

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO



OCT 23 05

COGCC

CAUSE NO. ~~318A~~ land 407

DOCKET NO. \_\_\_\_

IN THE MATTER OF THE APPLICATION OF  
MINERAL RESOURCES, INC. FOR AN ORDER  
POOLING INTERESTS IN THE CRETACEOUS  
AGE FORMATIONS FROM THE BASE OF THE  
DAKOTA TO THE SURFACE LOCATED IN A  
PORTION OF THE WATTENBERG FIELD  
IN WELD COUNTY, COLORADO

UP 24(6)

ORIGINAL

COMES NOW, Mineral Resources, Inc., a Colorado corporation ("Applicant") by and through its attorney, Keith M. Crouch, P.C. and for its application for an order for the involuntary pooling of certain interests in production from the Cretaceous formations in the lands described below pursuant to CRS § 34-60-116 states and alleges as follows:

1. Applicant is duly authorized to conduct business in the State of Colorado and owns an interest in and operates oil and gas leases and mineral interests covering portions of certain lands located in Weld County, Colorado described as follows:

T5N, R65W, 6<sup>th</sup> P.M., Weld County, Colorado  
Section 17: S/2NE/4

2. The lands described above are located in the City of Greeley, Colorado and are in populated areas. Applicant owns a 20-acre, more or less, tract of land in the vicinity of the lands described above (the "Drill Site") and plans to use the Drill Site to drill a planned two oil and gas wells directionally from the Drill Site to explore for and produce oil and gas from two bottom hole locations under the lands described above. The two wells are in addition to 11 directional wells drilled and completed by Applicant from the same Drill Site in the prior calendar year. The wells are included in another drilling program of up to 23 wells to be drilled by Applicant from the Drill Site as part of a potential 34 well directional drilling program. The planned wells include boundary well locations for production of oil and gas from the Cretaceous formations in and under the above-described lands.
3. Pursuant to Rule 318A, effective March 1, 2006, operators are authorized to utilize the designated drilling locations to produce all of the Cretaceous Age formations from the base of the Dakota to the surface, to include but not be limited to the Sussex, Codell, Niobrara, J-Sand and Dakota formations, to include "infill" and "boundary" wells as defined by Rule 318A. . The lands are included in the Wattenberg spaced area for the production of oil and gas from the Codell and Niobrara formations (see Order No. 407-1 for the Codell formation and Order No. 407-1 for the Niobrara formation). The Sussex, J-Sand and Dakota formations are unspaced as to the S/2NE/4 of Section 17 above described.
4. Applicant has received permits to drill 20 of the planned 23 wells.
5. As set forth above, Applicant intends to drill two wells to the Sussex, Codell, Niobrara, J-Sand and/or Dakota formations in and under the S/2NE/4 of Section 17 above described (the "Spacing Unit").
6. In addition, Applicant owns and operates oil and gas leases and controls mineral interests covering a total of 64.3341 acres, more or less, in the S/2NE/4 of Section 17. A plat of the Spacing Unit is attached hereto as Exhibit A.
7. The Spacing Unit consists of a total of 80-acres, more or less. Approximately 15.6659 acres, more or less, in the S/2NE/4 of Section 17 are unleased.
8. According to the title work completed by Applicant, the unleased interests in the S/2NE/4 of Section 17 total 15.6659 acres, more or less, and those interests are owned by the persons identified on Exhibit B attached hereto.

