Chevron

Cody Cole
Land Representative
Mid-Continent Business Unit
Tel 713-372-1103
Ccole@chevron.com

Chevron North America Exploration and Production Company
a division of Chevron U.S.A. Inc.
1400 Smith St. Room 43192
Houston, Texas 77002

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

August 7th, 2014

Burlington Resources Oil & Gas Company
ATTN: Ashley Manning-Dyke
600 N. Dairy Ashford Rd
P10-5-Office 5026
Houston, TX 77079

Re; Well Proposal for Gramma Ridge 14-24-34-8H ("Gramma Ridge 8H")
E/2E/2 of Section 14, T24S, R34E, NMPM Lea County New Mexico

Dear, Ms. Ashley Manning-Dyke;

Chevron U.S.A. Inc. ("Chevron") hereby proposes to operate the Gramma Ridge 8H well for oil and gas production from the Bone Spring formation. The Gramma Ridge 8H will comprise a one-hundred sixty (160) acre standard unit in the E/2E/2 of Section 14, T24S, R34E, NMPM Lea County, New Mexico.

The Surface location of the Gramma Ridge 8H would be 330 feet from the north line and 380 feet from the East line. The bottom hole location would be 280 feet from the South line and 660 feet from the East line. Chevron expects to navigate the Gramma Ridge 8H through the following depths:

- TD Lateral MD (TVD) = 16,563 feet
- Landing MD (TVD) = 12,063 feet

With respect to the E/2E/2 of Section 14, T24S, R34E, public records indicate you own a **12.5%** working interest within the proposed unit. I have enclosed an Authorization for Expenditure ("AFE"). The total estimated cost to drill, complete, and equip Gramma Ridge 8H is $9,160,795.25 divided as follows:

- Drilling = $3,940,414.00
- Completion = $4,178,475
- Facilities = $1,041,906.25
- Total = $9,160,795.25

Please indicate whether you elect to participate in the Gramma Ridge 8H by making your election in the space provided on the next page. Once you have made your election, please sign in the space below and return it to me at your earliest convenience. Chevron's Joint Operating Agreement will be furnished if requested prior to

BEFORE THE OIL CONVERSATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: **CHEVRON U.S.A., INC.**
Hearing Date: September 17, 2014

your election. If you elect to not participate, and would like to lease your working interest to Chevron, please contact me at either 713-372-1103 or ccole@chevron.com.

Sincerely,

CHEVRON U.S.A. INC.

____

Cody Cole, RPL
Land Representative

Burlington Resources Oil & Gas Company elects:

