

AUTHORITY FOR EXPENDITURE-DRILLING

SUN-9648

** REVISED **

SUN <input type="checkbox"/> 100% CO-OP <input type="checkbox"/> OBO <input checked="" type="checkbox"/> C.O.-P.I.		ORIGINATING LOCATION Sun Exploration & Production Co. Sun Tower Bldg, Midland, TX 79705		POLLUTION CONTROL <table border="1"> <tr> <td>EST. AMOUNT</td> <td></td> <td>OIL</td> <td></td> <td>GAS</td> <td></td> </tr> <tr> <td></td> <td></td> <td>WATER</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>\$</td> <td></td> <td>AIR</td> <td></td> <td></td> <td></td> </tr> </table>			EST. AMOUNT		OIL		GAS				WATER		X		\$		AIR				AFE NUMBER DATE 8-7-86
EST. AMOUNT		OIL		GAS																					
		WATER		X																					
\$		AIR																							
JNT REQUESTED EST. COMPLETION DATE		EXPENDITURE BUDGETED <input type="checkbox"/> YES YEAR _____ <input type="checkbox"/> NO <input type="checkbox"/> PARTIALLY		COMPLETE FOR OBO APPROPRIATIONS ONLY OPERATOR'S NAME AFE NUMBER																					
PROPERTY ID NUMBER *726550*		PROPERTY NAME New Mexico Federal		WELL NO. #1		TOTAL DEPTH 13700'																			
PROSPECT NAME Mescalero Ridge		PROSPECT ID NUMBER 4465		CLASSIFICATION NFW																					
FIELD Wildcat		MUNICIPALITY/PARISH/COUNTY Lea		PROVINCE/STATE New Mexico																					
PRIMARY OBJECTIVE <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLANT LIQUID				AFE COMPLETED																					
SUMMARY DBI CBI II				SIGNED Walter A. Burks		DATE 8-7-86																			
NON DRILLING PROJECT DESCRIPTION Funds requested to drill and complete a 13700' Morrow test.					WORKING INTEREST OWNERS SUN: _____ _____ _____ _____ _____ _____ _____																				
NOTICE TO NON-OPERATORS: All figures on this AFE are estimates only; approval of this authorization shall extend to the actual costs as specified in the operating agreement.																									

	100% COSTS	PRODUCER	DRY HOLE
	INTANGIBLE	M \$	M \$
	LOCATION	25	25
	RIG MOVE		
42	FOOTAGE \$24/ft.	333	333
43	DAY WORK	32	32
44	BITS AND RMRS	1	
45	FUEL		
46	WATER	20	20
47	MUD AND CHEM	70	70
48	CMT AND CMTG SER	70	45
49	DIRECTIONAL SER		
50	RENTALS	45	25
51	MUD LOGGING	18	18
52	DST AND TSTG EQPT (2)	8	8
53	CORING		
54	LOGS-WLT-SWC	35	32
55	CSG/TBG TOOLS AND SER	30	10
56	COMPLETION RIG	20	
57	PERFORATING	10	
58	STIMULATION	15	
59	SUPERVISION	32	28
60	TRANSPORTATION	15	8
61	MISC/CONTINGENCY	71	56
62	SUPERVISION		
	TOTAL INTANGIBLE	\$ 850	\$ 710

	TANGIBLE	PRODUCER	DRY HOLE
	M \$	M \$	M \$
	PIPE 13-3/8" (500')	12	12
	PIPE 8-5/8" (5200')	72	72
	PIPE 5-1/2" (13700')	136	
	PIPE 2-7/8" (13500')	70	
	PIPE		
	PIPE		
	PIPE		
	WELLHEAD	30	12
	OTHER	20	9

TOTAL TANGIBLE \$ 340 \$ 105

TOTAL DRILLING COST \$ 1190 \$ 815

NOTE: TANGIBLE ITEMS ARE PRICED AT CURRENT MILL PRICE.

JOINT OWNER APPROVAL

NAME _____

BY _____

DATE _____

APPROVED BY

DATE

JOINT OWNER(S)
APPROVAL OBTAINED

SUN

9007