9. By letters sent to the persons described in Exhibit B, Applicant offered to lease the interests in the oil and gas owned by the unleased owners in the S/2NE/4 of Section 17. The letters included a proposed lease. A representative sample of the letter is attached hereto as Exhibit C.
10. The offer to lease was made pursuant to C.R.S. § 34-60-116(7) c and Rule 530 of the rules of the Commission and the terms thereof comply with the requirements of the statute and rule.
11. In addition, the letter containing the offer to lease described in paragraph 9, Applicant included the opportunity for each owner identified on Exhibit B to bear his, her or its proportionate share of the costs and risks of the drilling and operating the two wells currently planned for the S/2NE/4 of Section 17. The letters included the following information as required by Rule 530 of the Commission's rules:

The location and objective depths of the two wells to be drilled in the S/2NE/4 of Section 17,

The estimated drilling and completion costs of the two wells to be drilled in the N/2NW/4 of Section,

The estimated spud dates for the wells to be drilled in the S/2NE/4 of Section 17 or range of time within which the spudding is to occur and

An AFE prepared by the Applicant and containing the information described above.
12. Because more than 30 days will have elapsed on the date this matter will be heard, the parties listed on Exhibit B who have not elected to bear his, her or its proportionate share of the costs and risks of the drilling and operating the wells to be drilled in the S/2NE/4 of Section 17 will have become non-consenting owners as defined by C.R.S. § 34-60-116(7) and Rule 530 of the rules of the Commission.
13. In order to prevent waste, protect correlative rights and in the best interests of conservation and to foster, encourage and promote the development, production and utilization of the oil and gas natural resources, all the unleased interests in the S/2NE/4 of Section 17 in the J Sand, Dakota, Codell and Niobrara formations owned by the parties listed on Exhibit B should be pooled in accordance with the provisions of C.R.S. § 34-60-116.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing, this Commission enter its order:

- a. That the S/2NE/4 be designated as the drilling and spacing unit for the two wells and that unleased interests in the 80-acre drilling and spacing unit consisting of the S/2NE/4 of Section 17 described above in the Cretaceous formations from the base of the Dakota formation to the surface, to include, but not be limited to, production from the Sussex, J-Sand, Dakota, Codell and Niobrara formations owned by the parties listed on Exhibit B who are "non-consenting owners" as defined by Rule 530 of the rules of the Commission be pooled and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116,
- b. Authorizing the production of oil, gas and associated hydrocarbons from the Cretaceous formations from the base of the Dakota formation to the surface to include, but not be limited to, production from the Sussex, J-Sand, Dakota, Codell and Niobrara formations from the Spacing Unit and from locations that are permitted by Rule 318A, and
- c. For such other and further relief as this Commission deems just and proper.

Dated this 9<sup>th</sup> day of October 2006.

Respectfully Submitted,

Mineral Resources, Inc.

By: 

Keith M. Crouch, P.C.  
Its Attorney  
5015 Ingersoll Place  
Boulder, CO 80303  
303-929-7016  
303-444-5624 Facsimile

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF WELD        )

Logan Richardson, of lawful age, being first duly sworn upon oath, deposes and says that he is employed by Applicant, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.



Logan Richardson

Subscribed and sworn to before me this 9<sup>th</sup> day of October, 2006  
Witness my hand and official seal.

