



**CERTIFIED MAIL &
FEDERAL EXPRESS**

April 22, 2015

Jerry Paul Alexander
10171 Trail Ridge Dr.
Benbrook TX 76126

Re: **Well Proposal – Salvador Fee #4H**
W/2 W/2 of Section 10:T24S-R34E: Unit Area
SHL: 190' FSL & 660' FWL, or a legal location in Unit M
BHL: 330' FNL & 660' FWL, or a legal location in Unit D
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Salvador Fee No. 4H well as a horizontal well at the above-captioned location, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 10,985' and a MD of 15,600' to test the Bone Spring Formation ("Operation"). The total cost of the Operation is estimated to be \$6,905,040.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers W/2 of Section 10 T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

If you do not wish to participate in the Operation, COG would like to lease your minerals under the following general terms:

- \$750/Net Mineral Acre
- 3 Yr. Primary Term
- Delivery of an 80% NRI, proportionately reduced (1/5 Royalty)

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience.

BEFORE THE OIL CONVERSATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: COG OPERATING LLC
Hearing Date: June 25, 2015

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: SALVADOR FEE #4H	PROSPECT NAME: BULLDOG 2434 (717040)
SHL: 190 FSL & 660 FWL	STATE & COUNTY: New Mexico, Lea
BHL: 330 FNL & 660 FWL	OBJECTIVE: DRILL & COMPLETE
FORMATION: DBSS/2ND BSS	DEPTH: 15,600 PH: 12200
LEGAL: 10-24S-34E	TVD: 10,985

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit 201	11,000		11,000
Insurance 202	4,000	302	4,000
Damages/Right of Way 203	5,000	303	5,000
Survey/Stake Location 204	7,000	304	7,000
Location/Pits/Road Expense 205	80,000	305 20,000	100,000
Drilling / Completion Overhead 206	8,000	306	8,000
Turnkey Contract 207	0	307	0
Footage Contract 208	0	308	0
Daywork Contract 209	400,000	309	400,000
Directional Drilling Services 210	145,000	310	145,000
Fuel & Power 211	58,000	311 8,500	66,500
Water 212	53,000	312 370,000	423,000
Bits 213	64,000	313 8,000	70,000
Mud & Chemicals 214	50,000	314 21,250	71,250
Drill Stem Test 215	0	315	0
Coring & Analysis 216	0		0
Cement Surface 217	33,000		33,000
Cement Intermediate 218	55,000		55,000
Cement 2nd Intermediate/Production 218	0	319 135,000	135,000
Cement Squeeze & Other (Kickoff Plug) 220	0	320	0
Float Equipment & Centralizers 221	22,000	321 14,000	36,000
Casing Crews & Equipment 222	15,000	322 17,000	32,000
Fishing Tools & Service 223	0	323	0
Geologic/Engineering 224	0	324	0
Contract Labor 225	8,000	325 176,500	184,500
Company Supervision 226	0	326	0
Contract Supervision 227	38,000	327 70,000	108,000
Testing Casing/Tubing 228	10,000	328	10,000
Mud Logging Unit 229	21,000	329	21,000
Logging 230	250,000	330	250,000
Perforating/Wireline Services 231	6,000	331 182,000	188,000
Stimulation/Treating 231	0	332 2,200,000	2,200,000
Completion Unit 231	0	333 80,000	80,000
Swabbing Unit 231	0	334	0
Rentals-Surface 235	85,000	335 185,000	270,000
Rentals-Subsurface 236	85,000	336 20,000	105,000
Trucking/Forklift/Rig Mobilization 237	115,000	337 45,000	180,000
Welding Services 238	4,000	338 5,000	9,000
Water Disposal 239	0	339 362,000	362,000
Plug to Abandon 240	0	340	0
Seismic Analysis 241	0	341	0
Closed Loop & Environmental 244	140,000	344 5,000	145,000
Miscellaneous 242	0	342	0
Contingency 243	38,000	343 50,000	88,000
TOTAL INTANGIBLES	1,808,000	3,982,250	5,790,250
TANGIBLE COSTS			
Surface Casing 401	54,000		54,000
Intermediate Casing 402	138,000	503	138,000
Production Casing 402	0	503 234,000	234,000
Tubing 402	0	504 65,000	65,000
Wellhead Equipment 405	15,000	505 15,000	30,000
Pumping Unit 405	0	506 103,500	103,500
Prime Mover 405	0	507	0
Rods 405	0	508 55,000	55,000
Pumps 405	0	509 38,000	38,000
Tanks 405	0	510 90,000	90,000
Flowlines 405	0	511 27,000	27,000
Heater Treater/Separator 405	0	512 54,000	54,000
Electrical System 405	0	513 38,000	38,000
Packers/Anchors/Hangers 414	0	514	0
Couplings/Fittings/Valves 415	0	515 135,000	135,000
Gas Compressors/Meters 415	0	516 7,290	7,290
Dehydrator 415	0	517	0
Injection Plant/CO2 Equipment 415	0	518	0
Miscellaneous 419	0	519	0
Contingency 420	0	520 50,000	50,000
TOTAL TANGIBLES	207,000	807,790	1,114,790
TOTAL WELL COSTS	2,015,000	4,890,040	6,905,040

COG Operating LLC

Date Prepared: 4/14/2015

We approve:
% Working Interest

COG Operating LLC

By: ALEX KORZENIEWSKI KG

Company: Jerry Paul Alexander
By:

