



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

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

March 18, 2014

Ms. Debra Kay Primera  
P.O. Box 28504  
Austin, TX 78755

RE: Well Proposal:  
EOG Resources, Inc. - Ophelia 27 #701H  
Lea County, NM

Dear Ms. Primera:

Attached for your review and further handling please find EOG Resources, Inc.'s (hereafter "EOG") cost estimate for the captioned well along with a copy of the C-102 plat for same filed with the permit application.

The captioned EOG - Ophelia 27 #701H well is hereby proposed as a horizontal Wolfcamp test from a surface hole location 2420' FNL & 947' FEL of Section 27, T26S, R33E, Lea County, New Mexico and a proposed bottom hole location 2410' FSL & 710' FEL Section 22, T26S, R33E, Lea County, Mexico. Estimated total vertical depth for this well is 13,000 feet and estimated measured depth is 14,575 feet. The proposal for the Ophelia 27 #2H horizontal Leonard well made by letter to you on January 31, 2014 will be re-proposed at a revised surface location at a later date.

This well is scheduled to be drilled with a pilot hole to an estimated vertical depth of 13,000 feet, logged and a prospective zone in the Wolfcamp formation selected for the horizontal lateral. Estimated measured depth is 17,100 feet. In the event a suitable Wolfcamp zone is not encountered, a zone in the Bone Spring formation will be drilled horizontally instead.

*energy opportunity growth*

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 4  
Submitted by: EOG RESOURCES, INC.  
Hearing Date: June 12, 2014

Ms. Debra Kay Primera  
March 18, 2014  
page 2 of 2

The project area/proration unit for a successful Wolfcamp well, assuming gas spacing, is 320.0 acres, being the NE4 of Section 27 and the SE4 of Section 22, all in T26S, R33E, Lea Co., NM.

In the event you elect to participate in this well, please timely forward a signed cost estimate along with your check in the amount of \$7,854.86, such amount representing your proportionate part of the estimated dry hole costs for same to my attention at the letterhead address. An operating agreement naming EOG Resources, Inc. as Operator and providing for 100%/300%/300% non-consent penalties will be forwarded to you for execution.

In the alternative, EOG remains receptive to acquiring an oil and gas lease from you covering all of your undivided .00462499 mineral interest in the lands set out in our original proposal to you dated May 1, 2013, on substantially the same terms set out therein.

Please review these materials at your earliest convenience and notify me of your election at the earliest possible date. In the event you determine to lease all of your mineral interest, please advise the undersigned and a lease will be forwarded to you. Upon receipt of the properly executed original lease, a check for the bonus amount due will be forwarded to you.

Thank you in advance for your prompt attention to this matter. If you have any questions, please contact the undersigned at 432-686-3741 or by e-mail at [dan\\_mccright@eogresources.com](mailto:dan_mccright@eogresources.com).

Sincerely,

EOG Resources, Inc.

D.H. McCright  
Land Specialist

DHM:jr  
Encl.

2014.03-18.DEBRAKAYPRIMERA.XI.TRI

District I  
 1025 N. French Dr., Hobbs, NM 88249  
 Phone: (505) 793-6161 Fax: (505) 793-0720  
 District II  
 811 S. First St., Artesia, NM 88210  
 Phone: (505) 748-1283 Fax: (505) 748-9229  
 District III  
 1000 Rim Hrasos Road, Artec, NM 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6170  
 District IV  
 1720 S. St. Francis Dr., Same Fe, NM 87505  
 Phone: (505) 476-1460 Fax: (505) 476-3462

State of New Mexico  
 Energy, Minerals & Natural Resources  
 Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Sante Fe, NM 87505

