

Starck Family, LTD.
P. O. Box 10886
Midland, TX 79702

November 2, 1999

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

RE: Case # 12278 Arco State #1
Section 16 T18S R35E
Lea County, NM

Dear Sir or Madam:

Please be advised that Starck Family, LTD. voted for E.G.L. Resources, Inc. for the following reasons in order of importance.

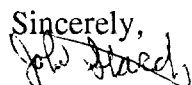
Pride failed to distribute oil and gas revenue in a timely manner for both the Arco State #1 and Arco State #2 SWD.

When questioned about the revenue distribution problems never could explain why they were not distributing revenue and repeatedly did not act on promises to rectify the problems. Pride even claimed no knowledge of substantial 1998 revenue that was paid to them by Maralo on the Arco State SWD for disbursement to the remaining SWD well owners.

Pride billed their share of prior Joint interest bills owed to Rhombus Energy Company for prior periods back to the joint interest. This effectively had the non operated owners paying bills that were entirely owed by Pride Energy which is to me an unforgivable oversight.

Pride is charging 75\$/mo Supervision and 20\$/mo telephone expense to the Arco State Lease. I have over 100 interests with over 40 other operators and am not treated this way by any other operator. The JOA provides for operators to allocate a portion of district or field office expenses to individual wells but Pride Energy has no such office and is clearly taking liberty by charging arbitrary phantom expenses to the joint account.

We believe that each of the above listed reasons by themselves is reason enough to be deemed and imprudent operator and as such voted out by the non operators as is provided for by the JOA. Cumulatively Pride's actions and or inactions are in our opinion beyond mere oversights and constitute and fraudulent operation and we urge the Commission to uphold their previous decision to approve the wishes of the former Non Operators to have EGL Resources, Inc. elected as operator of the Arco State #1 lease.

Sincerely,

John Starck