

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

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

May 26, 2015

Working Interest Owner See Attached List

RE: Amendment to Well Proposal

Osprey 10 #701H Sec. 10, T25S, R34E Lea County, NM

Gentlemen:

Attached for your review and further handling please find EOG's replacement AFEs and amended C-102 for the captioned well originally proposed by letter dated February 19, 2015.

The original proposal is hereby amended to adjust the bottom hole location. The well will be drilled from the originally proposed SHL to a new BHL 230' FSL & 1060' FWL Section 10, T25S, R34E, Lea County, NM. Estimated total vertical depth and measured depth will remain the same at 12,550' and 17,375' respectively.

As an owner of unleased minerals or leasehold estate in Section 10, EOG reasserts its proposal to form a working interest unit covering all of Section 10, T25S, R34E, Lea County, NM under an operating agreement naming EOG as Operator and providing, among other provisions, for 100%/300%/300% non-consent penalties. A draft operating agreement will be forwarded to you for review after a positive response to this proposal is received.

Please remember that the enclosed AFEs will constitute a single operation requiring a single election on your part. In the event that you elect to participate in the captioned well, please mark the appropriate space below and return one copy of this letter along with a signed copy of the cost estimates to my attention at the letterhead address along with your geological requirements.

energy opportunity growth

Submitted by: **EOG RESOURCES, INC.**Hearing Date: July 23, 2015

Thank you in advance for your early consideration of this proposal. If you have any questions, please call the undersigned at 432-686-3649 or by sending email to matthew_phillips@eogresources.com.

Sincerely.

| EOG Resour Matthew (C. I Landman II | Accer |
|---|--|
| Please indic | ate your election in the space provided below: |
| | The undersigned elects TO PARTICIPATE in the drilling, completing and equipping of the captioned EOG Resources, Inc. Osprey 10 #701H well. |
| | The undersigned elects NOT TO PARTICIPATE in the drilling, completing and equipping of the captioned EOG Resources. Inc. Osprey 10 #701H well. |
| Company: _ | |
| Ву: | |
| Title: | |
| Date: | |



| MIDLAND | | Printed: 0 | 5/20/2015 |
|---------------------------------------|-------------------------------|-------------|-------------|
| Property No. | 072477-000 | • | |
| EOG W.I.(BCP) | 68.409946(ACP)68.409946% % | Orlginal | Original |
| EOG AFE No. | | 105301 | 106504 |
| EOG AFE Amt: | Drlg | \$2,651,091 | \$0 |
| | Land | \$3,420 | \$0 |
| | Completions | \$2,229,542 | \$0 |
| | Facility | \$364,625 | \$746,349 |
| | Flowback | \$0 | \$0 |
| | Total Cost | \$5,248,678 | \$746,349 |
| · · · · · · · · · · · · · · · · · · · | Total AFEs | | \$5,995,027 |
| | | | |

| AFE Type : DEVELOPMENT DRILLING | AFE Name : OSPREY 10 #701H D&C | AFE Date : 12/17/2014 | E | Budget Year : 2015 Begin Date : | | | |
|--|-----------------------------------|-------------------------|------------------|------------------------------------|--|--|--|
| Reg, Lease No. : | Prospect Name : RED HILLS | TVD / MD : 12550 / 1720 | 00 E | | | | |
| Location : Section 10-T255-R34E, 220 FNL | & 1685 FWL | BHLocation : BH(LATE | RAL #1): Section | 10-T25S-R34E, 230 FSL & | | | |
| Formation : | | DD&A Field : WOLFCA | MP SH DB | | | | |
| Operator: EOG RESOURCES INC | County & State : LEA / NEW MEXICO | Field : UNASSIGNED | V | Vater Depth : | | | |
| AFE Description : OSPREY 10 #701H D&C | | LETED IN THE U1 | Product : OIL | Days: 0 / 0 | | | |

