



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

10

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 AND  
FOR THE MODIFICATION OF THE SIZE OF  
CERTAIN DRILLING AND SPACING UNITS FOR  
THE PRODUCTION OF OIL AND GAS FROM  
CERTAIN OF THE CRETACEOUS FORMATIONS  
IN WELD COUNTY, COLORADO

CAUSE NO. 318A,

RECEIVED DOCKET NO. \_\_\_\_  
JUN 1 2007 CAUSE NO. 407  
COGCC DOCKET NO. \_\_\_\_

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 and for an order modifying the size of existing drilling and spacing units implemented pursuant to Cause No. 407 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 20: NW/4

2. The above-described lands are included within the area governed by the Greater Wattenberg Area Special Well Location Rule, Rule 318A of the Commission rules and 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. 407-6 for the Niobrara formation). The Sussex, J-Sand and Dakota formations are unspaced as to the lands described above.
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.
4. Pursuant to orders in Cause No. 407, the Codell and Niobrara formations are to be developed on the basis of 80-acre drilling and spacing units.
5. 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 5 oil and gas wells directionally from the Drill Site to explore for and produce oil and gas from bottom hole locations under the lands described above. The 5 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 that will be drilled by Applicant from the Drill Site as part of a potential 34 well directional drilling program. The planned wells include "5 spot" and boundary well locations for production of oil and gas from the Cretaceous formations in and under the above-described lands. No more than 8 wells will be drilled pursuant to Rule 318A.
6. Rule 318A d. provides that Rule 318A does not alter the size or configuration of drilling units in the Greater Wattenberg Area and as a result, the Codell and Niobrara formations in and under the above-described lands remain subject to the provisions of Cause No. 407 and the requirements thereof unless modified by appropriate order of the Commission.

7. Applicant has received permits to drill 20 of the wells and the Operator/Applicant designated drilling and spacing units for the Codell and Niobrara formations are 80-acre units. Again, the Sussex, J-Sand and Dakota formations are unspaced insofar as the above-described lands are concerned.
8. Consistent with the findings in the rulemaking that resulted in the adapted Rule 318A and in order to protect the correlative rights of the owners of the landowners' and overriding royalty interests in and to production from Sussex, J-Sand, Dakota, Codell and Niobrara formations in and under the lands above described and to ensure that each such owner has the opportunity to recover his or her just and equitable share of the oil, gas and associated hydrocarbons produced and to be produced from the Sussex, J-Sand, Dakota, Codell and Niobrara formations, it is necessary to designate the one 160-acre drilling and spacing unit consisting of the NW/4 of Section 20 described above.
9. As set forth above, Applicant intends to drill 5 wells to test the Sussex, Codell, Niobrara, J-Sand and/or Dakota formations in and under the NW/4 of Section 20 above described and Applicant is proposing one five well package for the Spacing Unit, due to the costs and risks of the overall project.
10. Due to the costs and risks associated with the proposed wells, the creation of one 160-acre drilling and spacing unit for the quarter section is necessary to ensure that each such owner has the opportunity to recover his, her or its just and equitable share of the oil, gas and other associated hydrocarbons produced and to be produced from the Sussex, Codell, Niobrara, J-Sand and/or Dakota formations in and under the NW/4 of Section 20 above described.
11. In addition, Applicant owns and operates oil and gas leases and controls mineral interests covering a total of 111.335 acres, more or less, in the NW/4 of Section 20 above-described. A plat of the Spacing Unit is attached hereto as Exhibit A.
12. The Spacing Unit consists of a total of 160-acres, more or less. Approximately 21.665 acres, more or less, in the NW/4 of Section 20 are unleased.
13. According to the title work completed by Applicant, the unleased interests in the NW/4 of Section 20 total 21.665 acres, more or less, and those interests are owned by the persons identified on Exhibit B attached hereto.
14. More than 30 days prior to the date this matter will be heard, by letters sent to the persons described in Exhibit B whose interest is unleased, Applicant offered to lease the interests in the oil and gas owned by those parties in the Spacing Unit. The letters included a proposed lease. A representative sample of the letter is attached hereto as Exhibit C.
15. 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.
16. In addition, the letter containing the offer to lease described in paragraph 15, 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 five wells currently planned for each Spacing Unit. The letters included the following information as required by Rule 530 of the Commission's rules:

