

McElvain Oil & Gas Properties, Inc.

1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

MONA L. BINION, CPL
LAND MANAGER

TELEPHONE 303-893-0933 EXT.306
FAX 303-893-0914
Cell (303) 809-2058

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

June 29, 2000

TO WORKING INTEREST OWNERS

Re: Revised Objective Formation
Cougar Com #4-2 Well
NW/4 Section 4, Township 25 North, Range 2 West
Rio Arriba County, New Mexico

Gentlemen:

I would like to take this opportunity to first introduce myself, Mona L. Binion, CPL as Land Manager for McElvain Oil & Gas Properties, Inc. ("McElvain") replacing Steve Jordan. Also you should be aware that McElvain has relocated their offices to:

**1050 17TH STREET, SUITE 1800
DENVER, CO 80265
(303) 893-0933
(303) 893-0914 FAX**

and that effective July 1, 2000, the offices located at 409 St. Michael's Drive, Santa Fe, New Mexico will be closed.

By letter dated April 21, 2000, McElvain proposed the drilling of the Cougar Com #4-2 well to a depth sufficient to test the Mesaverde formation estimated to be approximately of 6230' to be located in the NW/4 of Section 4, Township 25 North, Range 2 West. As a result of further evaluation of additional data from new and existing wells in this area, McElvain has elected to revise the April 21, 2000 to deepen the projected depth of the proposed well sufficient to test the Dakota formation so that both the Mesaverde and Dakota potential may be realized.

Please, therefore, consider this letter a formal proposal to drill the Cougar Com #4-2 well in the NW/4NW/4 of Section 4, Township 25 North, Range 2 West, Rio Arriba county, New Mexico to a depth sufficient to test the Dakota Formation which is estimated to be approximately 8,330'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12484 Exhibit 4
Submitted by:
McElvain Oil & Gas Properties, Inc.
Hearing Date: October 5, 2000

To Working Interest Owners
Cougar Com #4-2 Well
June 29, 2000
Page 2

Enclosed herewith is McElvain's Authority for Expenditure dated June 29, 2000 in the amount of \$695,430 represents the estimated cost to drill and complete the well in the Dakota formation.

Previously furnished to you with the April 21 proposal was an AAPL Model Form 610-1982 Operating Agreement covering the W/2 of Section 4 below the Pictured Cliffs formation, which is inclusive of the Dakota formation (the "Operating Agreement"). Such Operating Agreement is appropriate for and covers the revision in our proposal for the deeper test.

In light of the above, we respectfully request that you consider this proposal to drill the Cougar Com #4-2 Well to a depth sufficient to test the Dakota formation (approximately 8,330') and remit a response and election as follows:

Operating Agreement

- If you have previously executed the Operating Agreement, no further action is necessary.
- If you have not previously executed the Operating Agreement, however, we have enclosed herewith for your convenience one complete copy along with an extra set of signature pages. Please execute the complete copy and the extra signature pages, having your signature acknowledged on both and returning the extra signature pages fully executed to this office with your response.

Election Ballot

- Please indicate your election regarding participation on the enclosed Election Ballot and execute same fully indicating owner name and date clearly then return fully executed copy to with your response.

Authority for Expenditure

- If your election is to participate in the proposed operation, please indicate so on the Election Ballot enclosed herewith and execute both copies of the enclosed Authority for Expenditure, returning one fully executed copy with your response.

We thank you for your consideration to this proposal and look forward to a prompt response to this revised proposal. If you have any questions regarding the enclosed, please feel free to contact the undersigned. Science questions should be directed to Larry Van Ryan (303) 893-0933 ext. 301, and Engineering questions should be directed to John Steuble (303) 893-0933 ext. 302.

Very truly yours,
McELVAIN OIL & GAS PROPERTIES, INC.

Mona L. Binion, CPL
Land Manager

MLB/idi
Encls.

WORKING INTEREST OWNERS
Cougar Com #4-2
W/2 Section 4, T25N-R2W
Rio Arriba County, New Mexico

T. H. McElvain Oil & Gas Limited Partnership
Big Snowy Exploration Limited Partnership
Pena Blanca Corporation
c/o McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, CO 80265

Dennis Hopper
c/o Spencer Cross
Dharma Properties, Inc.
8018 NDCBU
Taos, New Mexico 87571
xc/ without attachments
Grove Barnett
P. O. Box 386
Taos, New Mexico 87571

Noseco Corporation
7400 Lakeside Drive
Reno, NV 89511

Neumann Family Trust
Peter and Renate Neumann, individually
c/o Peter Neumann
P. O. Box 1170
Reno, NV 89504