[____] Not to Participate in Gramma Ridge 8H

[____] To Participate in Gramma Ridge 8H at **12.5%** for **$1,145,099.41**

By:________________ Date:________________

By:________________ Date:________________

Version 1.4	DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE			Date:	06/13/2014
Field / Area	Well Name Gramma Ridge 14 24 34 8H			By:	Kyle Johnson
Cost Element	Description	VENDOR	Intangible	Tangible	DRILLING
74400001	Rig - Daywork days 32.36 rate 25000 $/day		808 970		808,970
74400002	Drilling Rig Footage/Turnkey feet rate $/day		0		0
74400003	Rig Up/ Rig Down		0		0
71060200	Fuel-Purchased Natural Gas & Propane		0		0
71290100	Fuel - Diesel / Motor Fuels		154 615		154 615
71290300	Utilities - Other (potable water)		0		0
74500023	Mobilization / De-Mobilization Rig Days 4 Rig Trucking 100000		200 000		200 000
	Rig Costs Total - Intangible		**1,163,584**	**0**	**1,163,584**
66010100	Company Supervision days 36.36 rate 4500 $/day		163 615		163,615
73000300	Contract Project Supervision days 36.36 rate 900 $/day		32,723		32 723
	Supervision Total - Intangible		**196,337**	**0**	**196,337**
68200100	Onshore Catering		0		0
68250100	Offshore Catering		0		0
68730100	Employee Personal and Business Expense		0		0
70000100	Contract Labor Surface		0		0
70000200	Contract Labor Casual		0		0
76150500	Communications Radio		0		0
76150600	Communications - Telephone CITC		0		0
76200100	Communications- Cellular		0		0
76200300	Communications-Other		3,360		3,360
	Other People Costs Total - Intangible		**3,360**	**0**	**3,360**
74450004	Drilling Fluids		190,702		190,702
71901500	Dr- and Completion Fluids (not Service)				0
71900500	Materials, Supply Repair Parts		10,000		10 000
	Mud, Materials Total - Intangible		**200,702**	**0**	**200,702**
72300100	Surface Equipment Rentals		424 331		424 331
72300200	Well Service Equipment Rentals		120 256		120 256
72300300	Motor Vehicle Rentals				0
73200200	Marine Transportation Allocated				0
73400300	Other Transportation Services		75,000		75 000
73400400	Air Transportation allocated Adj				0
73400700	Hauling Services (Not Freight)				0
74400006	Directional Survey and Service Costs		312 714		312 714
74400007	Drill String Rentals and Mds		16,179		16,179
71901800	Drill Bits		72 000		72 000
74450009	Coil Tubing				0
74400010	Stimulation / Gravel Pack Materials & Service				0
74400011	Pumping Services				0
74400014	Perforating & Electric Line Services				0
74400015	Slickline Services				0
74500100	Contract Equipment & Services				0
	Contract Rentals & Services Total - Intangible		**1,020,440**	**0**	**1,020,440**
74500105	Services- Non Taxable Materials		0		0
74500200	Technical Services		0		0
75100500	HES Permit Costs & Fees		0		0
75100501	Surface Regulatory & HES Inspection		0		0
75590200	Other Professional Services & Fees		0		0
75900800	Misc Services and Fees		0		0
	Other Services Total - Intangible		**0**	**0**	**0**
74200300	Solid Waste Disposal		125,000		125 000
74200600	Waste Water Disposal		10 000		10 000
	Waste Disposal Total - Intangible		**135,000**	**0**	**135,000**
74400017	Coring		0		0
74400018	Testing		0		0
74400019	Logging Wireline		0		0
74400020	LWD (Logging While Drilling)		0		0
74400021	Logging - Mud 27.26 days @ 1250 $ per day		34 073		34 073
	Formation Evaluation Total - Intangible		**34,073**	**0**	**34,073**
71900022	Well Pipe Casing Size Feet $/foot				732 576
	Conductor			0	
	Surface 13-3/8" 1200 33.58			40 296	
	Intermediate 1 9-5/8" 9075 38.14			346,121	
	Intermediate 2			0	
	Drilling Liner			0	
	Production 5-1/2" 16430 16.93			278 160	
	Production Liner			0	
	Centralizers & Float Equipment				
	Conductor				
	Surface			3000	
	Intermediate 1 (DV TOOL & ECP)			20000	
	Intermediate 2				
	Whipstock			0	
	Production			45000	
	Packers/Sleeves				
71900020	Well Pipe - Tubing Under 2" OD				0
	Size Feet $/foot				
				0	
				0	
71900021	Well Pipe - Tubing 2" OD and over				6 300
	Size Feet $/foot				
	2.875 600			6 300	
				0	
71950100	Well Equipment / Materials			0	0
71900110	Wellhead / Xmas Tree Size Cost				110 000
	"A" 110000			110,000	
	"B"			0	
	"C"			0	
	Tubing Head			0	
	Xmas Tree			0	
71900120	Submersible Pumps & Equipment			0	0
71500100	Surface Lifting Equipment / Materials				0
	Rod String Size Feet $/foot				
				0	
				0	
	Production Pkr				
	Well Pump.				
	Other:				
	Equipment Total - Tangible		**0**	**848,876**	**848,876**
74400024	Cement & Cementing				308 000
	Conductor Size. Sacks Cost		0		
	Surface Size 13-3/8" Sacks. Cost 18000		18000		
	Intermediate 1 Size 9-5/8" Sacks Cost 120000		120000		
	Intermediate 2 Size Sacks Cost		0		
	Pilot Plug Back Size 2 7/8" Sacks Cost 50000		50000		
	Production Size 5-1/2" Sacks Cost 120000		120000		
	Production Liner Size Sacks Cost		0		
	Squeeze Jobs Size Sacks Cost		0		
	Squeeze Jobs Size Sacks. Cost		0		
	Squeeze Jobs Size Sacks Cost		0		
	Cement Total - Intangible		**308,000**	**0**	**308,000**
74400013	Equipment Lost in Hole		0		0
74400025	Fishing Costs		0		0
74500021	Site Work / Roads / Locations		30 000		30,000
	Unanticipated & Location Total - Intangible		**30,000**	**0**	**30,000**
	Sub Total Cost Estimate		**3,091,534**	**848,876**	**3,940,414**
94100700	Contingency 0.0%		0	0	0
			3,091,538	**848,876**	**3,940,414**
	TOTAL COST ESTIMATE w/ Contingencies		**3,091,534**	**848,876**	**3,940,414**

