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MINERAL RESOURCES, INC. REQUEST FOR APPROVAL PURSUANT TO  
COGCC RULE 511. b.

This is the request of Mineral Resources, Inc. ("Mineral Resources") for the approval of the following Application pursuant to COGCC Rule 511.b. and COGCC Procedure for Requesting Approval of Uncontested Hearing Applications under Rule 511.b. and C.R.S. § 34-60-108(7):

APPLICATION, DOCKET AND CAUSE NO.

All lands covered by this Request are located in T.5N., R.65W., Weld County, Colorado. This Request covers the following Application, Docket and Cause No.:

LANDS COVERED	DOCKET NO.	CAUSE NO.
T5N, R65W		
SE/4SW/4, SW/4SE/4 of Section 17 and NW/4NE/4, NE/4NW/4 of Section 20	0707-UP-18	1 & 407

The application is made pursuant to Rule 318 A of the rules and regulations of the COGCC effective March 1, 2006. The application is for one well and production from one 160-acre Wellbore Spacing Unit as defined by Rule 318 A and 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 pursuant to COGCC Rule 318 A.

The well that is planned for the spacing unit is a part of a larger directional drilling program of up to twenty-three (23) wells being conducted by Mineral Resources from a common drill site of approximately eleven (11) acres. Mineral Resources owns the land included in the drill site and is utilizing the drill site to access oil and gas resources under the City of Greeley that would otherwise not be accessible by conventional vertical drilling operations. The current "up to twenty-three well" drilling program is in addition to a prior eleven (11) well drilling program conducted from the common drill site by Mineral Resources in 2005.

The application identified above is a candidate for approval pursuant to the provisions of Rule 511. b. because it is an uncontested application after due notice to all interested parties and because it is a "duplicate" application to applications made by Mineral Resources in connection with eleven (11) wells that were approved by the COGCC on June 21, 2005.

BIOGRAPHICAL INFORMATION FOR LOGAN RICHARDSON

The biographical information for Logan Richardson is attached. Mr. Richardson is the witness whose sworn testimony is summarized below.

#### SWORN WRITTEN TESTIMONY OF LOGAN RICHARDSON

The application is for the involuntary pooling of the interests of the owners, as defined by the Oil and Gas Conservation Act, identified on the Exhibit A attached hereto, and for the designation of the drilling and spacing unit described in the Application above.

Consistent with the procedures used in the prior "duplicate" Applications for the Mineral Resources eleven (11) well directional program that were approved administratively, I determined the identity of the owners of the oil and gas in and under the spacing unit identified above by researching the tract indices of Stewart Title Company in Greeley, Colorado and then by researching the records of the Clerk and Recorder of Weld County, Colorado.

Once the identities of the owners of the oil and gas were identified by my records search, I, on behalf of Mineral Resources, sent each owner a letter that included an offer to lease which offer was on terms and conditions that were competitive for the area and which had been accepted by other owners in the same proposed spacing unit. In many cases, no response was received from the owners. In the same letter, Mineral Resources gave each owner the opportunity to participate in the drilling of the well or wells that were described in the letter as well as the opportunity to sell the recipient's mineral interest to Mineral Resources. A representative example of the letter sent to each owner is attached hereto as Exhibit B. I sent an original of the letter to each owner identified on Exhibit A and Mineral Resources has received no reply from the owners identified on Exhibit A with three exceptions. In each of these instances, the owner has stated an intention to participate, but as of the date of this filing, no firm election to participate has been made. If such a firm election is made, Mineral Resources will honor the election to participate. More than thirty (30) days have elapsed since the letters were sent to the owners in the Units and as a result, each of those owners is a "nonconsenting owner" as defined by COGCC Rule 530. a.

The letter offering the owners in the spacing unit the opportunity to participate included all of the information required by COGCC Rule 530. a. including the following:

1. The location and objective depth of the well described in the letter.
2. The estimated drilling and completion cost of the well.
3. The estimated spud date for the well or range of time within which spudding is to occur.

4. An AFE prepared by Mineral Resources containing the information required by COGCC Rule 530. a. together with such additional information deemed appropriate by Mineral Resources.

#### ATTESTATION

I, Logan Richardson, attest and affirm that I am employed by Mineral Resources, Inc. and that the foregoing sworn written testimony is true and correct to the best of my knowledge and belief.



Logan Richardson

#### EXHIBITS

Exhibits A and B are attached hereto.

**Logan A. Richardson**  
3306 68<sup>th</sup> Avenue Ct  
Greeley, Colorado 80634  
970-590-7506

**Oil and Gas Experience:**

May 2004 – Present  
Mineral Resources, Inc.  
Land Manager

I have served as land manager for Mineral Resources, Inc. for over 3 years. I have been actively involved in title research and leasing activities, including correspondence with land owners in various locations within the DJ Basin. These activities include the applications and orders for the Mineral Resources, Inc. eleven well directional drilling program previously approved by the Commission in October 2005.

