

AUTHORITY FOR EXPENDITURE
MCELVAIN OIL & GAS
05/09/97

AFE NO: 976 DRILL MESAVERDE WELL
PROPERTY NO: NM0069-01 ELK COM #1 MV
LOCATION: W/2 3-25N-2W
OPERATOR: MCELVAIN O & G PROPERTIES INC
BEGIN DATE: 05/01/97

FIELD:
ST/COUNTY: NM/RIO ARRIBA
OBJ. ZONES: MESAVERDE
WELL TYPE: Gas

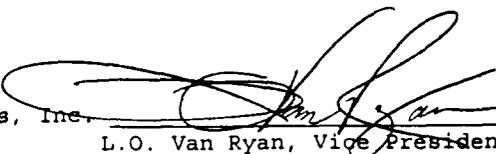
CATEGORY	DESCRIPTION	DRY HOLE/ DRILLING	COMPLETION	TOTAL
INTANGIBLE COSTS				
CEMENTING		4,500.00	29,570.00	34,070.00
LABOR AND ROUSTABOUT SERVICES		500.00	0.00	500.00
CONTINGENCY:	MISCELLANEOUS AND UNFORESEEN	16,550.00	16,030.00	32,580.00
	MISCELLANEOUS AND UNFORESEEN			
DRILLING, DAYWORK:	1/2 DAY AT \$4800/DAY	2,400.00	0.00	2,400.00
DRILLING, FOOTAGE:	6130' AT \$20.00/FOOT	122,600.00	0.00	122,600.00
LOGGING:	ELECTRIC LOGS	5,620.00	0.00	5,620.00
LOCATION AND ROAD		24,600.00	0.00	24,600.00
SUPERVISION AND OVERHEAD:	ENGINEERING SERVICES	4,600.00	4,030.00	8,630.00
	ENGINEERING SERVICES			
TRUCKING AND TRANSPORTATION		1,200.00	1,500.00	2,700.00
COMPLETION UNIT:	7 DAYS AT \$1800/DAY	0.00	12,600.00	12,600.00
STIMULATION		0.00	72,500.00	72,500.00
TOOL AND EQUIPMENT RENTAL		0.00	5,000.00	5,000.00
WATER		0.00	18,000.00	18,000.00
CASED HOLE LOGS & PERFORATING		0.00	11,000.00	11,000.00
BITS		0.00	500.00	500.00
RIG MOVING COSTS:	MOBILIZATION/DEMOBILIZATION	0.00	1,500.00	1,500.00
LABOR		0.00	3,600.00	3,600.00
TOTAL INTANGIBLE COSTS		182,570.00	175,830.00	358,400.00
TANGIBLE COSTS				
CASING:	300' OF 9 5/8", 36#	5,170.00	25,620.00	30,790.00
	CASING HEAD AND SLIPS			
	6130' OF 4 1/2", 10.5#			
CHRISTMAS TREE AND WELLHEAD:	TUBING HEAD, HANGER AND WELLHEAD	0.00	3,500.00	3,500.00
PIPELINE:	8000' OF PIPELINE	0.00	36,500.00	36,500.00
	FLOWLINES			
SEPARATION EQUIPMENT		0.00	5,500.00	5,500.00
STORAGE FACILITIES - TANKS:	OIL TANKS	0.00	5,180.00	5,180.00
PIT TANKS:	WATER STORAGE TANKS	0.00	1,500.00	1,500.00
TUBING:	6085' OF 2 3/8", 4.7#	0.00	13,140.00	13,140.00
METERING EQUIPMENT		0.00	6,000.00	6,000.00
TOTAL TANGIBLE COSTS		5,170.00	96,940.00	102,110.00
TOTAL DEVELOPMENT COSTS		187,740.00	272,770.00	460,510.00

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 11822 Exhibit No. 6

Submitted by: McElvain Oil & Gas Properties, Inc.

Hearing Date: August 7, 1997

McElvain Oil & Gas Properties, Inc.  Date: 5/9/97
L.O. Van Ryan, Vice President

Investor Approval: _____ Date: _____

Approved by: _____ Title: _____

Company: _____