State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director Oll Conservation Division



October 18, 2016

Mr. James W. Osborn, HEYCO Development Corporation 2911 Turtle Creek Blvd, Suite 250 Dallas, Texas 75219

RE: Bennett Ranch Unit 001Y 30-035-20028-00-00 Bennett Ranch Unit 001 30-035-20031-00-00 Otero County, New Mexico

Dear Mr. Osborn,

Thank you for your quick response to the Letters of Violations that were sent out in September. I will make notations on these files stating that you are waiting for approval from BLM for a Plan of Development on the above referenced wells.

Please keep us informed of any further communications that you may have with BLM on these wells.

Sincerely,

Gilbert Cordero

Gilbert Cordero Compliance Officer Oil Conservation Division