The location and objective depths of the five wells to be drilled in the Spacing Unit,

The estimated drilling and completion costs of the five wells to be drilled in the Spacing Unit,

The estimated spud dates for the wells to be drilled in the Spacing Unit or range of time within which the spudding is to occur and

An AFE prepared by the Applicant and containing the information described above.

17. More than 30 days prior to 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 five wells to be drilled in the Spacing Unit 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.
18. 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 Spacing Unit 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 NW/4 of Section 20 above described be designated as a drilling and spacing unit for 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,
- b. That the unleased interests in the 160-acre drilling and spacing unit consisting of the NW/4 of Section 20 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,
- c. 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 locations that are permitted by Rule 318A, and
- d. For such other and further relief as this Commission deems just and proper.

Dated this 22<sup>nd</sup> day of May, 2007.

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 22<sup>nd</sup> day of May, 2007  
Witness my hand and official seal.

My commission expires: 05/25/2008

  
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Notary Public



## EXHIBIT "B"

OWNER	MAILING ADDRESS	LEGAL DESCRIPTION	ACRES	ROYALTY	DECIMAL INTEREST
WILLIAM E. EBOMOYI, JOSEPHINE I. EBOMOYI	1739 28TH AVENUE GREELEY, COLORADO 80631	LOT 2, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO ALSO, LOT 11, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO ALSO, LOT 6, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.689	12.50%	0.000538
ART FABRIZIUS, PATSY M. FABRIZIUS	11398 HWY 392 WINDSOR, COLORADO 80550	LOT 11, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.236	12.50%	0.000184
CARL RIEPE	4044 30TH STREET GREELEY, COLORADO 80631	LOT 4, LAKESHORE ADDITION, ACCORDING TO THE LOT LINE ADJUSTMENT AS RECORDED ON SEPTEMBER 14, 1995 AS BOOK 1511 AT RECEPTION NO. 2455543	0.346	12.50%	0.000270
DELORUS V. BOYLE	590 HWY 105 #304 MONUMENT, COLORADO 80132	LOTS 25, AND 26 LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.497	12.50%	0.000388
INTERNATIONAL INVESTMENTS	PROPERTY TECHNICA 1719 9TH STREET GREELEY, COLORADO 80631	LOTS 6, 7, AND 8, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO ALSO, LOT 11, 2ND LAKESHORE ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO ALSO, PART OF LOT 12, 2ND LAKESHORE ADDITION, CITY OF EVANS, COUNTY OF WE	1.800	12.50%	0.001406
JAMES P. BOYLE	P O BOX 85 LOVELAND, COLORADO 80539	LOT 27, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.225	12.50%	0.000176
JOSE CHAPARRO	2989 SKYLINE DRIVE EVANS, COLORADO 80620	LOT 3, CASSELL SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.338	12.50%	0.000264
MICHAEL W. SOVEREIGN, LISA A. SOVEREIGN	1924 27TH STREET GREELEY, COLORADO 80631	LOT 10, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.265	12.50%	0.000207
NICKI LEWIS, CARI ECHELBARGER, MOSER FAMILY TRUST	2520 52ND AVENUE GREELEY, COLORADO 80634	THE THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 80 FEET SOUTH AND 30 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 20; THENCE SOUTH 88 DEGREES	0.297	12.50%	0.000232
THOMAS ROBERT PFANKUCH	P O BOX 1062 GREELEY, COLORADO 80632	LOTS 9 AND 10, 2ND LAKESHORE ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO ALSO, LOT 21 AND 22, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	1.000	12.50%	0.000781
CONSTANTINO LOPEZ	3020 SUNSET DRIVE, EVANS, COLORADO 80620	THE SOUTH 10 FEET OF LOT 39 AND LOT 40 EXCEPT THE SOUTH 15 FEET, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.110	12.50%	0.000086
JOAQUIN A. ORTIZ	556 HONEY LOCUST CT MILLIKEN, COLORADO 80543	THE NORTH 66.67 FEET OF LOT 23, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.153	12.50%	0.000120
3019 DENVER STREET, LLC	400 EAST ELM STREET LAFAYETTE, COLORADO 80026	LOT 7, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179

