

McELVAIN OIL & GAS PROPERTIES, INC.
AUTHORITY for EXPENDITURE
FEBRUARY 10, 2000

BADGER COM 10 #1 NE/SW Sec. 10 T25 R2W	DRY HOLE	COMPLETED WELL
Drilling Intangibles		
Title Work & Survey	3,500	3,500
Location, Road, Damages	35,000	35,000
Footage 6060' @ \$19.50/ft	118,170	118,170
Daywork 1.5 days @ \$6100/day	9,150	9,150
Air Compressors 3 days @ \$2500/day	7,500	7,500
Water Hauling	5,500	5,500
Rental Equipment	1,800	1,800
Well Logging	18,000	18,000
Drilling Mud	4,000	4,000
Cement & Services..Surface, Intermediate	25,000	25,000
Cement & Services..Plugging	10,000	
Trucking & Labor	10,000	10,000
Overhead & Supervision	12,000	12,000
Misc Costs	12,000	12,000
Contingency		
Total Drilling	271,620	261,620

Completion Intangibles		
Cement & Services..Production Casing		8,500
Completion Unit 12 days @ \$2,500/day		30,000
Logging & Perforating		21,000
Stimulation		125,000
Tool & Tank Rental		9,000
Supervision 14 days @ \$650/day		9,100
Water		12,000
Trucking		16,000
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		4,500
5% Contingency		12,460
Total Completion	0	261,560

Total Intangibles 271,620 523,180

Tangibles		
Casing..Surface 300' 9 5/8" @ \$9.25/ft.	2,780	2,780
Casing..Production 3770' 7" @ \$6.48/ft.	24,430	24,430
Casing..Liner 2400' 4 1/2" @ 3.55/ft		8,520
Liner Hanger		9,500
Float Equipment	1,500	2,500
Tubing..6400' 2 3/8" @ \$2.00/ft		12,800
Wellhead	1,500	8,500
Tanks & Pits		12,500
Separator		17,500
Line Pipe & Fittings		8,000
Total Tangibles	30,210	107,030

Total Well Cost \$301,830 \$630,210

APPROVALS:

McElvain Oil & Gas Properties, Inc. _____

Date: 2-10-00

Investor Approval: _____

Date: _____

Approved by: _____ Title: _____

Company: _____