Tex Zia Properties, LTD.

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Certified Mail

7017 3040 0000 0438 3398

January 30, 2019

New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re:

Forced Pooling Hearing February 7, 2019

Cranberries "18" No. 1H Well

Case No. 20227

Toadies 18 No. 1H Well

Case No. 20232

Dear Sir or Madam;

We wish to appear at the hearing scheduled on February 7, 2019 regarding the issue of forced pooling by Percussion Petroleum Operating, LLC on the Cranberries "18" No. 1H Well and the Toadies 18 No. 1H Well. We do not have experience with these hearings, but do not expect to need more than 15 minutes. I plan to attend the hearing. My wife, Sara C. Montgomery, and a lawyer from our law firm may attend.

The letter from Holland & Hart dated January 18, 2019 states that Petroleum Operating, LLC has "sought and been unable to obtain voluntary agreement for the development of these lands".

Any representation of this type to the New Mexico Oil Conservation Division is incorrect, misleading and false.

Petroleum Operating, LLC has not contacted us about either of these wells.

Petroleum Operating, LLC knows how to contact us as they been sending us checks for the last couple of years. We received a bonus check dated January 10, 2019 check number 15532 for a lease just completed. This lease also involved emails with several individuals with Petroleum Operating, LLC. We also did another lease with Petroleum Operating, LLC in 2018.

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We are ready to formulate an "agreement for the development of these lands" using the identical agreement used pursuant to the above referenced check.

We will have the above referenced documents available at the hearing.

We will request in the hearing that Petroleum Operating, LLC not be allowed to force pool as they have never attempted to obtain any type of agreement from us.

Sincerely,

Weldon J. Montgomery II

Partner

Cc Holland & Hart

P.O. Box 2208

Santa Fe, NM 87504-2208