A. LEROY MEASNER, EVELYN S. MEASNER	1607 10TH AVENUE GREELEY, COLORADO 80631	PART OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 16, BLOCK 1 SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO, THE SOUTH 62.5 FEET OF LOT 28, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO PART OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M. MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH BEARS SOUTH 0 DEGREES 22 MINUTES EAST, A DISTANCE OF 128 FEET FROM THE SOUTHEAST CORNER OF LOT 5 AND THE SOUTH 13.5 FEET OF LOT 4, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH BEARS SOUTH 0 DEGREES 22 MINUTES EAST, A DISTANCE OF 50 FEET FROM THE SOUTHEAST CORNER LOT 16, BLOT 31 AND THE NORTH 11.8 FEET OF LOT 30, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO THE SOUTH 61 FEET OF LOT 2 AND THE NORTH 37.7 FEET OF LOT 3, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO THE SOUTH 37.3 FEET OF LOT 3 AND THE NORTH 61.5 FEET OF	2.301	12.50%	0.001798
AARON N. CRAIN	2021 31ST STREET GREELEY, COLORADO 80631	LOT 32 EXCEPT THE SOUTH 34.2 FEET BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.153	12.50%	0.000120
ANDREW J. WARNER	2742 LOGAN DRIVE LOVELAND, COLORADO 80538	LOT 15, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO, EXCEPT THAT PART MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH BEARS SOUTH 0 DEGREES 22 MINUTES EAST, A DISTANCE OF 109.30 FEET FROM NORTHWEST	0.205	12.50%	0.000160
ANETTE J. SISNEROS	3024 LAKESIDE DRIVE EVANS, COLORADO 80620	THE SOUTH 15 FEET OF LOT 11 AND LOT 12 EXCEPT THE SOUTH 20 FEET THEREOF, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.165	12.50%	0.000129
ANTONIA ARRIESSECQ, HENRI A. ARRIESSECQ	3020 11TH AVENUE EVANS, COLORADO 80620	LOT 47 EXCEPT THE NORTH 12 FEET 9" BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.202	12.50%	0.000158
BARBARA A. LANDERS	3006 HIGH DRIVE EVANS, COLORADO 80620	LOT 24, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
GEORGE R. BOLLINGER, NATALIE R. BOLLINGER	219 CANYON POINT CIRCLE, GOLDEN, CO 80403	LOT 31, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
BONIFASIA ACEVEDO	3031 HIGH DRIVE EVANS, COLORADO 80620	LOT 37 EXCEPT THE SOUTH 25 FEET BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
CHAD H. WALTER	3027 HIGH DRIVE EVANS, COLORADO 80620	THE SOUTH 70 FEET OF LOT 35, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.161	12.50%	0.000126
CHARLES G. BELL, ELDA M. BELL LIFE ESTATE	3018 SUNSET DRIVE EVANS, COLORADO 80620	LOT 39 EXCEPT THE SOUTH 10 FEET AND THE SOUTH 5 FEET OF LOT 38, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.162	12.50%	0.000126
CLAUDIA R. ABBOTT	3014 HIGH DRIVE EVANS, COLORADO 80620	THE NORTH 33.33 FEET OF LOT 22 AND THE SOUTH 33.33 FEET OF LOT 23, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.153	12.50%	0.000120
DAVID D. KEISS, LAURA D. KEISS	3022 SUNSET DRIVE EVANS, COLORADO 80620	LOT 41 AND THE SOUTH 15 FEET OF LOT 40, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.208	12.50%	0.000163
DAVID J. LOESCH, CATHERINE L. LOESCH	1347 52ND AVENUE GREELEY, COLORADO 80634	THE SOUTH 66 FEET 8 INCHES OF LOT 50, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.154	12.50%	0.000120
DAVID WILLARD LEWIS, LIZET R. LEWIS	P O. BOX 1747 PAGOSA SPRINGS, COLORADO 81147	LOT 25, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179

