

**McELVAIN OIL & GAS PROPERTIES, INC.**

AUTHORITY for EXPENDITURE

September 19, 2008

| CATEGORY<br>NUMBER               | Ruby #1<br>NWSW Sec. 3 T29N R13W<br>TD: 1,710' Fruitland Coal Recompletion | DRY<br>HOLE    | COMPLETED<br>WELL |
|----------------------------------|--|----------------|-------------------|
| <b>Drilling Intangibles</b>      |  |                |                   |
| 3010                             | Landman Costs  | 85,080         | 85,080            |
| 3012                             | Abstract/Title   | 134,797        | 134,797           |
| 4004                             | Staking, Permitting, Title Work & Survey                                   | 22,061         | 22,061            |
| 4015                             | Location   | 7,747          | 7,747             |
| 4116                             | Rig MOB & DEMOB  | 3,779          | 3,779             |
| 4225                             | Cement for Surface Casing  | 12,462         | 12,462            |
| 4104                             | Drilling Footage (1422' of 6 1/4" Hole @ \$21.00/ft)                       | 38,306         | 38,306            |
| 4111                             | Drilling Rig..Daywork..3.0 days @ \$7500                                   | 19,080         | 19,080            |
| 4118                             | Rig fuel   | 2,133          | 2,133             |
| 4120                             | Drilling Water   | 1,426          | 1,426             |
| 4125                             | Drilling Mud   | 2,622          | 2,622             |
| 4126                             | Fluid Disposal   | 35,687         | 35,687            |
| 8733                             | Open Hole Logs   | 8,733          | 8,733             |
| 4480                             | Transportation   | 6,927          | 6,927             |
| 4250                             | Rental Equipment   | 8,014          | 8,014             |
| 4408                             | Casing Crew for Surface Casing   | 1,543          | 1,543             |
| 4515                             | Roustabouts & Contract Labor [pit cleaning]                                | 10,566         | 10,566            |
| 4615                             | Field Supervision - 7 days @ \$950/day                                     | 18,065         | 18,065            |
| 4620                             | Drilling Overhead - 6 days @ \$550/day                                     | 4,692          | 4,692             |
| 4715                             | Other Drilling Costs   | 15,335         | 15,335            |
| <b>Total Intangible Drilling</b> |  | <b>439,055</b> | <b>439,055</b>    |

|                                    |  |                |                |
|------------------------------------|--|----------------|----------------|
| <b>Completion Intangibles</b>      |  |                |                |
| 5225                               | Cement & Cementing Tools                 |                | 11,552         |
| 5112                               | Completion Unit                          |                | 40,000         |
| 5220                               | Cased Hole Logging & Perforating         |                | 10,000         |
| 5520                               | Stimulation                              |                | 120,000        |
| 5250                               | Tool & Equip Rental                      |                | 12,000         |
| 5615                               | Field Supervision (7 days @ \$950/day)   |                | 6,650          |
| 5121                               | Completion Water                         |                | 8,500          |
| 5480                               | Trucking & Transportation                |                | 10,000         |
| 5515                               | Roustabouts & Contract Labor             |                | 1,000          |
| 5015                               | Location & Road                          |                | 500            |
| 5126                               | Fluid Disposal                           |                | 20,000         |
| 5620                               | Completion Overhead (7 days @ \$550/day) |                | 3,850          |
| 5715                               | Contingency                              |                | 5,000          |
| <b>Total Intangible Completion</b> |  | <b>0</b>       | <b>249,052</b> |
| <b>Total Intangibles</b>           |  | <b>439,055</b> | <b>688,107</b> |

|                        |   |               |                |
|------------------------|---|---------------|----------------|
| <b>Tangibles</b>       |   |               |                |
| 8005                   | Surface Casing (250' 8 5/8" 24# @ \$16.00/ft)   | 9,521         | 9,521          |
| 8015                   | Production Casing 1672' 5.5", 15.5# @ \$9.80/ft |               | 17,466         |
| 8025                   | Tubing 1672' 2 3/8" J-55 @ \$4.00/ft            |               | 6,024          |
| 8205                   | Wellhead  | 3,000         | 18,395         |
| 8210                   | Compression Equipment                           |               | 1,080          |
| 8303                   | Engines   |               | 162            |
| 8305                   | Pumping unit                                    |               | 30,777         |
| 8310                   | Rods & Pump                                     |               | 10,598         |
| 8225                   | Pit tank/retaining                              |               | 16,412         |
| 8230                   | Tanks (2-400 bbl)                               |               | 459            |
| 8220                   | Separator                                       |               | 25,894         |
| 8250                   | Line Pipe & Fittings                            |               | 27,953         |
| 8505                   | Labor for Equipment Install                     |               | 38,765         |
| 8231                   | Structural Enclosures                           |               | 3,240          |
| 8605                   | Other Controllable Equipment                    |               | 1,930          |
| 8705                   | Non Controllable Equipment                      |               | 329            |
| <b>Total Tangibles</b> |   | <b>12,521</b> | <b>209,005</b> |

**Total Well Cost    \$451,576            \$897,112**

APPROVAL S:

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Gas Properties, Inc.

Date: 9-19-08

Case No. ....14262    Exhibit No. 6

Submitted by:

McELVAIN OIL & GAS PROPERTIES, INC.

Hearing Date: JANUARY 8, 2009