

McELVAIN OIL & GAS PROPERTIES, INC.
AUTHORITY for EXPENDITURE
 October 20, 1999

Elk Com #1A SW/4 Section 3 T25N R2W	DRY HOLE	COMPLETED WELL
Drilling Intangibles		
Title Work & Survey	5,000	5,000
Location, Road, Damages	25,000	25,000
Drilling Footage 6400' @ \$22.00/ft	140,800	140,800
Drilling Daywork 1.5 days @ \$5800/day	8,700	8,700
Water Hauling	7,500	7,500
Rental Equipment	1,800	1,800
Well Logging	14,000	14,000
Drilling Mud	25,000	25,000
Cement & Services..Cond, Surface, Intermediate	17,000	17,000
Cement & Services..Plugging	6,000	
Trucking & Labor	4,000	4,000
Overhead & Supervision	10,000	10,000
Misc Costs	7,500	7,500
Contingency		
Total Drilling	272,300	266,300

Completion Intangibles		
Cement & Services..Production Casing		9,300
Completion Unit 10 days @ \$2,500/day		25,000
Logging & Perforating		21,000
Stimulation		125,000
Tool & Tank Rental		26,000
Supervision 13 days @ \$650/day		8,450
Water		21,000
Trucking		7,200
Roustabouts/Labor 5 days @ \$2000/day		10,000
Specialized Tools		4,500
5% Contingency		12,900
Total Completion	0	270,350

Total Intangibles 272,300 536,650

Tangibles		
Casing..Surface 300' 9 5/8" @ \$11.00/ft.	3,300	3,300
Casing..Intermediate 4100' 7" @ \$6.20/ft.	25,420	25,420
Casing..Liner 2220' 4 1/2" @ 3.60/ft		8,000
Liner Hanger		9,400
Float Equipment	1,500	2,500
Tubing..6400' 2 3/8" @ \$2.00/ft		12,800
Wellhead	1,500	9,500
Tanks & Pits		7,500
Separator & Dehydrator		15,000
Line Pipe & Fittings		5,000
Total Tangibles	31,720	98,420

Total Well Cost \$304,020 \$635,070

APPROVALS:

McElvain Oil & Gas Properties, Inc. _____

Date: 10/20/99

Investor Approval: _____

Date: _____

Approved by: _____ Title: _____

Company: _____

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 12320 Exhibit No. 8
 Submitted by: McElvain Oil & Gas, Inc.
 Hearing Date: March 2, 2000