| AFE Name: OSPREY 10 #701H D | | A F: | E No. 106 | 2204 | | | | | · · · · · · · · · · · · · · · · · · · | | | - |
|---|--|----------|-----------|----------------|--|-----------------|-------------|---------------|---------------------------------------|---|--------------|-------------------|
| | RIPTIO | | E NO. TUE | 301 | | SUB | DRILLING | LAND | COMPLETION | FACILITY | FLOWBACK | TOTAL |
| | | | | | | | 230 | 237 | 231 | 235 | 235 | |
| COMP. FAC-LOCATION AND | ROADS | | | • | | 401 | 0 | . (| 0 | . 53,00 | 0 0 | 53.000 |
| DUAL PAD | | | | · | | 401 | 81,500 | | | | 0 0 | |
| 4 DAYS MIRU + \$150K MOVE | | | | | | 402 | 281,000 | | | | 0 0 | |
| COMP-RIG MOVE | | | | | | 402 | 0 | | | | 0 5 | 2,000 |
| 27 DAYS | | | | | | 404 | 715,500 | | | | 0 0 | 715.500 |
| BITS & BHA | | | | | | 405 | 145,000 | | | | O) O | |
| COMP-BITS & PHA | | | | | | 405 | 0 | | | | 0 0 | |
| COMP-FUEL | | | | | | 40 c | 0 | | | | | |
| FUEL | | | | 77 PK | 7 8 A 7 8 8 | 406 | 121,000 | | | (| | 121,000 |
| WATER | | 3 | EAC | н@ \$ | 155,400 | 407 | 16,000 | C | | | 0 | 485,200 |
| MUO & CHEMICALS | | | | | | 408 | 330,000 | 0 | | | | 330.000 |
| CEMENTING & SERVICE | | | | | | 411 | 270,000 | 0 | | | | 270,000 |
| COMP-Lugging and Testing COMP- PERFORATING | | 32 | 640 | U 65 T | 9.500 | 413 | 0 | 0 | | | | 10,000 |
| | | | EAC | | | 414 | | | | | | 304,000 |
| COMP. TRANSPORTATION | | 43,085 | EAC | H (0) 3. | 34 | | 0 | 0 | | | | 1,464,890 |
| | | | | | | 415 | 0 22 202 | | | (| | 20,000 |
| TRANSPORTATION | | | | | | 415 | 23,000 | | - | | | 23,000 |
| COMP-Completion Overhead | | | | | | 416 | 7 2 2 2 | | | 7 | | 10,000 |
| DRILLING OVERHEAD | | | | | | 416 | 4,500 | | | | | 4,500 |
| COMP-EQUIPMENT RENTAL FAC-EQUIP RNTL/FAC CONS | TD | | | | | 417 | 300 000 | 0 | | 5 000 | <u> </u> | 150,000 |
| COMP-COMPLETION RIG | IK. | | | | | 418 | 222,000 | - 0 | | 5,000 | | 227.000 |
| OTHER DRILLING EXPENSE | | | | | | 418 | 23,000 | 0 | | | -1 | 25,000 |
| | 1111000 | | | | | 419 | 23,000 | 0 | | | | 23,000 |
| COMP-ENVIRON & SAFETY (ENVIRONMENTAL & SAFETY | HARGE | <u> </u> | | | | | 32.666 | 0 | 1. 0.004 | (| | 40,000 |
| CHARGES | | | | | | 421 | 35,000 | 0 | i u | | 기 | 35.000 |
| DIRECTIONAL DRILLING | | | | | | 422 | 340,000 | 0 | 1 0 | | d | 340,000 |
| COMP.FAC.SUPERVISION FA | CINSTI | | | | | 424 | 040.000 | . 0 | | 2,000 | | 82,000 |
| SUPERVISION | 10 114011 | · | | | | 422 | 142,500 | ŏ | | 2,000 | | 142,500 |
| COMP. COMMUNICATIONS | | | | | | 131 | 742,300 | ⁄ | 1 | | | 6.000 |
| TUBULAR INSPECTION/HAND | DING | | | | | 436 | 30,000 | <u>0</u> | | ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~ | | 30,000 |
