

Subject: FW: Support for HB 09-1194

From: <debraa@mho.com>

Sent: Feb 23, 2009 02:32:59 PM

To: Barb Jeffries <ned_barb@frontier.net>, Cheryl Ruh <margeruh@ncolcomm.com>, Cristy Koeneke <ckoeneke@hotmail.com>, Debra Anderson <debraa@mho.com>, Donald Wickstrom <dpwick@rtebb.net>, Herb Vasseur <hvasseur@mtintouch.net>, Jay Wardell <jaywardell@comcast.net>, Mary Ellen Denomy <medenomy@hughes.net>, Mary Lou Brophy <mlbrophy@live.com>, Neil Ray <neilray@comcast.net>, Rose Belden <rbelden@willowwisp.net>, Roy Savage <royesavage@gmail.com>, 'Tom Compton' <compton@wildblue.net>

vice Chairman Fisher

I thought this an excellent letter to the Members of the House so am sharing it with you.

Debra My name is Rosemary Belden I have been asked to read A letter written by JOHN

From: John Hultin [mailto:john@rockportaudit.com]

Sent: Monday, February 23, 2009 12:27 PM

To: repcurry@gmail.com; randyfischer@frii.com; gardner@plains.net; dl.hullinghorst.house@state.co.us; replabuda@yahoo.com; marshalooper@gmail.com; wes.mckinley.house@state.co.us; sal.pace.house@state.co.us; judy.solano.house@state.co.us; jerry@repsonnenberg.com; COHD58@yahoo.com; edvigil1@gmail.com

Cc: debraa@mho.com; isgarsenate@frontier.net

Subject: Support for HB 09-1194

OLTEEN, CPA - I appreciate the opportunity to do so.

JOHN

" OLTEEN "

February 23, 2009

To: Members of the House Agriculture, Livestock & Natural Resources Committee
VIA EMAIL

RE: HB 09-1194, Accrual of Royalty Action

I am writing to express my support for HB 09-1194, and to impress upon you the need for applying the "discovery rule" to the limitation of actions for royalty underpayments.

As an oil and gas auditor, the majority of my services over the past 20 years has been in providing audit services to royalty owners to determine if they have been properly paid by producers, and providing litigation support services regarding such matters. My experience has shown that it can take years to detect improper payments, and even then, only after exhaustive research and analysis.

Due to the many intricacies involved in royalty valuation, underpayments are not easily discoverable, and there is little transparency unless detailed and typically confidential records can be obtained from the producer.

A royalty owner is the most "out-of-the-loop" party in any oil and gas producing operation. Regardless of required statutory disclosures pertaining to royalty payments (see 34-60-118.5), there remain many missing pieces of information necessary to determine the accuracy of a payment. The cost of such an analysis can be significant,

and therefore, it may not be practical to perform such an analysis more than once every several years. And even then, it can take significant time to ~~accumulate~~ gather the necessary information.

The producer holds all the cards and all the information. To provide any incentive for them to profit by simply "hiding the ball" for some limited period of time would be contrary to public policy.

Thank you

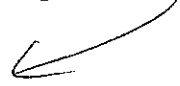
(Not a lobbyist – just providing this information based upon my own past experiences).

Sincerely,

John M. Hultin

John M. Hultin

"HOLteen"



cc: Senator Isgar
Debra A. Anderson, National Association of Royalty Owners

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