

MCELVAIN OIL AND GAS, PROPERTIES, INC.

AUTHORITY FOR EXPENDITURE

SUMMARY FOR EXPENDITURES EXPLORATION & DEVELOPMENT

REVISED JULY 9, 2001

WELL INFORMATION

DATE:

WELL NAME: Bear Com #29-2 Well

LOCATION: NE/4 Section 29, T26N-R2W

COUNTY: Rio Arriba

STATE: New Mexico

PROPOSED DEPTH: 6,100' (Revised)

PURPOSE OF AFE: To Drill and Complete a single Mesaverde Test Well (Revised)

COST ESTIMATES

Intangible Drilling Costs: \$344,800

Tangible Drilling Costs: \$38,250

SUB TOTAL TO CASING POINT

\$383,050

Plugging and Abandonment Costs: \$15,000

TOTAL DRY HOLE COSTS: \$398,050

Intangible Completion Costs: \$350,700

Tangible Completion Costs: \$80,700

TOTAL COMPLETION COSTS:

\$431,400

TOTAL COMPLETED WELL COSTS:

\$814,450

Facilities

Land, Geological, Geophysical, Prospect

TOTAL THIS AFE:

\$814,450

APPROVALS

COMPANY: T. H. McElvian Oil & Gas Ltd.

By: McElvian Oil & Gas Properties Inc., General Partner

BY: 

DATE: 7/9/01

COMPANY: Lindrith Capital, LLC

BY: _____

DATE: _____

COMPANY: Joe Elledge

BY: _____

DATE: _____

COMPANY: Rio Chama Petroleum, Inc.

BY: _____

DATE: _____

COMPANY: Clark & Oatman

BY: _____

DATE: _____

COMPANY: Ibex Partnership

BY: _____

DATE: _____

COMPANY: States, Inc. for Petco, Inc.

BY: _____

DATE: _____

COMPANY: Hooper, Kimball & Williams, Inc.

BY: _____

DATE: _____

COMPANY: Dugan Production Corporation

BY: _____

DATE: _____

Mc ELVAIN OIL & GAS PROPERTIES, INC.
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Bear Com 29 #2 Mv NE/4 Sec. 29 T26N R2W	DRY HOLE	COMPLETED WELL
Drilling Intangibles		
Staking, Permitting, Title Work & Survey	16,000	16,000
Location, Road, Damages	25,000	25,000
Footage 6100' @ \$26.00/ft	158,600	158,600
Daywork 2.0 days @ \$8100/day	16,200	16,200
Air Compressors	26,000	26,000
Water Hauling	5,500	5,500
Rental Equipment	2,000	2,000
Well Logging	18,000	18,000
Drilling Mud	15,000	15,000
Cement & Services..Surface, Intermediate	21,000	21,000
Cement & Services..Plugging	15,000	
Trucking & Labor	9,500	9,500
Overhead & Supervision	22,000	22,000
Misc Costs	10,000	10,000
Contingency		
Total Drilling	359,800	344,800
Completion Intangibles		
Cement & Services..Production Casing		12,500
Completion Unit 15 days @ \$2,800/day		42,000
Logging & Perforating		26,000
Stimulation		175,000
Tool & Tank Rental		24,000
Supervision 20 days @ \$650/day		13,000
Water		18,000
Trucking		9,500
Roustabouts/Labor 7 days @ \$2000/day		14,000
Specialized Tools		
5% Contingency		16,700
Total Completion	0	350,700
Total Intangibles	359,800	695,500
Tangibles		
Casing..Surface 300' 9 5/8" @ \$12.80/ft.	3,850	3,850
Casing..Intermediate 3800' 7" @ \$7.20/ft.	27,400	27,400
Liner..2500' 4 1/2" @ \$3.80/ft.		9,500
Tubing..6100' 2 3/8" @ \$2.13/ft		13,000
Float Equipment/Centralizers/Liner Hanger	2,500	12,200
Wellhead	4,500	4,500
Artificial Lift..Plunger		4,500
Tanks & Pits		18,500
Separator		17,500
Line Pipe & Fittings		8,000
Total Tangibles	38,250	118,950
Total Well Cost	\$398,050	\$814,450

APPROVALS:

McElvain Oil & Gas Properties, Inc.

Date: 7/9/01