

March 30, 2012



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

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Mr. Thom Kerr, Interim Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

**Re: Request to the Director for Setback Waiver
COGCC Rules 603E.(2) & 603E.(3)
Location: C Street Directional Project #1
Township 6 North, Range 66 West, Section 36
Weld County, Colorado**

Dear Mr. Kerr:

Mineral Resources is planning to develop the above mentioned location within Weld County. 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 (COGCC) states 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, 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) states 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 Rules 603e.(2) and 603e.(3). Therefore, the surface owner has agreed and consented to allow Mineral Resources to obtain a variance from the COGCC or any other governmental entity, including the City of Greeley, to decrease all setbacks from the proposed location of the wells, tanks, and production equipment located on the drilling and production site to the maximum achievable setback of 200 feet from any building unit that may be constructed on the property. A copy of the setback waiver is attached.

Mineral Resources has also obtained a setback waiver from the property owner to the southeast, Alejandro and Charlene Chumacero. The referenced well site location is within 350 feet of an occupied structure owned by the Chumaceros; however, it shall be no closer than 200 feet from any occupied structure. A copy of the signed setback waiver from the Chumaceros is attached.

Mineral Resources respectfully requests that the COGCC review the enclosed information and approve the exception location request per Rule 603e.(6) 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

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