

**McELVAIN OIL & GAS PROPERTIES, INC.**  
**AUTHORITY for EXPENDITURE**  
 January 5, 2001

Cougar Com 33 #1M SW/4 33-26N-2W	DRY HOLE	COMPLETED WELL
<b>Drilling Intangibles</b>		
Staking, Permitting, Title Work & Survey	16,000	16,000
Location, Road, Damages	27,500	27,500
Footage 8400' @ \$22.00/ft	184,800	184,800
Daywork 4.5 days @ \$6800/day	30,600	30,600
Mud Logging	15,000	15,000
Water Hauling	15,000	15,000
Rental Equipment	2,000	2,000
Well Logging	22,000	22,000
Drilling Mud	55,000	55,000
Cement & Services..Surface, Intermediate	8,500	8,500
Cement & Services..Plugging	20,000	
Trucking & Labor	2,500	2,500
Overhead & Supervision	15,000	15,000
Misc Costs	12,000	12,000
Contingency		
<b>Total Drilling</b>	<b>425,900</b>	<b>405,900</b>

<b>Completion Intangibles</b>		
Cement & Services..Production Casing		55,000
Completion Unit 24 days @ \$2,800/day		67,200
Logging & Perforating		26,000
Stimulation		185,000
Tool & Tank Rental		18,000
Supervision 25 days @ \$650/day		16,250
Water		30,000
Trucking		6,500
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		
5% Contingency		20,900
<b>Total Completion</b>	<b>0</b>	<b>438,850</b>

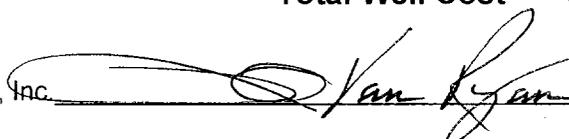
**Total Intangibles      425,900      844,750**

<b>Tangibles</b>		
Casing..Surface 600' 9 5/8" @ \$13.40/ft.	8,040	8,040
Casing..Production 8400' 5 1/2" @ \$7.00/ft.		58,800
Tubing..8500' 2 3/8" @ \$2.30/ft		19,550
Float Equipment	1,500	8,500
Wellhead	1,500	8,500
Artificial Lift..Plunger		4,500
Tanks & Pits		18,500
Separator		17,500
Line Pipe & Fittings		8,000
<b>Total Tangibles</b>	<b>11,040</b>	<b>151,890</b>

**Total Well Cost      \$436,940      \$996,640**

APPROVALS:

McElvain Oil & Gas Properties, Inc.



Date: 1/5/01

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

Date \_\_\_\_\_

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

Title: \_\_\_\_\_

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