

MR. APOLONIA BACA: P.E.
(Petroleum Industry Experience: 30 years)
[Contract Services]

Since 1995 Mr. Baca has consulted for TXG Engineering, a subsidiary of Texas Gas Transmission Company and has assisted with the Texas-Subcontinent project. Mr. Baca has also worked with the U.S. Trade Development Program on the Thailand Liquids Pipeline Project and developed and implemented the Gulf of Mexico LPG terminal for the Sabine Pass Terminal Group as well as performed engineering services for PHE Engineering.

Mr. Baca previously held the position of Director of International Business Development with the largest oil and gas-trading firm in Houston, Texas for 6 years. In that position he was responsible for development opportunities for various subsidiaries in the Far East, Central and South America, and the Caribbean. He initiated the development of a \$ 600 million import/export LPG terminal in the Caribbean, established operations of an onshore gas pipeline in Sabah, Malaysia and developed at \$ 12 million joint venture bunkering terminal at Sabah. Mr. Baca also helped to develop the \$ 1.0 Billion dollar Natuna Gas Pipeline Project with various Indonesian government entities, Conoco, Esso, and Pertamina and established a business development office in Singapore to enter the LPG distribution system in Thailand. Mr. Baca initiated negotiations with Spain's LPG ministers for a LPG terminal on the Mediterranean.

Mr. Baca's previous experience included a 15-year position as an engineer for Northern Natural Gas in Omaha.

Prior to that position, Mr. Baca was manager of the exploration and acquisition department of Northern Coal Company in Denver Colorado for 5 years.

Mr. Baca holds a Bachelor of Science degree in Petroleum and Natural Gas Engineering from Texas A & I University and earned his Master of Business Administration degree from the University of Nebraska. Mr. Baca is a licensed professional engineer in the State of Texas and fluently speaks both Spanish and English.

MR. LOUIS T. LINT: Geophysicist
(Petroleum Industry experience: 22 years)
[Geophysicist and Contract Services]

Mr. Lint formed his own geophysical consulting company Lint Geophysical, in 1995 and has both major and independent clients throughout the Permian Basin of west Texas and S. E. New Mexico as well as in the San Juan Basin of Colorado and the Gulf Coast of Texas.

Prior to forming Lint Geophysical, Mr. Lint was employed as the senior geophysicist for Falcon/Seaboard. While in that position Mr. Lint was responsible for all of Falcon's west Texas geophysical activities.

Previously Mr. Lint was a contract Geophysicist for Matador and Toreador with duties that included implementation of, processing of, and interpretation of 3-D seismic programs throughout the Permian Basin and the San Juan Basin.

Mr. Lint was the Project Geophysical Manager for Mesa prior to their reorganization and was responsible for all of Mesa's geophysical interpretation in the Permian Basin of west Texas and S. E. New Mexico and for the Texas panhandle division.

Mr. Lint was the geophysicist for Tidewater and his duties included all geophysical interpretations and purchases for that company in the Permian Basin.

Mr. Lint's first employment in the oil and gas industry was with Cities Services Corp. as a geophysicist responsible for geophysical prospects within the Permian Basin of west Texas and S. E. New Mexico.

Mr. Lint holds a Bachelor of Science degree and a Master of Science degree in geophysics from the University of Kansas.

APPENDIX 2

**Company, Executive and Employee Profiles:
Mclrish Development, LLC.**

McIrish Development, LLC

1603 N. I Street
O: 432-661-2099

Midland, Texas 79701
C: 832-754-2131

Company Information

McIrish Development, LLC is a new energy development firm focused on delivering turnkey, sustainable programs in proven markets. Our mission is to develop and execute projects using best practices to ensure project returns will be resilient over time and across a range of economic scenarios. We operate our facilities with best-of-class methods, safety and technology. As a result, we generate higher Investment returns with lower risk than our competition.

Tom McCormick, Managing Director

Tom is a third generation petroleum industry specialist with over 39 years experience. He brings a strong base of experience in sales and marketing, field engineering, as well as, management and oversight of assets to every project. Tom is uniquely versed in both the domestic and International energy services, and he has founded several energy companies that have operated around the World. He is President of Mc Irish Consulting, Inc. acting as a representative for energy service and consulting companies in the Permian Basin. Tom has experience working with all the majors, major independents, and independents that are currently active in the Permian basin. Previously, Tom has been a part owner, founder and President of A&W Trading Int. Ltd. He has also served as a V.P. for Spectrum Drilling Fluids Inc., a drilling fluids and drilling engineering company services company, and as a V.P. of sales and as a Senior Field Engineer for American Oil Field Service, Inc., a drilling rig manufacturing company. Tom has held management positions as a V.P. of field operations, drilling/production for G Mac O&G Inc., an independent O&G exploration company, and it's affiliate Master Well Logging Inc. Tom was also trained as a field engineer for Baker Packers/Services Inc., C.E. NATCO, and Otis Engineering. Tom understands the necessary financing structures for a successful project, and has earned a lifetime of relationships, which make the difference in his success compared to his competitors.

