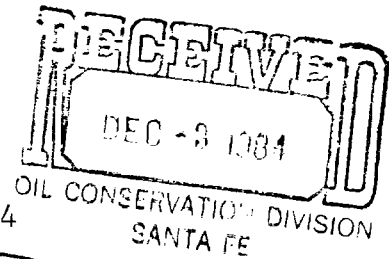


BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701



November 29, 1984

Re: Case No. 8231
~~Order No.~~ R-7484-A
T-16-S, R-37-E
Section 21: S/2 SW/4
Lea County, New Mexico
Amerind Oil Co.
#2 Higgins Trust, Inc.

M.S.

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

On October 3, 1984 I forwarded to your office the itemized schedule of actual well cost covering the above.

Pursuant to the above order No. 7484-A, if no objection to the actual well cost is received by the Division and the Division has not objected within 45 days following receipt of the actual cost, the actual well cost shall be considered as reasonable well costs. Since we have received no objection please be advised Amerind Oil Co. will consider the itemized schedule of actual well cost forwarded on October 3, 1984 as reasonable cost.

Yours very truly,

Bill Seltzer

BS/kp
cc: Amerind Oil Co.
Jim Bruce

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

RECEIVED
OCT 10 1984
OIL CONSERVATION DIVISION
ENERGY AND MINERAL DEPT.
SANTA FE, NEW MEXICO

October 3, 1984

Re: Case No. 8231
Order No. R-7484-A
T-16-S, R-37-E
Section 21: S/2 SW/4
Amerind Oil Co.
#2 Higgins Trust, Inc.

Oil Conservation Division
Energy and Mineral Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pursuant to the above Case No., please be advised Amerind Oil Co., 500 Wilco Building, Midland, Texas 79701 has completed their #2 Higgins Trust from the Strawn Formation on August 30, 1984.

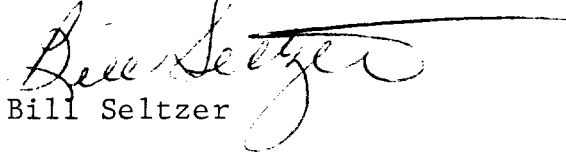
Enclosed please find an itemized schedule of actual well costs for the well presently flowing.

We request the Division to accept these costs as reasonable costs in the drilling and completing of the #2 Higgins Trust located T-16-S, R-37-E, S/2 of SW/4 of Section 21, Lea County, New Mexico.

We reserve the right to adjust the actual cost if and when it may become necessary to place the well on a pump. Our estimated cost to install a pump and necessary equipment thereto is \$130,000.00.

The non-consenting parties are unknown and therefore we are unable to forward the actual cost to the parties.

Yours very truly,


Bill Seltzer

BS/kp
Enclosure

cc: Amerind Oil Co.

AMERIND OIL Co.

HIGGINS TRUST, INC. NO. 2, LEA COUNTY, TEXAS

October 1, 1984

LEASE EQUIPMENT:

Surface Casing	\$ 6,115.63
Interim Casing	42,037.29
Production Casing	95,961.69
Tubing	37,725.86
Metering Equipment	471.73
Circulating Pump	1,100.57
Tanks & Heater Treaters	8,146.45
Well Head Equipment	11,822.62

TOTAL LEASE EQUIPMENT

\$203,381.84

INTANGIBLE COST:

Supervision	\$ 9,079.81
Consulting Fees	150.00
Geological	1,125.00
Drilling	199,945.08
Mud & Chemicals	20,362.24
Acidizing	5,783.84
Trucking	792.75
Water	3,571.59
Cementing	29,007.56
Coring & Core Analysis	6,359.20
Wireline Services	21,974.55
Location	20,957.86
Contract Services	27,449.82
Inspections	4,205.96
Supplies	231.86
Equipment Rental	1,671.59
Testing	6,652.18
Miscellaneous	139.97
Drilling Overhead	6,064.46

TOTAL INTANGIBLE

365,525.32

LEASE OPERATING EXPENSE:

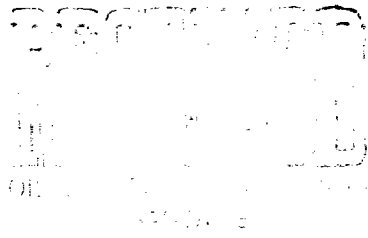
Pumper Salary & Exp.	\$ 68.27
Administrative Overhead	103.22
Oil Treating & Chemicals	479.76
Salt Water Disposal	911.55

TOTAL LEASE OPERATING EXP.

