

McELVAIN OIL & GAS PROPERTIES, INC.

AUTHORITY for EXPENDITURE

September 19, 2008

CATEGORY NUMBER	Ruby #1 NWSW Sec. 3 T29N R13W TD: 1,710' Fruitland Coal Recompletion	DRY HOLE	COMPLETED WELL
Drilling Intangibles			
3010	Landman Costs	85,080	85,080
3012	Abstract/Title	134,797	134,797
4004	Staking, Permitting, Title Work & Survey	22,061	22,061
4015	Location	7,747	7,747
4116	Rig MOB & DEMOB	3,779	3,779
4225	Cement for Surface Casing	12,462	12,462
4104	Drilling Footage (1422' of 6 1/4" Hole @ \$21.00/ft)	38,306	38,306
4111	Drilling Rig..Daywork..3.0 days @ \$7500	19,080	19,080
4118	Rig fuel	2,133	2,133
4120	Drilling Water	1,426	1,426
4125	Drilling Mud	2,622	2,622
4126	Fluid Disposal	35,687	35,687
8733	Open Hole Logs	8,733	8,733
4480	Transportation	6,927	6,927
4250	Rental Equipment	8,014	8,014
4408	Casing Crew for Surface Casing	1,543	1,543
4515	Roustabouts & Contract Labor [pit cleaning]	10,566	10,566
4615	Field Supervision - 7 days @ \$950/day	18,065	18,065
4620	Drilling Overhead - 6 days @ \$550/day	4,692	4,692
4715	Other Drilling Costs	15,335	15,335
Total Intangible Drilling		439,055	439,055
Completion Intangibles			
5225	Cement & Cementing Tools		11,552
5112	Completion Unit		40,000
5220	Cased Hole Logging & Perforating		10,000
5520	Stimulation		120,000
5250	Tool & Equip Rental		12,000
5615	Field Supervision (7 days @ \$950/day)		6,650
5121	Completion Water		8,500
5480	Trucking & Transportation		10,000
5515	Roustabouts & Contract Labor		1,000
5015	Location & Road		500
5126	Fluid Disposal		20,000
5620	Completion Overhead (7 days @ \$550/day)		3,850
5715	Contingency		5,000
Total Intangible Completion		0	249,052
Total Intangibles		439,055	688,107
Tangibles			
8005	Surface Casing (250' 8 5/8" 24# @ \$16.00/ft)	9,521	9,521
8015	Production Casing 1672' 5.5", 15.5# @ \$9.80/ft		17,466
8025	Tubing 1672' 2 3/8" J-55 @ \$4.00/ft		6,024
8205	Wellhead	3,000	18,395
8210	Compression Equipment		1,080
8303	Engines		162
8305	Pumping unit		30,777
8310	Rods & Pump		10,598
8225	Pit tank/retaining		16,412
8230	Tanks (2-400 bbl)		459
8220	Separator		25,894
8250	Line Pipe & Fittings		27,953
8505	Labor for Equipment Install		38,765
8231	Structural Enclosures		3,240
8605	Other Controllable Equipment		1,930
8705	Non Controllable Equipment		329
Total Tangibles		12,521	209,005
Total Well Cost		\$451,576	\$897,112

APPROVAL S:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No.14262 Exhibit No. 6

Submitted by:

McELVAIN OIL & GAS PROPERTIES, INC.

Hearing Date: JANUARY 8, 2009

Gas Properties, Inc.

John A. Steubke

Date: 9-19-08