DEUTSCHE BANK NATIONAL TRUST COMPANY	4828 LOOP CENTRAL DRIVE, HOUSTON, TEXAS 77081	LOT 37, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.173	12.50%	0.000135
DON W BENNETT, ABIGAIL E BENNETT	3018 11TH AVENUE EVANS, COLORADO 80620	THE SOUTH 66 FEET 8 INCHES OF LOT 48 AND THE NORTH 12 FEET9" LOT 47 BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.181	12.50%	0.000142
LOWELL R HILL	3036 HIGH DRIVE EVANS, COLORADO 80620	LOT 15, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO EXCEPT THE SOUTH 135 FEET OF SAID LOT	0.181	12.50%	0.000141
DOUGLAS MEASNER	36945 COLORADO UNITY ROAD 43 EATON, COLORADO 80615	THE SOUTH 62.5 FEET OF LOT 28, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.143	12.50%	0.000112
EDWIEN WIEDEMAN	5880 WEST 49TH STREET GREELEY, COLORADO 80634	LOT 10, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO. ALSO, LOTS 23 AND 24, LAKESHORE 3RD ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.672	12.50%	0.000525
ENRIQUE G. JIMENEZ	3229 OCONNOR AVENUE EVANS, COLORADO 80620	THE NORTH 86 FEET OF LOT 13 EXCEPT THE WEST 75 FEET THEREOF, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.148	12.50%	0.000116
FRANK UNDERWOOD, RITA UNDERWOOD	3028 HIGH DRIVE EVANS, COLORADO 80620	LOT 19 EXCEPT THE NORTH 6 FEET BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.216	12.50%	0.000169
GARY R. WHITE, DEBORAH ANN WHITE	3023 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 20 EXCEPT THE NORTH 10 FEET AND THE NORTH 25 FEET OF LOT 19, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO. ALSO, LOT 19 EXCEPT THE NORTH 25 FEET AND THE NORTH 15 FEET OF LOT 18, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.317	12.50%	0.000247
GORGONIO GARCIA	3017 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 23, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
HAROLD RALPH STEVENSON, DORA STEVENSON	3002 HIGH DRIVE EVANS, COLORADO 80620	LOT 26, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
HOMBERTO RIOS TORRES	3027 LAKESIDE DRIVE EVANS, COLORADO 80620	THE NORTH 5 FEET OF LOT 17 AND LOT 18 EXCEPT THE NORTH 15 FEET, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.150	12.50%	0.000117
J SALVADOR LOPEZ SERRANO	3019 SUNSET DRIVE EVANS, COLORADO 80620	THE NORTH 75 FEET OF LOT 6, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
JAMES A. ORTEGA	3030 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 15, BLOCK 1, EXCEPT THE NORTH 5 FEET THEREOF, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.165	12.50%	0.000129
JASON E. REEVES	3001 HIGH DRIVE EVANS, COLORADO 80620	LOT 28, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.220	12.50%	0.000172
JASWANT S DHALIWAL, PARAMJIT K. DHALIWAL	3430 GREYSTONE COURT FORT COLLINS, COLORADO 80525	LOT 2, SHUPE AND ROBERTS SUBDIVISION, 1ST REPLAT, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.251	12.50%	0.000196
JERRY AGUIRRE, KATHY AGUIRRE	3003 SUNSET DRIVE EVANS, COLORADO 80620	LOT 2, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.231	12.50%	0.000181
JOHN G. HURST, DIMITRIA HURST	1116 49TH AVENUE GREELEY, COLORADO 80634	LOT 35, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
JOHNNY R. RIDDLE	3034 HIGH DRIVE EVANS, COLORADO 80620	LOT 16, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
JOSE GARIBAY, SILVA ANGELINA GARIBAY	3026 SUNSET DRIVE, EVANS, COLORADO 80620	LOT 43, EXCEPT THE NORTH 20 FEET AND THE NORTH 15 FEET OF LOT 44, BLOCK 1, SUNNY VIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.161	12.50%	0.000126
JOY W FOX REVOCABLE TRUST	3005 SUNSET DRIVE EVANS, COLORADO 80620	LOT 3, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.231	12.50%	0.000181
JUAN MANUEL RAMIREZ, MANUELA GONZALEZ DE RAMIREZ	3016 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 8, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.177	12.50%	0.000138

