

**McELVAIN OIL & GAS PROPERTIES, Inc.**  
**AUTHORITY for EXPENDITURE**  
 January 20, 1999

ELK COM #10-8 SE/NE Section 10 T25N R2W	DRY HOLE	COMPLETED WELL
<b>Drilling Intangibles</b>		
Title Work & Survey	3,500	3,500
Location, Road, Damages	15,000	15,000
Footage 6400' @ \$21.00/ft	134,400	134,400
Fuel	6,000	6,000
Air Compressors 4 days @ \$2500/day	10,000	10,000
Water Hauling	1,000	1,000
Rental Equipment	1,800	1,800
Well Logging	14,000	14,000
Cement & Services..Cond, Surface, Intermediate	17,000	17,000
Cement & Services..Plugging	6,000	
Trucking & Labor	4,000	4,000
Overhead & Supervision	10,000	10,000
Misc Costs	12,000	12,000
Contingency		
<b>Total Drilling</b>	<b>234,700</b>	<b>228,700</b>

<b>Completion Intangibles</b>		
Cement & Services..Production Casing		9,300
Completion Unit 10 days @ \$2,500/day		25,000
Logging & Perforating		21,000
Stimulation		125,000
Tool & Tank Rental		26,000
Supervision 13 days @ \$650/day		8,450
Water		21,000
Trucking		7,200
Roustabouts/Labor 5 days @ \$2000/day		10,000
Specialized Tools		4,500
5% Contingency		12,900
<b>Total Completion</b>	<b>0</b>	<b>270,350</b>

**Total Intangibles      234,700      499,050**

<b>Tangibles</b>		
Casing..Surface 300' 9 5/8" @ \$12.98/ft.	3,900	3,900
Casing..Intermediate 4100' 7" @ \$7.21/ft.	29,560	29,560
Casing..Liner 2223' 4 1/2" @ 3.72/ft		8,270
Liner Hanger		9,400
Float Equipment	1,500	2,500
Tubing..6400' 2 3/8" @ \$2.00/ft		12,800
Wellhead	1,500	9,500
Tanks & Pits		7,500
Separator & Dehydrator		9,800
Line Pipe & Fittings		5,000
<b>Total Tangibles</b>	<b>36,460</b>	<b>98,230</b>

**Total Well Cost      \$271,160      \$597,280**

APPROVALS:

McElvain Oil & Gas Properties, Inc. \_\_\_\_\_

Date: 1-26-99

Investor Approval: \_\_\_\_\_

Date: 5-12-99

Approved by: \_\_\_\_\_

Title: Vice President

**BEFORE THE OIL CONSERVATION  
DIVISION**

Santa Fe, New Mexico

Case No. 12224 Exhibit No. 4

Submitted by: McElvain Oil & Gas, Inc.

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