

McELVAIN OIL & GAS PROPERTIES, INC.

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STEVE JORDAN, CPL
LAND MANAGER

May 19, 2000

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

CASE NO. 12395
Order No. R-11378

OIL CONSERVATION DIV.
00 MAY 22 AM 10:26

TO: AFFECTED OWNERS IN SECTION 29: S/2, TOWNSHIP 26 NORTH, RANGE 2 WEST, N.M.P.M. (see attached list)

RE: ESTIMATED WELL COSTS: BEAR COM 29 #1
S/2 29-26N-2W
RIO ARRIBA COUNTY, NEW MEXICO

Ladies and Gentlemen:

Pertaining to the order from the New Mexico Oil Conservation Commission R-11378 for the compulsory pooling application and hearing, Case No. 12395, please find enclosed the estimated well costs for the Bear Com 29 #1 well, located in the S/2 of Section 29, T26N, R2W, N.M.P.M., Rio Arriba County, New Mexico, along with a copy of NMOCD Order R-11378.

Please refer to paragraph 7, et seq., of said Order R-11378, pertaining to the rights of a working interest owner to pay its share of estimated well costs within 30 days hereof, in lieu of paying its share of reasonable well costs and risk charges out of production. The estimated well costs for the Bear Com 29 #1 well are \$686,520.00. Our AFE in that amount is enclosed.

Please direct any questions in these regards to Mona Binion at (303) 893-0933, ext. 306.

Very truly yours,



Steve Jordan

Attachment (Owner List)
Enclosures (AFE & Order)
xc: Mona Binion – McElvain (Denver office)