FORM C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

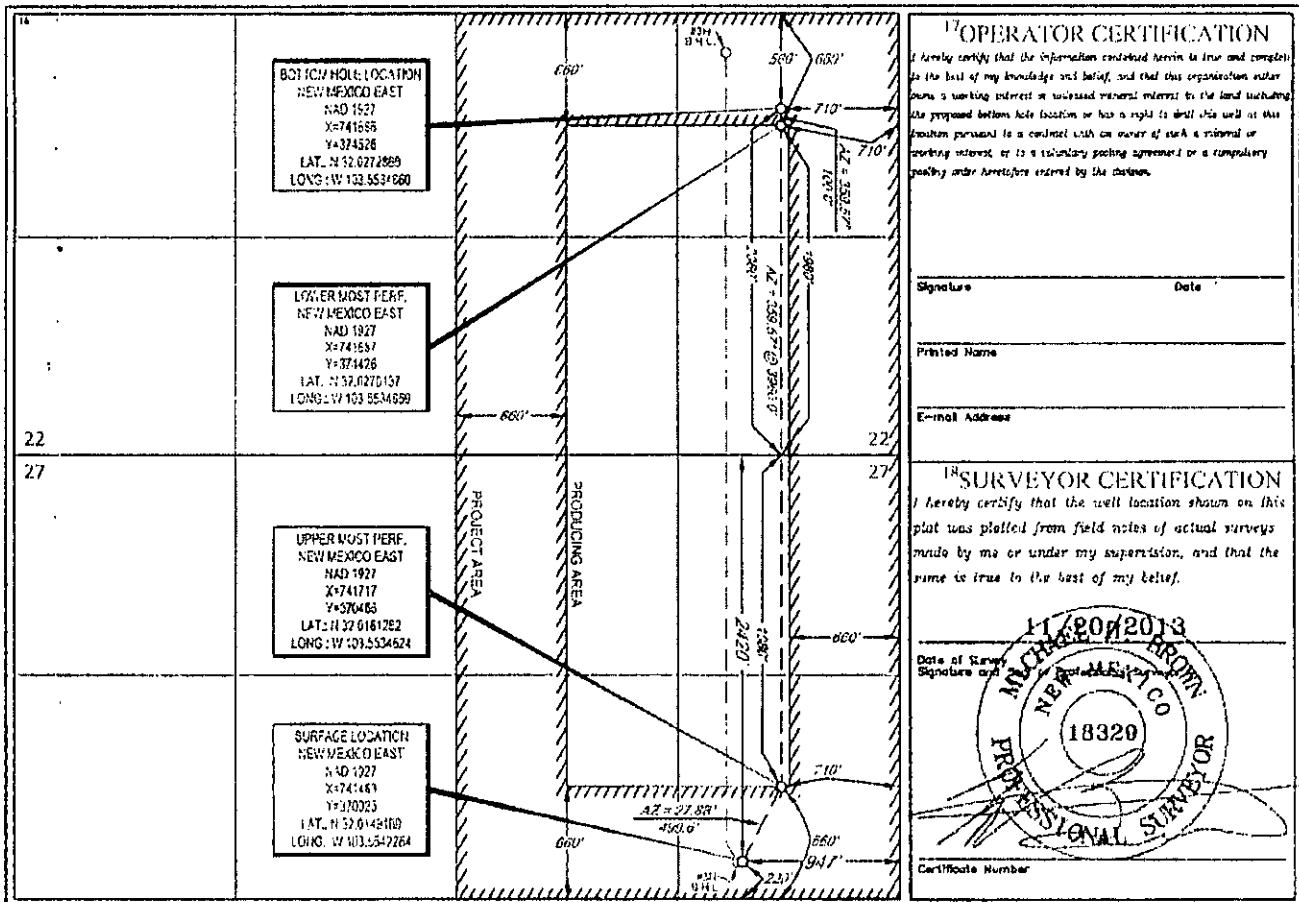
<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>OPHELIA 27</b>	
<sup>6</sup> GRID No.	<sup>7</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>8</sup> Well Number <b>#701H</b>
		<sup>9</sup> Elevation <b>3293'</b>

<sup>10</sup>Surface Location

Bl. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>27</b>	<b>26-S</b>	<b>33-E</b>	-	<b>2420'</b>	<b>NORTH</b>	<b>947'</b>	<b>EAST</b>	<b>LEA</b>
<b>I</b>	<b>22</b>	<b>26-S</b>	<b>33-E</b>	-	<b>2080'</b>	<b>SOUTH</b>	<b>710'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> Dedicated Acres	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





