeline connect and the burgeoning surface development in the area.

If this description of the operation of the Agreement is consistent with the COGCC's understanding, and you are in agreement regarding the addition of the above-listed wells to Schedule 1, please have Rich so indicate by signing below and return a copy of this letter to Patina. Thank you.

Sincerely,

PATINA OIL & GAS CORPORATION



Ronald E. Dashner  
Senior Vice President, Operations

AGREED TO AND ACCEPTED BY THE COLORADO OIL & GAS  
CONSERVATION COMMISSION IN SUPPLEMENTATION OF THE LETTER  
AGREEMENT DATED DECEMBER 5, 1996,

  
Richard T. Griebeling, Director

3/28/97  
Date

\* except as to identified "complaint wells" which must be addressed within six months of the first day of the month following the complaint (e.g. Ewing #2, Schneider #1 & #4)



DEPARTMENT OF NATURAL RESOURCES  
Roy Romer, Governor  
1120 Lincoln St., Suite 801  
Denver, CO 80203  
Phone: (303) 894-2100  
FAX: (303) 894-2109

March 28, 1997

Mr. Ronald Dashner  
Patina Oil and Gas Corporation  
1625 Broadway Suite 801  
Denver, CO 80203

Dear Ron:

Enclosed please find a signed copy of your letter dated February 17, 1997. Also enclosed are COGCC production records for the McGuckin and the Acco Terra wells and a spreadsheet of shut-in wells.

The COGCC agrees with your proposal to add the following wells to Schedule 1:

State #4	20-T4N-R65W
Watson E#28-03	28-T6N-R65W
TLD #13-4	13-T1S-R70W
JSB #13-1	13-T1S-R70W
Cox #13-3	13-T1S-R70W

The program to resolve 45 inactive wells per year is an acceptable schedule. If additional inactive wells are identified they can be added to Schedule 1 and the time frame to resolve the additional wells can be extended past 1998.

As you may know, new financial surety rules were adopted by the COGCC last hearing and are effective April 30, 1997. These rules will require Patina to post a \$100,000 blanket bond. The new rules also require Patina to submit a \$5000 bond for each inactive well in excess of 20 inactive wells.

The inactive well bond requirement may be modified or waived at Commission hearing if the operator provides a plan for returning the wells to production or plugging and abandoning the wells on an acceptable schedule. The staff believes the shut-in well agreement in place meets these requirements and the staff would support Patina in an application to waive the inactive well bonding requirement at Commission hearing. The June 30/July 1 Commission hearing may be an appropriate time for this application.

As I discussed with Scott Reasoner this week, production from the McGuckin and Acco Terra wells are not recorded. Please review the production from these wells and confirm how the production is being reported to the COGCC.

Ronald Dashner  
March 27, 1997  
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The spreadsheet enclosed is a report on additional wells which may be inactive. The spreadsheet indicates wells in three categories. The first category shows wells which are currently on Schedule 1 and are shown to be SI or TA on our data base. The second category shows wells which are SI or TA on the COGCC data base but are not on Schedule 1. The third category shows wells on Schedule 1 which are listed as producing on our data base. Some of these discrepancies may be resolved by simple status updates to our records. I also discussed this spreadsheet with Scott and asked him to resolve these discrepancies by June 1, 1997.

Please call me with any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Morris Bell".

