



RECEIVED OCD

VIA OVERNIGHT DELIVERY

2013 SEP -4 P 12:48

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

NMOCD
Attn: Richard I. Ezeanyim
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: EOG Resources, Inc. – Ophelia 27 #1H well
E2SE Section 22, T26S, R33E &
E2NE Section 27, T26S, R33E
all in Lea Co., NM

Dear Mr. Ezeanyim:

Pursuant to Order No. R-13738 Case No. 15025, enclosed please find a copy of the cost estimate for the captioned well which has been furnished to the non-consenting working interest owners.

If you need anything further, please advise.

Sincerely,

EOG Resources, Inc.

A handwritten signature in black ink that reads "D.H. McCright".

D.H. McCright
Land Specialist

DHM:jr
Encl.



MIDLAND Printed: 03/27/2013

AFE No.	105564	Original
Property No.	071914-000	
EOG W.I.(BCP)	96.25 %	(ACP) 96.25%
EOG AFE Amt:	(Drig)	\$2,922,198
	(Completion)	\$3,865,689
	(Facility)	\$360,938
	(Flowback)	\$0
	Total Cost	\$7,148,824

AFE Type : DEVELOPMENT DRILLING	AFE Name : OPHELIA 27 #1H D&C	AFE Date : 03/26/2013	Budget Year : 2013
Reg. Lease No. :	Prospect Name : RED HILLS	TVD / MD : 0 / 0	Begin Date :
Location : Section 27-T26S-R33E, 2490 FNL & 380 FEL, X=742034 Y=369932			
BH(ORIGINAL WELL): Section 22-T26S-R33E, 2410 FSL & 380 FEL, X=742034 Y=374843			
Formation :			DD&A Field : LEONARD SHALE
Operator : EOG RESOURCES, INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : OPHELIA 27 #1H D&C TO 8,600' TVD, 14,500' MD TO BE COMPLETED IN THE LEONARD A FORMATION. THE WELL IS LOCATED IN SEC. 27, T26S, R33E, LOT H, LEA CO., NM.			Product : OIL
			Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING	COMPLETION	FACILITY	FLOWBACK	TOTAL
ACCESS LOCATION,ROADS & SURVEY	401	85,000	0	0	0	85,000
RIG MOVE	402	150,000	0	0	0	150,000
24 DAYS @ \$22.3K + 3 DAYS MIRU	404	624,400	0	0	0	624,400
RIG CREW SAFETY BONUS	404	50,000	0	0	0	50,000
BITS & PHA	405	87,500	4,000	0	0	91,500
FUEL	406	132,500	165,000	0	0	297,500
WATER	407	48,750	250,000	0	0	298,750
MUD & CHEMICALS	408	131,700	90,000	0	0	221,700
CEMENTING & SERVICE	409	200,000	0	0	0	200,000
OPEN HOLE LOGGING & TESTING	411	165,000	50,000	0	0	215,000
MUD LOGGING	412	30,000	0	0	0	30,000
COMP. PERFORATING	413	0	240,000	0	0	240,000
COMP. STIMULATION	414	0	2,375,000	0	0	2,375,000
TRANSPORTATION	415	18,750	10,000	0	0	28,750
DRILLING OVERHEAD	416	6,250	0	0	0	6,250
COMP-EQUIPMENT RENTAL	417	0	300,000	0	0	300,000
EQUIPMENT RENTAL	417	75,000	0	0	0	75,000
COMP-COMPLETION RIG	418	0	100,000	0	0	100,000
OTHER DRILLING EXPENSE	419	75,000	0	0	0	75,000
ENVIRONMENTAL & SAFETY CHARGES	421	16,250	2,500	0	0	18,750
DIRECTIONAL DRILLING	422	265,000	0	0	0	265,000
SUPERVISION	424	75,000	50,000	2,500	0	127,500
COMMUNICATIONS	431	6,250	5,000	0	0	11,250
TUBULAR INSPECTION/HANDLING	436	85,500	0	0	0	85,500
SPECIALTY SERVICES	441	7,000	0	0	0	7,000
COMP-WIRELINE SERVICES	442	0	10,000	0	0	10,000
DISPOSAL COSTS	447	112,500	225,000	0	0	337,500
TITLE OPINION-DRILL SITE	453	10,000	0	0	0	10,000
TOTAL INTANGIBLES		\$2,457,350	\$3,876,500	\$2,500	\$0	\$6,336,350

CONDUCTOR	UOM	QTY	SIZE	GRADE	RATE						
13-3/8" 54.5# J55 STC	FEET	950	13-3/8"	54.5# J55	37.00	101	55,000	0	0	55,000	
9-5/8" 40# HCK55 LTC	FEET	1,100	9-5/8"	40# HCK55	35.00	102	35,200	0	0	35,200	
9-5/8" 40# J55 LTC	FEET	4,000	9-5/8"	40# J55	29.00	103	38,500	0	0	38,500	
5-1/2" 17# HCP110 LTC	FEET	14,500	5-1/2"	17# HCP110	20.00	104	116,000	0	0	116,000	
COMP-6.5 PPF L80 BRD EUE	FEET	9,250	2.875"	A-	7.00	106	290,000	0	0	290,000	
WELLHEAD EQUIPMENT						107	64,800	35,000	0	79,800	
COMP-FAC-TANKS						108	0	0	77,000	77,000	
COMP-FLOW LINES						109	0	5,000	0	5,000	
COMP-VALVES & FITTINGS						110	0	10,000	50,000	60,000	
COMP-PUMP EQUIP/SUBSURFACE						113	0	25,000	0	25,000	
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	42,500	42,500	
COMP-FAC-OTHER EQUIPMENT						116	0	0	18,000	18,000	
COMP-FAC-METERING EQUIPMENT						118	0	0	11,000	11,000	
COMP-FAC-CONSTRUCTION COST						122	0	0	48,000	48,000	
COMP-FAC-AUTOMATION EQUIPMENT						123	0	0	15,000	15,000	
COMP-FAC-LAB/IELEC MEAS/AUTOMA						124	0	0	18,000	18,000	
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	93,000	93,000	
TOTAL TANGIBLES							\$578,700	\$139,800	\$372,500	\$0	\$1,091,000
TOTAL COST							\$3,036,050	\$4,016,300	\$375,000	\$0	\$7,427,350

By <i>[Signature]</i>	Date 3/28/13	By	Date
By	Date	By	Date

JOINT OPERATOR APPROVAL