

Dear Interest Owner:

In order to assist you in understanding the royalty payments you receive from EOG, we are providing you with additional information that should be useful and you may want to file for future reference.

Question?

If you have questions about your payment, you can write to us at the address below or email us at royalty_interest@eogresources.com

EOG Resources, Inc.
Attn: Royalty Payments
P.O. Box 4362
Houston, Texas 77210-4362

When you communicate information or make an inquiry, please list your owner number, property name and property number, check date and check number, as appropriate, and include an address and telephone number. If you need to speak to an EOG representative by telephone, please call our toll free Owner Inquiry line at 1-877-363-EOGR (3647) and select option 6.

Usually you will receive a response within 24 hours. However, additional time may be necessary to research and fully respond to your inquiry.

Additional Information

For additional information about EOG, including the information contained in this brochure, please visit our website at www.eogresources.com



INTEREST OWNER RELATIONS

Helpful information
about your
EOG Royalty Payment



Payment Schedule

Payments are mailed or deposited electronically into your account on the 12th day of each month, unless that day is a weekend or holiday. In that case, the payment is mailed or deposited electronically into your account the next business day. Payments with respect to a production month (both oil and natural gas) are normally mailed or deposited electronically into your account on the 12th day of the second month following the production month. For example, payments for the production month of January are remitted and mailed or deposited electronically into your account on March 12th.

Direct Deposit Option

EOG offers the option to receive your interest owner royalty payments directly through an Electronic Funds Transfer which is an automated process that permits funds to be directly transferred to your financial institution (bank, credit union, etc.). This is an optional service at no cost to you. Please visit our website at www.eogresources.com, under the Interest Owners tab, for more information on this service and to obtain a Direct Deposit/Online Data Enrollment Form.

Minimum Payment Policy

EOG has a minimum payment policy of the lesser of \$25.00 or the minimum amount required by statute or the minimum amount required by your lease. A payment will automatically be issued in the month that your account has accumulated this minimum amount. In January of each year, you will be issued a payment for any amount due without regard to the minimum amount.

What Can Affect Your Payment?

Market Conditions and Operational Issues

Payments will vary from month to month due to fluctuations in price, as well as varying production from individual wells. Payments also may be impacted by routine maintenance or operating issues which may affect the volumes produced from a well during a given time period.

Adjustments

Quantity or price revisions may necessitate adjustments to your payment. If you were either overpaid or underpaid, adjustments are necessary to correct the previous payment. It is a good idea to keep your check detail for future reference, in the event adjustments occur.

Overpayments (Negative Balance)

In the event an owner is overpaid, adjustments are processed to recoup the overpayment. If the recoupment amount is larger than the owner's current month payment, the owner is said to have a "negative balance." Adjustments made to correct overpayments are posted to a special account. Proceeds attributable to current production are also posted to this account to offset the negative balance. When the amount due the owner reaches the required minimum payment amount (usually \$25.00), the owner will begin receiving checks

again. The first check detail generated after a negative balance has been recouped will show the adjustments that caused the negative balance and the subsequent positive offsets.

Suspense

On occasion, payments are held in suspense because of the transfer of a property interest from one owner to another, notice of death, lack of address, and other legal and operational issues. Amounts due are accumulated and are released when the matter in question has been resolved and EOG has received and processed all related documents. All payments are retroactive to the date of the suspension.

Federal Withholding

If a valid Tax Identification Number has not been provided to EOG, the Internal Revenue Service requires withholding a certain percentage of your payment until this information is provided to EOG.

Frequently Asked Questions

Can I receive my check stub data electronically?

Yes, you can receive your check stub data electronically via CDEX. Please call the EOG Owner Inquiry line at 1-877-363-EOGR (3647) and select option 6 for more information.

What if I don't receive my check or direct deposit?

If a check is lost in the mail or inadvertently misplaced, please write EOG to request a stop payment be placed on the check and mail request to:

EOG Resources, Inc.
Attn: Royalty Payments
P.O. Box 4362
Houston, Texas 77210-4362

After the stop payment is processed, a replacement check will be issued. Normally, checks are not replaced until at least 15 days after the original check is mailed. If you have not received your direct deposit payment within the first 3 business days following the scheduled payment date, please call EOG at the Owner Inquiry line 1-877-363-EOGR (3647) and select option 6.

How do I change my ownership information or address?

In order to protect your ownership interest, please notify us promptly, in writing, of any changes in your ownership interest. To ensure your payments reach you promptly, you should notify us immediately by letter, Post Office Change of Address Form, or Owner Address Correction/Update Form located on our website at www.eogresources.com of any change in your mailing address. Be sure to include your owner number in your notification and sign the request. Please mail change of ownership and address notices to:

EOG Resources, Inc.
Attn: Land Administration
P.O. Box 4362
Houston, Texas 77210-4362

