



MINERAL RESOURCES, INC.

Mail: P.O. Box 328 Greeley, Colorado 80632 * Phone: 970.352.9446 * Fax: 970.339.8321

April 5, 2012

Mr. Thomas Kerr, Interim Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

**Re: COGCC Rule 318A(l).m.
Minimum Intrawell Distance Variance Request
Encroaching Well: Bestway 12-2
Township 5 North, Range 66 West, 6th P.M.
Surface Location: NE 1/4 of Section 2
Bottom Hole Location: NW 1/4 of Section 2
Greeley, Colorado**

Dear Mr. Kerr:

Mineral Resources, Inc. is submitting an Application for Permit to Drill for the above referenced well. The horizontal wellbore will be located near the following wells:

Well Name	Surface Location	Bottom Hole Location
Ditch 5-1-2	NE 1/4 of Section 2, T5N, R66W, 6th P.M.	NE 1/4 of Section 2, T5N, R66W, 6th P.M.
Stoney 7-1-2	NE 1/4 of Section 2, T5N, R66W, 6th P.M.	NE 1/4 of Section 2, T5N, R66W, 6th P.M.
Ruyle 7-3-2	NE 1/4 of Section 2, T5N, R66W, 6th P.M.	NE 1/4 of Section 2, T5N, R66W, 6th P.M.
Franklin Park 2-6-1	NE 1/4 of Section 2, T5N, R66W, 6th P.M.	SW 1/4 of Section 1, T5N, R66W, 6th P.M.

Rule 318(l).m states, "No horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore as illustrated in the directional survey for drilled wellbores or as illustrated in the deviated drilling plan for permitted wellbores or as otherwise reflected in the COGCC well records. This requirement may be waived in writing by the operator of the encroached upon well." As operator of both the encroaching and encroached upon wells, Mineral Resources requests a waiver to Rule 318(l).m.

We would like to thank you for your assistance in this matter. Please contact our Designated Agent, Lamp, Rynearson & Associates, at (970) 226-0342 with any questions or concerns.

Sincerely,

Mineral Resources, Inc.

Collin Richardson
Vice President, Operations