Morris Bell  
Manager of Engineering

enclosures

# PATINA L & GAS - SI AND P&A DIVES ITT CORE LIST

							OGCC APPROVED	DATE	
<b>COMPLETED (P&amp;A'd)</b>									<b>32</b>
ACKERSON	1	01N	67W	02	SWNE	WELD	07/22/96	10/07/94	1980'FNL & 1950'FEL
ACKERSON	2	01N	67W	02	NWNE	WELD	07/22/96		660'FNL & 1980'FEL
Cleveland	6	02N	67W	28			08/16/96	10/04/96	
Dechant State	8	02N	67W	16				10/01/96	
HELGET	1	01N	65W	18	NWNW	MORGAN			610'FNL & 660'FWL
MIXON	1A	02N	67W	25	SWSW	WELD			660'FSL & 510'FWL
SCHNEIDER	5	02N	66W	19	SWSW	WELD			460'FWL & 660'FSL
SCHNEIDER	2	02N	66W	19	SESW	WELD			520'FSL & 2120'FWL
SIGG	32-8K2	02N	62W	32	SENE	WELD	03/08/95	07/16/96	1980' FNL & 657' FEL
Stanley	1	02N	67W	16	NESE	WELD	08/09/96	09/13/96	1980' FSL & 1050' FEL
Stanley	2	02N	67W	16	SWSE	WELD	08/09/96	09/16/96	660' FSL & 2040' FEL
Stanley	3	02N	67W	16	SWNE	WELD	08/09/96	09/12/96	1980' FNL & 660' FWL
Stanley	4	02N	67W	16	NENE	WELD	08/09/96	09/12/96	678' FNL & 859' FEL
Stanley	5	02N	67W	16	NWNE	WELD	08/09/96	09/10/96	660' FNL & 1980' FEL
Stanley	6	02N	67W	16	SENE	WELD	08/09/96	09/12/96	2021' FNL & 1046' FEL
Stanley	7	02N	67W	16	NWSE	WELD	08/09/96	09/16/96	1970' FSL & 2235' FEL
Stanley	8	02N	67W	16	SESE	WELD	08/09/96	09/13/96	987' FSL & 1031' FEL
STATE	26-13J2	03N	62W	26	SWSW	WELD	03/23/95	07/29/96	659' FSL & 673' FWL
STATE	35-6J2	03N	62W	35	SENW	WELD	04/11/95	07/31/96	1980'FNL & 1971'FWL
STATE	16-7J2	03N	62W	16	SWNE	WELD	03/31/95	07/25/96	1931' FNL & 1777' FEL
UPV	13-12L3	01N	63W	13	NWSW	WELD	04/25/95	08/08/96	1975' FSL & 660' FWL
UPV	17-1K3	02N	63W	17	NENE	WELD	04/25/95	08/16/96	990' FNL & 990' FEL
UPV	17-3K3	02N	63W	17	NENW	WELD	04/25/95	07/12/96	990' FNL & 1651' FWL
UPV	19-15L3	01N	63W	19	SWSE	WELD	05/15/95	08/07/96	661' FSL & 1970' FEL
UPV	19-2N2	02S	62W	19	NWNE	ADAMS	07/24/95	07/22/96	660' FNL & 1995' FEL
UPV	29-1L3	01N	63W	29	NENE	WELD	02/13/95	08/03/96	661' FNL & 654' FEL
