



March 3, 2016

VIA CERTIFIED MAIL

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

RE: Well Proposal
RDX Federal 17 40H
Section 17 T26S-R30E
Eddy County, NM

Gentlemen:

RKI Exploration & Production, LLC hereby proposes the drilling of the following well:

Well Name: RDX Federal Com 17 40H
SHL: 175' FNL & 1310' FEL
BHL: Approximately 300' FSL & 330' FEL
Legal: Section 17-26S-30E, Eddy County, NM
Objective: Approximately 10,822' TVD and 15,522' TMD, or a depth sufficient to test the Wolfcamp Formation
AFE CWC: \$6,409,337.00

RKI proposes forming a Working Interest Unit covering E/2 E/2 of Section 17 T26S-R30E, Eddy County, NM limited to the Wolfcamp formation naming RKI as the operator thereunder with the enclosed 1989 JOA as the governing agreement, or in the event that EOG has a preferred form of JOA, please advise. In the event EOG elects to participate, please sign and return one copy of the enclosed AFE to the undersigned. A ballot is also included on the next page for convenience.

Also enclosed for your execution are 2 sets of signature pages for the Proposed JOA dated May 1, 2016. If acceptable upon review, please sign and return one set in the enclosed pre-paid envelope.

Should you have any questions, please do not hesitate to contact me at 539.573.7537 or via email at cameron.enteshary@wpxenergy. Should you elect not to participate in the proposed operation, RKI would be willing to discuss farmout agreements, term assignments or other alternatives.

BEFORE THE OIL CONVERSION
DIVISION

Santa Fe, New Mexico

Exhibit No. 4

Submitted by: RKI Exploration & Production
Hearing Date: April 14, 2016



Sincerely,
RKI EXPLORATION & PRODUCTION, LLC

A handwritten signature in black ink, appearing to be 'C. Enteshary', written over a horizontal line.

Cameron Enteshary
Landman
Encl.

EOG Resources, Inc. hereby:

_____ Elects to **participate** in the drilling and completion of the RDX Federal
Com 17 40H:

_____ Elects to **non-consent** the RDX Federal Com. 17 40H:

EOG Resources, Inc.

