

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

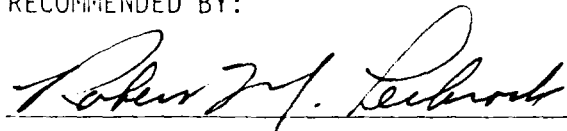
Authorization For Expenditure

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:



Date: June 11, 1984

APPROVED BY:

Date: _____

Amend 4
F23148232