

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 **COMMISSIONER'S OFFICE**

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

November 29, 2016

EOG Resources 5509 Champions Drive Midland, TX 79706

Attn: Mr. Paul Boland

Re: Bridge State Exploratory Unit

Denial of Drilling Extension to September 8, 2017

Lea County, New Mexico

Dear Mr. Boland:

We are in receipt of your letter of November 18, 2016 in which you requested an extension to September 8, 2017 to spud the second well for the Bridge State Exploratory Unit.

The Commissioner of Public Lands has this date denied your request. Pursuant to Article 8 of the Bridge State Exploratory Unit Agreement, if the New Mexico State Land Office determines that the initial well drilled in the Bridge State Unit is not capable of producing unitized substances in paying quantities, EOG Resources should commence drilling operations on the second well in the Bridge State Exploratory Unit on or before March 8, 2017 or terminate the Unit Agreement.

If you have any questions or if we may be of further help, please contact the Units Manager, Marilyn Gruebel, at 505.827.5791.

Respectfully.

JUBIRIPY DUNN

COMMISSIONER OF PUBLIC LANDS

AD/mmg

cc: Reader File