1,562.80

TOTAL COST

\$570,469.96

BILL SELTZER507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

October 3, 1984

M!

Re: Case No. 8231
Order No. R-7484-A
T-16-S, R-37-E
Section 21: S/2 SW/4
Amerind Oil Co.
#2 Higgins Trust, Inc.

Oil Conservation Division
Energy and Mineral Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

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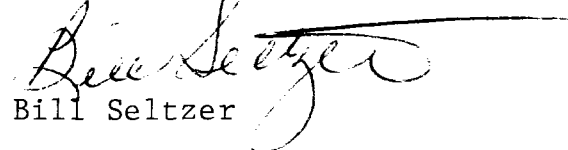
Enclosed please find an itemized schedule of actual well costs for the well presently flowing.

We request the Division to accept these costs as reasonable costs in the drilling and completing of the #2 Higgins Trust located T-16-S, R-37-E, S/2 of SW/4 of Section 21, Lea County, New Mexico.

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The non-consenting parties are unknown and therefore we are unable to forward the actual cost to the parties.

Yours very truly,


Bill Seltzer

BS/kp
Enclosure

cc: Amerind Oil Co.

AMERIND OIL Co.

HIGGINS TRUST, INC. NO. 2, LEA COUNTY, TEXAS

October 1, 1984

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TOTAL LEASE EQUIPMENT

\$203,381.84

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Supervision	\$ 9,079.81
Consulting Fees	150.00
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Drilling	199,945.08
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Supplies	231.86
Equipment Rental	1,671.59
Testing	6,652.18
Miscellaneous	139.97
Drilling Overhead	<u>6,064.46</u>

TOTAL INTANGIBLE

365,525.32

LEASE OPERATING EXPENSE:

Pumper Salary & Exp.	\$ 68.27
Administrative Overhead	103.22
Oil Treating & Chemicals	479.76
Salt Water Disposal	<u>911.55</u>

TOTAL LEASE OPERATING EXP.

1,562.80

TOTAL COST

\$570,469.96

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

See 8231

July 10, 1984

Re: Case No. 8231
Order No. R-7484-A
T-16-S, R-37-E
Section 21: S/2 SW/4
Lea County, New Mexico

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

Reference is hereby made to the above case and order regarding the order for compulsory pooling.

Please refer to my letter of July 9, 1984 in which I forwarded to your office an AFE covering the cost for drilling the Amerind Oil Co. #2 Higgins Trust and their Drilling Prognosis.

Please be advised the operator is unable to furnish each of the unknown mineral owners an itemized schedule of the Estimated Well Costs because the whereabouts are unknown and the heirs of the parties, if any, are unknown.

We trust this procedure meets with your approval.

Sincerely,

Amerind Oil Co.

By: *Bill Seltzer*
Bill Seltzer

BS/kp

cc: Amerind Oil Co.
500 Wilco Building
Midland, Texas 79701

Mr. Jim Bruce
Box 2068
Santa Fe, New Mexico 87504

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 9, 1984

Re: Case No. 8231
Order No. R-7484-A
T-16-S, R-37-E
Section 21: S/2 SW/4
Lea County, New Mexico

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

Pursuant to the above we are enclosing the following:

1. Amerind Oil Co AFE for the drilling of the Higgins Trust Inc. #2.
2. Drilling Prognosis for the drilling of the Higgins Trust Inc. #2.

The Higgins Trust Inc #2 was spudded on 7/9/84.

Sincerely,

Amerind Oil Co.

By: Bill Seltzer
Bill Seltzer

cc: Amerind Oil Co.
500 Wilco Building
Midland, Texas 79701

AMERIND OIL Co.

