



P O Box 2267 Midland, Texas 79702
Phone (432) 686-3600 Fax (432) 686 3773

February 3, 2017

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Working Interest Owner
(See Attached List)

RE Well Proposal
Osprey 10 #701H
Sec 3 and 10, T25S, R34E
Lea County NM

Gentlemen

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

The captioned EOG – Osprey 10 #701H well is hereby proposed as a horizontal Wolfcamp test from a surface hole location 547 FSL & 1082 FWL of Section 10, T25S, R34E, Lea County New Mexico to a proposed bottom hole location 2404 FSL & 862 FWL of Section 3, T25S, R34E, Lea County, New Mexico Estimated total vertical depth for this well is 12,515' and estimated measured depth is 22,515' Project area for a successful completion will be the W/2W/2 of said Section 10 and W/2SW/4 of Section 3

A check of the Lea County records indicates that you are the owner of unleased minerals or leasehold estate in Section 3 or Section 10 EOG proposes to form a working interest covering the S/2 of Section 3 and all of Section 10, T25S, R34E, Lea County, New Mexico from the surface to the base of the Wolfcamp formation under an operating agreement naming EOG as Operator and providing, among other provisions for 100%/300%/300% non-consent penalties This proposed operating agreement will supersede any existing agreements in either the S/2 of Section 3 or Section 10 A draft will be forwarded to you for review after a positive response to this proposal is received

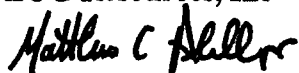
Please remember that the enclosed AFEs combined will constitute a single operation requiring a single election on your part In the event that you elect to participate in the captioned well, please mark the appropriate space below and return one copy of this letter along with a signed copy of both cost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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe New Mexico
Exhibit No 7
Submitted by
EOG RESOURCES, INC
Hearing Date March 30, 2017

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 Resources, Inc



Matthew C Phillips RPL
Landman II

Please indicate 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 _____

By _____

Title _____

Date _____



MIDLAND

Printed 02/03/2017

AFE No	106301	Original
Property No	072477-000	
EOG WI (BCP)	68 %	(ACP) 68%
EOG AFE Amt	(Drig)	\$2 074,575
	(Land)	\$51 680
	(Completion)	\$3,178,432
	(Facility)	\$247,520
	(Flowback)	\$272,000
	Total Cost	\$5,824,207