KRIS P KISSINGER	P O BOX 733 GREELEY, COLORADO 80632	THE SOUTH 50 FEET OF LOT 5, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO. ALSO, LOT 2, 1ST REPLAT OF BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.330	12.50%	0.000258
LBC INVESTMENTS, LLC	1907 1ST AVENUE GREELEY, COLORADO 80631	THE NORTH 66 FEET OF LOT 46, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.152	12.50%	0.000118
LEONARD GONZALES, SUSAN GONZALES	UNIVERSITY LIQUORS OF EVANS, 2808 11TH AVENUE EVANS, COLORADO 80620	LOT 5, LAKESHORE ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.200	12.50%	0.000156
LORENZO ESPINO	3035 SUNSET DRIVE EVANS, COLORADO 80620	THE NORTH HALF OF THE WEST 75 FEET OF LOT 13, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.169	12.50%	0.000132
LUKE D HINRICHS	1019 COTTONWOOD WINDSOR, COLORADO 80550	LOT 34, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.142	12.50%	0.000111
MICHAEL C RAMSTACK	2640 52ND AVENUE GREELEY, COLORADO 80634	LOT 22, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
MOISES CHAPARRO	3026 LAKESIDE DRIVE EVANS, COLORADO 80620	THE SOUTH 20 FEET OF LOT 12 AND LOT 13 EXCEPT THE SOUTH 5 FEET THEREOF, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.212	12.50%	0.000166
NORTHERN COLORADO DOG HOUSE, LLC	P.O. BOX 156 GREELEY, COLORADO 80632	LOT 14, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.660	12.50%	0.000516
PHILLIP D OLBERT, KAREN K OLBERT	222 TIOGA TRAIL, PARKER, COLORADO 80138	THE SOUTH 70 FEET OF LOT 33, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.161	12.50%	0.000126
GREGORIO QUINTERO, ENRIQUETA QUINTERO	5506 ARROWHEAD DRIVE GREELEY, COLORADO 80634	LOT 33, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO EXCEPT THE SOUTH 2.6 FEET AND EXCEPT THE NORTH 31.6 FEET	0.152	12.50%	0.000118
R. BENIGNO SANCHEZ	3023 SUNSET DRIVE EVANS, COLORADO 80620	THE SOUTH 70 FEET OF LOT 8, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.161	12.50%	0.000126
RALPH ALVA WALTER BREWER, NICHOLE SHARAE MCPHIE	3015 LAKEWIDE DRIVE EVANS, COLORADO 80620	LOT 24, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.173	12.50%	0.000135
RAMIRO G. IBOA, PATRICIA IBOA	3014 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 7, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.177	12.50%	0.000138
RAQUEL JANDREAU, BRAD ELLIOTT, SHAWN ELLIOTT	1422 8TH AVENUE GREELEY, COLORADO 80631	LOT 5, SHUPE AND ROBERTS SUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
BANK OF NEW YORK CWABS 2004 04	3012 SUNSET DRIVE EVANS, COLORADO 80620	LOT 36, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.173	12.50%	0.000135
REYES MENDEZ	1001 31 STREET EVANS, COLORADO 80620	THE SOUTH 111 FEET OF LOT 13 EAST OF THE WEST 75 FEET, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.191	12.50%	0.000149
REYMUNDO CASARES, MARIA A. GERLACH	3028 SUNSET DRIVE EVANS, COLORADO 80620	THE NORTH 10 FEET OF LOT 45 AND LOT 44 EXCEPT THE NORTH 15 FEET, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.162	12.50%	0.000126
RICHARD L. BOYER, BOYER JEFFERY ALLAN, CONNIE JO BURKE	3024 SUNSET DRIVE EVANS, COLORADO 80620	LOT 42 AND THE NORTH 20 FEET OF LOT 43, BLOCK 1, SUNNYVIEW RESUBDIVISION	0.220	12.50%	0.000171
ROBERT L. STURCH	P.O. BOX 643 EVANS, COLORADO 80620	LOT 25, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
ROBERTO MENDOZA, VERONICA MENDOZA	3035 HIGH DRIVE EVANS, COLORADO 80620	THE SOUTH 50 FEET OF LOT 38 AND THE NORTH 25 FEET OF LOT 39 BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
RUPERT GUTIERREZ, MARY GUTIERREZ	3025 SUNSET DRIVE EVANS, COLORADO 80620	LOT 9, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
RUSSELL A. WITHROW, LINDA E. WITHROW	3000 11TH AVENUE EVANS, COLORADO 80620	LOT 55 AND THE NORTH 5 FEET OF LOT 54, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.241	12.50%	0.000188

