

**M. McELVAIN OIL & GAS PROPERTIES C.**  
**AUTHORITY for EXPENDITURE**  
**FEBRUARY 10, 2000**

BADGER COM 10 #1 NE/SW Sec. 10 T25 R2W	DRY HOLE	COMPLETED WELL
<b>Drilling Intangibles</b>		
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		
<b>Total Drilling</b>	<b>271,620</b>	<b>261,620</b>

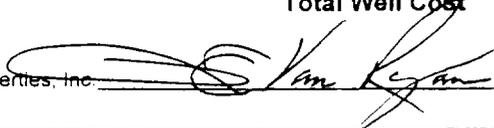
<b>Completion Intangibles</b>		
Cement & Services..Production Casing		8,500
Completion Unit 12 days @ \$2,500/day		30,000
Logging & Perforating		21,000
Stimulation		125,000
Tool & Tank Rental		9,000
Supervision 14 days @ \$650/day		9,100
Water		12,000
Trucking		16,000
Roustabouts/Labor 7 days @ \$2000/day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

**Total Intangibles      271,620      523,180**

<b>Tangibles</b>		
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
<b>Total Tangibles</b>	<b>30,210</b>	<b>107,030</b>

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

APPROVALS:

McElvain Oil & Gas Properties, Inc.  Date: 2-10-00

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

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

Company: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Case No. 12412  
 Submitted by: McElvain Oil & Gas Properties  
 Hearing Date: June 1, 2000  
 Exhibit No. 7