UPV	3-10M2(R)	01S	62W	03	NWSE	ADAMS	08/06/96	08/19/96	1980'FSL & 2040'FEL
UPV	33-8N2(R)	02S	62W	33	SENE	ADAMS	08/06/96		1444'FNL & 1144'FEL
UPV	31-10N3	02S	63W	31	NWSE	ADAMS	07/12/96	08/22/96	1975' FSL & 1972' FEL
UPV	5-8N3	02S	63W	05	SENE	ADAMS	03/13/95	07/19/96	1980' FNL & 658' FEL
UPV	9-15K3	02N	63W	09	SWSE	WELD	02/09/95	08/14/96	1634'FSL & 1654'FEL
UPV	9-7K3	02N	63W	09	SWNE	WELD	02/09/95	08/12/96	1634'FNL & 1640'FEL
<b>OGCC APPROVED</b>									<b>6</b>
BITTERROOT	2	06N	66W	24	SWNE	WELD			1980'FEL & 1980'FNL
BITTERROOT	1	06N	65W	18	SESW	WELD			660'FSL & 1985'FWL
EWING	2	02N	67W	25	SWSE	WELD	07/22/96		1980'FEL & 660'FSL
Scheller	1-3E	06N	66W	03	NWNW	WELD	04/16/96		
SCHNEIDER	1	02N	67W	25	NENE	WELD	07/22/96		660'FNL & 660'FEL
SCHNEIDER	4	02N	67W	25	SENW	WELD	07/22/96		1980'FNL & 660'FEL
<b>REMAINING SHUT-INS</b>									<b>95</b>
AMIGO	2	04N	64W	01	SENW	WELD			1980'FWL & 1980'FNL
Appel	4-29	02N	66W	29					
ARENS.FRED	2	04N	65W	12	CNW	WELD			660'FWL & 1980'FSL
ARMSTRONG	2-16G5	06N	65W	02	SESE	WELD			660' FSL+660'FEL
AUFRECHT	1	05N	67W	02	NENE	WELD			990'FNL & 990'FEL
BAILEY	18-2	06N	65W	18	SWNE	WELD			1980'FNL+1980'FEL
BASS	1	06N	65W	08	SESE	WELD			600'FSL & 600'FEL
Bennet WW	15-10	01N	66W	15					
BLEHM	2	05N	67W	26	SENW	WELD			2000'FNL & 2000'FWL
BOULTER	1	04N	65W	16	SESW	WELD			1980'FWL & 660'FSL
Bragg F	21-11S	05N	65W	21					
Brewster Law		01N	66W	21					
Buckskin State		02S	60W	16					
Camenish	2	01N	67W	02					
CARR	1	01N	68W	28	NWNW	WELD			990'FNL & 990'FWL
CAVALIER	2-3N4	02S	64W	02	NENW	ADAMS			855'FNL 2189'FWL
CAVALIER	2-5N4	02S	64W	02	SWNW	ADAMS			1776'FNL & 676'FWL
CHESTNUT	3	04N	65W	22	SENW	WELD			1650'FNL & 1920'FWL
COLE	2	04N	65W	10	NWNW	WELD			720'FNL & 475'FWL
Cozzen Farms	1-9E	06N	65W	09					
DANIELS	5-14I6	04N	65W	05	SESW	WELD			666'FSL & 2094'FWL
EHRlich FEEDLOT INC.	1	04N	66W	12	SESW	WELD			1450'FWL & 1040'FSL
FLATIRON	1-36					WELD			

