## McELVAIN OIL & GAS PROPERTIES, INC. AUTHORITY for EXPENDITURE

October 15,2007

Badger Com 14 #2   DRY   COMPI	27,500 12,000 7,000 160,000 35,000 195,000 18,500 25,000 17,500 20,000 5,500 8,500 35,000 35,000 2,500 2,500 2,500
Drilling Intangibles	27,500 12,000 7,000 160,000 35,000 195,000 18,500 25,000 17,500 20,000 5,500 8,500 35,000 35,000 2,000 6,250
3012       Abstract/Title       27,500         4004       Staking,Permitting,Title Work & Survey       12,000         4011       Surface Damages/ROW       7,000         4015       Location/Road       160,000         4116       Rig MOB & DEMOB       35,000         4111       Drilling RigDaywork13 days @ \$15,000       195,000         4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4125       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4250       Rental Equipment       5,500         4225       Cement for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       2,500         4510       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$	12,000 7,000 160,000 35,000 195,000 18,500 25,000 17,500 20,000 5,500 8,500 35,000 2,500 2,500 2,000 6,250
4004       Staking, Permitting, Title Work & Survey       12,000         4011       Surface Damages/ROW       7,000         4015       Location/Road       160,000         4116       Rig MOB & DEMOB       35,000         4111       Drilling Rig Daywork13 days @ \$15,000       195,000         4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4121       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4250       Rental Equipment       5,500         4250       Rental Equipment       5,500         4205       Cement for Surface Casing       8,500         4226       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	12,000 7,000 160,000 35,000 195,000 18,500 25,000 17,500 20,000 5,500 8,500 35,000 2,500 2,500 2,000 6,250
4011 Surface Damages/ROW 7,000 4015 Location/Road 160,000 4116 Rig MOB & DEMOB 35,000 4111 Drilling RigDaywork13 days @ \$15,000 195,000 4118 Rig fuel 11 days @ 1500/day 16,500 4120 Drilling Water 8,000 4125 Drilling Mud 18,000 4130 Air Compressor/Fuel 25,000 4131 Bits/Air Hammer 17,500 4220 Open Hole Logs 20,000 4480 Transportation 5,500 4250 Rental Equipment 5,500 4250 Rental Equipment 5,500 4261 Casing Crew for Surface Casing 8,500 4275 Cernent for Surface/Intermediate 35,000 4280 Drilling Inspection 2,500 4380 Misc Materials/Supplies 2,000 4515 Roustabouts & Contract Labor 2.5 days @ \$2500/day 6,250 4615 Field Supervision - 14 days @ \$950/day 13,300 4620 Drilling Overhead - 14 days @ \$175/day 2,450	7,000 160,000 35,000 195,000 18,500 18,000 25,000 17,500 20,000 5,500 8,500 35,000 3,500 2,500 2,000 6,250
4015       Location/Road       160,000         4116       Rig MOB & DEMOB       35,000         4111       Drilling RigDaywork13 days @ \$15,000       195,000         4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4121       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4131       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	160,000 35,000 195,000 16,500 8,000 25,000 17,500 20,000 5,500 8,500 35,000 2,500 2,500 6,250
4116       Rig MOB & DEMOB       35,000         4111       Drilling RigDaywork13 days @ \$15,000       195,000         4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4125       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4131       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	35,000 195,000 16,500 8,000 18,000 25,000 25,000 5,500 8,500 35,000 2,500 2,000 6,250
4111       Drilling RigDaywork13 days @ \$15,000       195,000         4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4125       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4131       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	195,000 16,500 8,000 18,000 25,000 17,500 5,500 5,500 8,500 35,000 2,500 2,000 6,250
4118       Rig fuel 11 days @ 1500/day       16,500         4120       Drilling Water       8,000         4125       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	16,500 8,000 18,000 25,000 17,500 20,000 5,500 5,500 3,500 2,500 2,500 2,000 6,250
4120       Drilling Water       8,000         4125       Drilling Mud       18,000         4130       Air Compressor/Fuel       25,000         4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	8,000 18,000 25,000 17,500 20,000 5,500 5,500 3,500 3,500 2,500 2,000 6,250
4125         Drilling Mud         18,000           4130         Alr Compressor/Fuel         25,000           4135         Bits/Air Hammer         17,500           4220         Open Hole Logs         20,000           4480         Transportation         5,500           4250         Rental Equipment         5,500           4408         Casing Crew for Surface Casing         8,500           4225         Cernent for Surface/Intermediate         35,000           4409         Casing Inspection         3,500           4119         Drill Pipe Inspection         2,500           4580         Misc Materials/Supplies         2,000           4515         Roustabouts & Contract Labor 2.5 days @ \$2500/day         6,250           4615         Field Supervision - 14 days @ \$950/day         13,300           4620         Drilling Overhead - 14 days @ \$175/day         2,450	18,000 25,000 17,500 20,000 5,500 5,500 3,500 3,500 2,500 2,000 6,250
4130       Air Compressor/Fuel       25,000         4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cernent for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	25,000 17,500 20,000 5,500 5,500 8,500 35,000 2,500 2,000 6,250
4135       Bits/Air Hammer       17,500         4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	17,500 20,000 5,500 5,500 8,500 35,000 3,500 2,500 2,000 6,250
4220       Open Hole Logs       20,000         4480       Transportation       5,500         4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	20,000 5,500 5,500 8,500 35,000 2,500 2,000 6,250
4480         Transportation         5,500           4250         Rental Equipment         5,500           4408         Casing Crew for Surface Casing         8,500           4225         Cement for Surface/Intermediate         35,000           4409         Casing Inspection         3,500           4119         Drill Pipe Inspection         2,500           4580         Misc Materials/Supplies         2,000           4515         Roustabouts & Contract Labor 2.5 days @ \$2500/day         6,250           4615         Field Supervision - 14 days @ \$950/day         13,300           4620         Drilling Overhead - 14 days @ \$175/day         2,450	5,500 5,500 8,500 35,000 3,500 2,500 2,000 6,250
4250       Rental Equipment       5,500         4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	5,500 8,500 35,000 3,500 2,500 2,000 6,250 13,300
4408       Casing Crew for Surface Casing       8,500         4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	8,500 35,000 3,500 2,500 2,000 6,250
4225       Cement for Surface/Intermediate       35,000         4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	35,000 3,500 2,500 2,000 6,250
4409       Casing Inspection       3,500         4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	2,500 2,000 6,250
4119       Drill Pipe Inspection       2,500         4580       Misc Materials/Supplies       2,000         4515       Roustabouts & Contract Labor 2.5 days @ \$2500/day       6,250         4615       Field Supervision - 14 days @ \$950/day       13,300         4620       Drilling Overhead - 14 days @ \$175/day       2,450	2,000 6,250
4515 Roustabouts & Contract Labor 2.5 days @ \$2500/day 6,250 4615 Field Supervision - 14 days @ \$950/day 13,300 4620 Drilling Overhead - 14 days @ \$175/day 2,450	6,250
4615 Field Supervision - 14 days @ \$950/day 13,300 4620 Drilling Overhead - 14 days @ \$175/day 2,450	
4620 Drilling Overhead - 14 days @ \$175/day 2,450	13 300
	,0,000
4603   P&A Costs   12,000	2,450
4715 Contingency 5,000	5,000
Total Intangible Drilling 643,000	631,000
Completion Intangibles	177.000
5225 Cement & Cementing Tools	17,000
5112 Completion Unit 21 days @ \$3,500/day	73,500
5135 Bits	500
5220 Cased Hole Logs/Perf 5520 Stimulation	22,000 225,000
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
	472,025
Total Intangibles 643,000 1,	,103,025
Tangibles	
	4.4.400
8005 Surface Casing (600' 9 5/8" 36# @ \$24.00/ft) 14,400 8010 Intermediate Casing (3800' 7" 20# @ \$13.50/ft) 51,300	14,400 51,300
8015 Casing Liner (2250' 4 1/2" 10.5# @ \$7.30/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 Artifical 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, Ins.\_

