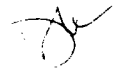


T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP
McElvain Oil & Gas Properties, Inc., Sole General Partner
1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.329
FAX 303-893-0914
e-mail: dgreer@mcelvainoilandgas.com

Certified Mail, Return Receipt Requested

June 26, 2001



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

CASE NO. 12636
Order No. R-11294-A

TO: Affected Owners in S/2 of Section 33, Township 26 North, Range 2 West, N.M.P.M.
(See attached list)

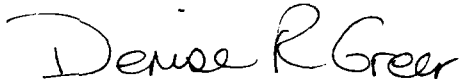
RE: Estimated Well Cost
Cougar Com 33-1M well
S/2 Section 33, T25N-R2W
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pertaining to the order from New Mexico Oil Conservation Commission R-11294-A for the compulsory pooling application and hearing, Case No. 12636, enclosed is the estimated well cost for the Cougar Com #33-1M well, located in the S/2 of Section 33, T26N, R2W, N.M.P.M., Rio Arriba County, New Mexico, along with a copy of NMOCD Order No. R-11294-A.

Reference is made to Page 4, Paragraph (7), et seq of said Order R-11294-A, 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 Cougar Com 33-1M well are \$996,640. A copy of McElvain Oil & Gas Properties, Inc. Authority for Expenditure, which details this estimate, is enclosed herewith for your information.

Very truly yours,
McELVAIN OIL & GAS PROPERTIES, INC.



Denise R. Greer
Consulting Landman

Attachment (Owner List)
Enclosures (AFE & Order)

Working Interest Owners
Affected by NMOCD Order No. R-11294-A
Cougar Corn #33-1M well
S/2 Section 33, T26N-R2W

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, NM 87401

Gavilan Dome Properties
1180 Cedarwood Drive
Moraga, CA 94556

Mesa Grande Resources, Inc.
1318 Philtower Building
Tulsa, OK 74103

Johansen Energy Partnership
P. O. Box 1773
Whitefish, MT 59937