MIDLAND

Printed: 03/07/2014

AFE No.	105775	Original
Property No.	072139-000	
EOG W.L.(BCP)	100 %	(ACP) 100%
EOG AFE Amt:	(Drig)	\$2,237,925
	(Land)	\$0
	(Completion)	\$3,286,510
	(Facility)	\$620,250
	(Flowback)	\$0
	Total Cost	\$6,144,685

AFE Type : DEVELOPMENT DRILLING	AFE Name : OPHELIA 27 #701H D&C	AFE Date : 09/09/2013	Budget Year : 2014
Reg. Lease No. :	Prospect Name : RED HILLS	TVD / MD : 1300 / 17100	Begin Date :
Location : Section 27-T26S-R33E, 2420 FNL & 947 FEL, Lat 32.0149189 Long -103.5542264, X=741483 Y=370025			
BH(LATERAL #1): Section 22-T26S-R33E, 2080 FSL & 710 FEL, Lat 32.0272686 Long -103.553466, X=741686 Y=374526			
Formation :			DD&A Field : WOLFCAMP SH DB
Operator : EOG RESOURCES, INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : OPHELIA 27 #701H D&C TO 13,000' TVD, 17,100' MD TO BE COMPLETED IN THE WOLFCAMP			Product : OIL
FORMATION. WELL IS LOCATED IN SEC 27 IN LEA CO, NM.			Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING	LAND	COMPLETION	FACILITY	FLOWBACK	TOTAL
ACCESS LOCATION,ROADS & SURVEY	401	100,000	0	0	0	0	100,000
RIG MOVE	402	130,000	0	0	0	0	130,000
17 DAYS @ \$20.5K + 3 DAYS MIRU	404	398,000	0	0	0	0	398,000
RIG CREW SAFETY BONUS	405	50,000	0	0	0	0	50,000
BITS & PHA	406	69,800	0	4,500	0	0	74,300
FUEL	406	83,000	0	120,000	0	0	203,000
WATER 130,000 EACH @ \$3	407	47,500	0	390,000	0	0	437,500
MUD & CHEMICALS	408	73,000	0	80,000	0	0	153,000
CEMENTING & SERVICE	409	205,000	0	0	0	0	205,000
COMP-Logging and Testing	411	0	0	35,000	0	0	35,000
MUD LOGGING	412	16,500	0	0	0	0	16,500
COMP-PERFORATING 26 EACH @ \$10,000	413	0	0	260,000	0	0	260,000
COMP-STIMULATION 26 EACH @ \$53,635	414	0	0	1,394,510	0	0	1,394,510
TRANSPORTATION	415	15,300	0	10,000	0	0	25,300
DRILLING OVERHEAD	416	3,775	0	0	0	0	3,775
COMP-EQUIPMENT RENTAL	417	0	0	350,000	0	0	350,000
FAC-EQUIP RNTL/FAC CONSTR	417	68,000	0	0	2,500	0	70,500
COMP-COMPLETION RIG	418	0	0	25,000	0	0	25,000
OTHER DRILLING EXPENSE	419	76,500	0	0	0	0	76,500
ENVIRONMENTAL & SAFETY CHARGES	421	3,600	0	2,500	0	0	6,100
DIRECTIONAL DRILLING	422	151,250	0	0	0	0	151,250
COMP-SUPERVISION 10 DAYS @ \$15,000	424	0	0	150,000	0	0	150,000
SUPERVISION	424	51,000	0	0	1,750	0	52,750
COMMUNICATIONS	431	4,800	0	5,000	0	0	9,800
TUBULAR INSPECTION/HANDLING	438	75,000	0	0	0	0	75,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	10,000	0	0	10,000
SPECIALTY SERVICES	441	12,000	0	0	0	0	12,000
COMP-DISPOSAL COSTS 100,000 EACH @ \$3	447	0	0	300,000	0	0	300,000
DISPOSAL COSTS	447	102,000	0	0	0	0	102,000
TITLE OPINION-DRILL SITE	453	10,000	0	0	0	0	10,000
COMP-CONTINGENCIES	490	0	0	150,000	0	0	150,000
<b>TOTAL INTANGIBLES</b>		<b>\$1,748,225</b>	<b>\$0</b>	<b>\$3,286,510</b>	<b>\$4,250</b>	<b>\$0</b>	<b>\$5,036,985</b>

