PRAIRIE SUN, INC.
AUTHORITY FOR EXPENDITURE

LAGUNA GRANDE FED. #1
1380' FSL & 990' FEL
SEC. 28-T23S-R29E
EDDY COUNTY, NEW MEXICO N.M.P.M.
Pool: Laguna Grande Morrow   Proposed Depth: PBTD--13,607'   Date:12-13-99
Administrative Order NSL-724 (9-22-75) for Non-Standard Location. Pooling Order #R-11292
Objective: Workover to place well back in production from the Morrow or Wolfcamp formations.

INTANGIBLE EXPENSES:	Dry Hole	Producer
Road Repairs, Dirt Work	10,500	12,500
Double Drum Pulling Unit (14 Days @ $1500)	60,000	60,000
Reverse Unit & Rental Equipment	34,800	38,500
Bits	7,500	7,500
Water, KCL & Brine	4,000	7,000
Work String	11,000	11,000
Packers & Cement retainers	4,500	11,600
Perforating and Wireline	9,500	9,500
Cementing charges	22,000	22,000
Acid & Stimulation	25,000	25,000
Frac Tanks & Transportation	3,500	3,500
Forklift and Trucking	4,200	6,000
BHP Bombs & Testing		7,500
Roustabout Gang & installation charges	2,500	4,500
Supervision & Engineering	7,000	9,000
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Total Intangibles	206,000	235,100
TANGIBLE EXPENSES:		
Recond. Wellhead & Tree (10K)	9,000	18,000
5 1/2" N-80 Csg 10,300' @ 6.50	66,950	66,950
2 3/8" N-80 EUE tbg. 13,600' @ $2.80		38,080
Stack-Pack & connections		20,000
Tanks & flowlines		21,000
Packer & On/Off tool		6,500
Meter run, & connections		7,500
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Total Tangibles	75,950	178,030
TOTAL WELL COSTS:	**$281,950**	**$413,130**

APPROVALS:
PRAIRIE SUN, INC.   By:_____   Date:_12-23-99_

50%   WI   Title:__Agent__
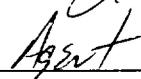
EXXON, INC.   By:_____   Date:_____

50%   WI   Title:_____