PLEASE NOTE: IF THERE ARE ANY APPLICABLE COMMENTS RELATED TO THIS CHECK, THEY CAN BE FOUND IN THE "COMMENTS" SECTION AT THE END OF THIS DOCUMENT.										E114702 EOG RESOURCES, INC.		A ROYALTY OWNER 123 STREET ANYTOWN, TX 12345-6789	
B CHECK NO.: 0000611527					C OWNER NO.: 123456					D PG 2 OF 2		E CHECK DATE: 05/12/04	
PROD DATE	PROD TYPE	QUANTITY BBLs/MCF	AVG. PRICE	VALUE	GROSS TAX	OTHER DEDUCTS	DEDUCT CODE	NET VALUE	GROSS VALUE	TAX	OWNER	OTHER DEDUCTS	NET VALUE
F GAS WELL #1				G PROPERTY	111111-000	H DECK 12	I INT TYPE 2	J OWNER INT	0.100	K SETTLEMENT INT			0.200
L 03/04	M 2	N 114.00	O 3.57	P 406.98	Q 29.65	R 11.40	S T1	T 365.93	U 81.40	V 5.93	W 2.28	X 73.19	
Y STATE-COUNTY: OH-WASHINGTON				Z PROPERTY TOTAL					81.40	5.93	2.28	73.19	
							AA PAYMENT TOTAL		81.40	5.93	2.28	73.19	
AB COMMENTS:				DEDUCT CODES: T1 - TRANSPORTATION				INTEREST TYPES: 2- ROYALTY INTEREST					
PRODUCT TYPE: 2- NATURAL GAS				PLEASE DIRECT OWNERSHIP QUESTIONS OR ADDRESS CHANGES TO: EOG RESOURCES, INC. ATTN: LAND ADMINISTRATION P.O. BOX 4362 HOUSTON, TX 77210-4362				PLEASE DIRECT PRODUCT/PAYMENT QUESTIONS TO: EOG RESOURCES, INC. ATTN: ROYALTY PAYMENTS P.O. BOX 4362 HOUSTON, TX 77210-4362 TELEPHONE: (713) 651-6552 OR 1-877-363-EOGR (3647)					

Items on Your Check Detail The check detail includes information for both the entire interest for which EOG remits a royalty payment, as well as your ownership interest. Information specific to your ownership interest can be found in the four columns on the right side of the check detail under the "Owner" heading. The other check detail columns contain property information and information applicable to the entire interest for which EOG remits a royalty payment. Definitions for all items displayed on the check detail include:

- A Owner Name and Address:** Your name and address according to our records.
- B Check Number:** The check number for the associated payment.
- C Owner Number:** Your owner number as assigned by EOG.
- D Page Numbering:** The specific page number and the total number of pages.
- E Check Date:** The date the check was issued.
- F Property Name:** The property name assigned by EOG or the property operator.
- G Property Number:** EOG's internal number for the property.
- H Deck Code:** EOG's internal accounting code identifying ownership.
- I Interest Type:** Your type of ownership in the property, as identified on the bottom right corner of the check stub and may include:
 - 1 Working Interest
 - 2 Royalty Interest
 - 3 Overriding Royalty Interest
- J Owner Interest:** Your interest percentage in the property with respect to EOG's royalty remittance obligation.
- K Settlement Interest:** The interest used to calculate your share of the entire interest for which EOG remits royalty. EOG does not always own or have the right to sell all of the products produced from the property. EOG distributes to interest owners proportionately from proceeds received. In the above example, the .20 settlement interest indicates that EOG had the right to sell 50% of the gas (.10 owner interest divided by .20 settlement interest equals 50%). If EOG has the right to sell all of the products, the settlement interest will be equal to the owner interest.
- L Production Date:** Month and year when sales occurred.
- M Product Type:** Type of product for which payment is being remitted. Products reported are identified at the bottom left corner of the check stub and may include:
 - 1 Crude Oil
 - 2 Natural Gas
 - 3 Condensate
 - 4 Casinghead Gas
 - 7 Plant Products
- N Quantity:** Barrels (Bbls) of crude oil, condensate, or plant products or thousand cubic feet (Mcf) of natural gas associated with the total sales from the property or the entire interest for which EOG remits a royalty payment. If the settlement interest is equal to the owner interest, then the quantity represents the total quantity (Mcf or Bbls) from the property (See note K).
- O Average Price:** Average price (before taxes and deducts) per Bbl or Mcf.
- P Gross Value:** Value of crude oil, condensate, plant products or natural gas associated with the quantity, as described above.
- Q Gross Tax:** Amount of severance and other production related taxes associated with the property.
- R Other Deducts:** Amount of any deductions other than severance and other production related taxes.
- S Deduct Code:** Code used to identify other deductions. Deduction codes are identified at the bottom center of the check detail:
 - CM** Compression: The cost of compressing natural gas to meet pipeline pressure requirements.
 - DH** Dehydration: The cost of removing water from natural gas, as necessary to meet the pipeline specification for transporting.
 - P1/P2** Processing: The cost of processing natural gas to extract plant products.
 - TR** Tax Reimbursement: Reimbursements received from purchasers for applicable severance taxes.
 - T1/T2** Transportation: The cost of gathering and/or transporting crude oil, condensate, plant products or natural gas from the lease to a down-stream point of delivery.
 - MS** Miscellaneous: Other deductions not listed.
- T Gross Net Value:** Value from the property less all deductions and taxes.
- U Owner Gross Value:** Your share of gross value from the property prior to any deductions.
- V Owner Tax:** Your share of severance and other production related taxes.
- W Owner Other Deducts:** Your share of other deductions.
- X Owner Net Value:** Your share of the value from the property less all deductions and taxes.
- Y State-County:** The state and county or parish where the referenced property is located.
- Z Property Total:** Your share of the total for all product types and production dates for the referenced property.
- AA Payment Total:** Your total payment for all properties for this check.
- AB Comments:** Any applicable comment related to your ownership, which may help explain items on the current check or inform you of future issues.