

India Isbell Land Representative MidContinent Business Unit Chevron U.S.A. Inc. 1400 Smith Street, Rm. 40005 Houston, Texas 77002 Tel (713) 372-1288 indiaisbell@chevron.com

Via Certified Mail, Return Receipt Requested

December 3, 2014

NAME ADDRESS

RE: Well Proposal for White City 21 25 27 Com #6H (the "Well") E/2 W/2 Section 21, Township 25 South, Range 27 East, NMPM, Eddy Co., NM

To Whom It May Concern:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill and operate the Well for production from the 2nd Bone Spring formation. The Well will comprise a one-hundred sixty (160) acre spacing unit in the E/2 W/2 of Section 21, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

The surface location of the Well would be 330 feet from the south line and 1923 feet from the west line. The bottom hole location would be 330 feet from the north line and 1923 feet from the west line. Chevron expects to navigate the Well through the following depths:

- T.D. (M.D.) = 12,211 feet
- T.D. (T.V.D.) = 7,441 feet

With respect to the E/2 W/2 of Section 21, public records indicate you own a _____% working interest within the proposed unit. I have enclosed an Authorization for Expenditure ("AFE"). The total estimated cost to drill, complete, and equip the Well is as follows:

- Drilling = \$2,883,518
- Completions = \$2,635,237
- Facilities = \$3,436,277
- TOTAL = \$8,955,032

Please indicate whether you elect to participate in the Well by marking your election in the space provided below and returning it to me at your earliest convenience. As a participant in the Well, you would be responsible for your ownership percentage share of all costs associated with drilling and completing of the Well as estimated above, but would also receive your ownership percentage share of proceeds from the sale of production from the Well in lieu of a royalty. If you participate, you will be subject to a Joint Operating Agreement with Chevron as Operator of the Well. Chevron's Joint Operating Agreement will be furnished prior to your election if requested.

BEFORE THE OIL CONVERSATION DIVISION Santa Fe, New Mexico Exhibit No. 5 Submitted by: CHEVRON U.S.A., INC. Hearing Date: March 19, 2015