Version 1.4	COMPLETION – WELL APPROPRIATION – DETAIL OF COST ESTIMATE				Date:	07/30/2014
Field / Area	Well Name Gramma Ridge 14-24-34 BH				By:	AS
Cost Element	Description		VENDOR	Intangible	Tangible	DRILLING
74400001	Rig - Daywork	days 5.000000 rate 7000 $/day		26,000		26 000
74400002	Drilling Rig-Footage/Turnkey	feet . rate $/day		0		0
74400003	Rig Up/ Rig Down			5 000		5 000
71050200	Fuel-Purchased Natural Gas & Propane			0		0
71200100	Fuel - Diesel / Motor Fuels			0		0
71290300	Utilities - Other (potable water)			13,500		13 500
74500023	Mobilization / De-Mobilization	Rig Days Rig Trucking		0		0
	Rig Costs Total – Intangible			44,500		44,500
66010100	Company Supervision	days 20.000000 rate 3000 $/day		60 000		60,000
70000300	Contract Project Supervision	days 20.000000 rate 1700 $/day		34 000		34 000
	Supervision Total – Intangible			94,000		94,000
74400004	Drilling Fluids	fresh water		450 000		450,000
71901900	Drill and Completion Fluids (not Service)	production chemicals		50 000		50 000
	Mud, Materials Total – Intangible			500,000		500,000
72300100	Surface Equipment Rentals			550 000		550,000
74400007	Drill String Rentals and Mills			55 000		66,000
74400009	Coil Tubing			200 000		200,000
74400010	Stimulation / Gravel Pack Materials & Service			2,200 000		2,200,000
74400014	Perforating & Electric Line Services			120 000		120,000
	Contract Rentals & Services Total – Intangible			3,135,000		3,135,000
74200600	Waste Water Disposal			60 000		60,000
	Waste Disposal Total – Intangible			60,000		60,000
74400019	Logging Wireline			5,000		5 000
	Formation Evaluation Total – Intangible			5,000		5,000
71900021	Well Pipe - Tubing 2" OD and over					76,000
	Size Feet $/foot					
	2 875 9500 8				76 000	
71900100	Well Equipment / Materials					
						40,000
71900110	Wellhead / Xmas Tree	Size Cost			40 000	
	Xmas Tree					
71900120	Submersible Pumps & Equipment					
						20,000
71500100	Surface Lifting Equipment / Materials					
	Production Pkr				20 000	
	Equipment Total – Tangible			0	136,000	136,000
74500021	Site Work / Roads / Locations			5 000		5 000
	Unanticipated & Location Total – Intangible			5,000		5,000
	Sub Total Cost Estimate			3,843,500	136,000	3,979,500
94100700	Contingency 5.0%			192,175	6,800	198,975
				4,035,675	142,800	4,178,475
	TOTAL COST ESTIMATE w/ Contingencies			4,035,675	142,800	4,178,475

Delaware Basin - Lea County
Facilities Cost Estimate

	Gramma Ridge 8H	
	Quant	Cost
GRAND TOTAL (for all items)	[illegible]	**$ 1,041,906.25**
SUB-TOTAL (for all items)	---	**$ 875,000.00**
Contingency	10%	$ 87,500.00
Tax	8.25%	$ 79,406.25
Battery	1	$ -
- Civil	---	$ -
- Goldilocks Battery (Equip.)	---	$ -
- Goldilocks Battery (Install.)	---	$ -
- Electrical (EDS)	---	$ -
Site Work	1	$ 569,000.00
- Commingle Mods*	---	$ -
- Horizontal Heater Treater**	---	$ 250,000.00
- Supervision	---	$ 50,000.00
- Well Pad	---	$ 85,000.00
- Roads	---	$ 10,000.00
- Cattleguards	---	$ -
- Frac Pond	---	$ -
- Land Damages	---	$ 50,000.00
- Mechanical	---	$ 25,000.00
- Flowline	---	$ 87,000.00
- POC/Well Kill	---	$ 12,000.00
OSBL	1	$ -
-Gas line to 3rd party	---	
-Connections		
Electrical Distribution	---	$ 306,000.00
- Feed to Sections	1	$ 108,000.00
- Transformer Bank	1	$ 15,000.00
- Generator Contingency	1	$ 183,000.00