My commission expires: \_\_\_\_\_ My Commission Expires 06/28/2007

My commission expires: \_\_\_\_\_

  
Notary Public



**EXHIBIT "B"**  
**NON-CONSENTING OWNERS**

OWNER	OWNER ADDRESS	LEGAL DESCRIPTION	ACRES	ROYALTY	PROPORTIONATE INTEREST
ALEXANDER F TODD, WILLIAM TODD AND CAROL A TODD	3739 LARSON AVENUE EVANS, CO 80620	LOT 17, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2328 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109007	0.218	12.50%	0.0003375
BERNADETTE WASILIK	10639 CHERRY STREET THORNTON, CO 80233	LOT 16, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2330 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109008	0.218	12.50%	0.0003375
BERNARD KELLY AND CYNTHIA K WALTER	2345 5TH AVENUE GREELEY, CO 80631	LOT 12, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2345 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109013	0.1457	12.50%	0.000225
CHRIS A BROWN	500 22ND STREET GREELEY, CO 80631	LOT 1 AND THE NORTH 5 FEET OF THE EAST 50 FEET OF LOT 3, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 500 22ND STREET, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108023	0.1434	12.50%	0.0002125
CHRISTOPHER WILLIAM HAUG AND LYNN BASSETT HAUG	2218 6TH AVENUE GREELEY, CO 80631	LOT 11 AND THE NORTH 4 FEET OF LOT 12, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 2218 6TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108004	0.1246	12.50%	0.0001875
CYNTHIA J TRIMBER	516 22ND STREET GREELEY, CO 80631	LOT 5, EXCEPT THE EAST 2 FEET AND THE EAST 36 FEET OF THE SOUTH 20 FEET THEREOF, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 516 22ND STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108020	0.1818	12.50%	0.000275
DANIEL G OCONNER	2211 5TH AVENUE GREELEY, CO 80631	THE SOUTH 55 FEET OF LOT 3 AND THE SOUTH 55 FEET OF THE EAST 2 FEET OF LOT 4, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 2211 5TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108014	0.1287	12.50%	0.0002
DAVID L FOOTE	2344 6TH AVENUE GREELEY, CO 80631	THE WEST 130 FEET OF LOT 13, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2344 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109011	0.1492	12.50%	0.000225
DEAN LOOKHART	2316 6TH AVENUE GREELEY, CO 80631	LOT 20, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2316 6TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO.	0.218	12.50%	0.0003375
DEBORAH BOOTHE	P.O. BOX 336504 GREELEY, CO 80631	THE WEST 48 FEET OF LOTS 10 AND 11, BLOCK 8, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 507 22ND STREET, GREELEY, CO 80631	0.1198	12.50%	0.000175

FEDERAL HOME LOAN MORTGAGE CORPORATION	5000 PLANO PARKWAY CARROLTON, TX 75010	LOT 14, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 60 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2336 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109010	0.1492	12.50%	0.000225
GEC, LLC	24700 E 154 CIRCLE BRIGHTON, CO 80603	LOTS 9 AND 10, BLOCK 6, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2132 4TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117103007	0.4194	12.50%	0.00065
GEORGINA MEYER	2332 6TH AVENUE GREELEY, CO 80631	LOT 15, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2332 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109009	0.218	12.50%	0.0003375
GUADALUPE REYES AND MARIA S REYES	518 22ND STREET GREELEY, CO 80631	LOT 6, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 518 22ND STREET, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108017	0.2066	12.50%	0.0003125
HSBC BANK USA	425 PHILLIPS BLVD EWING, NJ 8618	LOT 9, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2333 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109016	0.1457	12.50%	0.000225
IGNACIO HOLGUIN	2325 5TH AVENUE GREELEY, CO 80631	LOT 7, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2325 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109018	0.1457	12.50%	0.000225
J KENNETH HARSH TRUST	2400 W 6TH STREET GREELEY, CO 80631	THE NORTH 90 FEET OF BLOCK 1 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET NAME AND NUMBER AS: 528 22ND STREET, GREELEY, CO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108001	0.1033	12.50%	0.00015
JAMES A FERGUSON AND BARBARA J FERGUSON	2055 51ST AVENUE GREELEY, CO 80631	THE EAST 20 FEET OF THE SOUTH 65 FEET OF LOT 18 AND ALL OF LOT 19, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2225 5TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108011	0.1492	12.50%	0.000225
JAMES P SIMPSON	P.O. BOX 428 MEAD, CO 80542	LOT 15 AND THE WEST 21 FEET OF LOT 16, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 519 23RD STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108008	0.3113	12.50%	0.000475
JAMES WILLIAM MATTHEWS AND MARGARET M MATTHEWS	10624 HWY 392 WINDSOR, CO 80550	LOT 15, BLOCK 8, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2132 6TH AVENUE, GREELEY, COLORADO 80631	0.1492	12.50%	0.000225
JEAN HAGEN	407 22ND STREET GREELEY, CO 80631	LOT 11, BLOCK 7, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLROADO. ALSO KNOWN BY STREET AND NUMBER AS: 407 22ND STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117107011	0.1497	12.50%	0.000225