Jeff Graefe, Managing Director

Proven leader with more than 15 years in the energy industry, focused on business development, regulatory affairs, compliance, government relations, project management and market analysis. Graefe is the CEO of RenGEN, LLC an oleochemical company with a proprietary renewable solvent for oil sands extraction and as a shale oil fracking fluid. Previously, Graefe was a Visiting Assistant Professor and Director of the Global Energy Management Institute at the Bauer College of Business at the University of Houston. Graefe has over 8 years renewable energy experience, specifically with biodiesel and ethanol, and consulted on renewable energy matters for GE Energy. Graefe actively lobbied the EPA to include camelina as an approved biodiesel feedstock under RFS2 rules. Graefe also served as a management consultant for Deloitte and Touche in the Enterprise Risk Management practice. Graefe holds a J.D. and a B.A. from the University of Oklahoma.

Jeremy Horton

Jeremy has 10 years of petroleum engineering and management experience. Working for some of the industries best companies, such as Marathon Oil, BP America, and EOG Resources, Jeremy has proven his technical ability to complete a varied range of wellbores. Jeremy is also proficient in Directional Well Planning, BHA design, MWD-LWD, J and S type well profiles, and Hydraulic Torque and Drag Analysis. His formal education is in Petroleum Engineering from Texas A&M University.

S. G. Bolin

Stephen has over 35 years of experience as a landman. He brings with him expertise and in depth knowledge of title examination, negotiations, leaseholds, unit agreements, coordination with government agencies, and title memorandum. Through out his distinguished career, he has served as a Landman, Land Manager, Division Land Manager, Vice-President of Land and as an Independent Petroleum Landman. Stephen holds a degree in Finance from North Texas State University.

Bill Bennett

Bill has over 25 years of field experience in the oil and gas business specializing in drilling fluids. Bill has worked as a well-site drilling supervisor and as a drilling fluids engineer. Bill holds degrees from Louisiana Tech University and Louisiana State University.

Additional Training

Hughes Drilling Fluids, Mud School, 1981; Hughes Drilling Fluids, Oil Mud School, 1984; Well Control for Drilling Supervisors Certification; Helicopter Underwater Escape Training; H2S Awareness Training; H2S/ Respiratory Protection Training; Hazardous Waste and Emergency Response; Hazard Communications Training; Hearing Conservation Training; Instructor MFA/CPR/BBP Training; Confined Space; Cranes and Pickers; Defensive Driving; Drug and Alcohol Awareness; General Safety Orientation; Electrical Safety; Excavation Safety; Fall Prevention; Fire Extinguishing and Prevention; Fire Watch and Prevention; Forklift Safety; Lockout/Tagout; Personal Protective Equipment; Safety Meeting.

Robert Tate

Robert has over twenty years experience in the oil and gas industry supervising drill/completion operations in Utah, Wyoming, Colorado, Montana, North Dakota, New Mexico, Kansas, Oklahoma, Texas, and Indiana. The last four years has been spent working in the Uintah Basin south of Vernal, and the Parachute Colorado in North-western Colorado. His experience covers a full scope of drilling related operations from staking and building locations to coring (conventional & sidewall cores), drill stem testing, horizontal drilling, directional drilling, straight hole drilling in severely deviated conditions, multiple S curve well pads, high pressure gas, severe lost circulation, pressured/water sensitive shale, running/setting casing/liners, cementing/squeezing casing/liners. Robert has worked for some of the best companies in the industry including ConocoPhillips, Kerr McGee, El Passo, Devon, Houston Exploration, Encana Oil and Gas, and others. Robert graduated from Northwestern Oklahoma State University and is currently BOP Certified.