By: _____

Name: _____

Title: _____

Date: _____

3035:RKI EXPLORATION & PRODUCTION LLC AFE # (WT44078-62428685):Initiated'											
Well Name: RDX FEDERAL COM 17-40H						Well#: 62428685			Field: ROSS DRAW - NM		
Location: 26S-30E						County: EDDY			State: NM		
BHL:						SHL:					
Formation: Wolfcamp						Total Depth: 15522.0			Days:		
Effective Date: 02/04/2016						Type Code: Development			Desc: Drill, Complete and Equip.		
Budget No: FP1118921-2016 PERMIAN OPERATED D&C (3035)						Aries ID:			Pad Name:		
Operator: RKI EXPLORATION & PRODUCTION LLC						Asset Group: PERMIAN			Proj Manager: Fairchild, Kenneth		
AFE Desc: To drill, complete and equip a horizontal Wolfcamp well with 4700' lateral section.											
8500 8600 Tangible											
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn.	\$/FT.	DRILL	COMP	TOTAL
8810		TDC-INTERMEDIATE CASING							263622	0	263622
8889		TDC-SURFACE CASING							37500	0	37500
8918		TDC-WELLHEAD EQUIPMENT (DRILLING)							40000	0	40000
	8716	TCC-ARTIFICIAL LIFT							0	110000	110000
	8724	TCC-CASING							0	288720	288720
	8902	TCC-TUBING & ACCESSORIES							0	77595	77595
Other Equipment											
8510 8610 Offset Well Tangible											
Offset Well - Tangible											
Total Tangible Costs									341122	476315	817437
8300 8400 Intangible											
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		IDC-LUBRICANT AND FUEL EXPENSES							105400	0	105400
8216		IDC-MISC MATERIALS & SUPPLIES (DRILLING)							238000	0	238000
8730		IDC-ACCESS/LOC CONSTRUCTION SERVICE							80000	0	80000
8732		IDC-BITS							79500	0	79500
8734		IDC-CASING CREWS							25000	0	25000
8742		IDC-TRUCKING & HAULING (DRILLING)							35000	0	35000
8757		IDC-DIRECTIONAL EQUIPMENT SERVICES							340000	0	340000
8758		IDC-DRILL FLUIDS CHEMICALS							200600	0	200600
8760		IDC-RIG DAYWORK (DRILLING RIG)							561000	0	561000
8783		IDC-FLUID & CUTTING DISPOSAL							112200	0	112200
8791		IDC-PERMITS, SURVEYS, MAPPING							7000	0	7000
8837		IDC-MUD LOGGING							71400	0	71400
8842		IDC-OPEN HOLE LOGGING							25000	0	25000
8862		IDC-RAT/MOUSE HOLE							25000	0	25000
8868		IDC- RENTAL EQUIP DOWNHOLE (DRILLING)							74800	0	74800
8869		IDC-RENTAL EQUIPMENT SURFACE (DRILLING)							190400	0	190400
8886		IDC-SPECIAL SERVICES							30000	0	30000
8891		IDC-SURFACE CEMENTING SERVICE							35000	0	35000
8910		IDC-WATER							102000	0	102000
8913		IDC-WELDING							25000	0	25000
8917		IDC-WELLSITE SUPERVISION (DRILLING)							175600	0	175600
8959		IDC-SURFACE DAMAGES							10000	0	10000
Cementing											
8988		IDC-CEMENT PLUG - SERVICES							150000	0	150000
Formation Treatment											
8299		ICC-FRAC WATER HAULING							0	60000	60000
8403		ICC-FRAC WATER (MATERIALS)							0	150000	150000
8708		ICC-STIMULATION SERVICES							0	1300000	1300000
8738		ICC-PERFORATING SERVICES							0	145000	145000
8870		ICC-TANK RENTAL (COMPLETION)							0	20000	20000
Special Services											
8216		ICC-OTHER MATERIALS & SUPPLIES							0	10000	10000
8728		ICC-COIL TUBING & SNUBBING							0	90000	90000
8732		ICC-BITS							0	2500	2500
8733		ICC-CASED HOLE LOGGING SERVICES							0	6500	6500
8734		ICC-CASING CREWS							0	25000	25000
8735		ICC-COMPLETION RIG SERVICES							0	31500	31500
8742		ICC-TRUCKING & HAULING (COMPLETION)							0	60000	60000
8774		ICC- FACILITIES LABOR							0	45000	45000
8783		ICC-FLUID & CUTTING DISPOSAL							0	115000	115000
8843		ICC-FLOWBACK SERVICE							0	95000	95000
8869		ICC-RENTAL EQUIP SURFACE (COMPLETIONS)							0	100000	100000
Materials											
Access Location and Cleanup											
8730		ICC-ACCESS & LOCATION (COMPLETION)							0	0	0
Contract Supervision/Contract Professional Services etc.											
8917		ICC-WELLSITE SUPERVISION							0	60000	60000
8310 8410 Offset Well Intangible											
Offset Well Intangible											

Total Intangible Costs		2697900	2315500	5013400
Well Connect				
8211	FITTINGS/PIPES/ETC-NON PROCESS RELATED	0	25000	25000
8216	OTHER MATERIAL & SUPPLIES	0	5000	5000
8312	TANK BATTERY INSTALL AND CONSTRUCTION	0	20000	20000
8696	CRANE & RIGGING	0	7500	7500
8730	ACCESS AND LOCATION EXPENSES	0	7000	7000
8742	TRUCKING / HAULING SVCS	0	10000	10000
8774	FACILITIES LABOR	0	57000	57000
8782	FLOW LINES/PIPELINE TIE IN	0	10000	10000
8791	SURVEY & MAPPING SERVICES	0	3500	3500
8856	PRODUCTION EQUIPMENT	0	339300	339300
8869	RENTAL EQUIPMENT - SURFACE	0	9200	9200
8877	ROW USE AGREEMENT	0	3500	3500
8893	PRODUCTION STORAGE TANKS	0	75000	75000
8917	WELL SITE SUPERVISION	0	6500	6500
Total Well Connect Costs		0	578500	578500
Total Cost		3039022	3370315	6409337
Working Interest				
Working Interest Owner			Decimal	Cost Share
RKI EXPLORATION PRODUCTION LLC			1.00000000	6409337
Totals			1.00000000	6409337
Approvers				
Date:	02/04/2016	Prepared By:	Kevin Fischer	
Date:			Kenneth Fairchild	
Date:		Partners Approval:		
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs				

7015 1520 0003 3995 8994

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☐ Return Receipt (hardcopy) \$	
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☐ Certified Mail Restricted Delivery \$	
☐ Adult Signature Required \$	
☐ Adult Signature Restricted Delivery \$	
Postage \$	EOG RESOURCES, Inc.
Total Postage \$	Attn: Mr. Gary Pitts
\$	P.O. Box 2267
Sent To	Midland, Texas 79702
Street and Apt. #	
City, State, ZIP+4 [®]	RDX 17-40 H AFE
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

5509 Champions
Drive