

HEYCO Development Corporation HEYCO LNG, LLC Petrichor Holdings Cooperatief

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 17 2016

October 13, 2016

RECEIVED

Mr. Gilbert Cordero, Compliance Officer State of New Mexico-Energy, Minerals and Natural Resources 811 S. First Street Artesia, New Mexico 88210

RE: Bennett Ranch Unit 001Y
Bennett Ranch Unit 001
Otero County, New Mexico

30-035-20028-00-00

30-035-20031-00-00

Dear Mr. Cordero:

Letter dated September 29, 2016 and received October 3, 2016, gave notice of violation for the above referenced wells. These two wells are temporarily in active due to the current status with the BLM. Heyco Development Corporation has submitted to the BLM a Plan of Development seeking approval to move forward. To date the Plan of Development is still pending awaiting BLM approval. Heyco is prohibited from actively producing these wells until said Plan of Development is approved by the BLM.

We understand the nature of your letter and reasoning behind the letter, but trust that the violation status for these wells will be removed pending the approval of our Plan of Development by the BLM.

Please advise where we stand relative to the State of New Mexico and what if any further actions we need to take to remain in good standing.

Sincerely,

James W. Osborn

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