Kerry Ashwood

804 Sinclair Ave, Midland, TX 79705

432/638-8177

Iron99tx@yahoo.com

Professional Experience

Contract Flowback Consultant

2010 – Present Dennis' Consulting Odessa, TX

- Performed flowback for Broadoak and continued with Laredo after merger of companies
- Start and completion of flowback on both vertical and horizontal wells
- Update and send daily reports on water, oil and gas production
- Coordination of water hauled to SWD
- Transferred oil to tank batteries and verified amounts being transferred
- Worked with test separators
- Post production work on vertical and horizontal wells
- Checked jet pumps and reported any malfunctions
- Maintained levels of frac ponds and frac tanks

Contract Welder & Electrician

2006 – 2010 B & M Tool Midland, TX

- Fabrication on oilfield pipe heat treat and tempering ovens
- Lead Welder - Welded steel, alloys, stainless, cast, sub-arc welding of pipe buildups, tool joints • Fabrication on Heat Treat & Tempering ovens at heat treat plant

Quality Control Inspector

2003 – 2006 B & M Tool Midland, TX

- Involved in all aspects of quality control process, acquired A.P.I. Spec 7 certification for B & M
- Processed all IMTE mic and gauge calibrations

Shop Fabricator

2000– 2003 TMP Truck & Trailer Midland, TX

- Metal fabrication – trailers, BBQ pits, mud pump skids and deer blinds
- Installed goose neck and fifth wheel hitches, receiver hitches and winches

Shop Foreman

1995 – 2000 Brenderup Trailers Midland, TX

- Fabrication of custom horse trailers (imported from Denmark)
- Created jigs used in manufacturing process

Shop Foreman

20 years The Ornamental Shop Midland, TX

- Built custom wrought iron for commercial and residential applications

Joshua Codey Stotts
codey.wayne@yahoo.com
817-718-1284

Summary

Seasoned professional with multi-faceted drilling skills. Dependable resource with a high integrity, capable of working independently or within a team environment. Looking to become part of a great team of highly skilled individuals.

Competencies

Drilling-Derrick	Backhoe driver	Side trimmer
Drilling-Driller	Bobcat with hydro ax/attachments	
Drilling-Floorhand	Frontend loader	

Professional Experience

Pioneer Energy Services, April 2011—July 2013

Duties included but not limited to

- Driller-run rig, supervise crew, oversaw and maintain down hole operations
- Derrick-oversaw mud and pump operations
- Floorhand-work the floor in all aspects, helping members of the crew

Flint Construction, November 2009-October 2010

Duties included but not limited to

- Equipment operator-ran multiple pieces of machinery

Patterson UTI, September 2006-June 2007

Duties included but not limited to

- Derrick-oversaw mud and pump operations

Pinnacle Drilling, January 2006-September 2006

Duties included but not limited to

- Driller-run rig, supervise crew, oversaw and maintain down hole operations

Nabors USA, July 2004-January 2006

Duties included but not limited to

- Derrick-oversaw mud and pump operations
- Floorhand-work the floor in all aspects, helping members of the crew

Hardy's Hydramatic, October 2001-July 2004

Duties included but not limited to

- Journeyman automatic transmission technician
- Rebuild automatic transmission
- Repair automatic transmission
- Service automatic transmission

Achievements/Certifications

CPR
First Aid

MARINHO CONSULTING LLC.

Oil & gas consultants

Midland, Texas

Executive summary for Dawson county project.

In the Dawson and Gaines counties Texas as well as surrounding areas that are known prolific producing fields in the Permian basin we have a cumulative 3,450 plus or minus wells drilled and or completed by our personnel. As provided in the West Texas Gas (WTG) data package supplied for your review.

This project entails a broad spectrum multi zone developmental program specialized services will be implemented in supervisory and labor on a per well basis throughout this project. This will entail construction, drilling, infrastructure, and production services until completion of the Dawson/ Gaines counties development processes. Our personnel and associated service providers are bonded up to \$2,000,000.00 per employee per well. Our insurance is with Insurance 1 Kelsey Hare (580)606-6399 ext. 2229 control number (OP38010042). Our resources for this project have been upgraded to stand by status awaiting your response and or adjustments that your company deems necessary because of current market activities within the Permian basin, we are under pressure from our clients to begin like projects. Your timely response will be appreciated. We are looking forward to participating on this and other like projects with you and your company. Feel free to contact us to clarify or answer any additional questions pertaining to this project.

Sincerely:

Mark Gillaspia

(432)230-2651

markgillaspia@yahoo.com

ATTN: Kevin Currier as per Tom McCormick's request.

CURRICULUM VITAE
Floyd Ireland

Personal Data

Nationality: U.S.

Address: Seaview Plaza 8E, 18 Aaizi Road
Shekou Shenzhen,
518067
People's Republic of China

Cell (US): +1-(713)-820-0589

Cell (China): +86-133-4291-5278

E-Mail: floyge@gmail.com

Work Experience

Company: Profundo Technologies

Title: Technical Director

Lead on local engineering projects, qualifying local engineers and consulting expatriates when required.

