

**T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP**  
**McElvain Oil & Gas Properties, Inc., Sole General Partner**  
1050 – 17<sup>TH</sup> STREET, SUITE 1800  
DENVER, COLORADO 80265

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**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

July 19, 2001

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

Case No. 12484  
Order No. R-11471

TO: Non-Consenting Working Interest Owners  
(See attached list)

RE: Cougar Com 4 #2well  
W/2 Section 4, T25N-R2W  
Rio Arriba County, New Mexico

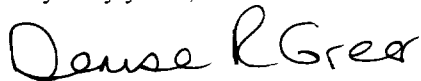
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Ladies and Gentlemen:

Pursuant to Page 4, Paragraph 9 of the above case and order number, enclosed is an itemized schedule of actual costs incurred in the drilling and completion of the Cougar Com 4-2 well. We will assume that the actual costs are the reasonable well costs should there not be any objections within the 45-day time limit set forth in said order.

Should you have any questions regarding the above, please feel free to contact us.

Very truly yours,



Denise R. Greer  
Consulting Landman

**Non-Consenting Working Interest Owners**

**Case No. 12484**

**Order No. R-11471**

W/2 Sec. 4-T25N-R2W

Rio Arriba County, New Mexico

**Neumann Family Trust**

c/o Peter C. Neumann

P. O. Box 1170

Reno, NV 89504

**Noseco Corporation**

7400 Lakeside Drive

Reno, NV 89511

**Mesa Grande Resources, Inc.**

1200 Philtower Bldg.

Tulsa, OK 74103

**NM&O Operating Company**

6 E. 5<sup>th</sup> Street, Suite 200

Tulsa, OK 74103

**Johansen Energy Partnership**

P. O. Box 1773

Whitefish, MT 59937

**Gavilan Dome Properties**

c/o Skredynski & Company, General Partner

1180 Cedarwood Drive

Moraga, CA 94556

**Dugan Production Corporation<sup>2</sup>**

P. O. Box 420

Farmington, NM 87499-0420

**Williams Production Company<sup>1</sup>**

Attn: Mr. M. Vern Hansen

P.O. Box 3102

Tulsa, Oklahoma 74101

<sup>1</sup> This party is incorporated hereunder due to reference in title to a certain "payout" defined in that certain Agreement for Purchase and Sale dated August 1, 1986, between Northwest Pipeline Corporation and Mesa Grande Resources, Inc., which creates uncertainty in title.

<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. Dugan has been included hereunder due to the uncertainty as to the status of such right to reassignment.