JEFF G RAISLEY AND DENA K RAISLEY	35844 AVERY DRIVE EATON, CO 80615	THE EAST 29 FEET OF THE SOUTH 90 FEET OF LOT 17 AND THE WEST 30 FEET OF THE SOUTH 90 FEET OF LOT 18, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 511 23RD STREET, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108010	0.1219	12.50%	0.0001875
JERRY RAISLEY	911 PINE DRIVE WINDSOR, CO 80550	LOT 1, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 502 23RD STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109024	0.1457	12.50%	0.000225
JERRY RAISLEY AND DEBBIE RAISLEY	911 PINE DRIVE WINDSOR, CO 80550	LOT 4, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2313 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109021	0.1457	12.50%	0.000225
JOHN M GROVE	523 23RD STREET GREELEY, CO 80631	THE EAST 57.50 FEET OF LOTS 13 AND 14, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 525 23RD STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108007	0.132	12.50%	0.0002
JOSEPH L. MCDOWELL	506 22ND STREET GREELEY, CO 80631	LOT 2 AND THE NORTH 5 FEET OF LOT 3 EXCEPT THE EAST 50 FEET OF SAID LOT 3 AND THE EAST 2 FEET OF THE NORTH 125 FEET OF LOT 4, BLOCK 1, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 506 22ND STREET, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108022	0.1492	12.50%	0.000225
JUSTINO ARREOLA AND TAYDE ARREOLA	2337 5TH AVENUE GREELEY, CO 80631	LOT 10, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2337 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109015	0.1457	12.50%	0.000225
KEVIN J MEYER	2210 6TH AVENUE GREELEY, CO 80631	THE SOUTH 30 FEET OF LOTS 8 AND 9 AND THE NORTH 15 FEET OF LOT 10, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 2210 6TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108002	0.1033	12.50%	0.00015
LARRY D ANDERSON AND SARAH A ANDERSON	2329 5TH AVENUE GREELEY, CO 80631	LOT 8, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2329 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109017	0.1457	12.50%	0.000225
LAWRENCE E HORST AND KRISTI L HORST	1432 40TH AVENUE GREELEY, CO 80634	THE SOUTH 46 FEET OF LOT 12, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2220 6TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108005	0.1267	12.50%	0.0001875
LUIS R CHAVEZ AND PEDRO JIMENEZ PEREZ	2125 4TH AVENUE GREELEY, CO 80631	ALL OF LOTS 8 AND 9, BLOCK 7, ALTA VISTA, EXCEPT THE SOUTH 21.25 FEET OF LOT 9, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2125 4TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117107020	0.2711	12.50%	0.0004125
MADISHA M GUZMAN	2305 5TH AVENUE GREELEY, CO 80631	LOT 2, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2305 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109023	0.1457	12.50%	0.000225

