



580 Hudson's Bay Centre
1600 Stout Street
Denver, Colorado 80202

April 10, 2002

State of New Mexico
Oil Conservation Division
Attn: Lori Wrotenberry, Director
1220 South Saint Francis Drive
Santa Fe, NM 87505

Case 12847

RE: Application of
V-F Petroleum
Eddy County, NM

Gentlemen:

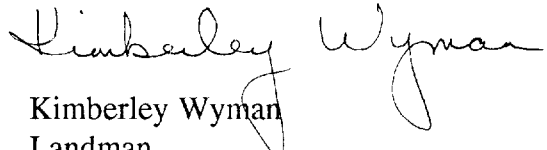
We would like to inform you that the procedures claimed by Holland & Hart and V-F Petroleum are not accurate.

We received Holland & Hart's "March 14, 2002" letter on April 1st. In this letter we were advised of a hearing before a Division Examiner on April 4th, with a Pre-hearing Statement required three days prior to the hearing. We were not afforded a reasonable amount of time to file such a Pre-hearing Statement since such a filing was already due on the day we received the information.

Further, the statement made in (the first) paragraph 4 of the Application, 'Applicant has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units with those interest owners identified on Exhibit A' is false by its inclusion of McRae & Henry. We have received no correspondence or other communications from V-F or Holland & Hart asking for our agreement or concurrence with the proposed spacing. The implication that we were not supportive of another operator's reasonable exploration attempts is unfounded.

Cordially,

McRAE & HENRY, LTD.


Kimberley Wyman
Landman

cc: Holland & Hart LLP
V-F Petroleum, Inc.