1106 N. Country Club Cir. Carlsbad, NM288220 1: 03 July 19, 2001

Ms. Lori Wrotenbery Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: James Bruce's 7/9/01 with Robert Hinson's 7/06/01, letters to Ms. Wrotenbery.

Dear Ms. Wrotenbery:

Cases 12684 and 12685 (Beach Exploration pooling and water flood) were heard before the Commission and Mr. David Catanach on July 12, 2001. The hearing was held, Bill Taylor had opportunity to ask questions, and the cases are properly outside the scope of this letter. This letter is to address the letters of Mr. James Bruce and Robert Hinson, as referenced above, received after my return from Santa Fe.

I telephoned Mr. Bruce on 7/05/01, prior my postponement request of 7/06/01 desiring missing and questionable data. He did not return my phone call, and I learned when I went to Santa Fe, 7/06/01, he does not have an office to visit. I filed my application. Mr. Bruce states he does not know what Taylor wants. Mr. Hinson accuses me of threats in our conversation. I believe I am a better man than either paints me to be.

I was drafted into the Army, and served in Korea, becoming a sergeant (three stripes and one rocker) during my two years involuntary service. Considered an extraordinary achievement, I think I earned the rank. I was given the opportunity to represent our battalion as a good will ambassador touring the Asian theater. Although qualified, I did not avoid the draft, as I believed the hostile efforts of North Korea, and later China, to take over South Korea, needed correction.

Mr. Herb Spencer (H & S Oil, 505-365-4216), operator of the M & W well contacted me to inform me Beach was offering \$13,000 for the total working interest of the well, which amount he and later Mr. Paul White determined to be about half the M & W's value. Beach's Mr. Hinson threatened (Mr. Spencer's words) to use the New Mexico Oil Commission to "force pool the well at 500% non-consent", and beach operation costs would "operate us to death". Mr. Spencer desired to try to sell the well outside, rather than partner with Beach; I agreed. But no one would buy the well with Beach operating. Mr. Hinson made the threats per Mr. Spencer!

I see very little difference between the hostile efforts of North Korea and Beach's; both sought to acquire property unfairly. The North Koreans by military action, Beach by threats and using the legal system with inaccurate and missing support data to help confuse the well owners and the NMOCC. Upon my postponement request, and subsequent hearing attendance (and my son's who momentarily left his demanding ten-hour a day, six plus days a week construction job to attend the hearing) Beach corrected their position by supplying stated but missing exhibits, and correcting another.

I am sixty-seven years old and I believe reasonably responsible. I am presently one of six trustees for the Pecos Valley Baptist Association (505-746-2729), President, Chairman of Trustees, Moderator, and Treasurer of a Baptist Church. I have also served in many positions in other Associations and other Churches. I am proudest of having spent forty-eight years (since Korea) working with youth, being afforded a trust I would not trade for the M & W or any other monetary value. The Church I attend presently has many "troubled youth", youth of all ages whose homes have been broken up, some by divorce, some by a parent leaving, six having lost two dads to suicide, etc. Only two who presently attend have parents living together; many live with one parent with that parent living with someone without benefit of marriage. I have been afforded the privilege of speaking a few "comforting" words at youth's parent's funerals; I have spoken at many youth banquets (using my poor English). I spent three days at a Lubbock, Texas hospital with one recently; I have attended youth's School and Court Hearings to see that truth prevailed; I and my wife (of forty-five years) are listed as alternate contacts on several's school records, etc. I appreciate the fact parents from all ethnic and economic backgrounds trust me with their children! I don't betray that trust! I may have gotten too old, but the youth, in their need, ignore it.

I desire to help youth realize their true values to their God, values that go far beyond monetary, temporary, unfilling, possessions that will escape them most of their lives. Truth is the basis of our relationship with each other; our Lord said He was the Truth, the Way, and the Life. People who lie only deceive themselves and those who want to be deceived. It is a game, and played only in this lifetime! I don't play the game!

I'm sharing a copy of a "Diploma" occasioned by a birthday. At the time, about twenty-four were enrolled in the class; many were absent when the picture was taken and the autographing done. I wish I could hug that substitute teacher's neck! The Diploma is one of my most prized possessions. I wish I could say all youngsters turned out well in society's eyes; however I am thankful that some are even still alive! One is in Springer, NM now.

I would appreciate it very much if you would contact Mr. Herb Spencer and ask him the facts concerning Beach's threats to force pool with a 500% risk factor, and why he and the other 78%(?) interest owners of the M & W well sold their interests for one-half of what he and Mr. White, independently, established as value. I believe such an action on your part would go a long way in our creating respect for each other in future communications; it should also raise questions on Beach's and Bruce's statements, written and verbal, as to why the 500% request was originally presented to the NMOCC. If Beach threatened 500% and filed 500%, it was no typo!

Sincerely, Bus Tay one

Thank you for your time and consideration!

Copy: Mr. James Bruce

Enclosure

So E. H. Lippy By Adday Robert Pares Lose of Happy Right does Man S. Herry S. M. Mark Tillhoay Mapty Suchasy BY Happy PRISCINA Billholax Bill Doports ron Trais freind DNOTEL-DOPORO