MARIA LUCERO AND ADRIANA GARCIA	515 22ND STREET GREELEY, CO 80631	LOT 12, BLOCK 8, ALTA VISTA ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 515 22ND STREET, GREELEY, COLORADO 80631	0.1497	12.50%	0.000225
MARK STRODTMAN	2324 6TH AVENUE GREELEY, CO 80631	LOT 18, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2324 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109006	0.218	12.50%	0.0003375
MICHAEL G BRISTOW	323 11TH STREET GREELEY, CO 80634	LOTS 23 AND 24, EXCEPT THE EAST 70 FEET THEREOF, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2302 6TH AVENUE, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109001	0.2754	12.50%	0.000425
MITCHELL J TAYLOR AND LAURA M TAYLOR	2319 21ST AVENUE GREELEY, CO 80631	LOT 11, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2341 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109014	0.1457	12.50%	0.000225
MOSES S RAMOS	1630 43RD AVENUE GREELEY, CO 80634	LOT 14 EXCEPT THE EAST 40 FEET OF BLOCK 8, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 529 22ND STREET, GREELEY, COLORADO 80631	0.1213	12.50%	0.0001875
REO MANAGEMENT 2004, INC.	3476 STATEVIEW BLVD FORT MILLS, SC 29715	LOT 19, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2320 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109005	0.218	12.50%	0.0003375
RICHARD M BORYS	1525 GLENMERE BLVD GREELEY, CO 80631	THE WEST 48 FEET OF LOT 4 AND THE EAST 2 FEET AND THE EAST 36 FEET OF THE SOUTH 20 FEET OF LOT 5, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO DESCRIBED BY STREET AND NUMBER AS: 514 22ND STREET, GREELEY, COLORADO 80631. ALSO DESCRIBED AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108021	0.2231	12.50%	0.0003375
ROBERT VIGIL AND JOAN VIGIL	2317 5TH AVENUE GREELEY, CO 80631	LOT 5, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 52.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2317 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109020	0.1457	12.50%	0.000225
ROBERT W LOWERY, DEBORAH E LOWERY AND JEFFERY C LOWERY	527 SOUTHERN CROSS DRIVE CO LORADO SPRINGS, CO 80906	THE EAST 82 FEET OF L10 AND THE NORTH 4.75 FEET OF THE EAST 82 FEET OF LOT 11, BLOCK 8, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2135 5TH AVENUE, GREELEY, COLORADO 80631	0.103	12.50%	0.00015
SAMMIE ROYBAL AND URSULA ROYBAL	2309 5TH AVENUE GREELEY, CO 80631	LOT 3, BLOCK 1, VOLKS ADDITION, EXCEPT THE EAST 62.5 FEET THEREOF, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2309 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS ASSESSOR'S PARCEL NO. 096117109022	0.1457	12.50%	0.000225
THERESA J ROGAKIS	2226 6TH AVENUE GREELEY, CO 80631	THE WEST 62.5 FEET OF LOTS 13 AND 14, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2226 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108006	0.1434	12.50%	0.0002125
THREE BEARS, LLC	1120 HUCKLEBERRY LANE EATON, CO 80615	LOTS 6 AND 7, BLOCK 1, GREELEY INDUSTRIAL SUBDIVISION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2330 4TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117111012	1.2629	12.50%	0.0019625

VERA M WHITCOMB	2139 5TH AVENUE GREELEY, CO 80631	THE EAST 82 FEET OF THE SOUTH 54 FEET OF LOT 11, BLOCK 8, ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2139 5TH AVENUE, GREELEY, COLORADO 80631	0.1016	12.50%	0.00015
WALTER LEE NELSON	3925 MAVERICK LANEEVANS CO 80620	LOT 21 AND THE NORTH 61.25 FEET OF LOT 18 AND THE NORTH 61.25 FEET OF THE EAST 29 FEET OF LOT 17, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2217 5TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108013	0.2235	12.50%	0.0003375
WAYNE RICHARD PIETRYKA	524 22ND STREET GREELEY, CO 80631	THE NORTH 90 FEET OF LOT 8, BLOCK 1, 1ST ADDITION TO ALTA VISTA, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 524 22ND STREET, GREELEY, CO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117108019	0.1033	12.50%	0.00015
WM SCHMIDT AND ESTHER SCHMIDT	2312 6TH AVENUE GREELEY, CO 80631	LOT 21, BLOCK 1, VOLKS ADDITION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2312 6TH AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117109003	0.218	12.50%	0.0003375
XCEL ENERGY AS SUCCESSOR TO HOME LIGHT AND POWER	GREELEY, CO 80631	ALL THAT PART OF THE NORTH 190 FEET OF LOT 32 LYING EAST OF THE WEST 437.6 FEET THEREOF, GREELEY INDUSTRIAL SUBDIVISION, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117111001	1	12.50%	0.0015625
22 GREELEY, LLC	7500 EAST ARAPAHOE ROAD #345 CENTENNIAL, CO 80112	LOTS 1, 2, 10, 11, 12, 13 AND 14, BLOCK 1, GREELEY INDUSTRIAL PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 237 22ND STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117102002	2	12.50%	0.003125
CIRCLE CORPORATION	100 GARFIELD STREET #400 DENVER, CO 80206	LOT 6, 7, 8, 24, 25, 26, 27 AND 28, BLOCK 2, GREELEY INDUSTRIAL PARK, EXCEPT THE NORTH 72.8 FEET OF THE EAST 131.25 FEET OF LOT 7 AND THE EAST 131.25 FEET OF LOT 6, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS 2303 2ND AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117112014	3.4404	12.50%	0.005375



