

MCELVAIN OIL AND GAS, PROPERTIES, INC.

AUTHORITY FOR EXPENDITURE

SUMMARY FOR EXPENDITURES EXPLORATION & DEVELOPMENT

REVISED JULY 9, 2001

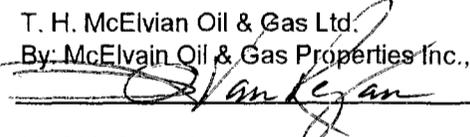
WELL INFORMATION

DATE:	
WELL NAME:	Bear Com #29-2 Well
LOCATION:	NE/4 Section 29, T26N-R2W
COUNTY:	Rio Arriba
STATE:	New Mexico
PROPOSED DEPTH:	6,100' (Revised)
PURPOSE OF AFE:	To Drill and Complete a single Mesaverde Test Well (Revised)

COST ESTIMATES

Intangible Drilling Costs:	\$344,800
Tangible Drilling Costs	\$38,250
SUB TOTAL TO CASING POINT	\$383,050
Plugging and Abandonment Costs	\$15,000
TOTAL DRY HOLE COSTS:	\$398,050
Intangible Completion Costs:	\$350,700
Tangible Completion Costs:	\$80,700
TOTAL COMPLETION COSTS:	\$431,400
TOTAL COMPLETED WELL COSTS:	\$814,450
Facilities Land, Geological, Geophysical, Prospect	
TOTAL THIS AFE:	\$814,450

APPROVALS

COMPANY:	T. H. McElvian Oil & Gas Ltd. By: McElvain Oil & Gas Properties Inc., General Partner	DATE:	7/9/01
BY:			
COMPANY:	Lindriith Capital, LLC	DATE:	
BY:			
COMPANY:	Joe Elledge	DATE:	
BY:			
COMPANY:	Rio Chama Petroleum, Inc.	DATE:	
BY:			
COMPANY:	Clark & Oatman	DATE:	
BY:			
COMPANY:	Ibex Partnership	DATE:	
BY:			
COMPANY:	States, Inc. for Petco, Inc.	DATE:	
BY:			
COMPANY:	Hooper, Kimball & Williams, Inc.	DATE:	
BY:			
COMPANY:	Dugan Production Corporation	DATE:	
BY:			

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Bear Com 29 #2 Mv NE/4 Sec. 29 T26N R2W	DRY HOLE	COMPLETED WELL
Drilling Intangibles		
Staking, Permitting, Title Work & Survey	16,000	16,000
Location, Road, Damages	25,000	25,000
Footage 6100' @ \$26.00/ft	158,600	158,600
Daywork 2.0 days @ \$8100/day	16,200	16,200
Air Compressors	26,000	26,000
Water Hauling	5,500	5,500
Rental Equipment	2,000	2,000
Well Logging	18,000	18,000
Drilling Mud	15,000	15,000
Cement & Services..Surface, Intermediate	21,000	21,000
Cement & Services..Plugging	15,000	
Trucking & Labor	9,500	9,500
Overhead & Supervision	22,000	22,000
Misc Costs	10,000	10,000
Contingency		
Total Drilling	359,800	344,800
Completion Intangibles		
Cement & Services..Production Casing		12,500
Completion Unit 15 days @ \$2,800/day		42,000
Logging & Perforating		26,000
Stimulation		175,000
Tool & Tank Rental		24,000
Supervision 20 days @ \$650/day		13,000
Water		18,000
Trucking		9,500
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		
5% Contingency		16,700
Total Completion	0	350,700
Total Intangibles	359,800	695,500
Tangibles		
Casing..Surface 300' 9 5/8" @ \$12.80/ft.	3,850	3,850
Casing..Intermediate 3800' 7" @ \$7.20/ft.	27,400	27,400
Liner..2500' 4 1/2" @ \$3.80/ft.		9,500
Tubing..6100' 2 3/8" @ \$2.13/ft		13,000
Float Equipment/Centralizers/Liner Hanger	2,500	12,200
Wellhead	4,500	4,500
Artificial Lift..Plunger		4,500
Tanks & Pits		18,500
Separator		17,500
Line Pipe & Fittings		8,000
Total Tangibles	38,250	118,950
Total Well Cost	\$398,050	\$814,450

APPROVALS:

McElvain Oil & Gas Properties, Inc.



Date: 7/9/01