ield / Area: Cost Element	DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE S. Eddy - White City City Well Name: White City 21-25-27 6H		OFILLING		Date: 5/1 COMPLETION	
Cost Element						TOTAL
	Description	 Istangible 	Tangibie	Intengible	Tangibia	TOTAL
74400001	Rig - Daywork	617,100	والمجمع المتعادين		WEATS	617,
	Dritting Rig: Ensign 759 25.5 days 24200 \$/day					
	Rig move days \$/day \$/day	1		135 .	i :	
	Completion Rig: days S/day	1	-		· ·	
74400002	Ditg Rig - Foolage / Turnkey		- 3363	1 1 B	19	
11120004	feet \$/toot	ici statia	1004104-1		ľ .	
7/000400						
71290100	Fuel - Diesel / Motor Fuels \$5000 per day	127,500	51. «'3573-744, '	•	-	127.
71050200	Fuel - Purchased Natural Gas & Propane		nch			
71290300	Utilities - Other (potable water)		- And and a second second			
74500023	Mobilization / De-Mobilization (Trucking)	195,000			1070 -1011	195,
	Rig Costs Total	939,600	and the second		WF#S-CA	839,
66010100	Company Supervision	135,000	50	_	子路潮	135,
	Drilling 30.0 - days 4500 - \$/day		·	ز حالیہ استان کا ا	1 12 12	
	Completion days S/day	·	exe 3.4 :	.0.0	1371 172	THI MIT
-				1 27 14 14 14	2021 14	
70000300	Contract Project Supervision	25,500	1 h h h		mount of	25,
	Drilling 30.0 days 850 \$/day		1. 1. 1. 1. 1.		JURCE	
	Completion days \$/day		**		13 100	
	Supervision Total	160,500	أنبح مستحمد		1139	160
74400004		90,000				90,
	Drilling Fluxis				- Si i	
71900500	Materials, Supply, Repair Parts	30,000	ی مند ورونه ام و مند ک		Sec. 1	30
	Mud, Materials Total	120,000	· in 91 1		ii nini	120
70000200	Contract Labor Casual					
73400300	Other Land Transportation Services (not rail)	95.000	11		15172	95
74400006	Directional Survey and Service Costs	220,000				220
			6 ¹ 5 's 's	² knowled	12. 62	
74400007	Drill String Rentals and Bits	75,000	i de la mari			75
72300100	Surface Equipment Rentats	185,000			364	185
72300200	Well Service Equipment Rentals	110,000	minimum and a			110
74400009	(Coli Tubing	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			A"	
74400010	Stimulation / Gravel Pack Materials	الهجم وعبيجه مساد				
74400011	Pumping Service		2#		113/116	·····
					Colore -	
74400014	Perforating & Electric Line Services				{ .	
74400015	Stickline Services		ېيەرىمە ، مەر			
	Contract Rentats & Services Total	685,000	uctoria.		101-52	685
74200300	(Solid Waste Disposal	195,000				195
74200600	Waste Water Disposal	45,000	NJ. D.Z.		: Eloc	45,
	Waste Disposal Total	240,000				240,
34400043		240,000				£70;
74400017	Comg		an and a sub-		201104	
74400018	Testing RFT's @ \$per DST	0		• • • •		
74400019	Logging Whetine	0	Se derangen			
74400020	LWD (Logging While Drilling)				1	
74400021	Logging - Mud 22 days @ 1250 \$ per day	26,875	-67 -6	CONTRACTOR	MEXEDINA	26,
	Formation Evaluation Total		3.12 mil 12.		2. 424 4. 12-1	26
71000000						
71900022	Well Pipe Casing	CE 1986	285,043	1. S. 1	- ACC MILLION	285,
	Surface Size: 13-3/8, 48#, H-40, STC Feet: 400 \$/ft: 33.58	13,432		1		
	Intermediate Size: 9-5/8*, 40//. HC K55, LTC Feet: 2,200 \$/it: 29,19	64,218			. .	•
	Production Size: Feet: \$71:	0		1		
	Production Size: 5-1/2", 17#, HC P-110, COC Feet 12,250 \$/ft: 16,93	207,393		1	f .	
	Production Size: Feet: \$/1t	i i		3	•	
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71000000				-	· · · · ·	
71900020	Well Pipe - Tubing Under 2' OD					
	Size: 2-7/8* Feet: \$/ft: 4.92				-2725-274	
	Size: 2-7/8 Feet: \$/ft: 4.52	0	•			
71900021	Size; 2-7/8* Feet: \$/ft: 4.92 Well Pipe - Tubing 2* OD and over	0 •	17. AU 7 - CALD ANY			2010 - 21 - 2 2010 - 21 - 21 - 2 2010 - 12 - 22
71900021	Size; 2-7/8* Feet: \$/ft: 4.92 Well Pipe - Tubing 2* OD and over	0 • (85,000	· · · · · · · · · · · · · · · · · · ·		
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71900021 71900100 71900120	Size: 2-7/8* Feet: \$/h: 4.92 Well Pipe - Tubing 2* OD and over	۰ ۵۵ ۵۵ ۵۵ ۵۵ ۵۹ ۵۹ ۵۹ ۵۹ ۵۹ ۵۹ ۵۹ ۵۹ ۵۹				1201422-22
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71900021 71900100 71900120	Size: 2-7/8" Feet: \$/ft: 4.92 Well Pipe - Tubing 2" OD and over			4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4		1201422-22