**EXHIBIT "C"**  
**LETTER**



**MINERAL RESOURCES, INC.**

Mail: P.O. Box 328, Greeley, Colorado 80632 Phone: 970.352.9446 Fax: 800.850.9334

July 28, 2006

RE: Township 5 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 17: S1/2NE1/4 (Two Wells)  
S1/2NE1/4, N1/2SE1/4 (One Well)  
SW1/4NE1/4, SE1/4NW1/4, NE1/4SW1/4, NW1/4SW1/4 (One Well)  
City of Greeley, County of Weld, State of Colorado

Dear Mineral Owner:

I am writing on behalf of Mineral Resources, a local oil and gas exploration company. We are developing a directional drilling program in southeast Greeley, Colorado. You may have already been contacted by Mineral Resources with respect to leasing or selling your mineral interest to Mineral Resources.

Mineral Resources plans to drill four oil and gas wells beneath the above referenced property in the next 90 days. The wells will be drilled from a common drilling pad on land owned by Mineral Resources. As a result, **NO DRILLING OPERATIONS WILL TAKE PLACE ON THE SURFACE OF YOUR PROPERTY OR THE REFERENCED LAND.** The wells are planned as a four well operation because of the costs and risks associated with the operation. If the program is not successful and if less than the four planned wells are drilled, all costs and expenses will be accounted for and adjusted accordingly.

According to the records of the Weld County Clerk and Recorder's office, you own an interest in the oil and gas under the referenced 80-acre property, and according to our research, your oil and gas interest is unleased. Mineral Resources owns oil and gas leases covering 75%, more or less, of the above referenced property.

Attached to this letter is a map showing Mineral Resources' drilling plans as of this date. The locations of the wells are depicted on the map. The objective depth of each of the wells is approximately 8000 feet true vertical depth and may include penetrating the Dakota formation. The wells, if successful, will be completed on any one or more of the Cretaceous formations under the referenced land. Those formations include, but are not limited to, the Sussex, Codell, Niobrara, J-Sand and Dakota formations.

As depicted on the map, your interest will be pooled with adjoining lands to create three respective spacing units.

Unit 1 is to be designated as the spacing unit for 2 wells in the S1/2NE1/4 of Section 17.

Unit 2 is to be designated as the spacing unit for one well in the S1/2NE1/4 and N1/2SE1/4 of Section 17.

Unit 3 is to be designated as the spacing unit for one well in the SW1/4NE1/4, SE1/4NW1/4, NE1/4SW1/4, NW1/4SW1/4 of Section 17.

The wells will be drilled directionally from a pad-site located just south of U.S. Highway 34 and east of the Union Pacific Rail Road Right of Way; hence, NO DRILLING OPERATIONS WILL TAKE PLACE ON THE SURFACE OF YOUR PROPERTY OR THE REFERENCED LAND.

Operations are scheduled to commence between August 15 and September 15, 2006, but they may be either moved up or delayed depending on rig availability and dealings with the Colorado Oil and Gas Conservation Commission that governs this operation. Mineral Resources plans on drilling all of the wells consecutively, again, depending on the success of the program.

