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COGCC

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		
SW/4NW/4, NW/4SW/4 of Section 16, NE/4SE/4, SE/4NE/4 of Section 17	0701-UP-19	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 68th 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-19, CAUSE NO. 1& 407

T5N, R65W, SW/4NW/4, NW/4SW/4 OF SECTION 16 AND
NE/4SE/4, SE/4NE/4 OF SECTION 17

OWNER	ADDRESS	LEGAL DESCRIPTION	ACRES	ROYALTY	DECIMAL INTEREST
BRIAN P NATOTSCHI AND DEIDRE R HILD	2118 APRICOT AVENUE, GREELEY, CO 80631	LOT 19, BLOCK 1, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2118 APRICOT AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096116225019	0.11376	12.50%	0.000089
CENTRAL WELD COUNTY WATER DISTRICT	2235 2ND AVENUE GREELEY, CO 80631	THE NORTH 72.8 FEET OF THE EAST 131.25 FEET OF LOT 7 AND THE EAST 131.25 FEET OF LOT 6, BLOCK 2, GREELEY INDUSTRIAL PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 2235 2ND AVENUE, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096117112015	0.75	12.50%	0.000586
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%	0.002688
DAVID BONILLA BURGARIN / DAVID BONILLA RAMOS	223 E 22 STREET, GREELEY, CO 80631	LOT 12, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 223 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 0961162260012	0.089	12.50%	0.000070
DINO C ALVIDREZ	203 E 22 STREET, GREELEY, CO 80631	LOT 7, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 203 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096116226007	0.089	12.50%	0.000070
ELIAS RAMOS MARTINEZ AND OLIVIA LOMA	211 E 22 STREET, GREELEY, CO 80631	LOT 9, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 211 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 096116226009	0.07576	12.50%	0.000059
FALCONER SYLVIA A	2280 1ST AVE#37 GREELEY, CO 80631	LOT 37, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1099	12.50%	0.000086
JOSE ANTONIO VILLELA	2280 1 AVE #164 GREELEY, CO 80631	LOT 164, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.145	12.50%	0.000113
KEITH B COWAN AND BEVERLY C COWAN	3240 IRIS CT WHEATRIDGE, CO 80033	LOTS 10, 108 AND 127 COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.2541	12.50%	0.000199

MARDI GRAS PROPERTIES LLC	102 EAST 22 ND STREET GREELEY, CO 80631	LOT 1, BLOCK 2, PARKVIEW MIXED USE REPLAT, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.7458	12.50%	0.000583
MARTHA OLAVE	219 E 22 STREET, GREELEY, CO 80631	LOT 11, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 219 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 0961162260011	0.07576	12.50%	0.000059
Murphy-Hoffman Joint Ventures, LP	c/o Ozark Kenworth, Inc. 1424 North Corrington Kansas City, MO 64120	Part of the Southeast Quarter of Section 17, Township 5 North, Range 65 West of the 6th P.M.	1.2750	12.50%	0.000996
PARKVIEW AND FIRST LLC	4246 SOUTHSORE CT FORT COLLINS, CO 80525	THAT PART OF TRACT A, BLOCK 1, PARKVIEW MIXED USE 1ST REPLAT, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO LYING AND BEING IN THE SW/4NW/4 OF SECTION 16, T5N, R65W. ALSO, THAT PART OF ENVELOPE 4, BLOCK 1, PARKVIEW MIXED USE 1ST REPLAT, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO LYING AND BEING IN THE SW/4NW/4 OF SECTION 16, T5N, R65W	2.1904	12.50%	0.001711
ROBERT L CEMER AND LINDA MARIE CEMER	2280 1ST AV #34 GREELEY, CO 80631	LOT 34, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.127	12.50%	0.000099
SARAH J SCHEOPNER	2280 1 AVE #31 GREELEY, CO 80631	LOT 31, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1263	12.50%	0.000099
SHERRY LYNN COOPER	2280 1 AVE #140 GREELEY, CO 80631	LOT 40, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1529	12.50%	0.000119
SILVIA E CRUZ AND CELSO AREVALO	207 E 22 STREET, GREELEY, CO 80631	LOT 8, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 207 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 0961162260008	0.07576	12.50%	0.000059
STANLEY E HOLSTEIN AND GEORGEANN L HOLSTEIN	2280 1 AVE #151 GREELEY, CO 80631	LOT 151, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1091	12.50%	0.000085
STEPHEN L YOUNG	215 E 22 STREET, GREELEY, CO 80631	LOT 10, BLOCK 2, PARKVIEW MIXED USE, A SUBDIVISION IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO. ALSO KNOWN BY STREET AND NUMBER AS: 215 E. 22 STREET, GREELEY, COLORADO 80631. ALSO KNOWN AS WELD COUNTY ASSESSOR'S PARCEL NO. 0961162260010	0.07576	12.50%	0.000059
THELMA M BROWN	C/O SHARON BROWN 2280 1ST AVE #11 GREELEY, CO 80631	LOT 11, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1779	12.50%	0.000139
VARIOUS		STREETS, ROADS AND ALLEYS LYING AND BEING IN THE SE/4NE/4 AND NE/4SE/4 OF SECTION 17, T5N, R65W.	6	12.50%	0.004688
VICTOR BREHON AND CLARA M BREHON	2280 1 AVE #162 GREELEY, CO 80631	LOT 162, COUNTRYSIDE MOBILE HOME PARK, INCLUDING ANY STREETS, ROADS, ALLEYS, SIDEWALKS, OR OTHER PARCEL OR STRIPS OF LAND LOCATED IN COUNTRYSIDE MOBILE HOME PARK, CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO	0.1369	12.50%	0.000107

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, 6th P.M.
Section 16: NW/4SW/4 (One Well)
Section 16: SW/4NW/4 (One Well)
Section 16: NW/4SW/4, SW/4NW/4 &
Section 17: SE/4NE/4, NE/4SE/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 one well in the NW/4SW/4 of Section 16.

Unit 2 is to be designated as the spacing unit for 1 well in the SW/4NW/4 of Section 16.

Unit 3 is to be designated as the spacing unit for 1 well in the NW/4SW/4, SW/4NW/4 of Section 17 and the SE/4NE/4, NE/4SE/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 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:

$0.183 \text{ (\# of your mineral acres in Unit 1)} / 160 \text{ (total acres in Unit 1)} \times \$674,013 \text{ (estimated cost to drill and complete one well)} = \$770.5 \text{ (estimated cost for Unit 1 billable to you should you elect to participate as a working interest owner).}$

Unit 2:

$0.183 \text{ (\# of your mineral acres in Unit 1)} / 40 \text{ (total acres in Unit 1)} \times \$674,013 \text{ (estimated cost to drill and complete one well)} = \$3854.770.9 \text{ (estimated cost for Unit 2 billable to you should you elect to participate as a working interest owner).}$

Unit 3:

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

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) = \$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