71900021 71900100 71900120	Size: 2-7/8" Feet: \$/ft: 4.92 Well Pipe - Tubing 2' OD and over	0.0				<u>1947 / 192 - 27</u> 85
71900021 71900100 71900120	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2" OD and over	0				<u>1947 / 192 - 27</u> 85
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71900021 71900100 71900120 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pige - Tubing 2' OD and over	0 	65,000	titi → → → → → → → → → → → → →		85
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71900021 71900100 71900120 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Well Pipe - Tubing 2' OD and over	ALL IN ALL AND	85,000			85 85 970 455 5 10 10 10 10 10 10 10 10 10 10 10 10 10
71900021 71900100 71900120 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2" OD and over	20,000	65,000			85 85 370 465 x 20 20
71900021 71900100 71900120 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over Size: Feet: \$/ft: 4.92 Weil Equipment / Materials / Weilho/ / Xmas Tree SH-2 weilheads \$/ft: 9 Submersible Pumps & Equipment	20,000 30,000	65,000	9945L-1953		85 85 370 1+5 30 30 30 30
71900021 71900100 71900120 71500100	Size: 2-7/8* Feet: \$/ft: 4.92 Weil Pige - Tubing 2* OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilhe/ / Xmas Tree SH-2 weilheads Suft: Weil Equipment / Materials / Weilhe/ / Xmas Tree SH-2 weilheads Suft: Sutnersible Pumps & Equipment Suft: Feet: \$/ft: Suftace Lifting Equipment / Materials Red String Size: Feet: \$/ft: Production Pkr:	20,000 30,000 165,000	65,000			85 85 370 455 200 300 165
71900021 71900100 71900120 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over	20,000 30,000 165,000 76,000	85,000	9945L-1953		85 85 370 1452 20 300 1655 776
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71900021 71900100 71900120 71500100 71500100	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over	20,000 30,000 165,000 76,000	85,000	9945L-1953		85 85 370 1452 20 300 1655 776
71900021 71900100 71900120 71500100 74400024	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2" OD and over Size: Feet: \$/ft: 4.92 Weil Equipment / Materials / Weilh of / Xmas Tree SH-2 weilheads \$/ft: Submersible Pumps & Equipment Surface Utiling Equipment / Materials Surface Utiling Equipment / Materials Feet: \$/ft: Production Pitr: Feet: \$/ft: Weil Pump: Other: Tangible Equipment Total Cement & Cementing State: 17.1/2 x 13.3/8 Intermediate Size: 6.3/4 x 5-1/2 Float Equipment Cement Total Float Equipment Fishing Costs	20,000 30,000 165,000 76,000	85,000	9945L-1953		85 85 370 1452 20 300 1655 776
71900021 71900100 71900120 71500100 71500100 74400024 74400025 74400025	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads Sutmersible Pumps & Equipment String SH-2 weilheads Sutmersible Pumps & Equipment SH-2 weilheads Suface Litting Equipment / Materials Feet: \$/ft: Production Pix: Feet: \$/ft: Weil Pump: Other: Tangible Equipment Total Cement & Cementing 17-1/2 x 13-3/a Intermediate Size: 12-1/4 x 9-5/a Production Size: 8-3/4 x 5-1/2 Float Equipment Cement Total Fishing Costs Equipment Lost in Hole	20,000 30,000 165,000 291,000	85,000	9945L-1953		85 85 870 4655 200 300 165 76 291
71900021 71900120 71900120 71500100 71500100 74400024 74400024 74400025 74400013 74500021	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over	20,000 30,000 165,000 76,000	85,000	9945L-1953		85 85 970 455 20 30 165 76 291
71900021 71900120 71900120 71500100 71500100 74400024 74400025 74400025 74400025 74400013 745000021 745002021	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2" OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@/ Xmas Tree SH-2 weilheads Submersible Pumps & Equipment Strace Uting Equipment / Materials Surface Uting Equipment / Materials Feet: \$/ft: Production Plu: Feet: \$/ft: Weil Pump: Other: Strace Size: Other: Tangible Equipment Total Cement & Cementing Surface Size: Surface Size: 17-1/2 x 13-3/8 Intermediate Size: 6-3/4 x 5-1/2 Float Equipment Cement Total Equipment Cement Total Size: 6-3/4 x 5-1/2 Float Equipment Size: Size: 5-3/4 x 5-1/2 Float Equipment Size: Size: 5-3/4 x 5-1/2 Float Equipment Size: Size: 5-3/4 x 5-1/2 Float Equipment Size: Size Work / Roads / Locations Technical Services	20,000 30,000 165,000 291,000	85,000	9945L-1953		85 85 970 455 20 30 165 76 291