As an owner of a mineral interest in the S1/2NE1/4 of Section 17, you have several options of participation from which to choose. The options are as follows:

Oil and Gas Lease - The most common way to participate is to lease your mineral interest in and under the referenced land to Mineral Resources. We have enclosed for your review and execution an oil and gas lease. The lease provides for a 12.5% royalty interest in all wells in proportion to your acreage and a five-year primary term. As consideration for signing the lease Mineral Resources will pay you \$50.00 per acre and a minimum amount of \$15.00 upon the receipt of a signed and notarized oil and gas lease. After signing the lease you should make a copy of it for your records. The terms being offered are consistent with existing leases in Section 17.

Mineral Quit Claim Deed - As a second option, you may sell your interest to Richmark Development, LLC, an affiliate company of Mineral Resources. If a check was previously sent to you, and if that check is in your possession you can still cash it. Richmark Development will issue you a new check if you request if the original check has been lost, destroyed or returned to Richmark Development.

Participate as an Owner - As an alternative to leasing or selling your mineral interest, you have the opportunity to participate as a working interest owner and bear your proportionate share of the costs and risks of the drilling and operating of the four wells within the Spacing Unit. This offer is being made pursuant CRS §34-60-116 (7) (a) and rule 530 of the rules and regulations of the Colorado Oil and Gas Conservation Commission. Based upon your net acreage to the units, your proportionate share of the costs to drill and complete the wells is estimated to be \$4448.46, based upon the following calculation:

*Unit 1:*  $0.178$  (# of your mineral acres in Unit 1) /  $80$  (total acres in Unit 1) x  $\$1348026$  (estimated cost to drill and complete two wells at an average cost of  $\$674,013$  per well) =  $\$2965.64$  (estimated cost for Unit 1 billable to you should you elect to participate as a working interest owner).

*Unit 2:*  $0.178$  (# of your mineral acres in Unit 2) /  $160$  (total acres in Unit 2) x  $\$674,013$  (estimated cost to drill and complete one well at a cost of  $\$674,013$ ) =  $\$741.41$  (estimated cost for Unit 2 billable to you should you elect to participate as a working interest owner).

*Unit 3:*  $0.178$  (# of your mineral acres in Unit 3) /  $160$  (total acres in Unit 3) x  $\$674,013$  (estimated cost to drill and complete one well at a cost of  $\$674,013$ ) =  $\$741.41$  (estimated cost for Unit 3 billable to you should you elect to participate as a working interest owner).

**Total Cost: \$2965.64** (estimated cost billable to you for Unit 1) + **\$741.41** (estimated cost billable to you for Unit 2) + **\$741.41** (estimated cost billable to you for Unit 3) = **\$4448.46** (estimated cost billable to you for Units 1, 2 and 3 should you elect to participate as a working interest owner).

Enclosed is an Authority for Expenditure (AFE) for estimated cost one of the four wells. The AFEs for the other wells are substantially identical. The total estimated cost of the four wells to be drilled under the referenced land is **\$2,696,052**. THE COST OF ANY OF THE WELLS MAY BE MORE OR LESS THAN THE AMOUNT OF THE AFE AND IF THE COSTS EXCEED THE AMOUNT OF THE AFE, YOU WILL BE LIABLE FOR YOUR PORPORTIONATE SHARE OF THE EXCESS COST.

If you elect to participate as a working interest owner in the drilling of the wells, please send a letter to Mineral Resources stating your intention to participate and bear the estimated costs billable to you no later than August 30, 2006. Upon receipt of your letter, Mineral Resources will send you a Joint Operating Agreement for your execution; the operating agreement contains terms and conditions pursuant to which Mineral Resources will operate the wells for your account and others who elect to participate. Your total payment will have to be made at the time the signed Joint Operating Agreement is returned to Mineral Resources.

Should you elect not to participate in the drilling of the wells, or lease or sell your interest to Mineral Resources, Mineral Resources, as Operator, will apply with the Colorado Oil and Gas Conservation Commission to have your interests in the three units described in this letter pooled with the interests of Mineral Resources and others who have elected to participate.

Sincerely,

Logan Richardson  
Land Manager

Cell: 970-590-7506  
Email: [Logan@mineralresourcesinc.com](mailto:Logan@mineralresourcesinc.com)