**Education:**

August 2002 – December 2005  
Colorado State University  
Graduated  
Diploma, BS Business Finance

August 1999 – May 2000  
University of Utah  
General Studies

# EXHIBIT "A"

DOCKET NO. 0707-UP-18, CAUSE NO. 1 & 407

T5N, R65W, SE/4SW/4, SW/4SE/4 OF SECTION 17 AND  
NW/4NE/4, NE/4NW/4 OF SECTION 20

OWNER	OWNER ADDRESS	LEGAL DESCRIPTION	ACRES	ROYALTY	DECIMAL INTEREST
CESAR MACIEL	601 27 STREET ROAD GARDEN CITY, COLORADO 80631	PART OF LOT 6 ARLINGTON GARDENS, TOWN OF GARDEN CITY, COUNTY OF WELD, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING 208.5 FEET FROM THE NORTHEAST CORNER OF LOT 6, THENCE WEST 176.9 FEET; THENCE SOUTH 50 FEET; THENCE EAST 176.9 FEET; THENCE NORTH 50 FEET TO THE POINT OF BEGINNING, EXCEPT THAT PART OF THE RIGHT OF WAY OF THE COLORADO DEPT. OF HIGHWAYS.	0.183	12.50%	0.000143
EDWARD BOEHM, JR. LAVETA R. BOEHM	9801 SIERRA VISTA ROAD LONGMONT, COLORADO 80504	LOT 10 THROUGH LOT 17 OF BLOCK 3, AND THE WEST-HALF OF VACATED 7TH AVENUE LYING AND BEING ADJACENT TO SAID LOTS, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.688	12.50%	0.000538
FELIPE RAMIREZ, MARIA RAMIREZ	2760 SOUTH 8TH AVENUE GARDEN CITY, COLORADO 80631	LOTS 32, 33, AND 34, EXCEPT THE SOUTH 3 FEET OF LOT 32, ALL IN BLOCK 3 OF GARDEN CITY, WELD COUNTY, COLORADO	0.206	12.50%	0.000161
FLORENE CRAGGS LOWELL FERGUSON	2704 7TH AVENUE GREELEY, COLORADO 80631	LOT 5 THE SOUTH HALF OF LOT 4 OF BLOCK 1, GARDEN CITY, WELD COUNTY, COLORADO	0.129	12.50%	0.000101
GABRIEL L. SAENZ	2707 6TH AVENUE LANE GREELEY, COLORADO 80631	THE EAST-HALF OF LOTS 4, 5, 6, AND 7 OF BLOCK 2, 1ST ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO	0.136	12.50%	0.000106
GERMAN BATREZ	2711 6TH AVENUE LANE GARDEN CITY, COLORADO 80631	LOTS 8 AND 9 OF BLOCK 2, 1ST ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO	0.135	12.50%	0.000105
COLORADO HOUSING FINANCE AUTHORITY	2706 7TH AVENUE GREELEY, COLORADO 80631	LOTS 6 AND 7 OF BLOCK 1, GARDEN CITY, WELD COUNTY, COLORADO	0.169	12.50%	0.000132
JORGE A. MAGANA	2738 6TH AVENUE LANE GARDEN CITY, COLORADO 80631	LOTS 14 AND 15, BLOCK 1, 1ST ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO	0.152	12.50%	0.000119
SILVESTRE RUVALCABA	2702 7TH AVENUE GREELEY, COLORADO 80631	LOT 3 AND THE NORTH-HALF OF LOT 4, BLOCK 1, GARDEN CITY, WELD COUNTY, COLORADO	0.129	12.50%	0.000101
SUPER AMERICA LLC	1360 W 13TH AVE BROOMFIELD, COLORADO 80020	LOTS 1 AND 2 OF BLOCK 16, KENDRICKS 2ND ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO, ALSO THE VACATED SOUTH 10 FEET OF 26TH STREET LYING AND BEING ADJACENT TO SAID LOTS	0.486	12.50%	0.000380
CARL STULL, MEGAN STULL	1035 37TH AVENUE GREELEY, COLORADO 80634	THE EAST-HALF OF LOTS 1, 2, AND 3 OF BLOCK 2, 1ST ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO	0.102	12.50%	0.000080
WELLS FARGO BANK, NA, TRUSTEE OPTION ONE MORTGAGE LOAN TRUST 2002-A, ASSET BACKED CERTIFICATES, SERIES 2002-A	3 ADA IRVINE, CALIFORNIA 92618	THAT PART OF LOT 3, ARLINGTON GARDENS, GARDEN CITY, WELD COUNTY, COLORADO DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH LIES 265 FEET EAST OF THE NORTHWEST CORNER OF SAID LOT 3; THENCE SOUTH 130 FEET; THENCE EAST 100 FEET; THENCE NORTH 130 FEET; THENCE WEST 100 FEET TO THE POINT OF BEGINNING	0.229	12.50%	0.000179
WILLIAM Y. HUBBARD, III LINDA S. HUBBARD	5429 ROAD 47 TORRINGTON, WYOMING 82240	LOT 4 THROUGH LOT 8 OF BLOCK 1, 1ST ADDITION TO GARDEN CITY, WELD COUNTY, COLORADO	0.057	12.50%	0.000045