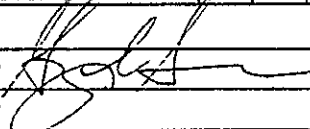
CONDUCTOR	UOM	QTY	SIZE	GRADE	RATE					
13-3/8" 54.5# J55 STC	FEET	960	13-3/8"	54.5# J55	37.20	101	25,000	0	0	25,000
9-5/8" 40# HCK55 LTC	FEET	1,200	9-5/8"	40# HCK55	28.80	103	34,600	0	0	34,600
9-5/8" 40# J55 LTC	FEET	4,000	9-5/8"	40# J55	28.80	103	115,200	0	0	115,200
5-1/2" 17# HCP110 LTC	FEET	14,250	5-1/2"	17# HCP110	17.50	104	249,400	0	0	249,400
COMP-FAC-TUBING						100	0	0	65,500	65,500
WELLHEAD EQUIPMENT						107	31,000	0	25,000	56,000
COMP-FAC-TANKS						108	0	0	69,000	69,000
COMP-FAC-FLOW LINES						109	0	0	12,000	12,000
COMP-FAC-VALVES & FITTINGS						110	0	0	56,000	56,000
COMP-FAC-HEATERS,TREATRS,SEPIRS						115	0	0	79,500	79,500
COMP-FAC-OTHER EQUIPMENT						118	0	0	9,000	9,000
COMP-FAC-METERING EQUIPMENT						118	0	0	80,000	80,000
COMP-FAC-NONCONTROLLABLE EQP						119	0	0	3,000	3,000
COMP-FAC-CONSTRUCTION COST						122	0	0	55,000	55,000
COMP-FAC-AUTOMATION EQUIPMENT						123	0	0	10,500	10,500
COMP-FAC-LAB/VELEC MEAS/AUTOMA						124	0	0	9,000	9,000
COMP-FAC-EMISSIONS EQUIPMENT						127	0	0	45,000	45,000
COMP-COMP FLBK-PUMP EQUIP/SUBSURFACE						153	0	0	50,000	50,000
COMP-FAC-TRANSPORTATION						415	0	0	10,000	10,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	30,000	30,000



MIDLAND Printed: 03/07/2014

AFE No.	105775	Original
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	(Completion)	\$3,286,510
	(Facility)	\$620,250
	(Flowback)	\$0
	Total Cost	\$6,144,685

COMP-FAC-POWER INSTALLATION				459	C	0	0	7,500	0	7,500	
				TOTAL TANGIBLES		\$461,700	\$0	\$0	\$816,000	\$0	\$1,107,700
				TOTAL COST		\$2,237,925	\$0	\$3,286,510	\$620,250	\$0	\$6,144,685

By 	Date 3/10/2014	By	Date
By	Date	By	Date

JOINT OPERATOR APPROVAL

Firm:	By	Title	Date
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54HE 25ST 0000 060T E102

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

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Return Receipt Fee (Endowment Restricted)	
Restricted Delivery Fee (Endorsement)	

Postmark Here

Total: Ms. Debra Kay Primera  
 P. O. Box 28504  
 Austin, Texas 78755

Street or P.O. E.  
 City, State

PS Form 3800, August 2000 See Reverse for Instructions

0911027  
A701H

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Ms. Debra Kay Primera  
 P. O. Box 28504  
 Austin, Texas 78755

2. Article No. 7013 1090 0000 1557 3455  
 (Transfer From)

PS Form 3811, February 2004 Domestic Return Receipt 1285-044-1501

**COMPLETE THIS SECTION ON DELIVERY**

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Restricted Mail  C.O.D.  
 4. Restricted Delivery (Extra Fee)  Yes

5. Signature of Agent or Addressee  
 6. Received by (Printed Name)  Agent  Addressee  
 7. Date of Delivery  Yes  No  
 D. Is a business subject from item 1?  Yes  No  
 If "Yes," business subject from item 1?  Yes  No  
 If "Yes," business subject from item 1?  Yes  No

MINNEY CORNERS RD  
 11 22 AM