| COMP-CASED HOLE LOGGIN | | | | | | 438 | 00,000 | 0 | | · | | 10,000 |
| SPECIALTY SERVICES | | | | | | 441 | 70,000 | <u>0</u> | | | 1 | 70.000 |
| COMP-COIL TUBING/NITROG | FN | | | | | 445 | 7.0 | ŏ | | · · · · · · · · · · · · · · · · · · · | | 75.000 |
| DISPOSAL COSTS | | 100,00 | 0 | (0) \$ 2 | · · · · · · | 447 | 250,000 | ŏ | | | | 500.000 |
| COMP-COMPLETION FLUIDS | | | | 3 | | 448 | 0 | ō | | | | 10,000 |
| COMP-FLOWBACK | | | | | | 465 | č | | | | | 20,030 |
| COMP-LAND ORILLSITE TITLE | | | | | | 480 | 0 | 5,000 | | | i či | 5,000 |
| OPINION | | | | | | 1 1 | 1 | | | • | 1 1 | 0.000 |
| | | | | TOTA | LINTAN | GIBLES | \$3,100,000 | \$5,000 | \$3,168,090 | \$60,000 | \$0 | \$6,333,090 |
| | UOM | QTY | SIZE | SIZE | GRADE | | | | l | | | |
| 9 5/8" 40# J55 LTC | FEET | 1,400 | 9 5/8" | 54.5# | 26.91 | 102 | 37.700 | Ō | 0 | 0 | O | 37,700 |
| ************************************** | - | | ļ | J55 | 85.85 | 1 700 | 361 888 | | | | 1 | |
| 7" 26# HCP110 | | 11,320 | | HCP110 | | 103 | 301,200 | 0 | · · · | C | 0 | 301,200 |
| 4 1/2" 15 10# HCP110 PREM | FEET | 17,333 | 4 1/2 | HCP110 | 22.00 | 104 | 381,400 | 0 | Ō | C | 0 | 381,400 |
| COMP-FAC-TUBING | | 7 888 | A 545 | 7 71 | 2.65 | 106 | 0 | 0 | | 50.000 | O. | 50,000 |
| COMPITUBING | FEET | 1,000 | 2.375 | 1 4.7# L-80 | 6.00 | 106 | 0 | ō | 6,000 | Ų | 0 | 6,000 |
| WELLHEAD EQUIPMENT | | | ├ | L.00 | ├── | 107 | 55,000 | - 0 | 40,000 | 45,000 | 0 | 140.000 |
| COMP-FAC-FLOW LINES | + | | ļ | | | 109 | 33,000 | <u>0</u> | 40,000 | 45,000 65,000 | | 140,000 65,000 |
| COMP-VALVES & FITTINGS | | | - | - | | 110 | 0 | | 10,000 | 65,000 | | 75,000 |
| COMP-PUMP | | | - | | | 113 | 0 | - 0 | 35,000 | 50,000 | 8 | 25,000 85,000 |
| EQUIP/SUBSURFACE | | i | 1 | } | | [[| ٩ | ď | 33,000 | 30,000 | ۱ Y | 35,000 |
| COMP-FAC-HEATERS, TREAT | S.SEPI | s | · | | <u> </u> | 115 | ···· | | -0 | 40,000 | - 0 | 40,000 |
| COMP-FAC-METERING | 1 | | | | | 118 | C. | 0 | o | 25,000 | 0 | 25,000 |
| EQUIPMENT COMP.FAC-CONSTRUCTION | ļ | | | | | 122 | | 0: | 01 | 100.000 | n n | 100.000 |
| CÖST | | | | | | | | | | | | |
| COMP.FAC-AUTOMATION EQUIPMENT | | | | | | 123 | 0 | 0 | 0 | 10,000 | O. | 10,000 |
| COMP-FAC-LABR/ELEC | | | | | | 124 | 0 | 0 | 0 | 10,000 | Ö | 10,000 |
| MEASIALITOMA | | | | | | | | | | | | |
| MEAS/AUTOMA | 1 | | | | | 415 | n | <u>al</u> | | 3 በሰስ | n | ሳ ስለሽ |
| MEAS/AUTOMA COMPLEAC-TRANSPORTATIO | 1 | | | | | 415 450 | 0 | 0 | 0 | 3,000 | 0 | 3,000 |
| MEAS/AUTOMA | N | | | | | 415 459 | 0 | 0 | 0 | 3,000 10,000 | Ď O | 3,000 10,000 |

