

AMERIND OIL COMPANY, LTD.

AUTHORIZATION FOR EXPENDITURE

Field No. 1 Well
 NE/4 SE/4 (Proration Unit N/2 SE/4)
 Section 3, T16S, R35E
 West Lovington Strawn Field
 Lea County, New Mexico

To drill and complete in the Strawn formation:

<u>INTANGIBLE</u>	<u>Casing Point</u>	<u>Pumping Completion</u>	<u>Total</u>
Drilling 11,800' @ \$19.30/ft.	\$228,000	\$	\$
Daywork - 4 @ \$4,900	20,000		
Drilling mud and water	20,000		
Location and surface damages	20,000		
Drill stem test (1)	3,000		
Log and perforate	25,000	5,000	
Cementing - surface 400 sx	5,000		
- inter. 800 sx	8,000		
- prod. 500 sx		12,000	
Supervision	6,000	5,000	
Mud logging & geological	7,000		
Contract services & equipment rentals	10,000	25,000	
Completion unit - 4 days		6,000	
Acid treatment - cleanup		5,000	
Drilling and completion overhead	5,000	2,000	
Title opinion	3,000		
Insurance	3,000		
TOTAL INTANGIBLE	\$363,000	\$ 60,000	\$423,000
 TANGIBLE			
Casing			
Surface 400' 12-3/4" 35.0# J55 ST&C	\$ 6,000		
Inter. 4,750' 8-5/8" 32.0# J55 ST&C	60,000		
Prod. 11,000' 5-1/2" 17.0# N80 LT&C		82,000	
800' 5-1/2" 20.0# N80 LT&C		7,000	
Tubing 11,400' 2-7/8" 6.5# N80 T&C		40,000	
Pumping equipment		60,000	
Wellhead and packer	6,000	7,000	
Tank battery & misc.		30,000	
TOTAL TANGIBLE	\$ 72,000	\$226,000	\$298,000
 Contingencies/P&A	 15,000	 14,000	 29,000
TOTAL AFE AMOUNT	\$450,000	\$300,000	\$750,000

RECOMMENDED BY:

APPROVED BY:

AMERIND OIL COMPANY, LTD.



ROBERT C. LEIBROCK

DATE: January 30, 1997

DATE: _____

BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 11754 Exhibit No. 5
 Submitted By:
Amerind Oil Company
 Hearing Date: April 3, 1997