

MCELVAIN OIL AND GAS, PROPERTIES, INC.

AUTHORITY FOR EXPENDITURE

SUMMARY FOR EXPENDITURES EXPLORATION & DEVELOPMENT

WELL INFORMATION

DATE:	September 24, 2005	AFE NO.:	DONM05000096
WELL NAME:	Badger 14 #1	McELVAIN WELL NO.:	NM0069-66
LOCATION:	T25N-R2W, Sec 14: NWSW		
COUNTY	Rio Arriba		
STATE	New Mexico		
PROPOSED DEPTH:	5835'		
PURPOSE OF AFE:	Drill and complete Mesaverde Test		

COST ESTIMATES

Intangible Drilling Costs:	\$393,350
Tangible Drilling Costs	\$68,400
SUB TOTAL TO CASING POINT	\$461,750
Plugging and Abandonment Costs	\$12,000
TOTAL DRY HOLE COSTS:	\$473,750
Intangible Completion Costs:	\$474,900
Tangible Completion Costs:	\$188,460
TOTAL COMPLETION COSTS:	\$663,360
TOTAL COMPLETED WELL COSTS:	\$1,125,110
Facilities	
Land, Geological, Geophysical, Prospect	
TOTAL THIS AFE:	\$1,125,110

APPROVALS

COMPANY:	T. H. McElvian Oil & Gas Ltd.	WORKING INTEREST:	56.953125%
BY:	By: McElvain Oil & Gas Properties Inc., General Partner <i>[Signature]</i>	DATE:	
COMPANY:	Four Star Oil & Gas Company	WORKING INTEREST:	12.500000%
BY:		DATE:	
COMPANY:	San Juan Gas Corporation	WORKING INTEREST:	9.375000%
BY:		DATE:	
COMPANY:	Brazos Limited Partnership	WORKING INTEREST:	5.853274%
BY:		DATE:	
COMPANY:	Christopher Phillips	WORKING INTEREST:	1.562500%
BY:		DATE:	
COMPANY:	Ibex Partnership	WORKING INTEREST:	5.853274%
BY:		DATE:	
COMPANY:	Williams Production Company	WORKING INTEREST:	3.515625%
BY:		DATE:	
COMPANY:	Clark & Oatman	WORKING INTEREST:	0.793452%
BY:		DATE:	
COMPANY:	Arriba Company Ltd	WORKING INTEREST:	0.468750%
BY:		DATE:	
COMPANY:	Samson Resources Company	WORKING INTEREST:	3.125000%
BY:		DATE:	
TOTAL			100.000000%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13693 Exhibit No. 5

Submitted by:

McElvain Oil & Gas Properties, Inc.

Hearing Date: April 13, 2006

McELVAIN OIL & GAS PROPERTIES, INC.

AUTHORITY for EXPENDITURE

September 24, 2005

CATEGORY NUMBER	Badger Corn 14 #1A NWSW Sec.14 T25N R2W Blanco Mesaverde TD: 5835'	DRY HOLE	COMPLETED WELL
Drilling Intangibles			
4004	Staking, Permitting, Title Work & Survey	7,500	7,500
4011	Surface Damages/ROW	10,000	10,000
4015	Location/Road	30,000	30,000
4116	Rig MOB & DEMOB	25,000	25,000
4111	Drilling Rig..Daywork..12 days @ \$10,500	126,000	126,000
4118	Rig fuel 10 days @ 2200/day	22,000	22,000
4120	Drilling Water	12,000	12,000
4125	Drilling Mud	18,000	18,000
4130	Air Compressor/Fuel	24,000	24,000
4135	Bits/Air Hammer	15,000	15,000
4204	Mud logger/Geologist	0	0
4220	Open Hole Logs	16,000	16,000
4480	Transportation	7,500	7,500
4250	Rental Equipment	7,500	7,500
4408	Casing Crew for Surface Casing	5,000	5,000
4225	Cement for Surface/Intermediate	30,000	30,000
4409	Casing Inspection	4,500	4,500
4119	Drill Pipe Inspection	2,500	2,500
4515	Roustabouts & Contract Labor 2.5 days @ \$2500/day	6,250	6,250
4615	Field Supervision - 14 days @ \$850/day	11,900	11,900
4620	Drilling Overhead - 14 days @ \$550/day	7,700	7,700
4603	P&A Costs	12,000	
4715	Contingency	5,000	5,000
Total Intangible Drilling		405,350	393,350

Completion Intangibles			
5225	Cement & Cementing Tools		12,000
5112	Completion Unit 21 days @ \$3,500/day		73,500
5135	Bits		500
5220	Cased Hole Logs/Perf		22,000
5520	Stimulation		225,000
5250	Tool & Equip Rental		40,000
5121	Completion Water		25,000
5480	Trucking & Transportation		9,500
5408	Casing Crew		5,000
5409	Casing Inspection		3,500
5515	Roustabouts & Contract Labor		3,500
5015	Location & Road		6,000
5126	Fluid Disposal		10,000
5615	Field Supervision (21 days @ \$850/day)		17,850
5620	Completion Overhead (21 days @ \$550/day)		11,550
5004	Contingency		10,000
Total Intangible Completion		0	474,900

Total Intangibles 405,350 868,250

Tangibles			
8005	Surface Casing (600' 9 5/8" 36# @ \$24.00/ft)	14,400	14,400
8010	Intermediate Casing (3750' 7" 20# @ \$13.20/ft)	49,500	49,500
8015	Casing Liner (2235' 4 1/2" 10.5# @ \$7.00/ft)		15,645
8025	Tubing 5850' 2 3/8" J-55 @ \$3.90/ft		22,815
8020	Liner Hanger		11,500
8030	Casing Related Equipment		4,500
8205	Wellhead	4,500	10,000
8305	Artificial Lift Equipment		8,500
8225	Pit Tanks		10,500
8230	Tanks (2-400 bbl with heaters 1-400bbl)		35,000
8220	Separator/Dehydrator		25,000
8250	Line Pipe & Fittings		12,000
8505	Labor for Equipment Install		30,000
8506	Trucking/Transportation		7,500
Total Tangibles		68,400	256,860

Total Well Cost \$473,750 \$1,125,110

APPROVALS:

McElvain Oil & Gas Properties, Inc.

John D. Steuble

Date: 10-7-05