Printed Name:

Title:

Date:

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



**CERTIFIED MAIL &
FEDERAL EXPRESS**

April 22, 2015

Jerry Paul Alexander
10171 Trail Ridge Dr.
Benbrook TX 76126

Re: **Well Proposal – Salvador Fee No. 3H**
E/2 W/2 of Section 10:T24S-R34E: Unit Area
SHL: 190' FSL & 1,470' FWL, or a legal location in Unit N
BHL: 330' FNL & 1,980' FWL, or a legal location in Unit C
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Salvador Fee No. 3H well as a horizontal well at the above-captioned location, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 11,000' and a MD of 15,600' to test the Bone Spring Formation ("Operation"). The total cost of the Operation is estimated to be \$6,655,040.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers W/2 of Section 10 T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

If you do not wish to participate in the Operation, COG would like to lease your minerals under the following general terms:

- \$750/Net Mineral Acre
- 3 Yr. Primary Term
- Delivery of an 80% NRI, proportionately reduced (1/5 Royalty)

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience.



If you have any questions, please do not hesitate to contact the undersigned at 432-221-0465.

Respectfully,

A handwritten signature in black ink, appearing to read "Mike Wallace".

Mike Wallace
Senior Landman

_____ I/We hereby elect to participate in the Salvador Fee No. 3H.

_____ I/We hereby elect not to participate in the Salvador Fee No. 3H.

Company or
Individual Name: Jerry Paul Alexander.

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	SALVADOR FEE #3H	PROSPECT NAME:	BULLDOG 2434 (717040)
SHL:	190 FSL & 1470 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	330 FNL & 1980 FWL	OBJECTIVE:	DRILL & COMPLETE
FORMATION:	DBSS/2ND BSS	DEPTH:	15,600
LEGAL:	10-24S-34E	TVD:	11,000

INTANGIBLE COSTS		BCP	ACP	TOTAL
Time/Curative/Permit	201	11,000		11,000
Insurance	202	4,000	302	4,000
Damages/Right of Way	203	5,000	303	5,000
Survey/Stake Location	204	7,000	304	7,000
Location/Pits/Road Expense	205	80,000	305	100,000
Drilling / Completion Overhead	206	8,000	306	8,000
Turnkey Contract	207	0	307	0
Footage Contract	208	0	308	0
Daywork Contract	209	400,000	309	400,000
Directional Drilling Services	210	145,000	310	145,000
Fuel & Power	211	58,000	311	88,500
Water	212	53,000	312	423,000
Bits	213	84,000	313	70,000
Mud & Chemicals	214	50,000	314	71,250
Drill Stem Test	215	0	315	0
Coring & Analysis	216	0		0
Cement Surface	217	33,000		33,000
Cement Intermediate	218	55,000		55,000
Cement 2nd Intermediate/Production	218	0	319	135,000
Cement Squeeze & Other (Kickoff Plug)	220	0	320	0
Float Equipment & Centralizers	221	22,000	321	38,000
Casing Crews & Equipment	222	15,000	322	32,000
Fishing Tools & Service	223	0	323	0
Geologic/Engineering	224	0	324	0
Contract Labor	225	8,000	325	178,500
Company Supervision	226	0	326	0
Contract Supervision	227	38,000	327	108,000
Testing Casing/Tubing	228	10,000	328	10,000
Mud Logging Unit	229	21,000	329	21,000
Logging	230	0	330	0
Perforating/Wireline Services	231	6,000	331	188,000
Stimulation/Treating		0	332	2,200,000
Completion Unit		0	333	80,000
Swabbing Unit		0	334	0
Rentals-Surface	235	85,000	335	270,000
Rentals-Subsurface	236	85,000	336	105,000
Trucking/Forklift/Rig Mobilization	237	115,000	337	180,000
Welding Services	238	4,000	338	9,000
Water Disposal	239	0	339	362,000
Plug to Abandon	240	0	340	0
Seismic Analysis	241	0	341	0
Closed Loop & Environmental	244	140,000	344	145,000
Miscellaneous	242	0	342	0
Contingency	243	38,000	343	88,000
TOTAL INTANGIBLES		1,588,000	3,982,250	5,540,250
TANGIBLE COSTS				
Surface Casing	401	54,000		54,000
Intermediate Casing	402	138,000	503	138,000
Production Casing		0	503	234,000
Tubing		0	504	85,000
Wellhead Equipment	405	15,000	505	30,000
Pumping Unit		0	506	103,500
Prime Mover		0	507	0
Rods		0	508	55,000
Pumps		0	509	38,000
Tanks		0	510	90,000
Flowlines		0	511	27,000
Heater Treater/Separator		0	512	54,000
Electrical System		0	513	38,000
Packers/Anchors/Hangers	414	0	514	0
Couplings/Fittings/Valves	415	0	515	138,000
Gas Compressors/Meters		0	516	7,280
Dehydrator		0	517	0
Injection Plant/CO2 Equipment		0	518	0
Miscellaneous	419	0	519	0
Contingency	420	0	520	50,000
TOTAL TANGIBLES		207,000	907,780	1,114,780
TOTAL WELL COSTS		1,785,000	4,890,040	6,655,040

COG Operating LLC

Date Prepared: 4/14/2015

We approve:
_____% Working Interest

COG Operating LLC
By: ALEX KORZENEWSKI _____ KG

Company: Jerry Paul Alexander
By: _____

Printed Name:
Title:
Date:

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