Chevron

India Isbell
Land Representative

MidContinent Business Unit
Chevron U.S.A. Inc.
1400 Smith Street, Rm. 40005
Houston, Texas 77002
Tel (713) 372-1288
Fax (866) 420-0335
indiaisbell@chevron.com

January 12, 2015

RE: Well Proposals for White City 21 25 27 Com #5H and #6H (the "Wells")
W/2 W/2 and 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") sent well proposal letters and Authorizations for Expenditure ("AFE") for the two wells referenced above on December 3, 2014. The AFEs for those two wells contained an incorrect cost estimate for the Facilities portion. Accordingly, the total estimated cost for each of the wells should be amended.

The Facilities portion of the cost estimate should be $1,718,139, not $3,436,277 reducing the total estimated cost from $8,955,032 to $7,236,894, as further shown below and in the attached:

- Drilling = $2,883,518
- Completions = $2,635,237
- Facilities = ~~$3,436,277~~ $1,718,139
- **TOTAL = ~~$8,955,032~~ $7,236,894**

If you have not done so already, please return your elections at your earliest convenience.

If you have any questions, please contact me at 713-372-1288 or indiaisbell@chevron.com.

Sincerely,

India Isbell
Land Representative

BEFORE THE OIL CONVERSATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: **CHEVRON U.S.A., INC.**
Hearing Date: March 19, 2015

Version 1.4 | **DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE** | Date: 5/19/2014-MK

Field / Area:	S. Eddy - White City — Well Name: White City 21-25-27 5H	DRILLING		COMPLETION		TOTAL
Cost Element	Description	Intangible	Tangible	Intangible	Tangible	TOTAL
74400001	Rig - Daywork	617,100				617,100
	Drilling Rig: Ensign 759 25.5 days 24200 $/day					
	Rig move days 4.5 days $/day					
	Completion Rig: days $/day					
74400002	Drlg Rig - Footage / Turnkey					0
	feet $/foot					
71290100	Fuel - Diesel / Motor Fuels $5000 per day	127,500				127,500
71050200	Fuel - Purchased Natural Gas & Propane					0
71290300	Utilities - Other (potable water)					0
74500023	Mobilization / De-Mobilization (Trucking)	195,000				195,000
	Rig Costs Total	939,600				939,600
66010100	Company Supervision	135,000				135,000
	Drilling 30.0 days 4500 $/day					
	Completion days $/day					
70000300	Contract Project Supervision	25,500				25,500
	Drilling 30.0 days 850 $/day					
	Completion days $/day					
	Supervision Total	160,500				160,500
74400004	Drilling Fluids	90,000				90,000
71900500	Materials, Supply, Repair Parts	30,000				30,000
	Mud, Materials Total	120,000				120,000
70000200	Contract Labor Casual					0
73400300	Other Land Transportation Services (not rail)	95,000				95,000
74400006	Directional Survey and Service Costs	220,000				220,000
74400007	Drill String Rentals and Bits	75,000				75,000
72300100	Surface Equipment Rentals	185,000				185,000
72300200	Well Service Equipment Rentals	110,000				110,000
74400009	Coil Tubing					0
74400010	Stimulation / Gravel Pack Materials					0
74400011	Pumping Service					0
74400014	Perforating & Electric Line Services					0
74400015	Slickline Services					0
	Contract Rentals & Services Total	685,000				685,000
74200300	Solid Waste Disposal	195,000				195,000
74200600	Waste Water Disposal	45,000				45,000
	Waste Disposal Total	240,000				240,000
74400017	Coring					0
74400018	Testing RFT's @ $ per DST	0				0
74400019	Logging Wireline	0				0
74400020	LWD (Logging While Drilling)					0
74400021	Logging - Mud 22 days @ 1250 $ per day	26,875				26,875
	Formation Evaluation Total	26,875				26,875
71900022	Well Pipe Casing		285,043			285,043
	Surface Size: 13-3/8", 48#, H-40, STC Feet: 400 $/ft: 33.58	13,432				
	Intermediate Size: 9-5/8", 40#, HC K55, LTC Feet: 2,200 $/ft: 29.19	64,218				
	Production Size: Feet: $/ft:	0				
	Production Size: 5-1/2", 17#, HC P-110, CDC Feet: 12,250 $/ft: 16.93	207,393				
	Production Size: Feet: $/ft:	0				
71900020	Well Pipe - Tubing Under 2" OD					0
	Size: 2-7/8" Feet: $/ft: 4.92	0				
71900021	Well Pipe - Tubing 2" OD and over					0
	Size: Feet: $/ft:					
71900100	Well Equipment / Materials / Wellhd / Xmas Tree SH-2 wellheads		85,000			85,000
71900120	Submersible Pumps & Equipment					0
71500100	Surface Lifting Equipment / Materials					0
	Rod String Size: Feet: $/ft:					
	Production Pkr:					
	Well Pump:					
	Other:					
	Tangible Equipment Total		370,043			370,043
74400024	Cement & Cementing					
	Surface Size: 17-1/2 x 13-3/8	20,000				20,000
	Intermediate Size: 12-1/4 x 9-5/8	30,000				30,000
	Production Size: 8-3/4 x 5-1/2	165,000				165,000
	Float Equipment	76,000				76,000
	Cement Total	291,000				291,000
74400025	Fishing Costs					0
74400013	Equipment Lost in Hole					0
74500021	Site Work / Roads / Locations	40,000				40,000
74500200	Technical Services					
75590200	Other Professional Services & Fees					0
76200300	Communications - Other	10,500				10,500
94100700	Capitalized G&A 12.0%					0
	Total Cost Estimate	2,513,475	370,043			2,883,518