**EXHIBIT "B"**  
**LETTER**



**MINERAL RESOURCES, INC.**

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

June 30, 2006

**RE: Township 5 North, Range 65 West, 6<sup>th</sup> P.M.**  
**Section 17: SW1/4 (Five Wells)**  
**Section 17: E1/2SW1/4, W1/2SE1/4 (One Well)**  
**Section 17: S1/2SW1/4, Section 20: N1/2NW1/4 (One Well)**  
**Section 17: SE1/4SW1/4, SW1/4SE1/4, Section 20: NE1/4NW1/4, NW1/4NE1/4 (One Well)**  
**City of Greeley, County of Weld, State of Colorado**

**Dear Mineral Owner:**

Mineral Resources, Inc. plans to drill eight oil and gas wells beneath the referenced property in the next 90 days. The wells will be drilled from a common drilling pad on land owned by Mineral Resources or an affiliated entity described below. The wells are being planned as an eight well operation because of the costs and risks associated with the operation. If the program is not successful and if less than the eight planned wells are drilled, all costs and expenses will be accounted for and adjusted accordingly.

You may have already been contacted by Mineral Resources or one of its affiliates with respect to the leasing of your mineral interest to the Mineral Resources or the sale of your mineral interest to a Mineral Resources affiliate.

The purpose of this letter is to offer you the opportunity to bear your proportionate share of the costs and risks of the drilling and operating of the eight wells that Mineral Resources plans to drill under the land described above. 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.

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 property, and according to our research, your oil and gas interest is unleased. Mineral Resources owns oil and gas leases covering 80%, more or less, of the referenced property.

Attached to this letter is a plat showing Mineral Resources' drilling plans as of this date. The locations of the wells are depicted on the plat. 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 attached map, your interest will be pooled with adjoining lands to create four spacing units.

Unit 1 is to be designated as the spacing unit for five wells in the SW1/4 of Section 17.

Unit 2 is to be designated as the spacing unit for 1 well in the E1/2SW1/4, W1/2SE1/4 of Section 17.

Unit 3 is to be designated as the spacing unit for 1 well in the S1/2SW1/4 of Section 17 and N1/2NW1/4 of Section 20

Unit 4 is to be designated as the spacing unit for 1 well in the SE1/4SW1/4, SW1/4SE1/4 of Section 17 and NE1/4NW1/4, NW1/4NE1/4 of Section 20

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 1 and August 30, 2006, but may be either moved up or delayed depending on rig availability and proceedings before the Colorado Oil and Gas Conservation Commission that govern these operations. 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 SW1/4 of Section 17, you have several options from which to choose. The first is to lease your mineral interest in and under the SW1/4 of Section 17 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 in each of the 2 units described above 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 the SW1/4 of Section 17 and other lands within the drilling program.

As a second option, you may sell your interest to Richmark Development, LLC, an affiliate company of Mineral Resources, Inc. 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.

As an alternative to leasing your oil and gas mineral interest to Mineral Resources or selling your mineral interest to Richmark Development, you have the right to participate as a working interest owner in the drilling of the eight wells within the four units described in this letter. Based upon your net acreage to the units, your proportionate share of the costs to drill and complete the wells is estimated to be \$6167.20, based upon the following calculation:

**Unit 1:**

$0.183 \text{ (\# of your mineral acres in Unit 1)} / 160 \text{ (total acres in Unit 1)} \times \$3,370,065 \text{ (estimated cost to drill and complete five wells at an average cost of \$674,013 per well)} = \$3854.5 \text{ (estimated cost for Unit 1 billable to you should you elect to participate as a working interest owner).}$

**Unit 2:**

0.183 (# of your mineral acres in Unit 1) / 160 (total acres in Unit 1) x \$674,013 (estimated cost to drill and complete one well) = \$770.9 (estimated cost for Unit 2 billable to you should you elect to participate as a working interest owner).

**Unit 3:**

0.183 (# of your mineral acres in Unit 1) / 160 (total acres in Unit 1) x \$674,013 (estimated cost to drill and complete one well) = \$770.9 (estimated cost for Unit 2 billable to you should you elect to participate as a working interest owner).

**Unit 4:**

0.183 (# of your mineral acres in Unit 1) / 160 (total acres in Unit 1) x \$674,013 (estimated cost to drill and complete one well) = \$770.9 (estimated cost for Unit 2 billable to you should you elect to participate as a working interest owner).

**Total Cost:**

\$3854.5 (estimated cost billable to you for Unit 1) + \$770.9 (estimated cost billable to you for Unit 2) + \$770.9 (estimated cost billable to you for Unit 3) + \$770.9 (estimated cost billable to you for Unit 4) = \$6167.20 (estimated cost billable to you for Units 1 and 2 should you elect to participate as a working interest owner).

Enclosed is an Authority for Expenditure (AFE) for estimated cost one of the eight wells. The AFEs for the other wells are substantially identical. The total estimated cost of the eight wells to be drilled under the referenced land is \$5,392,104. 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 July 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 to have your interests in the four units described in this letter pooled with the interests of Mineral Resources and others who have elected to participate.

Sincerely,

Collin M. Richardson  
Director of Operations