# PATINA & GAS - SI AND P&A DIVES ITURE LIST

							OGCC APPROVED	DATE	
FLATIRONS	1-36	06N	66W	36	NENW	WELD			660'FNL & 1980'FWL
GOETZ	1	02N	64W	22	NENE	WELD			990'FNL & 990'FEL
GREEN	1	05N	66W	25	SESW	WELD			790'FSL & 1980'FWL
GUNZNER	3	02S	62W	28	NESW	ADAMS			2440'FSL & 1650'FWL
GUTTERSEN	2	06N	66W	08	NESE	WELD			1980'FSL & 660'FEL
HAYTHORN	2	06N	65W	07	SENW	WELD			1980'FNL & 1980'FWL
HEISER	1	04N	64W	08	NWSE	WELD			1980'FNL & 1980'FEL
HELD	1	04N	67W	04	NWSW	WELD			1980'FSL & 660'FWL
Herbst	27-2	05N	64W	27					
HERGERT	1	06N	66W	08	SENW	WELD			1977'FNL & 1980'FWL
HERSKIND	1	02S	62W	34	NWNW	ADAMS			990'FNL & 990'FWL
Howard A	34-2	06N	64W	34					
Howard A	34-3	06N	64W	34					
Larsen	1-25G	06N	64W	25					
LEY	1	04N	64W	06	W2SE	WELD			660'FSL & 1980'FEL
Lindsey	33-7	04N	64W	33					
LONGMONT	8-10K8	02N	68W	08	NWSE	WELD			1650'FSL & 1650'FEL
LOWELL ADAMS	1-22	06N	66W	22	NENE	WELD			660'FNL & 660'FEL
LOWELL ADAMS	1-23	06N	66W	23	SWNW	WELD			1980'FNL & 660'FWL
M.T. BICKLING	1-34	06N	65W	34	NENW	WELD			660'FNL & 1980'FWL
MCCLINTOCK	1	04N	64W	04	NWSE	WELD			1980'FSL & 1980'FEL
MEIKLE	28-1	01N	68W	28	SWSE	WELD			660'FSL & 1980'FEL
MEIKLE	28-2	01N	68W	28	NWSE	WELD			1650'FEL & 1090'FSL
Norris D	32-4	03N	64W	32					
OPDYKE HINKLE	1	04N	64W	05	NWSE	WELD			1980'FSL & 1980'FEL
OTTOSON	4	06N	66W	12	NESW	WELD			1930'FSL & 1800'FWL
Palser		06N	65W	14					
Petrikin A	34-5	06N	64W	34					
PRATT	29-3	01N	68W	29	SESE	WELD			990'FSL & 990'FEL
RAY GLO	2	06N	64W	14	NWNW	WELD			660'FNL & 660'FWL
Rehder X	6-14	02N	65W	06					
RONALD B.	1-28	06N	66W	28	SWNE	WELD			1980'FNL & 1980'FEL
RONALD B.	1-28					WELD			
RUTT ADAMS HEIRS	2-22	06N	66W	22	NENW	WELD			660'FNL & 1980'FWL
SALLEE	1	04N	65W	12	NESE	WELD			1980'FSL & 660'FEL
Sarchet	1	03N	66W	32					
SCHMIDT	25-10F	04N	66W	25	NWSE	WELD			1947' FSL & 2050' FEL
SCHMIDT	25-15F	04N	66W	25	SWSE	WELD			834' FSL & 1983' FEL
SCHWEITZER	11-2	01N	64W	02	NWNW	WELD			660'FNL & 660'FWL
SHAKLEE	1	04N	64W	02	W2SW	WELD			660'FSL & 660'FWL
Shivers	2	02N	66W	29					
Shivers	3	02N	66W	29					
Shivers	4	02N	66W	29					
Shivers	5	02N	66W	29					
Sinkey	1-19	01N	69W	19					
Spike St C	24-13	04N	64W	24					
State	5	01N	65W	16					
State	25	01N	65W	32					
State	39	01N	65W	16					
STATE	7-36	06N	67W	36	SENW	WELD			2260'FNL & 1637'FWL
State	9	03N	64W	36					
State	11	04N	63W	20					
State	19	03N	63W	30					
STATE	27-15J2	03N	62W	27	SWSE	WELD			659' FSL & 2018' FEL
STATE	7-36					WELD			
STATE "P".	3	01S	65W	36	SENW	ADAMS			1980'FNL & 1980'FWL
Steinwald	37	01N	65W	14					
TENNYSON	34-4	06N	66W	34	NWNW	WELD			573'FNL & 664'FWL
TENNYSON	34-4					WELD			SAME
TROUDT	1-27	06N	66W	27	NENW	WELD			1980'FWL+660'FNL
TROUDT	2-27	06N	66W	27	SENW	WELD			1981'FNL & 1987'FWL
TROUDT	2-27					WELD			
UNCAPHER	11-3L2	01N	62W	11	NENW	WELD			658'FNL & 1977' FWL
UPRC	9-3K	03N	65W	09	NENW	WELD			1980' FWL & 660' FNL
UPRC	1-12J	03N	65W	01	NESW	WELD			2160' FSL & 660' FWL

PATROL & GAS - SI AND P&A DIVERSITY REL									
							OGCC APPROVED	DATE	
UPV	5-8J7	03N	67W	05	SENE	WELD			2042' FNL & 587' FEL
Van Aires	1	01S	65W	07					
WAGNER	18-12M4	01S	64W	18	NWSW	ADAMS			1640'FSL & 1000'FWL
WESLEY E MOZER GAS U	B-1	03N	65W	26	SWSW	WELD			990'FSL & 990'FWL
Wigget	1	01S	67W	22					
YETTER	1	06N	65W	05	NWNE	WELD			660'FNL & 1980'FEL
YETTER	2	06N	65W	05	SWNE	WELD			1980'FNL & 1980'FEL