[redacted]

Facilities and Central Tank Battery -- Detail of Cost Estimate

FIELD: Eddy Co., NM
WELL NAME: White City 21-25-27 Fed Com #5H

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
Pipe - Line (Size 2" and over)	145,563
FCR - Instruments & Electrical	198,000
Sales Tax	79,410
TOTAL COST	**1,718,139**

Version 1.4 **DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE** Date: 5/19/2014-MK

Field / Area:	S. Eddy - White City · Well Name: White City 21-25-27 6H	DRILLING		COMPLETION		TOTAL
Cost Element	Description	Intangible	Tangible	Intangible	Tangible	TOTAL
74400001	Rig - Daywork	617,100				617,100
	Drilling Rig: Ensign 759 · 25.5 days · 24200 $/day					
	Rig move days · 4.5 days · $/day					
	Completion Rig: days · $/day					
74400002	Drlg Rig - Footage / Turnkey					0
	feet · $/foot					
71290100	Fuel - Diesel / Motor Fuels · $5000 per day	127,500				127,500
71050200	Fuel - Purchased Natural Gas & Propane					0
71290300	Utilities - Other (potable water)					0
74500023	Mobilization / De-Mobilization (Trucking)	195,000				195,000
	Rig Costs Total	939,600				939,600
66010100	Company Supervision	135,000				135,000
	Drilling · 30.0 days · 4500 $/day					
	Completion · days · $/day					
70000300	Contract Project Supervision	25,500				25,500
	Drilling · 30.0 days · 850 $/day					
	Completion · days · $/day					
	Supervision Total	160,500				160,500
74400004	Drilling Fluids	90,000				90,000
71900500	Materials, Supply, Repair Parts	30,000				30,000
	Mud, Materials Total	120,000				120,000
70000200	Contract Labor Casual					0
73400300	Other Land Transportation Services (not rail)	95,000				95,000
74400006	Directional Survey and Service Costs	220,000				220,000
74400007	Drill String Rentals and Bits	75,000				75,000
72300100	Surface Equipment Rentals	185,000				185,000
72300200	Well Service Equipment Rentals	110,000				110,000
74400009	Coil Tubing					0
74400010	Stimulation / Gravel Pack Materials					0
74400011	Pumping Service					0
74400014	Perforating & Electric Line Services					0
74400015	Slickline Services					0
	Contract Rentals & Services Total	685,000				685,000
74200300	Solid Waste Disposal	195,000				195,000
74200600	Waste Water Disposal	45,000				45,000
	Waste Disposal Total	240,000				240,000
74400017	Coring					0
74400018	Testing · RFT's @ · $ per DST	0				0
74400019	Logging Wireline	0				0
74400020	LWD (Logging While Drilling)					0
74400021	Logging - Mud · 22 days @ 1250 $ per day	26,875				26,875
	Formation Evaluation Total	26,875				26,875
71900022	Well Pipe Casing		285,043			285,043
	Surface · Size: 13-3/8", 48#, H-40, STC · Feet: 400 · $/ft: 33.58	13,432				
	Intermediate · Size: 9-5/8", 40#, HC K55, LTC · Feet: 2,200 · $/ft: 29.19	64,218				
	Production · Size: · Feet: · $/ft:	0				
	Production · Size: 5-1/2", 17#, HC P-110, CDC · Feet: 12,250 · $/ft: 16.93	207,393				
	Production · Size: · Feet · $/ft:	0				
71900020	Well Pipe - Tubing Under 2" OD					0
	Size: 2-7/8" · Feet: · $/ft: 4.92	0				
71900021	Well Pipe - Tubing 2" OD and over					0
	Size: · Feet: · $/ft:					
71900100	Well Equipment / Materials / Wellhd / Xmas Tree · SH-2 wellheads		85,000			85,000
71900120	Submersible Pumps & Equipment					0
71500100	Surface Lifting Equipment / Materials					0
	Rod String · Size: · Feet: · $/ft:					
	Production Pkr:					
	Well Pump:					
	Other:					
	Tangible Equipment Total		370,043			370,043
74400024	Cement & Cementing					
	Surface · Size: 17-1/2 x 13-3/8	20,000				20,000
	Intermediate · Size: 12-1/4 x 9-5/8	30,000				30,000
	Production · Size: 8-3/4 x 5-1/2	165,000				165,000
	Float Equipment	76,000				76,000
	Cement Total	291,000				291,000
74400025	Fishing Costs					0
74400013	Equipment Lost in Hole					0
74500021	Site Work / Roads / Locations	40,000				40,000
74500200	Technical Services					
75590200	Other Professional Services & Fees					0
76200300	Communications - Other	10,500				10,500
94100700	Capitalized G&A 12.0%					0
	Total Cost Estimate	2,513,475	370,043			2,883,518

[redacted]

Facilities and Central Tank Battery --
Detail of Cost Estimate

FIELD: Eddy Co., NM
WELL NAME: 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
Pipe - Line (Size 2" and over)	145,563
FCR - Instruments & Electrical	198,000
Sales Tax	79,410
TOTAL COST	**1,718,139**