

**BEAR COM 29 #1**  
**RIO ARriba COUNTY, NEW MEXICO**

**TOWNSHIP 26 NORTH, RANGE 2 WEST, N.M.P.M.**  
Section 29: S/2, below the base of the Pictured Cliffs formation  
containing 320 acres, more or less

**FEBRUARY 25, 2000**

**Working Interest Owners:**

McElvain Oil & Gas Properties, Inc. P.O. Box 2148 Santa Fe, New Mexico 87504-2148	OPERATOR  <u>BPO</u>	<u>APO</u> <sup>1</sup>
T.H. McElvain Oil & Gas Limited Partnership P.O. Box 2148 Santa Fe, New Mexico 87501-2148	50.000000%	50.000000%
Noseco Corporation, a Nevada corporation 7400 Lakeside Drive Reno, NV 89511	16.918585%	15.332468%
Neumann Family Trust c/o Peter C. Neumann P.O. Box 1170 Reno, Nevada 89504	13.397140%	12.141158%
Gavilan Dome Properties, a California Limited Partnership 1180 Cedarwood Drive Moraga, CA 94556	10.818685%	9.804433%
Mesa Grande Resources, Inc., an Oklahoma corporation 1200 Philtower Bldg. Tulsa, Oklahoma 74103	4.568695%	4.140380%
NM & O Operating Company 6 E. 5th Street, Suite 200 Tulsa, OK 74103	3.515645%	3.186053%
Johansen Energy Partnership P.O. Box 1773 Whitefish, MT 59937	0.781250%	0.708008%
Williams Production Company Attn: Mr. M. Vern Hansen P.O. Box 3102 Tulsa, Oklahoma 74101	0.000000%	4.687500%
Dugan Production Corporation P.O. Box 420 Farmington, NM 87499-0420	0.000000%	0.000000% <sup>2</sup>
Totals:	100.000000%	100.000000%

<sup>1</sup> Payout is defined in that certain Agreement for Purchase and Sale dated August 1, 1986, between Northwest Pipeline Corporation and Mesa Grande Resources, Inc..

<sup>2</sup> Under Assignment of Oil and Gas Lease from Dugan Production Corporation to Mesa Grande Resources, Inc., dated March 3, 1988, recorded BK 122, PG 5, Dugan reserved a 2.125% of 8/8ths ORRI, 0.5% of which *may* be converted to a 12.5% WI upon payout as defined in that certain Farmout Agreement dated December 31, 1987. The interests of Mesa Grande Resources, Inc., and its assigns, acquired from Dugan Production Corporation are subject to a reassignment provision in favor of Dugan under the terms of said farmout agreement.

**McE. AIN OIL & GAS PROPERTIES, IN**  
**AUTHORITY for EXPENDITURE**  
**FEBRUARY 18,2000**

BEAR COM 29 #1    Dakota SE/4   Sec. 29   T26N R2W	DRY HOLE	COMPLETED WELL
<b>Drilling Intangibles</b>		
Title Work & Survey	3,500	3,500
Location,Road,Damages	30,000	30,000
Footage 8480' @ \$19.00/ft	161,120	161,120
Daywork 1.5 days @ \$6100/day	9,150	9,150
Mud Logging	15,000	15,000
Water Hauling	15,000	15,000
Rental Equipment	1,800	1,800
Well Logging	22,000	22,000
Drilling Mud	55,000	55,000
Cement & Services..Surface,Intermediate	8,500	8,500
Cement & Services..Plugging	10,000	
Trucking & Labor	7,500	7,500
Overhead & Supervision	15,000	15,000
Misc Costs	12,000	12,000
Contingency		
<b>Total Drilling</b>	<b>365,570</b>	<b>355,570</b>
<b>Completion Intangibles</b>		
Cement & Services..Production Casing		45,000
Completion Unit 7 days @ \$2,500/day		17,500
Logging & Perforating		10,500
Stimulation		50,000
Tool & Tank Rental		14,000
Supervision 10 days @ \$650/day		6,500
Water		6,500
Trucking		12,000
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		
5% Contingency		8,800
<b>Total Completion</b>	<b>0</b>	<b>184,800</b>
<b>Total Intangibles</b>	<b>365,570</b>	<b>540,370</b>
<b>Tangibles</b>		
Casing..Surface 500' 9 5/8" @ \$11.60/ft.	5,800	5,800
Casing..Production 8480' 5 1/2" @ \$7.40/ft.		62,750
Casing.. Liner		
Liner Hanger		
Float Equipment	1,500	11,000
Tubing..8500' 2 3/8" @ \$2.13/ft		18,100
Wellhead	1,500	8,500
Tanks & Pits		14,500
Separator		17,500
Line Pipe & Fittings		8,000
<b>Total Tangibles</b>	<b>8,800</b>	<b>146,150</b>
<b>Total Well Cost</b>	<b>\$374,370</b>	<b>\$686,520</b>

APPROVALS:

McElvain Oil & Gas Properties, Inc.  Date: 2-18-00

Investor Approval:  Date: \_\_\_\_\_

Approved by:  Title: Vice President

Company: T.H. McElvain Oil & Gas Limited Partnership  
By: McElvain Oil & Gas Properties, Inc. General Partner