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2-23-07

511 Documents



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

2/23/07

This is the request of Mineral Resources, Inc. ("Mineral Resources") for the approval of the following Applications 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):

APPLICATIONS, DOCKET AND CAUSE NOS.

This request covers the following Applications, Docket and Cause Nos.:

LANDS COVERED	DOCKET NO.	CAUSE NO.
T5N, R65W		
1. E/2SW/4 of Section 17 and W/2SE/4 of Section 17 Unit 1	0701-UP-1	1 & 407
2. S/2NE/4 of Section 17 N/2SE/4 of Section 17 Unit 2	0701-UP-2	1 & 407
3. S/2SW/4 of Section 21 and N/2NW/4 of Section 21 Unit 3	0701-UP-3	1 & 407
4. N/2NW/4 of Section 21 Unit 4	0701-UP-4	1 & 407
5. SW/4 of Section 17 Unit 5	0701-UP-5	1 & 407
6. S/2NE/4 of Section 17 Unit 6	0701-UP-6	1 & 407

The six applications are made pursuant to Rule 318 A of the rules and regulations of the COGCC effective March 1, 2006. The applications are for the following number of wells and the designation of the following drilling and spacing units pursuant to COGCC Rule 318 A.

Unit 1 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.

Unit 2 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.

Unit 3 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.

Unit 4 is for two wells and the designation of an 80-acre drilling and spacing unit for production from 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.

Unit 5 is for five wells and the designation of a 160-acre drilling and spacing unit for production from 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.

Unit 6 is for two wells and the designation of an 80-acre drilling and spacing unit for production from 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.

The twelve (12) wells that are planned for Units 1 through 6 are a part of a larger well 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 applications identified above are candidates for approval pursuant to the provisions of Rule 511. b. because they are uncontested applications after due notice to all interested parties and because they are "duplicate" applications 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

Each of the applications is for the involuntary pooling of the interests of the owners, as defined by the Oil and Gas Conservation Act, identified on the six Exhibits A attached hereto on a Unit by Unit basis, and for the designation of the drilling and spacing units described in the Applications and 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 each of Units 1 through 6 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 Units. 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 letters offering the owners in the Units 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(s) described in each letter.
2. The estimated drilling and completion costs of the well(s).
3. The estimated spud date for the well(s) 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 on a Unit by Unit basis.

Logan A. Richardson
2005 24th Street
Greeley, Colorado 80631
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 two and one-half 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 2004
Colorado State University
Graduated
Diploma, BS Business Finance

August 1999 - May 2000
University of Utah
General Studies