

**T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP**

**McELVAIN OIL & GAS PROPERTIES, INC., SOLE GENERAL PARTNER**

1050 17TH STREET, SUITE 1800

DENVER, COLORADO 80265-1801

RICK HARRIS  
LAND MAN

TELEPHONE 303-893-0933 EXT.372

FAX 303-893-0914

E-MAIL: RICKH@McELVAIN.COM

***Via Certified Mail, Return Receipt Requested***

August 31, 2007

Branch D. and Joelle R. Ver Hoef  
1108 N. Laguna Avenue  
Farmington, NM 87401

Re: Drilling Proposal  
Ruby #1 Well  
Township 29 North, Range 13 West, N.M.P.M.  
Section 3: SW  
City of Farmington, San Juan County, New Mexico

Ladies and Gentlemen:

McElvain Oil & Gas Properties, Inc. ("McElvain") proposes the drilling of the Ruby #1 well to test the Pictured Cliffs formation under the captioned spacing unit. The surface location for the well is 1,755' FSL and 860' FWL of the section. The total vertical depth of the well will be approximately 1,672'. You are the owner of an estimated 0.1175000% mineral interest under the captioned spacing unit.

Enclosed is an Authority for Expenditure estimating the total drilling and completion cost of the proposed well. Your estimated proportionate share of the total cost of the well is \$704.19. Please mark the appropriate space and sign below to indicate whether or not you elect to join in the drilling of the well. Please return one copy of this letter to the undersigned using the enclosed postage paid return envelope. Upon receipt of a signed election to participate in the well we will send you an Operating Agreement for your review and execution.

If you do not want to participate in the drilling of the well, we will consider the acquisition of an oil and gas lease from you on mutually agreeable terms. We respectfully request that you provide us with your election on or before September 30, 2007. After that date, McElvain will proceed with an application to the New Mexico Oil Conservation Commission seeking an order pooling all mineral interests in the spacing unit for the well.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 14009 Exhibit No. 4  
Submitted by:  
McElvain Oil & Gas Properties, Inc.  
Hearing Date: October 18, 2007

Ruby #1 Drilling Proposal  
August 31, 2007  
Page Two

If you have any questions or wish to discuss an oil and gas lease, please contact me at 303-893-0933, Ext.372.

Sincerely,

**T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP**  
**By: McELVAIN OIL & GAS PROPERTIES, INC., Sole General Partner**

Rick Harris  
Landman

Enclosures

\_\_\_\_\_ Will participate in the drilling of the Ruby #1 well and have executed the enclosed Authority for Expenditure.

\_\_\_\_\_ Will not participate in the drilling of the Ruby #1 well.

\_\_\_\_\_  
**BRANCH D. VER HOEF**

\_\_\_\_\_  
**JOELLE R. VER HOEF**

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

Phone: \_\_\_\_\_