



MINERAL RESOURCES, INC.

Mail: P.O. Box 328 Greeley, Colorado 80632 * Phone: 970.352.9446 * Fax: 970.3398321

Colorado Oil and Gas Conservation Commission
Attention: Director Lepore and Mr. Thom Kerr
1120 Lincoln Street, Suite 801
Denver, CO 80203

Dear Director Lepore and Mr. Kerr:

Mineral Resources, Inc. ("MRI") hereby submits its comments in connection with the comment process initiated by the Setback Stakeholder Group established by the COGCC.

Mineral Resources is a family owned and operated company headquartered in Greeley, Colorado. Virtually all of MRI's drilling and production occurs within the urban boundaries of LaSalle, Greeley and Evans. MRI has drilled and operates 66 oil and gas wells in the aforesaid urban areas. In order to conduct drilling operations within these urban areas MRI has acquired and developed various pad sites from which MRI has drilled oil and gas wells and located production facilities. In view of the use of these padsites, in almost all its oil and gas leases MRI has agreed to and does not occupy or disturb the surface of the Lessor.

MRI strategically acquired these sites in accordance with the existing setback requirements as outlined in the existing Rules and Regulations of the COGCC. In particular MRI has relied upon the high-density setback requirement of 350' and in a few cases the low-density setback requirement of 150' as set forth in the COGCC's Rule 603.

Given the urban nature of the lands covered by MRI's oil and gas leases, if the setback requirements were increased it would paralyze any future development of these leases and deprive MRI, the local governments, and thousands of mineral owners of substantial anticipated future oil and gas revenues. If the setback requirements were increased, MRI's multi-million dollar investment in examining title, acquiring leases, purchasing land for padsites, accommodating neighborhood concerns and local government wishes could be rendered virtually worthless.

I have personally attended most of the stakeholder group meetings. No competent or compelling evidence was presented at any of these meetings to show that the existing setback requirements create unsafe conditions or cause adverse health impacts. I personally oversee the planning and implementation of MRI's urban development projects. Each project faces its own set of challenges and concerns which could be best addressed on a case-by-case basis by giving the Commission express authority to discuss and plan with the operator and the surface owner which Best Management Practices ("BMPs") are appropriate as to a particular project.

For the reasons set forth above, MRI believes strongly that no change be made to the existing setback rules. We appreciate the opportunity to provide our input and recommendation.

Respectfully Submitted,

Collin M. Richardson
Vice President