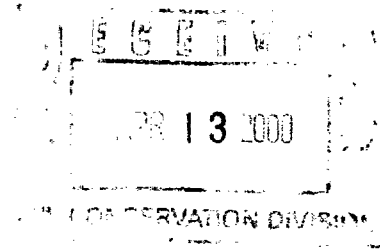


THE LAW OFFICE  
OF  
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April 12, 2000

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505



*Case 12404*

Re: Protest: Application by Home-Stake Oil & Gas Company ("Home-Stakes") for administrative approval of unorthodox oil well, Mozingo Well No. 1

Dear Mr. Stogner:

On behalf of Natalie Kaplan and myself, I hereby protest the application by Petitioner Home-Stakes for an unorthodox oil well location. We respectfully ask that you deny the application for reasons that follow.

Ms. Kaplan and I own an interest in the Sarah Johnston #1 well and the HSOG #2 well. The Sarah Johnston #1 well and the HSOG #2 well produce from the same formation as the proposed well. Both of the wells are capable of flowing in excess of their current rates.

It is well established that statewide rules expressly provide for 40 acre spacing between wells and for the location of wells no closer than 330 feet to a quarter-quarter section line. The location of the proposed well would violate both restrictions. Presumably, the rules were drafted for a very good reason: to protect the reserves of interest-owners from drainage by non-interest owners. Accordingly, the rules should be enforced and the application should be denied.

Respectfully submitted,

Fern N. Trevino

cc: James Bruce