

**McELVAIN OIL & GAS PROPERTIES, INC.**

**AUTHORITY for EXPENDITURE**

April 5, 2000

Cougar Com 4 #1A NE/SE Section 4 T25N R2W	DRY HOLE	COMPLETED WELL
<b>Drilling Intangibles</b>		
Title Work & Survey		
Location, Road, Damages		
Drilling Footage @ \$00.00/ft		
Daywork 00 days @ \$0000/day		
Drilling Mud		
Air Compressors 3 days @ \$0000/day		
Water Hauling		
Rental Equipment		
Well Logging		
Bits		
Cement & Services..Cond. Surface, Intermediate		
Cement & Services..Plugging		
Trucking & Labor		
Overhead & Supervision		
Misc Costs		
<b>Total Drilling</b>		
<b>Completion Intangibles</b>		
Completion Unit 16 days @ \$2,300/day		36,800
Roads/Location		5,000
Perforating & Cased Hole Logging		14,500
Stimulation acid & frac		135,000
Tool & Tank Rental		22,500
Supervision 20 days @ \$550/day		11,000
Water		15,000
Trucking		16,000
Cementing/Pressure Testing		3,500
Location Rehab		3,500
Contract Labor		14,000
5% Contingency		13,840
<b>Total Completion</b>	0	290,640
<b>Total Intangibles</b>	0	290,640
<b>Tangibles</b>		
Casing..Surface		
Casing..Intermediate		
Casing..Liner		
Packer & Misc Tubing Equipment		300
Bits		1,100
Tubing 6900' @ \$2.25/ft		15,525
Wellhead		9,500
Artificial Lift		6,500
Tanks & Pits		14,500
Separator & Dehydrator		17,500
Line Pipe & Fittings		5,500
<b>Total Tangibles</b>	0	69,425

**Total Well Cost      \$0      \$360,065**

**APPROVALS:**

McElvain Oil & Gas Properties, Inc.

Date: 4-14-00

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

Date: \_\_\_\_\_

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

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

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 12452      Exhibit No. 2

Submitted by:

McElvain Oil & Gas Properties, Inc.

Hearing Date: July 13, 2000