

FEDERAL EXPRESSUSE THIS AIRBILL FOR DOMESTIC SHIPMENTS AND FOR SHIPMENTS FROM PUERTO RICO TO THE U.S.A.
FILL OUT PURPLE AREAS FOR ASSISTANCE. CALL 800-238-5355, TOLL FREE.
SEE BACK OF FORM SET FOR COMPLETE PREPARATION INSTRUCTIONS.

Sender's Federal Express Account

Date

51298

1006-9794-7

2-8-88

(Your Name)

Your Phone Number (Very Important)

To (Recipient's Name)

Recipient's Phone Number (Very Important)

Michael A. Morgenthau

915 688-0542

William McAlpine, Jr.

505 623-2733

SANTA FE EXPLORATION CO

Department/Floor No.

Department/Floor No.

Street Address

4 SMITH RD STE 800

SANTA FE EXPLORATION COMPANY

Exact Street Address (Use of P.O. Boxes or P.O. Zip Codes Will Delay Delivery And Result in Extra Charge.)

2200 WEST Mescalero ROAD

CITY

State

TX

City

State

ROSWELL

NM

BILL NO. 255872794

ZIP *Zip Code Required For Correct Invoicing

79705

ZIP Street Address Zip Required (Use P.O. Box Zip Code)

88201

BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE.)

HOLD FOR PICK-UP AT THIS FEDERAL EXPRESS STATION:

Street Address (See Service Guide or Call 800-238-5355)

Federal Express Use

Base Charges

Declared Value Charge

Origin Agent Charge

Total Charges

PART
#2041738901
FEC-S-751-1000
REVISION DATE
1/1/84☐ Bill Shipper ☒ Bill Recipient's FedEx Acct. No. ☐ Bill 3rd Party FedEx Acct. No. ☐ Bill Credit Card
Fill in line below. Fill in line below. Fill in line below.
☐ Cash FedEx Acct. No. or Major Credit Card No.

City

State

SERVICES

CHECK ONLY ONE BOX

PRIORITY 1 OVERNIGHT LETTER

Overnight Delivery Using Your Packaging 6 (Our Packaging) 8"x12"

OVERNIGHT DELIVERY USING OUR PACKAGING

Courier-Pak Overnight Envelope 12" x 15 1/2"

Overnight Box 12 1/4" x 17 1/8" x 3" A

Overnight Tube 38" x 6" x 6" x 6" B

STANDARD AIR

Delivery not later than second business day

SERVICE COMMITMENT

PRIORITY 1: Delivery is scheduled early next business morning in most locations. It may take two or more business days if the destination is outside our primary service areas.

STANDARD AIR: Delivery is generally next business day or not later than second business day. It may take three or more business days if the destination is outside our primary service areas.

DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED

1 ☐ HOLD FOR PICK-UP Give the Federal Express address where you want package held in Section H at right.2 ☒ DELIVER WEEKDAY3 ☐ DELIVER SATURDAY (Extra charge applies)4 ☐ RESTRICTED ARTICLES SERVICE (P-1 and Standard Air Packages only. Extra charge applies)5 ☐ CONSTANT SURVEILLANCE SERVICE (CSS) (Extra charge applies)6 ☐ DRY ICE _____ Lbs.7 ☐ OTHER SPECIAL SERVICE _____8 ☐
9 ☐ SATURDAY PICK-UP OR SATURDAY DROP-OFF (Extra charge applies)

PACKAGES

WEIGHT

YOUR DECLARED VALUE (See right)

OVER SIZE

Total

Total

Total

Received At

Shipper's Door

☐ Regular Stop☐ On-Call Stop☐ FedEx Loc.

Federal Express Corp. Employee No.

Date/Time For Federal Express Use

ZIP *Zip Code of Street Address Required

YOUR DECLARED VALUE

DAMAGE OR LOSS

We are liable for no more than \$100 per package in the event of physical loss or damage, unless you fill in a higher Declared Value to the left and document higher actual loss in the event of a claim. We charge 30¢ for each additional \$100 of declared value up to the maximum shown in our Service Guide. Declared value restrictions are shown on the back of the Shipper's Copy of this airbill. We make no express or implied warranties.

DELAY

There is always a risk of late delivery or non-delivery. In the event of a late delivery Federal Express will, at your request, refund all transportation charges paid. See back of Shipper's Copy of this airbill for further information.

CONSEQUENTIAL DAMAGES

We will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to a package, except as noted above. This includes loss of sales, income, interest, profits, attorneys fees and other costs, but is not limited to these items. Such damages are called "consequential damages".

SHIPPER'S COPY



**Sun Exploration and
Production Company**
Sun Tower
ClayDesta Plaza
No 24 Smith Rd Suite 600
Midland TX 79705
915 688 0532

February 8, 1988

FEDERAL EXPRESS

Santa Fe Exploration Company
2200 West Mescalero Road
Roswell, NM 88201

Attn: William A. McAlpine, Jr.

Re: Corbin Prospect
Corbin Fed Com #1,
N/2 Section 26
T-18-S, R-33-E
Lea County, New Mexico

Gentlemen:

Sun Exploration and Production Company provides an incremental cost breakdown for each potential productive formation likely to be encountered enroute to the Morrow formation. We sent to you under cover letter dated January 26, 1988, an AFE for the Morrow formation which represented the total depth for this prospect. As of this date, we have not received your response concerning any of our correspondence sent to you before January 22, 1988.

The AFE costs breakdown for the addition uphole formations are as follows: (The figures are based on 100% working interest)

BONE SPRINGS - 9,600' - Santa Fe Exploration would have 10% working interest in this horizon.

Completed (\$M)			
Int: 510	Tang: 286	Total: 796	

Dry (\$M)			
Int: 395	Tang: 138	Total: 533	

BONE SPRINGS - 10,400' - Santa Fe Exploration would have 10% working interest in this horizon.

Complete (\$M)			
Int: 562	Tang: 310	Total: 872	

Dry (\$M)			
Int: 427	Tang: 138	Total: 565	

SUN EXPLORATION AND PRODUCTION COMPANY
CASE # 9310
MARCH 16, 1988
EXHIBIT # _____

1L11/169 - (1)

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION <i>Sun</i> EXHIBIT NO. <i>1211</i> CASE NO. <i>9310</i>

AFE LETTER AGREEMENT
Santa Fe Exploration Company
February 8, 1988

WOLFCAMP - 11,400' - Santa Fe Exploration would have 20% working interest in this horizon.

Completed (\$M)
Int: 642 Tang: 340 Total: 982

Dry (\$M)
Int: 507 Tang: 138 Total: 645

STRAWN - 12,500' - Santa Fe Exploration would have 20% working interest in this horizon.

Completed (\$M)
Int: 730 Tang: 372 Total: 1,102

Dry (\$M)
Int: 595 Tang: 138 Total: 733

If you plan to join in the captioned well as to any or all of the aforementioned formations, please execute both copies of this AFE Letter and clearly signify which horizons you intend to participate in. Return one (1) executed copy to the undersigned along with your check for your corresponding percentage of the dry hole cost associated therewith, by Friday, February 12, 1988.

Yours very truly,

SUN EXPLORATION AND PRODUCTION COMPANY



Michael A. Morgenthaler
Professional Landman

cjw

SANTA FE EXPLORATION COMPANY

BY: _____

TITLE: _____