AFE Type DEVELOPMENT DRILLING	AFE Name OSPREY 10 #701H D&C	AFE Date 12/17/2014	Budget Year 2017
Reg Lease No	Prospect Name RED HILLS CENTRAL	TVD / MD 12515 / 22515	Begin Date
Location Section 10 T25S-R34E 547 FSL & 1082 FWL		BHLocation BH(LATERAL #1) Section 3 T25S-R34E 2404 FNL & 862 FWL	
Formation		DD&A Field WOLFCAMP SH DB	
Operator EOG RESOURCES INC	County & State LEA / NEW MEXICO	Field UNASSIGNED	Water Depth
AFE Description OSPREY 10 #701H D&C TO 12 515' TVD 22 515 MD AS A 1 5 MILE LATERAL TO BE COMPLETED IN THE UPPER WOLFCAMP 1 FORMATION THE WELL IS LOCATED IN SEC 10 25S R34E LEA			Product OIL
O NM			Days 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
*OMP FLBK-LOCATION AND ROADS	401	0	0	0	0	25 000	25 000
*UAL PAD	401	130 132	0	5 000	0	0	135 132
*OMP RIG MOVE	402	0	0	5 000	0	0	5 000
RIG MOVE	402	125 055	0	0	0	0	125 055
*DAY WORK COST	404	517 500	0	0	0	0	517 500
*BITS & BHA	405	96 787	0	0	0	0	96 787
*OMP BITS & PHA	405	0	0	15 000	0	0	15 000
*OMP FUEL	406	0	0	215 964	0	5 000	220 964
*UEL	406	65 218	0	0	0	0	65 218
*WATER 3 EACH @ \$ 400 000	407	8 697	0	1 200 000	0	0	1 208 697
*OMP FLBK CHEMICALS	408	0	0	0	0	3 000	3 000
*MUD & CHEMICALS	408	314 925	0	0	0	0	314 925
*CEMENTING & SERVICE	409	144 857	0	0	0	0	144 857
*OMP PERFORATING 32 EACH @ \$ 9 500	413	0	0	208 000	0	0	208 000
*OMP STIMULATION 61 975 EACH @ \$ 32	414	0	0	1 983 200	0	0	1 983 200
*OMP FAC-TRANSPORTATION	415	0	0	20 000	0	500	20 500
TRANSPORTATION	415	39 888	0	0	0	0	39 888
*OMP-Completion Overhead	416	0	0	10 000	0	0	10 000
*DRILLING OVERHEAD	416	6 500	0	0	0	0	6 500
*OMP-EQUIPMENT RENTAL	417	0	0	175 000	0	0	175 000
*LBK-EQUIPMENT RENT/OPERATIONS	417	144 814	0	0	3 000	65 000	212 814
*OMP-COMPLETION RIG	418	0	0	20 000	0	0	20 000
*OTHER DRILLING EXPENSE	419	21 237	0	0	0	0	21 237
*OMP-FLBK ENVIRONMENTAL & SAFETY	421	0	0	25 000	0	1 500	26 500
ENVIRONMENTAL & SAFETY	421	13 871	0	0	0	0	13 871
*DIRECTIONAL DRILLING	422	247 923	0	0	0	0	247 923
*OMP-FLBK SUPERVISION/OPERATIONS	424	0	0	101 200	0	4 500	105 700
*UPERVISION	424	125 000	0	0	0	0	125 000
*OMP COMMUNICATIONS	431	0	0	5 000	0	0	5 000
*TUBULAR INSPECTION/HANDLING	436	20 512	0	0	0	0	20 512
*OMP-CASED HOLE LOGGING/TEST	438	0	0	5 000	0	0	5 000
*SPECIALTY SERVICES	441	57 696	0	0	0	0	57 696
*OMP WIRELINE SERVICES	442	0	0	7 500	0	0	7 500
*OMP-COIL TUBING/NITROGEN	445	0	0	198 800	0	0	198 800
*OMP FLBK-CONTRACT LABOR	446	0	0	20 000	0	500	20 500
*OMP FLBK-DISPOSAL COSTS	447	0	0	0	0	215 000	215 000
*DISPOSAL COSTS 100 000 @ \$ 2	447	59 634	0	250 000	0	0	309 634
*OMP-COMPLETION FLUIDS	448	0	0	10 000	0	0	10 000
*OMP FLOWBACK	465	0	0	50 000	0	60 000	110 000
*OMP LAND DRILLSITE TITLE OPINION	480	0	5 000	0	0	0	5 000
*OMP LAND ROW DRILLING	482	0	7 500	0	0	0	7 500
*OMP-LAND ROW COMPLETION	483	0	7 500	0	0	0	7 500
*OMP LAND SURVEY & DAMAGES DRILL	484	0	20 000	0	0	0	20 000
*OMP LAND SURVEY AND DAMAGES OMP	485	0	20 000	0	0	0	20 000
*OMP REG PERMIT FEE/ENV SURV&ASSESS	486	0	16 000	0	0	0	16 000
TOTAL INTANGIBLES		\$2 140 246	\$76 000	\$4 529 664	\$3 000	\$380 000	\$7,128 910