Responsible for qualification and selection of small to mid-sized, best in class companies for representation in the oil and gas industry within the Peoples Republic of China.

Location: Shekou, China, Aug 2011 to Present.

Accomplishments:

- New Field China - Worked in conjunction with Profundo partners to provide a full review of the ODP for drilling and completing the Lu Feng 7-2 field. The review included a well by well critique of the directional program, drilling and completions fluids, bit selection and hydraulics, casing and tubing selection (including metallurgy), artificial lift requirements, and the completions design.
- New Field China - Development of an ESP and VSD Tender package for Lu Feng 7-2 field including all technical aspects, BOD review, detailed completions design, surface requirements, services, and a commercial structure for a 5-year contract combined with a creative incentive model.
- Husky Energy China - In progress: Working on contract to prepare, the Field Operating Manuals for the Block 29/26 Liwan -LW3-1 and LW34-2 Fields Deepwater Gas Development (1450 meters), and 79 km tie back to the Central Platform.
 - Develop and write the procedures for operating the Trees, Subsea Manifolds, etc. using existing P&ID's, functional specifications and narratives for the components and systems.



JANISLENE SANTOS FERREIRA- Civil/Petroleum Engineer
Room 13B Block 1 The Hillside Mont Orchid 2 Shekou Nanshan Shenzhen PRC
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Janislenesf@hotmail.com

PROFESSIONAL EXPERIENCE

October 1st, 2011 – Present
PROFUNDO TECNOLOGIES LTD. Asia- Shenzhen, China.
Co-Owner & Director of Engineering

This is a private consultancy group in which has been formed to deliver best in class technology and operational solutions to the oil and gas industry within the People Republic of China (PRC) and other major international oil and gas producing regions.

Accomplishments:

- Work as a Contractor for HUSKY ENERGY China to prepare, the Field Operating Manuals for the Block 29/26 Liwan -LW3-1 and LW34-2 Fields, Deepwater Gas Development.
 - Develop and write the procedures for operating the Trees, Subsea Manifolds, etc. using existing P&ID's, functional specifications and narratives for the components and systems.
 - Finalize narratives and write procedures for hydrate remediation for all Deepwater components and systems including the 79 Km tie back from the field (1450m water depth) to the Central Platform (200m Water depth).
 - Including a detail narrative of the MEG (Monoethylene glycol) Recovery Unit (MRU) from the pre-flash section, going into pre-treatment and then to reclamation ending up at the regeneration section.
 - Work to develop a Safety Critical Elements (SCE) list for the Liwan 3-1 offshore field, including the production systems. Along with all manifolds as well as at the Central Platform MRU facilities.

Michael E. Blair

7015 Sleepy Hollow

Odessa, TX 79762

(432) 978-5155

Mike.blair1964@yahoo.com

Objective Position where I can use my strong sales and management skills.

Qualifications

- 29 years experience as an outside and inside sales person
- 10 years experience owning my own business

Education

- Cisco Jr. College Fall 1990
- Odessa Jr. College Spring 1987
- Graduated Odessa High 1982
- NOV Best Sales Practice 2008

Employment

- **Triumph Downhole Tools** June 2012 - present
Outside sales and rental of drilling tools and pipe inspections.
- **Bam Oil Tools** March 2011-May 2012
Help start company, and was the sales manager.
Sale and rental of drilling tools. Drilling motors, shocks, pipe screens and float-valves . Assisted in daily operations of parts orders, machine work materials and dispatching. Designed rotor catch for motors.
- **Santa Rita Down Hole Motors** November 2009-March 2011
Sales and rental of drilling motors and shocks. Assisted in daily operation decisions and dispatching and delivery of tools.
- **National Oilwell** January 2008-November 2009
Downhole Tool Division – Outside sales and rental of downhole drilling tools.
Laid off when economy went bad
Supervisor Buck Smith (432) 580-5938
- **Golden Coach-RV Sales** 2006-2008
- **Basin Clutch, Inc.** 1979-2013
Owner 10 years, Outside sales, Manager
Started when I was in high school

Travis White 432.770.2008

1807 Walnut Ave * Odessa, TX * traviswhite1975@live.com

Objective

To obtain a position as a Flow Back Consultant utilizing my management, safety, and organizational skills. I have the passion and knowledge to promote a safe working environment, while continuing to develop professionally.