Johansen Energy Partnership
P. O. Box 1773
Whitefish, MT 59937

Gavilan Dome Properties
1180 Cedarwood Drive
Moraga, CA 94556

Mesa Grande Resources, Inc.
1200 Philtower Bldg.
Tulsa, OK 74103

NM & O Operating Company
6 East 5th Street, Suite 200
Tulsa, OK 74103

Huntington and Carol Walker
2961 S. Filmore Way
Denver, CO 80210

Williams Production Company
P. O. Box 3102
Tulsa, OK 74101
Attention: Mr. Vern Hansen

Dugan Production
P. O. Box 420
Farmington, NM 87499-420
Attention: Mr. David Poage

Cougar Capital LLC
5862 Cromo Drive, Suite 139
El Paso, TX 79912-5510

James M. Raymond
P. O. Box 291445
Kerrville, TX 78029-1445

Joe Elledge
P. O. Box 111
Farmington, New Mexico 87499

ELECTION BALLOT
Cougar Com #4-2 Well
Revised Objective to test Dakota Formation
June 29, 2000

This ballot replaces the McElvain April 21, 2000 proposal for this well to revise the objective depth from Mesaverde formation to Dakota formation.

_____ YES, I/We hereby elect to participate in the drilling of the McElvain Cougar Com #4-2 Well located in the NW/4NW/4 of Section 4, T25N-R2W, to be drilled to a depth sufficient to test the Dakota formation.

(If your election is to participate in the proposed operation, please also execute and return the enclosed Authority for Expenditure dated June 29, 2000)

_____ NO, I/We do hereby elect NOT to participate in the McElvain Cougar Com #4-2 Well located in the NW/4NW/4 of Section 4, T25N-R2W, to be drilled to a depth sufficient to test the Dakota formation.

COMPANY / INDIVIDUAL NAME: _____

BY: _____

Title: _____

Date: _____

Please execute this Election Ballot in the space provided above (f your election is to participate, also please execute the enclosed Authority for Expenditure) along with the attached Operating Agreement signature pages and return all executed pages to McElvain as follows:

To Mona Binion
Fax (303) 893-0914

FOLLOWED BY ORIGINALS DELIVERED TO
McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, CO 80265

WORKING INTEREST OWNERS
Cougar Com #4-2
W/2 Section 4, T25N-R2W
Rio Arriba County, New Mexico

T. H. McElvain Oil & Gas Limited Partnership
Big Snowy Exploration Limited Partnership
Pena Blanca Corporation
c/o McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, CO 80265

Dennis Hopper
c/o Spencer Cross
Dharma Properties, Inc.
8018 NDCBU
Taos, New Mexico 87571
xc/ without attachments
Grove Barnett
P. O. Box 386
Taos, New Mexico 87571

Noseco Corporation
7400 Lakeside Drive
Reno, NV 89511

Neumann Family Trust
Peter and Renate Neumann, individually
c/o Peter Neumann
P. O. Box 1170
Reno, NV 89504

Johansen Energy Partnership
P. O. Box 1773
Whitefish, MT 59937

Gavilan Dome Properties
1180 Cedarwood Drive
Moraga, CA 94556

Mesa Grande Resources, Inc.
1200 Philtower Bldg.
Tulsa, OK 74103

NM & O Operating Company
6 East 5th Street, Suite 200
Tulsa, OK 74103

Huntington and Carol Walker
2961 S. Filmore Way
Denver, CO 80210

Williams Production Company
P. O. Box 3102
Tulsa, OK 74101
Attention: Mr. Vern Hansen

Dugan Production
P. O. Box 420
Farmington, NM 87499-420
Attention: Mr. David Poage

Cougar Capital LLC
5862 Cromo Drive, Suite 139
El Paso, TX 79912-5510

James M. Raymond
P. O. Box 291445
Kerrville, TX 78029-1445

Joe Elledge
P. O. Box 111
Farmington, New Mexico 87499

McELVAIN OIL & GAS PROPERTIES, INC.
AUTHORITY for EXPENDITURE
JUNE 29,2000

Cougar Com 4 #2 Dakota NW/NW Sec. 4 T25N R2W	DRY HOLE	COMPLETED WELL
Drilling Intangibles		
Title Work & Survey	3,500	3,500
Location,Road,Damages	25,000	25,000
Footage 8330' @ \$19.00/ft	158,270	158,270
Daywork 2.5 days @ \$6100/day	15,250	15,250
Mud Logging	15,000	15,000
Water Hauling	15,000	15,000
Rental Equipment	1,800	1,800
Well Logging	22,000	22,000
Drilling Mud	55,000	55,000
Cement & Services..Surface,Intermediate	8,500	8,500
Cement & Services..Plugging	10,000	
Trucking & Labor	7,500	7,500
Overhead & Supervision	15,000	15,000
Misc Costs	12,000	12,000
Contingency		
Total Drilling	363,820	353,820

Completion Intangibles		
Cement & Services..Production Casing		45,000
Completion Unit 7 days @ \$2,500/day		17,500
Logging & Perforating		10,500
Stimulation		65,000
Tool & Tank Rental		14,000
Supervision 10 days @ \$650/day		6,500
Water		6,500
Trucking		12,000
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		
5% Contingency		8,800
Total Completion	0	199,800