ITEM	UOM	QTY	SIZE	SIZE	GRADE	RATE					
5/8" 40# J55 LTC	FEET	1 000	9 5/8"	54 5# J55	25 00	102	25 000	0	0	0	25 000
5/8" 29 7# HCP110 STL(VAM)	FEET	11 400	7 5/8"	HCP110	29 00	103	330 600	0	0	0	330 600
1/2" 20# P110EC VAM TOP IT	FEET	20 000	5 1/2"	HCP110	25 00	104	500 000	0	0	0	500 000
*OMP TUBING	FEET	1 000	2 3/4"	4 7# L-80	6 00	106	0	0	57 000	0	57 000
*WELLHEAD EQUIPMENT						107	55 000	0	60 000	0	115 000
*OMP-FAC-FLOW LINES						109	0	0	25 000	0	25 000
*OMP VALVES & FITTINGS						110	0	0	2 500	62 000	84 500
*OMP PUMP QUIP/SUBSURFACE						113	0	0	25 000	0	25 000
*OMP FAC-HEATERS TREATHS SEPRRS						115	0	0	0	100 000	100 000
*OMP FAC-METERING QUIPMENT						118	0	0	0	25 000	25 000
*OMP FAC-CONSTRUCTION OST						122	0	0	0	77 000	77 000
*OMP FAC-AUTOMATION QUIPMENT						123	0	0	0	10 000	10 000
*OMP FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	50 000	50 000
*OMP FAC-INSTRUMENT/ELECTRIC QUIP						128	0	0	0	10 000	10 000
*OMP FAC-TRANSPORTATION						415	0	0	0	2 000	2 000
TOTAL TANGIBLES							\$910 600	\$0	\$144 500	\$361 000	\$1 436 100



MIDLAND

Printed 02/03/2017

AFE No	106301	Original
Property No	072477-000	
EOG WI (BCP)	68 %	(ACP) 68%
EOG AFE Amt.	(Orig)	\$2,074,576
	(Land)	\$51,680
	(Completion)	\$3,178,432
	(Facility)	\$247,520
	(Flowback)	\$272,000
	Total Cost	\$5,824,207

TOTAL COST \$3,050,848 \$76,000 \$4,674,184 \$364,000 \$400,000 \$8,585,010

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Term	By	Title	Date
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MIDLAND

Printed: 02/03/2017

AFE No	107912	Original
Property No	073784-000	
EOG W I (BCP)	68 %	(ACP) 68%
EOG AFE Amt	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$1,306,280
	(Flowback)	\$0
	Total Cost	\$1,306,280

AFE Type	PRODUCTION FAC ON LEASE	AFE Name	OSPREY 10 CTB	AFE Date	01/25/2017	Budget Year	2017
Reg Lease No		Prospect Name	RED HILLS	TVD / MD		Begin Date	
Location		BH Location					
Formation		DD&A Field					
Operator	EOG RESOURCES INC	County & State	LEA / NEW MEXICO	Field	UNASSIGNED	Water Depth	
AFE Description	OSPREY 10 CTB that will service the OSPREY 10 #602H OSPREY 10 #701H wells				Product		Days 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
OMP FAC-LOCATION AND ROADS	401	0	0	0	89 000	0	89 000
TOTAL INTANGIBLES		\$0	\$0	\$0	\$89 000	\$0	\$89 000

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
OMP FAC-TANKS						108	0	0	0	264 900	0	264 900
OMP FAC-VALVES & FITTINGS						110	0	0	0	275 000	0	275 000
OMP FAC PUMP QUIP/SURFACE						112	0	0	0	51 100	0	51 100
OMP FAC-HEATERS TREATRS,SEPRS						115	0	0	0	192 500	0	192 500
OMP FAC-METERING EQUIPMENT						118	0	0	0	255 500	0	255 500
OMP FAC CONSTRUCTION OST						122	0	0	0	242 000	0	242 000
OMP FAC-LAB/ELEC MEAS/AUTOMA						124	0	0	0	8 000	0	8 000
OMP FAC-EMISSIONS EQUIPMENT						127	0	0	0	241 000	0	241 000
OMP FAC INSTRUMENT/ELECTRIC QUIP						128	0	0	0	140 000	0	140 000
OMP FAC-TRANSPORTATION						415	0	0	0	20 000	0	20 000
OMP FAC-FACILITY OVERHEAD						416	0	0	0	50 000	0	50 000
OMP FAC ENVIRONMENTAL & SAFETY						421	0	0	0	2 000	0	2 000
OMP FAC COMMUNICATIONS						431	0	0	0	5 000	0	5 000
OMP FAC-ELECTRICAL LABOR						471	0	0	0	85 000	0	85 000
TOTAL TANGIBLES							\$0	\$0	\$0	\$1 832 000	\$0	\$1 832 000
TOTAL COST							\$0	\$0	\$0	\$1 921 000	\$0	\$1 921 000

By		Date		By		Date	
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JOINT OPERATOR APPROVAL

Term		By		Title		Date	
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