Skills Summary

Self-motivated with demonstrated planning, organizational and multitasking skills.
Detail-oriented when organizing information.
Computer skills including Microsoft Word, Excel and Internet.
Desire to excel professionally through education job growth, while maintaining family relationships and values.

Training Certification

I have previously taken the below safety classes

Blood borne Pathogens	Confined Spaces
Fall Protection	Medic First Aid
Haz-com	Hearing Protection
LO/TO	PPE
Respiratory protection	H2S
Rigging	Slip, trip, & falls
Back Safety	Safeland

Previous Experience

October 2010 to May 2013

Dennis's Consulting Service

Flow Back Operator/Completion

Operating and monitoring flow back equipment such as water, gas and separators. Operating gas lifts. Reading and recording gauge measurements accurately on excel spread sheet. Gauging tank batteries. Operate gas lifts. Change out chokes. Trouble shooting problems with equipment.

8/2010 to 10/2010

Alliance Field Service

Roustabout/Mechanic

Built tank batteries, laid poly pipe, put together flow lines. Operated winch truck

5/2009 to 08/2010

BJ Independent

Mechanic

Repaired heavy equipment such as bull dozer, track hoes, back hoes, maintainers, 18 wheelers

8/2008 to 05/2009

Adobe Iron Works

Machinist

Ran a lath and mill to make different parts for the oil field

KAYSER CONSULTING SERVICES OF TEXAS

P.O. Box 8305 Midland, Texas 79708

432-770-0845 Fax 866-278-5674

E-mail drlg4oil@aol.com

Ysidro Rodriquez

417 W. Dormard, Midland, Texas 79705 Cell: (432-556-0724) email: chilotp@yahoo.com

Summary: 23 years of experience in oil and gas exploration. Supervised drilling and work over operations in Texas and New Mexico. Experienced with weighted systems as well as under-balanced drilling fluids. I am dependable, stable and in good health. I am a team player who is self-motivated; safety minded and has strong work ethics. I am also bilingual in Spanish.

Experience

Aug 2007- Present- Kayser Consulting Services of Texas, Inc (Texas and New Mexico)

Drilling and Work Over Consultant

Recently completed the completions of a drilling project for Capali Energy in Lamb County, Texas. Supervise drilling and completion operations from spud thru completion of well. Conduct safety meetings as well as inspections while on well site and report day-to-day operations to operator. I will advise on AFE's as well as coordinate with vendors at operator's request.

June 2001 – August 2007 – Patterson UTI Drilling. Texas

Toolpusher and Driller

Supervise and coordinate drilling operations from spud through total depth of project. Conduct safety meetings as well as inspections while on well site and report day-to-day operations to drilling superintendent.

December 2000 – June 2001 – Nabors Drilling. Texas and New Mexico

Derrick Hand

Maintain mud pumps, mud systems and pits in daily drilling operations as well as safety procedures.

October 1998 – November 1999 – Marine Drilling. Offshore in Gulf of Mexico.

Floor and Derrick Hand

Maintain mud cleaner, shakers, gas buster, desander and desilter.

December 1996 – September 1998 – Key Energy Drilling Group

Driller

Supervise and coordinate drilling operations from spud through TD of project. Conduct safety meetings as well as inspections while on well site and report day-to-day operations to drilling superintendent.

October 1986 – December 1996 – Clint Hurt & Associates

Floor, Motor and Derrick Hand

Performed rig maintenance on a daily basis. Service motors on a daily basis. Maintain mud pumps, mud systems and pits in daily drilling operations as well as safety procedures.

Education

August 1999 – May 2001

Midland College

Midland, TX

Associates in Applied Science Degree

- Certificate of achievement for Basic Electronic Technician
- Certificate of achievement for Advanced Electronic Technician

KAYSER CONSULTING SERVICES OF TEXAS

P.O. Box 8305 Midland, Texas 79708

432-770-0845 Fax 866-278-5674

Ysidro Rodriquez

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References

Dennis Kruse	Capali Energy	(432) 352-7379
Gene Holt	Merit Energy	(432) 634-7999
Bill Jackson	KWB Operating	(972) 672-1612
Andrew Roff	Roff Oil & Gas, LTD	(713) 655-5333
Earl Mickey	Terrace Petroleum	(432) 684-5112
Mike Guinn	Toolpusher – Patterson UTI Drilling	(432) 634-1752
Jimmy Pyron	Toolpusher – Patterson UTI Drilling	(432) 661-2424
Filimon Lozoya	Lozoya Welding	(432) 559-0632
Glen Smith	Drilling Consultant	(432) 634-7033

Andrews, County Texas – XTO Energy Devonian- Lost circulation, severe deviation, pressure situations and water flows (250/bph) containing 100 ppm-1,000 ppm of H₂S. Depths ranging up to 10,000’.