71900021 71900120 71900120 71500100 71500100 74400024 74400024 74400025 74400013 74500200 74500200	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pige - Tubing 2' OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads Submersible Pumps & Equipment / Submersible Pumps & Equipment / Submersible Pumps & Equipment / Submersible Pumps & Equipment / Materials Red String Size: Production Pkr: Feet: \$/ft: Weil Pump:	20,000 30,000 165,000 291,000 40,000	85,000	9945L-1953		370 452 20 30 165 76 291 40
71900021 71900120 71900120 71500100 71500100 74400024 74400025 74400025 74400021 7450021 7450021 7450021 75590200	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads Submersible Pumps & Equipment String: SH-2 weilheads Submersible Pumps & Equipment / Materials Rod String S/ft: Production Pic: Feet: \$/ft: Weil Pump: Other: Tangible Equipment Total Cement & Cementing Size: 17.1/2 x 13.3/8 Intermediate Size: 12.1/4 x 9-5/8 Production Size: 6.3/4 x 5-1/2 Float Equipment Cement Total Fishing Costs Equipment Total Size Work / Roads / Locations Technical Services Other Professional Services & Fees Other Other Professional Services & Fees Communicators - Other	20,000 30,000 165,000 291,000	85,000	9945L-1953		85 85 970 455 20 30 165 76 291
71900021 71900120 71900120 71500100 71500100 74400024 74400024 74400025 74400021 7450021 7450021 74500221 74500221 75590200	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pige - Tubing 2' OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads Submersible Pumps & Equipment / Submersible Pumps & Equipment / Submersible Pumps & Equipment / Submersible Pumps & Equipment / Materials Red String Size: Production Pkr: Feet: \$/ft: Weil Pump:	20,000 30,000 165,000 291,000 40,000	85,000	9945L-1953		370 452 20 30 165 76 291 40
71900021 71900120 71900120 71900120 71900120 71900120 71900120 71900120 7190012 7190012 7190012 71900120 71900221	Size: 2-7/8" Feet: \$/ft: 4.92 Weil Pipe - Tubing 2' OD and over Size: Feet: \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads \$/ft: Weil Equipment / Materials / Weilh@ / Xmas Tree SH-2 weilheads Submersible Pumps & Equipment String: SH-2 weilheads Submersible Pumps & Equipment / Materials Rod String S/ft: Production Pic: Feet: \$/ft: Weil Pump: Other: Tangible Equipment Total Cement & Cementing Size: 17.1/2 x 13.3/8 Intermediate Size: 12.1/4 x 9-5/8 Production Size: 6.3/4 x 5-1/2 Float Equipment Cement Total Fishing Costs Equipment Total Size Work / Roads / Locations Technical Services Other Professional Services & Fees Other Other Professional Services & Fees Communicators - Other	20,000 30,000 165,000 291,000 40,000	85,000	9945L-1953		85 85 370 452 5.4 20 30 165 76 291 40 40

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Facilities and Central Tank Battery – Detail of Cost Estimate

FIELD: WELL NAME:

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Eddy Co., NM White City 21-25-27 Fed Com #6H

Description	\$USD
Battery Total:	257,678
Contract Project Supervision	16,500
Contract Labor - Reg/Roustabout	59,967
FCR - Instruments & Electrical	16,500
Pipe, Valves & Fittings	27,500
FCR - Pressure Vessels	123,200
Sales Tax	14,011
Outside Battery Limits Total:	1,460,461
Fabrication & As-built drawings	3,025
Land & Lease Costs	16,500
Company Project Supervision	9,075
Contract Project Supervision	79,860
Utilities - Other/Water	1,375
Site Work/Roads/Location	127,435
Materials, Supply, Repair Parts	3,548
Contract Labor-Reg/Roustabout	212,494
Pipe, Valves & Fittings	584,177
Pip <u>e - Line (Size 2" and over)</u>	145,563
FCR - Instruments & Electrical	198,000
Sales Tax	79,410
TOTAL COST	3,436,277