

May 25, 2011



**LAMP RYNEARSON
& ASSOCIATES**
ENGINEERS | SURVEYORS | PLANNERS

David Neslin
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

4715 Innovation Drive, Suite 100
Fort Collins, Colorado 80525
[P] 970.226.0342
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Re: Request to the Director for setback waiver for COGCC Rules 603E.(2) & 603E.(3)
Location: Island Grove Directional #1
Township 6 North, Range 65 West, Section 32
Greeley, Colorado

Dear Mr. Neslin:

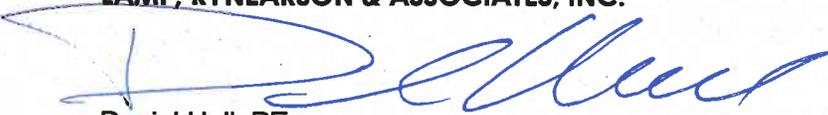
Mineral Resources is planning to develop the above mentioned location within the City of Greeley. The well pad will be located within a designated high density area. Rule 603e.(2) of the Rules of the Colorado Oil and Gas Conservation Commission requires that any tract of land identified as a 'High Density Area' as defined by Rule 603b requires that at the time of initial drilling of the a well, that the wellhead location shall be not less than three hundred fifty (350) feet from any building unit, educational facility, assembly building, hospital, nursing home, board and care facility, or jail. Rule 603e.(3) of the Rules of the Colorado Oil and Gas Conservation Commission requires that any tract of land identified as a 'High Density Area' as defined by Rule 603b requires that at the time of initial installation or construction, production tanks, pits, or associated on-site production equipment shall be located not less than three hundred fifty (350) feet from any building unit.

Due to the layout of the wells and the associated production equipment and the proximity of existing building units on the property, it is unfeasible to comply with the requirements of rule 603e.(2) and rule 603e.(3). Therefore, Mineral Resources has obtained a setback waiver from the surface owner/building unit owner waiving the requirements of rule 603e.(2) and 603e.(3) under the high density requirements of rule 603b and reducing the setback respectively from 350 feet to 200.

Mineral Resources respectfully requests that the COGCC review the enclosed information and approve the requested setback waiver for the above referenced location. Thank you for your attention to this matter. Please contact Lamp Rynearson and Associates at (970) 226-0342 with any questions or concerns.

Sincerely,

LAMP, RYNEARSON & ASSOCIATES, INC.



Daniel Hull, PE
Designated Agent
Mineral Resources, Inc.

Enclosures

Leaving a Legacy of Enduring Improvements to Our Communities - PURPOSE STATEMENT

ENGINEERS

SURVEYORS

PLANNERS