Dawson County, Texas – Roff Oil & Gas, LTD – Lost circulation, pressure situations. Depths ranging up to 12,500’.

Hockley County, Texas – Capali Energy – Lost circulation, severe deviation and pressure situations on Wildcat wells. Depths ranging up to 8,000’.

Lamb County, Texas – Capali Energy – Lost circulation, severe deviation and pressure situations on Wildcat wells. Depths ranging up to 8,000’.

Martin County, Texas – Merit Energy, KWB Operating (H&M Resources) and Terrace Petroleum – Devonian/Sprayberry – Lost circulation, water flows and pressure situations. Drilled several wells also in this area. Depths ranging from 9,000’ – 11,500’.

Midland County, Texas – Pioneer Resources and Merit Energy - Sprayberry- Severe lost circulation and severe deviation. Drilled several wells in this area.

Upton County, Texas – Terrace Petroleum – Lost circulation, severe deviation, and water flows. 8,200’-10,500’

Yoakum County, Texas – Coordinate plugging procedures with Texas Railroad Commission.

Eddy County, New Mexico – Key Energy – Drilled wells ranging from 5,000’- 9,000’.

Lea County, New Mexico – Conoco – Derrick hand on wells drilled to depths of 15,500’.

APPENDIX 3

References for Reata Petroleum LTD./Enpetro, Inc.

BANKING

State Bank and Trust
Julie Koustoubardis, Vice-President
P.O. Box 50645,
Dallas, Texas 75250
Phone: 214-987-7400

ACCOUNTING

James R. Daffron P.C.
3445 Highland Road # 105,
Dallas, Texas 74228
Phone – 214-321-0330

LEGAL

William Trantham,
1710 West University Drive,
Denton, Texas
Phone: 940-3801016

Industry

Various suppliers available on request.

APPENDIX 4
FINANCIAL DATA

**CAPITAL COSTS OF WELL DEVELOPMENT
200 NEW WELLS AND 50 EXISTING WELLS**

NEW WELL DEVELOPMENT	PER WELL
SITE PREPARATION	\$3,335
DRILLING	30,682
CASING	13,340
CEMENTING	13,340
PERFORATION WELL LOGGING	13,340
TUBING	8,004
DOWNHOLE PUMPS	2,668
RODS	2,668
WELL HEADS AND VALVES	2,668
PUMPJACKS	6,670
WELL SERVICE RIGS	3,335
DRILLING FLUIDS/LUBRICANTS	3,335
DRILLING WATER	4,002
ELECTRICAL/POWER	1,334
HOOK-UP/RENTAL/MOSC EQUIPMENT	2,668
ENGINEERING/OVERSIGHT	3,335
LEGAL AND PERMITTING	3,335
G&A	3,335
TOTAL	\$121,394

NEW WELL LEASE INFRASTRUCTURE	PER WELL
ROADS AND BULDINGS	\$6,670
TOTAL	\$6,670

NEW WELL FLUID INJECTION PROGRAM	PER WELL
PUMPS (WATER TO TANKS FOR POLIMER BLEND)	\$6,670
TANKS FOR FLUID STORAGE	3,335
PIPELINE DISTRIBUTION SYSTEM	4,002
SEPARATION EQUIPMENT & HEAT RETRIEVAL	1,668
OIL STORAGE TANKS	6,670
RESERVE FOR PARTS AND SUPPLIES	1,334
TOTAL	\$23,679

NEW WELL OPERATIONS EQUIPMENT	PER ITEM	PER WELL
2 X 1 TON TOOL TRUCKS	\$66,700	\$334
2 X 25 TON WINCH TRUCKS	66,700	334
1 X DITCHING MACHINE WITH DIAMOND BIT	100,050	500
5 X PICK-UP TRUCKS	133,400	667
2 X D7 BULLDOZERS	333,500	1,668
4 X 186 BARREL TRANSPORT TRUCKS	480,240	2,401
2 X 5 YARD DUMPTRUCKS	106,720	534
3 X DOUBLE DRUM DRILL SERVICE RIGS	700,350	3,502
2 X VACUUM TRUCKS AND MUD PUMPS	333,500	1,668
MISC EQUIPMENT AND STANDBY PUMPS	266,800	1,334
STANDBY ELECTRICAL GENERATOR EQUIPMENT	2,668,000	13,340
TOTAL	\$5,255,960	\$26,280