Total Intangibles 363,820 553,620

Tangibles		
Casing..Surface 500' 9 5/8" @ \$12.40/ft.	6,200	6,200
Casing..Production 8330' 5 1/2" @ \$7.00/ft.		58,310
Casing.. Liner		
Liner Hanger		
Float Equipment	1,500	11,000
Tubing..8350' 2 3/8" @ \$2.13/ft		17,800
Wellhead	1,500	8,500
Tanks & Pits		14,500
Separator		17,500
Line Pipe & Fittings		8,000
Total Tangibles	9,200	141,810

Total Well Cost \$373,020 \$695,430

APPROVALS:

McElvain Oil & Gas Properties, Inc.



Date: 6/29/00

Investor Approval: _____

Date: _____

Approved by: _____

Title: _____

Company: _____

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

JAMES M. RAYMOND
PO BOX 1445
KERRVILLE, TX 78028

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-3

I also wish to receive the

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HUNNINGTON AND CAROL WALKER
2961 S. FILMIRE WAY
DENVER, CO 80210

2. Article Number (Copy from service label)
7099 3220 0005 9424 530A

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

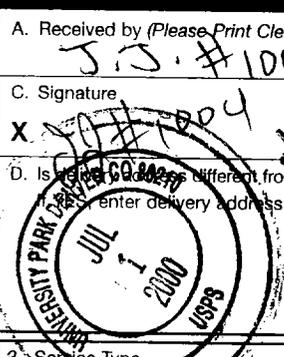
A. Received by (Please Print Clearly) **J.M. #1004** B. Date of Delivery **JUL 01 2000**

C. Signature *[Signature]* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

WILLIAMS PRODUCTION COMPANY
PO BOX 3102
TULSA, OK 74101

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

I also wish to receive the following services (for an extra fee):

- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

4a. Article Number **7099 3220 0005 9424**

4b. Service Type **5319**
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery **JUL 0 8 2000**

8. Addressee's Address (Only if requested and fee is paid)

7099 3220 0005 9424 5524

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage)

Article Sent To:

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

NOSECO CORPORATION
7400 LAKESIDE DRIVE
RENO, NV 89511

PS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NM & O OPERATING COMPANY
6 EAST 5TH STREET, SUITE 200
TULSA, OK 74103

2. Article Number (Copy from service label)
7099 3220 0005 9424 5296

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery **7.5.00**

C. Signature *[Signature]* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-99-M-1789

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

COUGAR CAPITAL, LLC
5862 CROMO DRIVE, SUITE 139
EL PASO, TX 79912

4a. Article Number: 7099 3220 0005 9424 5333

4b. Service Type:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery: 7-3-00

5. Signature (Addressee)

6. Signature (Agent): *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

DE ELLEGE
PO BOX 111
ARMINGTON, NM 87499

Article Number (Copy from service label): 7099 3220 0005 9424 5340

Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly): *[Signature]* B. Date of Delivery: 7/5/00

C. Signature: *[Signature]* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-99-M-1789

**U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)**

Article Sent To:

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

**U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)**

Article Sent To:

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JOHANSEN ENERGY PARTNERSHIP
PO BOX 1773
WHITEFISH, MT 59937

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly): *[Signature]* B. Date of Delivery: 7/5/00

C. Signature: *[Signature]* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label): 7099 3220 0005 9424 5272

PS Form 3811, July 1999

DOMESTIC RETURN RECEIPT

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DUGAN PRODUCTION
PO BOX 420
FARMING, NM 87499-420
ATTENTION: MR DAVID POAGE

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *Lynn Grannell* B. Date of Delivery

C. Signature *Lynn Grannell* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



2. Article Number (Copy from service label)
7099 3220 0005 9424 5265

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

U.S. Postal Service CERTIFIED MAIL RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

Article Sent To:

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here *6/29*

Name: DENNIS HOPPER
Street: C/O SPENCER CROSS
DHARMA PROPERTIES, INC
City, St: 8018 NDCBU
TAOS, NM 87571

PS Form

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NEUMANN FAMILY TRUST
PETER AND RENATE NEUMANN,
INDIVIDUALLY
C/O PETER NEUMANN
PO BOX 1170
RENO, NV 89504

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *CONNIE SALERNO* B. Date of Delivery *7-5-00*

C. Signature *Connie Salerno* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

2. Article Number (Copy from service label)
7099 3220 0005 9

PS Form 3811, July 1999 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

GAVILAN DOME PROPERTIES
1180 CEDARWOOD DRIVE
MORAGA, CA 94556
ATTENTION: MR. VERN HANSEN

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery *7-3-00*

C. Signature *W. Hansen* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
7099 3220 0005 9424 5289

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789