



LAMP RYNEARSON
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April 26, 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).a.(4)D
Horizontal Wellbore Spacing Unit
Well: Island Grove 2-32 (Doc 400254451)
Township 6N, Range 65W, 6th PM
Surface Location: Section 32, Southwest Quarter
Bottom Hole Location: Section 32, Northwest Quarter
Greeley, Colorado

Dear Mr. Kerr:

Mineral Resources is submitting an Application for Permit to Drill for the above referenced horizontal well. Rule 318A(l).a.(4)D states that where a drilling and spacing unit does not exist for a horizontal well, a horizontal wellbore spacing unit shall be designated by the operator for each proposed horizontal well.

The proposed wellbore spacing unit for the above referenced well is the west half of Section 32 Township 6N, Range 65W of the 6th PM containing 320 acres.

Pursuant to Rule 318A(l).e.(6), notice shall be given by certified mail by the operator of a proposed horizontal wellbore spacing unit to all owners in the proposed horizontal wellbore spacing unit. Each owner shall then have a thirty (30) day period after receipt of such notice to object.

Mineral Resources hereby certifies that notice was given to all owners in the proposed wellbore spacing unit and no objections to the well location or the proposed spacing unit were received. There are only two owners within the wellbore spacing unit, Matrix Energy and Mineral Resources. Matrix Energy has waived the notice and thirty (30) day objection period. A copy of the waiver is enclosed.

Mineral Resources respectfully requests that the COGCC review the enclosed information and approve the horizontal wellbore spacing unit and Application for Permit to Drill for the above referenced well. Thank you for your attention to this matter. Please contact Lamp Rynearson and Associates at (970) 226-0342 with any questions or concerns.

Sincerely,

LAMP, RYNEARSON & ASSOCIATES, INC.

Erin K. Mathews, PE
Designated Agent
Mineral Resources, Inc.

Leaving a Legacy of Enduring Improvements to Our Communities - PURPOSE STATEMENT

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