**CAPITAL COSTS OF WELL DEVELOPMENT
200 NEW WELLS AND 50 EXISTING WELLS**

COST SUMMARY FOR 200 NEW WELLS	PER WELL	200 WELLS
NEW WELL DEVELOPMENT	\$121,394	\$24,278,800
NEW WELL LEASE INFRASTRUCTURE	6,670	1,334,000
NEW WELL FLUID INJECTION PROGRAM	23,679	4,735,700
NEW WELL OPERATIONS EQUIPMENT	26,280	5,255,960
TOTAL	\$178,022	\$35,604,460

COST SUMMARY FOR 50 EXISTING WELLS	PER WELL	50 WELLS
REFURBISHMENT COSTS FOR EXISTING WELLS	\$80,040	\$4,002,000
TOTAL	\$80,040	\$4,002,000

TOTAL CAPITAL COSTS OF WELL DEVELOPMENT		250 WELLS
TOTAL FOR 200 NEW WELLS		\$35,604,460
TOTAL FOR 50 EXISTING WELLS		4,002,000
CONTINGENCY	12.50%	4,950,808
ESCALATION	15%	5,940,969
		<u>\$50,498,237</u>

VALUE OF RESERVES AND MONTHLY PRODUCTION

ASSUMPTIONS

TOTAL RESERVES (BARRELS)	46,926,057
PERCENTAGE RECOVERABLE	86.00%
RECOVERABLE RESERVES (BARRELS)	40,356,409
NUMBER OF PRODUCTION WELLS*	200
DAILY PRODUCTION/WELL (BARRELS)	40
MONTHLY PRODUCTION/WELL (BARRELS)	1,200
MONTHLY PRODUCTION/ALL WELLS (BARRELS)	240,000

VALUE OF RESERVES

\$/BARREL	TOTAL RESERVES	RECOVERABLE RESERVES
\$50	\$2,346,302,850	\$2,017,820,451
\$55	\$2,580,933,135	\$2,219,602,496
\$60	\$2,815,563,420	\$2,421,384,541
\$65	\$3,050,193,705	\$2,623,166,586
\$70	\$3,284,823,990	\$2,824,948,631
\$75	\$3,519,454,275	\$3,026,730,677
\$80	\$3,754,084,560	\$3,228,512,722
\$85	\$3,988,714,845	\$3,430,294,767
\$90	\$4,223,345,130	\$3,632,076,812
\$95	\$4,457,975,415	\$3,833,858,857
\$100	\$4,692,605,700	\$4,035,640,902

VALUE OF MONTHLY PRODUCTION

\$/BARREL	PER WELL	ALL WELLS
\$50	\$60,000	\$12,000,000
\$55	\$66,000	\$13,200,000
\$60	\$72,000	\$14,400,000
\$65	\$78,000	\$15,600,000
\$70	\$84,000	\$16,800,000
\$75	\$90,000	\$18,000,000
\$80	\$96,000	\$19,200,000
\$85	\$102,000	\$20,400,000
\$90	\$108,000	\$21,600,000
\$95	\$114,000	\$22,800,000
\$100	\$120,000	\$24,000,000

*50 of the 250 wells are injection wells

PROJECTED OPERATING EXPENSES

MONTHLY FIXED OPERATING EXPENSES		PER WELL	250 WELLS
WELL OVERHEAD & REPORTING		\$200	\$50,000
BONDING AND INSURANCE		100	25,000
ELECTRICITY		400	100,000
WELL MAINTENANCE		400	100,000
PRO FLOW		30	7,500
CHEMICALS & MISC EQUIPMENT		50	12,500
LEGAL SERVICE/CREW OVERHEAD		400	100,000
ALLOWANCE FOR WELL REWORK		400	100,000
SUB-TOTAL		\$1,980	\$495,000
G&A	20.00%	396	99,000
CONTINGENCY	6.00%	119	29,700
TOTAL		\$2,495	\$623,700

MONTHLY OPERATING EXPENSES TO MONTHLY GROSS REVENUES			
\$/BARREL	OPERATING EXPENSES	GROSS REVENUES	RATIO
\$50	\$623,700	\$12,000,000	5.20%
\$55	\$623,700	\$13,200,000	4.73%
\$60	\$623,700	\$14,400,000	4.33%
\$65	\$623,700	\$15,600,000	4.00%
\$70	\$623,700	\$16,800,000	3.71%
\$75	\$623,700	\$18,000,000	3.47%
\$80	\$623,700	\$19,200,000	3.25%
\$85	\$623,700	\$20,400,000	3.06%
\$90	\$623,700	\$21,600,000	2.89%
\$95	\$623,700	\$22,800,000	2.74%
\$100	\$623,700	\$24,000,000	2.60%

