MCELVAIN OIL AND GAS, PROPERTIES, INC.

AUTHORITY FOR EXPENDITURE

SUMMARY FOR EXPENDITURES EXPLORATION & DEVELOPMENT

	WELL INFORM	MATION	
DATE:	September 24, 2005	AFE NO.:	DONM05000096
WELL NAME:	Badger 14 #1	McELVAIN WELL NO.:	NM0069-66
LOCATION:	T25N-R2W, Sec 14: NWSW		
COUNTY	Rio Arriba		
STATE	New Mexico		
PROPOSED DEPTH:	5835'		
PURPOSE OF AFE:	Drill and complete Mesaverde Test		

COST ESTIMATE	S	
Intangible Drilling Costs: Tangible Drilling Costs	\$393,350 \$68,400	
SUB TOTAL TO CASING POINT	\$461,7	450
Plugging and Abandonment Costs	\$12,000	nobostosto
TOTAL DRY HOLE COSTS:	\$473,750	
Intangible Completion Costs:	\$474,900	
Tangible Completion Costs:	\$188,460	-
TOTAL COMPLETION COSTS:	\$663,30	50
TOTAL COMPLETED WELL COSTS:	\$1,125,1	10
Facilities		9
Land, Geological, Geophysical, Prospe	ect	
TOTAL THIS AFE:	\$1,125,11	10

latrical right	AP	PROVALS	
COMPANY:	T. H. McElvian Oil & Gas Ltd		56.953125%
BY:	By: McElvain Oil & Gas, Prop		
COMPANY: BY:	Four Star Oil & Gas Compar	WORKING INTEREST: DATE:	12.500000%
COMPANY: BY:	San Juan Gas Corporation	WORKING INTEREST:	9.375000%
COMPANY: BY:	Brazos Limited Partnership	WORKING INTEREST: DATE:	5.853274%
COMPANY: BY:	Christopher Phillips	WORKING INTEREST: DATE:	1.562500%
COMPANY: BY:	Ibex Partnership	WORKING INTEREST: DATE:	5.853274%
COMPANY: BY:	Williams Production Compan	WORKING INTEREST: DATE:	3.515625%
COMPANY: BY:	Clark & Oatman	WORKING INTEREST: DATE:	0.793452%
COMPANY: BY:	Arriba Company Ltd	WORKING INTEREST: DATE:	0.468750%
COMPANY: BY:	Samson Resources Company	WORKING INTEREST: DATE:	3.125000%
	TOTAL BEF	ORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico	100.000000%

Santa Fe, New Mexico
Case No. <u>13693</u> Exhibit No. 5
Submitted by:

McElvain Oil & Gas Properties, Inc.
Hearing Date: April 13, 2006

McELVAIN OIL & GAS PROPERTIES, INC.

AUTHORITY for EXPENDITURE September 24,2005

Dilling Intargible Staking Permitting Title Work & Survey 7,500 7,500 1,000 10,00		Badger Com 14 #1A RY NWSW Sec.14 T25N R2W R Blanco Mesaverde TD: 5835'	DRY HOLE	COMPLETED WELL
A004 Staking, Permitting, Title Work & Survey 7,500 7,500 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 11,000	NOMBE		HOLE	V V L L L
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A125		,		· ·
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A1135				
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A220 Open Hole Logs				13,000
A480			- 1	16,000
Rental Equipment 7,500 7,500 7,500 4408 Casing Crew for Surface Casing 5,000 5,000 4225 Casing Inspection 4,500		, ,	1 ' 1	
Adub				
Camer Came				
Additional				
A119				
Roustabouts & Contract Labor 2.5 days @ \$2500/day		•	1	•
Field Supervision - 14 days @ \$850/day 11,900 7,700 7,				
A620				· •
P&A Costs Contingency Total Intangible Drilling 5,000 5,000 5,000 393,350				
Contingency		• • • • • • • • • • • • • • • • • • • •		7,700
Completion Intangibles		P&A Costs		
Completion Intangibles	4715	Contingency	1 ' 1	· ·
Cement & Cementing Tools		Total Intangible Drilling	405,350	393,350
Cement & Cementing Tools				
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		Labor for Equipment Install		30,000
		Labor for Equipment Install Trucking/Transportation	68,400	30,000 7,500

Total Well Cost

\$473,750

\$1,125,110

APPROVALS:

McElvain Oil & Gas Properties, Inc.

Date: 10-7-05