

May 3, 2000

Mr. Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, N.M. 87505

Dear Mr. Stogner,

My sister( Fern Trevino ) and I protest the application of Home-Stake Oil & Gas Company for an unorthodox oil well location for Mazingo Well No. 1 for the following reasons:

- 1- We have interest in the Sarah Johnston #1 and the HSOG #2 wells and receive royalty income from these wells. These wells are located just north of the proposed Mazingo Well and are new wells since 1998 and should have a long life.
- 2- State rules specify that wells should not be located closer than 330 feet to a quarter-quarter section line.
- 3- The proposed unorthodox well location for Mazingo Well No. 1 is less than 330 feet to a quarter-quarter section line and will draw oil from the same Silurian Pool that Sarah Johnston #1 and HSOG #2 draw from.
- 4- Home-Stake's attorney, Mr James Bruce, acknowledges that Mazingo Well No. 1 will draw from the same pool of oil reserves that Sarah Johnston #1 and HSOG #2 draw from.
- 5- Home-Stake Oil & Gas Company is free to drill their well anywhere greater than 330 feet to a quarter-quarter section line. That they may draw more oil by their unorthodox oil well location is at our expense. State rules should not be changed at the expense of minority royalty holders to benefit multi-million dollar oil companies.
- 6- While we have no geologists to testify for us, we do know that there are alternatives to increase the productive lives of the Sarah Johnston #1 and the HSOG #2 wells which could include horizontal drilling, pumping, steam injection, etc. There are alternative means to capture the oil located in the Silurian Pool than allowing an unorthodox oil well location for Mazingo Well No. 1.

Very truly yours,

Natalie Kaplan

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Statement