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TEFTELLER, INC.

reservoir engineering data

FARMINGTON, NEW MEXICO/
GRAND JUNCTION, COLORADO

P. O. Box 1198
Farmington, New Mexico 87499
(505) 325-1731
Fax (505) 325-1148

2332 Interstate Ave., Ste. A
Grand Junction, CO 81505
(970) 241-0403
Fax (970) 241-7634

DATE: 8-24-2007

COMPANY: McELVAIN OIL & GAS PROPERTIES, INC.

WELL NAME & NUMBER: BEAR COM 29 NO. 2

API NO.: 30-039-29720

COUNTY: RIO ARRIBA

STATE: NEW MEXICO

SECTION/TOWNSHIP/RANGE: 29-26N-2W

TOTAL DEPTH: 6138'

RESULTS:

DEVIATION DEPTH: 6128'

DEGREE OF DEVIATION: 0 DEGREE

Dianne Tefteller
San Juan County, New Mexico

My commission expires:

August 24, 2008

Serving the Rocky Mountain Area

8 e-mail 9/21/07

13) LESSEE'S OR OPERATOR'S REPRESENTATIVE:Operator

Black Hills Gas Resources, Inc.
350 Indiana St., Suite 400
Golden, CO 80401

Main Phone 720-210-1300

Fax 720-210-1301

Doran Newlin – Operations Manager

Direct Phone 303-568-5983

Field Office

P.O. Box 249

Bloomfield, NM 87413

Main Phone 505-634-1111

Fax 505-634-1116

+ Lynn H. Benally – Regulatory Specialist

Direct Phone 505-634-1111 Ext. 27

Permit Agent

Banko Petroleum Management, Inc.
385 Inverness Parkway, Suite 420
Englewood, CO 80112-5849
303-820-4480

+ David Banko – Consulting Petroleum Engineer
david@banko1.com

+ Kathy Schneebeck – Regulatory Manager
kathys@banko1.com

Keith Dana – Range Mgmt. Consultant
307-389-8227 – mobile
krldana@fascination.com

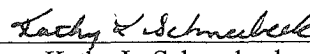
+ Contact for any questions or comments regarding this permit.

14) CERTIFICATION:

Black Hills Gas Resources, Inc. (BHGR) is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BHGR under their nationwide bond, BLM Bond #NMB000230.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Black Hills Gas Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

May 3, 2006


Kathy L. Schneebeck
Permit Agent for Black Hills Gas Resources, Inc.