

DonMO1000157

McELVAIN OIL & GAS PROPERTIES, INC.

AUTHORITY for EXPENDITURE

October 15, 2007

CATEGORY NUMBER	Badger Com 14 #2 NE Sec. 14 T25N R2W Blanco Mesaverde TD: 5898'	DRY HOLE	COMPLETED WELL
Drilling Intangibles			
3012	Abstract/Title	27,500	27,500
4004	Staking, Permitting, Title Work & Survey	12,000	12,000
4011	Surface Damages/ROW	7,000	7,000
4015	Location/Road	160,000	160,000
4116	Rig MOB & DEMOB	35,000	35,000
4111	Drilling Rig..Daywork..13 days @ \$15,000	195,000	195,000
4118	Rig fuel 11 days @ 1500/day	16,500	16,500
4120	Drilling Water	8,000	8,000
4125	Drilling Mud	18,000	18,000
4130	Air Compressor/Fuel	25,000	25,000
4135	Bits/Air Hammer	17,500	17,500
4220	Open Hole Logs	20,000	20,000
4480	Transportation	5,500	5,500
4250	Rental Equipment	5,500	5,500
4408	Casing Crew for Surface Casing	8,500	8,500
4225	Cement for Surface/Intermediate	35,000	35,000
4409	Casing Inspection	3,500	3,500
4119	Drill Pipe Inspection	2,500	2,500
4580	Misc Materials/Supplies	2,000	2,000
4515	Roustabouts & Contract Labor 2.5 days @ \$2500/day	6,250	6,250
4615	Field Supervision - 14 days @ \$950/day	13,300	13,300
4620	Drilling Overhead - 14 days @ \$175/day	2,450	2,450
4603	P&A Costs	12,000	
4715	Contingency	5,000	5,000
Total Intangible Drilling		643,000	631,000

Completion Intangibles			
5225	Cement & Cementing Tools		17,000
5112	Completion Unit 21 days @ \$3,500/day		73,500
5135	Bits		500
5220	Cased Hole Logs/Perf		22,000
5520	Stimulation		225,000
5250	Tool & Equip Rental		40,000
5121	Completion Water		25,000
5480	Trucking & Transportation		9,500
5408	Casing Crew		5,000
5409	Casing Inspection		3,500
5515	Roustabouts & Contract Labor		3,500
5015	Location & Road		6,000
5126	Fluid Disposal		10,000
5615	Field Supervision (21 days @ \$850/day)		17,850
5620	Completion Overhead (21 days @ \$175/day)		3,675
5004	Contingency		10,000
Total Intangible Completion		0	472,025

Total Intangibles 643,000 1,103,025

Tangibles			
8005	Surface Casing (600' 9 5/8" 36# @ \$24.00/ft)	14,400	14,400
8010	Intermediate Casing (3800' 7" 20# @ \$13.50/ft)	51,300	51,300
8015	Casing Liner (2250' 4 1/2" 10.5# @ \$7.00/ft)		15,750
8025	Tubing 5850' 2 3/8" J-55 @ \$3.90/ft		22,815
8020	Liner Hanger		11,500
8030	Casing Related Equipment		4,500
8205	Wellhead	4,500	14,500
8305	Artificial Lift Equipment		8,500
8225	Pit Tanks		10,500
8230	Tanks (2-400 bbl with heaters 1-400bbl)		35,000
8220	Separator/Dehydrator		25,000
8250	Line Pipe & Fittings		12,000
8505	Labor for Equipment Install		30,000
8506	Trucking/Transportation		7,500
Total Tangibles		70,200	263,265

Total Well Cost \$713,200 \$1,366,290

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 14048..... Exhibit No. 6

Submitted by:

McELVAIN OIL & GAS PROPERTIES, INC.

Hearing Date: December 13, 2007

WALS:

n Oil & Gas Properties, Inc.

Date: 10-15-07

DONM070002156

McELVAIN OIL & GAS PROPERTIES, INC.
 AUTHORITY for EXPENDITURE
 October 15,2007

CATEGORY NUMBER	Badger Com 14 #2A SE Sec. 14 T25N R2W Blanco Mesaverde TD: 5850'	DRY HOLE	COMPLETED WELL
Drilling Intangibles			
3012	Abstract/Title	27,500	27,500
4004	Staking, Permitting, Title Work & Survey	8,000	8,000
4011	Surface Damages/ROW	7,500	7,500
4015	Location/Road	110,000	110,000
4116	Rig MOB & DEMOB	35,000	35,000
4111	Drilling Rig..Daywork..13 days @ \$15,000/day	195,000	195,000
4118	Rig fuel 11 days @ 1500/day	16,500	16,500
4120	Drilling Water	8,000	8,000
4125	Drilling Mud	18,000	18,000
4130	Air Compressor/Fuel	25,000	25,000
4135	Bits/Air Hammer	17,500	17,500
4220	Open Hole Logs	20,000	20,000
4480	Transportation	5,500	5,500
4250	Rental Equipment	5,500	5,500
4408	Casing Crew for Surface Casing	8,500	8,500
4225	Cement for Surface/Intermediate	35,000	35,000
4409	Casing Inspection	3,500	3,500
4119	Drill Pipe Inspection	2,500	2,500
4580	Misc Materials & Supplies	2,000	2,000
4515	Roustabouts & Contract Labor 2.5 days @ \$2500/day	6,250	6,250
4615	Field Supervision - 14 days @ \$950/day	13,300	13,300
4620	Drilling Overhead - 14 days @ \$175/day	2,450	2,450
4603	P&A Costs	12,000	
4715	Contingency	5,000	5,000
Total Intangible Drilling		589,500	577,500

Completion Intangibles			
5225	Cement & Cementing Tools		17,000
5112	Completion Unit 21 days @ \$3,500/day		73,500
5135	Bits		500
5220	Cased Hole Logs/Perf		22,000
5520	Stimulation		225,000
5250	Tool & Equip Rental		40,000
5121	Completion Water		25,000
5480	Trucking & Transportation		9,500
5408	Casing Crew		5,000
5409	Casing Inspection		3,500
5515	Roustabouts & Contract Labor		3,500
5015	Location & Road		6,000
5126	Fluid Disposal		10,000
5615	Field Supervision (21 days @ \$850/day)		17,850
5620	Completion Overhead (21 days @ \$175/day)		3,675
5004	Contingency		10,000
Total Intangible Completion		0	472,025

Total Intangibles 589,500 1,049,525

Tangibles			
8005	Surface Casing (600' 9 5/8" 36# @ \$24.00/ft)	14,400	14,400
8010	Intermediate Casing (3800' 7" 20# @ \$13.50/ft)	51,300	51,300
8015	Casing Liner (2250' 4 1/2" 10.5# @ \$7.00/ft)		15,750
8025	Tubing 5850' 2 3/8" J-55 @ \$3.90/ft		22,815
8020	Liner Hanger		11,500
8030	Casing Related Equipment		4,500
8205	Wellhead	4,500	14,500
8305	Artificial Lift Equipment		8,500
8225	Pit Tanks		10,500
8230	Tanks (2-400 bbl with heaters 1-400bbl)		35,000
8220	Separator/Dehydrator		25,000
8250	Line Pipe & Fittings		12,000
8505	Labor for Equipment Install		30,000
8506	Trucking/Transportation		7,500
Total Tangibles		70,200	263,265

Total Well Cost \$659,700 \$1,312,790

APPROVALS:

McElvain Oil & Gas Properties, Inc.  Date: 10-15-07