Higgins Trust, Inc. No. 2
660' FSL, 510' FWL
21-T16S-R37E
Lea County, New Mexico
GL 3800' KB 3814'

DRILLING PROGNOSIS

OBJECTIVE Lower Strawn Lime Est. Top @ 11,300' (-7486')

CASING & CEMENTING PROGRAM

Surface: Drill 17½" hole to 400'±. Run 400' 13 3/8" csg. Cement with approx. 400 sx C1 "C".

Intermediate: Drill 11" hole to 4300'. Run fluid caliper. Run 8 5/8" csg to bottom. Cement with approx. 1,700 sx Halliburton light & tail-in with 300 sx C1 "C".

Production: Drill 7 7/8" hole to 11,600'±. Run 11,600' 5½" csg. Cement with approx 300 sx C1 "H". Run temperature survey.

MUD PROGRAM

Depth	Mud Weight	Viscosity	Water Loss	Solids
0 to 400'	8.7 to 9.0	38 to 45	No control	43 Spud mud
400 to 2,000'	9.0 to 9.4	32 to 34	No control	44 Native mud
2,000 to 4,300'	10.0 to 10.2	32 to 34	No control	45 Saturated brine
4,300 to 9,500'	8.4	26 to 28	No control	41 Fresh water
9,500 to 11,000	8.7 to 8.9	35 to 38	12 to 15cc	42 Non dispersed Ben-Ex
11,000 to TD	8.7 to 8.9	38 to 42	10cc or less	42 Increase viscosity & lower water loss

If chlorides exceed 20,000 ppm at mud-up, use salt-gel program. At mud-up shale shaker and desander must be functioning properly. Mud properties from 11,000' to TD must be maintained strictly as per above.

CORING

Circulate samples from first drilling break in Lower Strawn. Cut approx 90' of core (7 27/32" x 4" core bit with 6 3/4" x 4" barrel)

LOGGING PROGRAM

Compensated Neutron - Formation Density	Csg to TD
Dual Induction -SFL	Minimum
Sonic	Minimum
Computer Log	Lower Strawn only

DRILL STEM TEST: Test Lower Strawn

SAMPLES: Catch 10' samples below 10,000'.

A M E R I N D O I L C O .

Authorization For Expenditure

Higgins Trust, Inc. No. 2

660' FSL, 510' FWL

21 - 16S - 37E

Lovington Penn, NE 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, 600' @ \$16.50	\$192,000		
Daywork 3 @ \$4,500	14,000		
Drilling mud & water	30,000		
Location & damages	20,000		
Drill stem test	5,000		
Log & perforate	30,000	\$ 6,000	
Cementing - surface 400 sx.	8,000		
- inter. 1,900 sx.	15,000		
- prod. 300 sx.		5,000	
Supervision	5,000	5,000	
Geological	3,000		
Contract services & equipment rentals	5,000	30,000	
Completion unit (10 days @ \$1,500)		15,000	
Acid treatment 5,000 gal. MOD 202		10,000	
Drilling & completion overhead		8,000	
TOTAL INTANGIBLE	\$327,000	\$ 79,000	\$406,000
<u>TANGIBLE</u>			
Casing			
Surface 400' 13-5/8" 54.5# H40STC	\$ 7,000	\$	\$
Inter. 2,200' 8-5/8" 24 # K55STC	20,000		
2,100' 8-5/8" 32 # K55STC	23,000		
Prod. 11,100' 5-1/2" 17 # N80LTC		75,000	
500' 5-1/2" 20 # N80LTC		5,000	
Tubing 11,300' 2-7/8" 6.5# N80		37,000	
Rods		15,000	
Pumping unit 640-365-144		60,000	
Pump, tbg. anchor, etc.		4,000	
Wellhead	6,000	7,000	
Tank battery & misc.		25,000	
Electric power installation		7,000	
TOTAL TANGIBLE	\$ 56,000	\$235,000	\$291,000
Contingencies	20,000	15,000	35,000
TOTAL	\$403,000	\$329,000	\$732,000

RECOMMENDED BY:

APPROVED BY:

Date: June 11, 1984

Date: _____

Speed Red. 7-09-84