



Ocotillo Production LLC

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January 25, 2019

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
Attn: Hearing Examiner

Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504-2208
Attn: Jordan L. Kessler

RE: Case No. 20230
Application of Percussion Petroleum
Operating, LLC for Compulsory Pooling,
Eddy County, New Mexico

Ladies and Gentlemen:

We are in receipt of your notice dated January 18, 2019 for the above case.

Ocotillo Production LLC and numerous other individuals and entities are the owners of Perpetual Non-Participating Royalty Interests in the minerals under the S/2 of Section 12, Township 19S - Range 25E which is the location of the two wells subject of this hearing.

Since our interest is non-participating it is unknown by us if these minerals are leased at this time or if all previous leases have expired and are being compulsory pooled. It is our desire to make you aware of this Non-Participating Royalty and request that it be recognized, acknowledged and preserved in this proceeding.

Thank you for your attention to this matter.

Very truly yours,

Randy G. Patterson, Manager