



Sent Certified Mail
Receipt No. 91-7199-9991-7033-2437-5914

October 2, 2014

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521
Attn: Mr. Ryan Van Winkle

RE: **Well Proposal – Lee 3 Fee #1H**
SHL: 330' FSL & 380' FWL (Unit M)
BHL: 330' FNL & 380' FWL (Unit D)
Section 3, T19S, R26E, Eddy County, New Mexico

Dear Ryan:

COG Operating LLC ("COG"), as Operator, proposes to drill the Lee 3 Fee #1H well as a horizontal well at the above-captioned location or at an approved surface location within location unit letter M, to a depth of approximately 3000' TVD, 7144' MD to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$3,548,000 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE"). COG anticipates that it will spud the well on or before November 4, 2014.

COG is proposing to drill this well under the terms of the modified 1989 AAPL Model Form Operating Agreement ("OA," attached)) covering the W ½ of the W ½ of Section 3, T-19-S, R-26-E, with the following general provisions:

- 200/500 Non-consenting penalty
- Drilling and Producing rate:
\$4500/\$450 for vertical wells from surface to 8000'
\$5450/\$545 for vertical wells below 8000' and horizontal wells all depths
- COG named as Operator

If you do not wish to participate in the Operation, COG would like a Term Assignment of your leasehold interest for the following general terms:

- Three year primary term
- 74% net revenue interest delivered, proportionately reduced
- \$1000 per net acre bonus consideration

This offer to acquire your interest is subject to the approval of COG's management and verification of title.

BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: COG Operating LLC
Hearing Date: April 2, 2015

COG will apply to the New Mexico Oil Conservation Division for compulsory pooling for the proposed well. If we do not reach an agreement within 30 days of the date of this letter, your interest will be named in the application.

Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours Truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart", with a stylized flourish at the end.

Stuart A. Dirks, CPL
Senior Landman

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: LEE 3 FEE #1H	PROSPECT NAME: LAKEWOOD/CEMETARY
SHL: 330' FSL & 380' FWL UL: M	STATE & COUNTY: New Mexico, Eddy
BHL: 330' FNL & 380' FWL UL: LOT 4	OBJECTIVE: SH9 Yeso Horizontal
FORMATION: YESO	DEPTH: 7,144
LEGAL: SEC. 3 T19S R26E API#: 30-015-39586	TVD: 3,000

INTANGIBLE COSTS		BCP	ACP	TOTAL
Trial/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	0	22,000
Damages/Right of Way	203	50,000	0	50,000
Survey/Stake Location	204	3,000	0	3,000
Location/Pits/Road Expense	205	55,000	25,000	80,000
Drilling / Completion Overhead	206	2,500	2,000	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract (0 days /spud-ris @ \$0)	209	160,000	29,000	189,000
Directional Drilling Services (0 dir days @ \$0)	210	125,000	310	125,000
Fuel & Power	211	33,000	6,000	39,000
Water	212	27,000	130,000	157,000
Bits	213	25,000	5,000	30,000
Mud & Chemicals	214	21,000	0	21,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	42,000		42,000
Cement Intermediate	218	0		0
Cement 2nd Intermediate/Production	218	0	61,000	61,000
Cement Squeeze & Other (Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	2,000	20,000	22,000
Casing Crews & Equipment	222	5,000	12,000	17,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	8,000	324	8,000
Contract Labor	225	18,000	21,000	37,000
Company Supervision	226	2,000	2,000	4,000
Contract Supervision	227	19,000	20,000	39,000
Testing Casing/Tubing	228	3,000	5,000	8,000
Mud Logging Unit (logging 124 days)	229	10,000	329	10,000
Logging	230	0	330	0
Perforating/Wireline Services	231	1,500	331	96,500
Stimulation/Treating			332	1,100,000
Completion Unit			333	30,000
Swabbing Unit			334	0
Rentals-Surface	235	16,000	335	200,000
Rentals-Subsurface	236	26,000	336	80,000
Trucking/Forklift/Rig Mobilization	237	43,000	337	20,000
Welding Services	238	5,000	338	2,500
Water Disposal	239	0	339	130,000
Plug to Abandon	240	0	340	0
Seismic Analysis	241	0	341	0
Closed Loop & Environmental	244	55,000	344	0
Miscellaneous	242	0	342	0
Contingency 10%	243	79,000	343	198,500
TOTAL INTANGIBLES		866,000	2,174,000	3,040,000
TANGIBLE COSTS				
Surface Casing (8 5/8" 32# J55 LTC)	401	25,000		25,000
Intermediate Casing(2150' 8 5/8" 32# J55 LTC)	402	0	503	0
Production Casing (5 1/2" 17# L80)			503	107,000
Tubing			504	15,000
Wellhead Equipment	405	6,000	505	20,000
Pumping Unit			506	80,000
Prime Mover			507	20,000
Rods			508	12,000
Pumps			509	70,000
Tanks			510	21,000
Flowlines			511	8,000
Heater Treater/Separator			512	30,000
Electrical System			513	20,000
Packers/Anchors/Hangers		0	514	2,500
Couplings/Fittings/Valves	415	500	515	80,500
Gas Compressors/Meters			516	5,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	500
Contingency	420	2,000	520	23,000
TOTAL TANGIBLES		34,000	474,000	508,000
TOTAL WELL COSTS		900,000	2,648,000	3,548,000

COG Operating LLC

By: Carl Bird

Date Prepared: 9/9/2013

GB

We approve:
_____% Working Interest

COG Operating LLC

By: _____

Company:

By: _____

Printed Name:

Title:

Date:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.