

POLARIS PRODUCTION CORP.
OIL & GAS PRODUCERS

415 WEST WALL STREET, SUITE ~~2010~~ 1124
MIDLAND, TEXAS 79702

DAVIS PAYNE
PRESIDENT

November 12, 1999

TELEPHONE 915-684 8248
REPLY TO: P. O. BOX 1749

New Mexico Oil Conservation Division of
New Mexico Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12278.
(Pride Energy, Arco-State Lse.
Lea County, New Mexico)

Dear Sirs:

As a Joint Interest Working Interest Owner in the Referenced Lease, this is to advise you that we support E.G.L. Resources, Inc. of P. O. Box 371, Midland, Texas, to be Operator of this Lease.

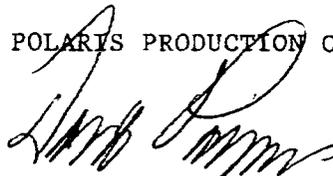
Pride Energy Company assumed operation of this Lease after acquiring the interest of Swift Energy and without the approval of the other joint working interest owners. A ballot was never circulated.

Pride has not timely made disbursement of proceeds from oil sales, and their accounting of other matters has not been complete. Further, they charged for "produced water" disposal when the joint operation owned a disposal well. And their "overhead" charge was approximately double that others charge for similar operations.

Therefore, we would appreciate the approval of the Form C-104 naming E.G.L. Resources, Inc. as Operator of this property.

Thank you for your consideration.

Yours very truly,
POLARIS PRODUCTION CORP.



Davis Payne

PRIDE ENERGY COMPANY
P O BOX 701602
TULSA, OK 741701602

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JOINT INTEREST EXPENSES FOR 09/99

AMARCO OIL CORPORATION
P.O. BOX 11262
MIDLAND TX 79702

INVOICE DATE 09/30/99
INVOICE # 9909000110
OWNER # 02400

LEASE: 0000000571 ARCO STATE #1 STATE: NM

JOURNAL	TYPE	P	DATE	INVOICE	JOURNAL DESCRIPTION	AMOUNT
09/97276	70		08/99	189	ARCO STATE SWD 8/99	172.91
					MARALO, LLC	
					OPERATING EXPENSES (100%)	172.91 *
						172.91 **
					AMARCO OIL CORPORATION	
					INTEREST (%) .0500000	8.65

LEASE: 0000000571 ARCO STATE #1 STATE: NM

JOURNAL	TYPE	P	DATE	INVOICE	JOURNAL DESCRIPTION	AMOUNT
09/00331	70		09/99		ACCRUE 9/99 PUMPING	200.00
09/90000	70		09/99		COMMUNICATIONS EXPENSE	20.00
09/90000	70		09/99		ADMINISTRATIVE OVERHEAD	848.30
09/97271	70		09/99	ELEC	ARCO STATE #1 ELEC 9/99	157.77
					SOUTHWESTERN PUBLIC SERVICE	
09/90000	70		09/99		SUPERVISION	75.00
					OPERATING EXPENSES (100%)	1,301.07 *
						1,301.07 *
					AMARCO OIL CORPORATION	
					INTEREST (%) .0500000	65.06

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
EGL EXHIBIT NO. 6
CASE NO. _____