THOMAS A. BRUCH LIVING TRUST, THOMAS A BRUCH TRUSTEE, DOROTHY K. BRUCH LIVING TRUST, DOROTHY K. BRUCH, TRUSTEE	120 NORTH 48TH AVENUE GREELEY, COLORADO 80634	LOT 26, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
TODD BAILEY	3020 LAKESIDE DRIVE EVANS, COLORADO 80620	THE SOUTH 5 FEET OF LOT 9 AND ALL LOT 10 EXCEPT THE SOUTH 10 FEET, BLOCK 1, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.165	12.50%	0.000129
WATERS INVESTMENTS, LLC	1872 36TH AVENUE COURT GREELEY, COLORADO 80634	LOT 8, 2ND LAKESHORE ADDITION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.238	12.50%	0.000186
WENDY J BLAKESLEE	3029 HIGH DRIVE EVANS, COLORADO 80620	LOT 36, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.230	12.50%	0.000179
WESLEYAN CHURCH COLORADO NEBRASKA DISTRICT	4902 WEST 2ND STREET GREELEY, COLORADO 80634	THE SOUTH 25 FEET OF LOT 10 AND THE NORTH 50 FEET OF LOT 11, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.172	12.50%	0.000135
WILLIAM EDWARD HORALEK	3029 LAKESIDE DRIVE EVANS, COLORADO 80620	LOT 17, BLOCK 1, EXCEPT THE NORTH 5 FEET OF SAID LOT, SUNNYVIEW RESUBDIVISION, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.162	12.50%	0.000126
WILLIAM J SCHNEIDER	2137 21ST AVENUE GREELEY, COLORADO 80631	THE SOUTH 70 FEET OF LOT 15, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.204	12.50%	0.000159
WILLIAM T. FLESNER, EVELYN F FLESNER	1005 31ST STREET EVANS, COLORADO 80620	THE SOUTH HALF OF THE WEST 75 FEET OF LOT 13, BLOCK 2, SUNNYVIEW, CITY OF EVANS, COUNTY OF WELD, STATE OF COLORADO	0.169	12.50%	0.000132

**EXHIBIT "C"**  
**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 20: NW1/4 (Five Wells)  
Section 20: E1/2NW1/4, W1/2NE1/4 (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 NW1/4 of Section 17.

Unit 2 is to be designated as the spacing unit for 1 well in the E1/2NW1/4, W1/2NE1/4 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 NW1/4 of Section 20, 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 NW1/4 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 (# of your mineral acres in Unit 1) / 160 (total acres in Unit 1) x \$3,370,065 (estimated cost to drill and complete five wells at an average cost of \$674,013 per well) = \$3854.5 (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