| INSTALLATION | | 1 | L | | | 1 | 1 |
|--|-----------------|-------------|---------|-------------|-----------|----------|-------------|
| | TOTAL TANGIBLES | | | \$91,000 | \$473,000 | \$0 | \$1,339,300 |
| | TOTAL COST | \$3,875,300 | \$5,000 | \$3,259,090 | \$533,000 | \$0 | \$7,672,390 |
| AFE Name: OSPREY 10 #701H FAC AFE No. 106: | 504 | | | | | | |
| DESCRIPTION | SUB | DRILLING | LAND | COMPLETION | FACILITY | FLOWBACK | TOTAL |
| | ACT | 230 | 237 | 231 | 235 | 236 | |
| COMP.FAC-EQUIP RNTUFAC CONSTR | 417 | 0 | 0 | 0 | 3,000 | C | 3,000 |
| COMP-FAC-SUPERVISION FAC INST | 424 | 0 | 0 | Ō | 21,000 | C | 21,000 |



MIDLAND Printed: 05/20/2015 072477-000 68.409946(ACP)68.409946% Original Property No. EOG W.I.(BCP) EOG AFE No. EOG AFE Amt: 106301 106504 \$2,651,091 Drig \$3,420 \$2,229,542 \$0 \$0 Land Completions Facility Flowback Total Cost Total AFEs \$364,625 \$746,349 \$0 \$5,248,678 \$0 \$746,349 \$5,995,027

\$0 \$8,769,962

\$3,875,300 \$5,000 \$3,259,090 \$1,630,572

| | | 101AL INTANGIBLES | | | | | <u> </u> | 34 | \$24,000 | 30 | \$24,000 |
|-----------------------------------|--------|-------------------|------|------|---------------|-----|-------------|-----|-------------|-------|-------------|
| [| UOM | QTY | ŠIŽĖ | SIZE | GRADE RATE | | | | | | |
| COMP-FAC-TANKS | | | 1 | | 108 | ा । | 0 | 0 | 120,172 | 0 | 120,172 |
| COMP-FAC-VALVES & FITTINGS | | | | | 110 | 0 | 0 | 0 | 250,000 | 0 | 250,000 |
| COMP-FAC-PUMP EQUIP/SURFACE | | | | | 112 | C | 0 | Ū | 14,300 | Ŏ | 14,300 |
| COMP-FAC-HEATERS,TREATH | S.SEPI | RS | | | 115 | 0 | Ū | ΰ | 124,100 | Ŭ | 124,100 |
| COMP-FAC-METERING EQUIPMENT | | | | | 118 | 0 | 0 | 0 | 113,000 | 0 | 113,000 |
| COMP-FAC-CONSTRUCTION COST | | | | | 122 | 0 | U | 0 | 250,000 | 0 | 250,000 |
| COMP-FAC-AUTOMATION EQUIPMENT | | | | | 123 | 0 | Û | 0 | 25.000 | Ō | 25,900 |
| COMP-FAC-LABR/ELEC MEAS/AUTOMA | | | | | 124 | 0 | O | 0 | 25 00C | 0 | 25,000 |
| COMP-FAC-EMISSIONS EQUIPMENT | | | | | 127 | 0 | 0 | 0 | 137,000 | O | 137,000 |
| COMP-FAC-INSTRUMENT/ELE EQUIP | | | | | 128 | 0 | Ó | 0 | 10,000 | Ö | 10 000 |
| COMP-FAC-TRANSPORTATIO | 1 | | | | 415 | 0 | 0 | Ö | 5.000 | 0 | 5,000 |
| | | | | 10 | TAL TANGIBLES | | \$ 0 | \$0 | \$1,073,572 | \$0 | \$1,073.572 |
| | | | | | TOTAL COS | \$0 | \$0 | \$0 | \$1,097,572 | - \$0 | \$1,097,572 |

| | | | | | | | | |
|--------|-------|-----|-----------|----|-------|------|------|---|
| 8y 6 6 | DateS | 201 | 20,3 | Ву | | ate | | 1 |
| | | | TOR APPRO | | | | | _ |
| Firm: | Ву | | | | Title | | Dale |] |

TOTAL GROSS COST