APPENDIX 5

PRO-FORMA FINANCIAL STATEMENTS

PRO-FORMA PROFIT & LOSS STATEMENT

	9 # of 1st year earning months			50 \$/Barrel	
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES					
PRODUCTION REVENUE	\$108,000,000	\$144,000,000	\$144,000,000	\$144,000,000	\$144,000,000
ROYALTIES (20%)	21,600,000	28,800,000	28,800,000	28,800,000	28,800,000
NET REVENUES:	\$86,400,000	\$115,200,000	\$115,200,000	\$115,200,000	\$115,200,000
PRODUCTION COSTS					
WELL OVERHEAD & REPORTING	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
BONDING AND INSURANCE	300,000	300,000	300,000	300,000	300,000
ELECTRICITY	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
WELL MAINTENANCE	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
PRO FLOW	90,000	90,000	90,000	90,000	90,000
CHEMICALS & MISC EQUIPMENT	150,000	150,000	150,000	150,000	150,000
LEGAL SERVICE/CREW OVERHEAD	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ALLOWANCE FOR WELL REWORK	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
G&A	1,188,000	1,188,000	1,188,000	1,188,000	1,188,000
CONTINGENCY	356,400	356,400	356,400	356,400	356,400
TOTAL PRODUCTION COSTS:	\$7,484,400	\$7,484,400	\$7,484,400	\$7,484,400	\$7,484,400
TOTAL GROSS PROFIT:	\$78,915,600	\$107,715,600	\$107,715,600	\$107,715,600	\$107,715,600
<i>GROSS PROFIT MARGIN %:</i>	<i>73.07%</i>	<i>74.80%</i>	<i>74.80%</i>	<i>74.80%</i>	<i>74.80%</i>
OPERATING EXPENSES					
Consulting & other contract service fees	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000
General Liability Insurance	15,000	15,000	15,000	15,000	15,000
Miscellaneous	80,000	80,000	80,000	80,000	80,000
Office Supplies	12,000	12,000	12,000	12,000	12,000
Office Rental & Utilities-Maintenance	48,000	48,000	48,000	48,000	48,000
Computer equipment Rental	3,000	3,000	3,000	3,000	3,000
Professional fees	120,000	120,000	120,000	120,000	120,000
Salaries & Benefits	600,000	600,000	600,000	600,000	600,000
Phone, Postages, Communication Costs	24,000	24,000	24,000	24,000	24,000
Travel & Entertainment	40,000	40,000	40,000	40,000	40,000
Vehicle Lease Expenses	18,000	18,000	18,000	18,000	18,000
TOTAL OPERATING EXPENSES:	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
OPERATING INCOME (EBIDTA):	\$77,715,600	\$106,515,600	\$106,515,600	\$106,515,600	\$106,515,600
<i>EBIDTA (Loss) as a % of Revenues:</i>	<i>72%</i>	<i>74%</i>	<i>74%</i>	<i>74%</i>	<i>74%</i>
DEPRECIATION:	\$2,304,009	\$2,304,009	\$2,304,009	\$2,304,009	\$2,304,009
INTANGIBLE DRILLING COSTS (IDC):	\$23,478,400	\$23,478,400	\$23,478,400	\$23,478,400	\$23,478,400
DEPLETION:	\$12,960,000	\$17,280,000	\$17,280,000	\$17,280,000	\$17,280,000
OPERATING INCOME (EBITA):	\$38,973,191	\$86,931,591	\$86,931,591	\$86,931,591	\$86,931,591
<i>EBITA (Loss) as a % of Revenues:</i>	<i>36%</i>	<i>60%</i>	<i>60%</i>	<i>60%</i>	<i>60%</i>
OTHER INCOME (EXPENSE)					
Interest Expense					
Interest Income					
Amortization of Financing Costs					
TOTAL OTHER INCOME (EXPENSE):	\$0	\$0	\$0	\$0	\$0
PRE-TAX INCOME	\$38,973,191	\$86,931,591	\$86,931,591	\$86,931,591	\$86,931,591
PROVISION FOR TAXES	\$13,640,617	\$30,426,057	\$30,426,057	\$30,426,057	\$30,426,057
NET INCOME (LOSS)	\$25,332,574	\$56,505,534	\$56,505,534	\$56,505,534	\$56,505,534
<i>Net Income (Loss) as a % of Revenues:</i>	<i>23%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>