TENDE Date: 10-15-07

## McELVAIN OIL & GAS PROPERTIES, INC. AUTHORITY for EXPENDITURE

October 15,2007

	Badger Com 14 #2A		1
CATEGORY	SE Sec. 14 T25N R2W	DRY	COMPLETED
NUMBER	Blanco Mesaverde TD: 5850'	HOLE	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	
4111	Drilling RigDaywork13 days @ \$15,000/day	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	· ·
4130	Air Compressor/Fuel	25,000	
4135 4220	Bits/Air Hammer	17,500 20,000	
4480	Open Hole Logs Transportation	5,500	· · · · · · · · · · · · · · · · · · ·
4250	Rental Equipment	5,500	
4408	Casing Crew for Surface Casing	8,500	
4225	Cement for Surface/Intermediate	35,000	•
4409	Casing Inspection	3,500	
4119	Drill Pipe Inspection	2,500	
4580	Misc Materials & Supplies	2,000	
4515	Roustabouts & Contract Labor 2.5 days @ \$2500/day	6,250	
4615	Field Supervision - 14 days @ \$950/day	13,300	
4620	Drilling Overhead - 14 days @ \$175/day	2,450	
4603	P&A Costs	12,000	
4715	Contingency	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	1	3,500 6,000
5015	Location & Road		10,000
5126	Fluid Disposal Field Supervision (21 days @ \$850/day)		17,850
5615 5620	Completion Overhead (21 days @ \$050/day)		3,675
5004	Contingency		10,000
2004	Total Intangible Completion	l o	1 ' L
	Total Intangibles	589,500	
			- , ,
	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	İ	22,815
8020	Liner Hanger		11,500
8030	Casing Related Equipment	j	4,500
8205	Wellhead	4,500	1
8305	Artifical Lift Equipment		8,500
8225	Pit Tanks	1	10,500
8230	Tanks (2-400 bbl with heaters 1-400bbl)		35,000
8220	Separator/Dehydrator	1	25,000
8250	Line Pipe & Fittings		12,000
8505	Labor for Equipment Install	(	30,000 7,500
8506	Trucking/Transportation	70.000	1
	Total Tangibles	70,200	263,265

Total Well Cost \$659,700

\$1,312,790

APPROVALS:

McElvain Oil & Gas Properties, Inc.

Date: 10-15-01