

AGGIE PROSPECT

COLEMAN & RUNNELS COUNTIES

TEXAS



Aggie Prospect

Coleman & Runnels Counties, Texas



Prospect Location

The Aggie Prospect comprises 935 acres and straddles the border of Coleman and Runnels counties near central Texas. It is within portions of Section 122 (WE Pritchard Survey) in Coleman Co. and Section 121 (ETRR Survey) and 130 (WE Pritchard Survey) in Runnels Co.



Aggie Prospect

Coleman & Runnels Counties, Texas
1 Well Prospect

Terms: (1 Well)

100% WI
75% NRI

AFE \$300,000
Drill & Test

\$100,000
Completion

Total: \$400,000

The following documents consist of third party opinions, estimates, and forward looking statements. Past performance and production levels of wells in the prospect area does not indicate future success as there can be no assurance the prospect well will be successful.

General Geology

The Aggie Prospect is situated on the Eastern Shelf of the Midland Basin. Production was first established in the area in the 1940's and development continues to the present day. Oil and gas production is from the Lower Permian and Pennsylvanian reservoirs which include the Serratt Sand, King Sand, Palo Pinto Lime, Dog Bend Lime, Capps Lime, Upper and Lower Fry Sands, Jennings Sand and the Gardner Sand.

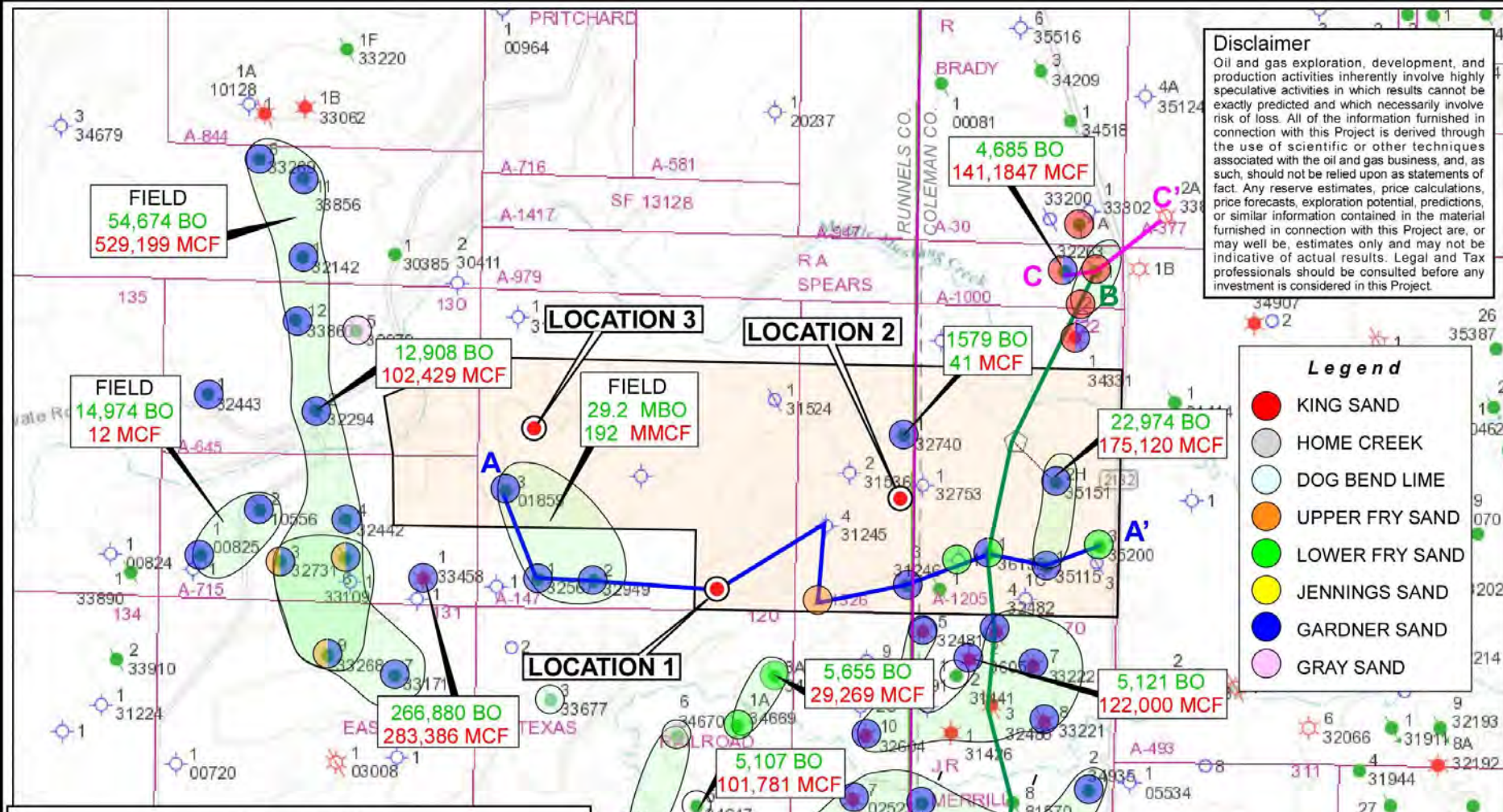
Trapping is primarily stratigraphically controlled with some structural influence in the form of nosings and possibly small closures. Regional dip is to the west.

The following section will discuss the drilling potential on the 935 acre lease. 3 proposed locations with potential offsets will be outlined.

Structural contour mapping of the T/Dog Bend Lime and B/Capps Lime demonstrate regional dip to the west with nosings. Additional structure maps are not deemed necessary as formations below the Lower Capps are conformable and additional mapping would be repetitive.

Gross isopach maps of the Lower Fry Sand and Gardner Sand reveal a general east – west to northeast – southwest depositional trend across the prospective acreage.

J. Selby
Staff Geologist



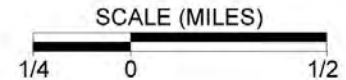
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- Legend**
- KING SAND
 - HOME CREEK
 - DOG BEND LIME
 - UPPER FRY SAND
 - LOWER FRY SAND
 - JENNINGS SAND
 - GARDNER SAND
 - GRAY SAND

- Legend**
- ⊕ DRY HOLE
 - OIL
 - ⊕ GAS
 - ⊕ OIL / GAS
 - PLUGGED OIL
 - ⊕ PLUGGED GAS
 - ⊕ PLUGGED OIL / GAS
 - ⊕ PROPOSED LOCATION
 - HYDROCARBON FIELD
 - AGGIE LEASE (935A)
- A—A' STRUCTURAL CROSS SECTION A-A'
 B—B' STRUCTURAL CROSS SECTION B-B'
 C—C' STRUCTURAL CROSS SECTION C-C'

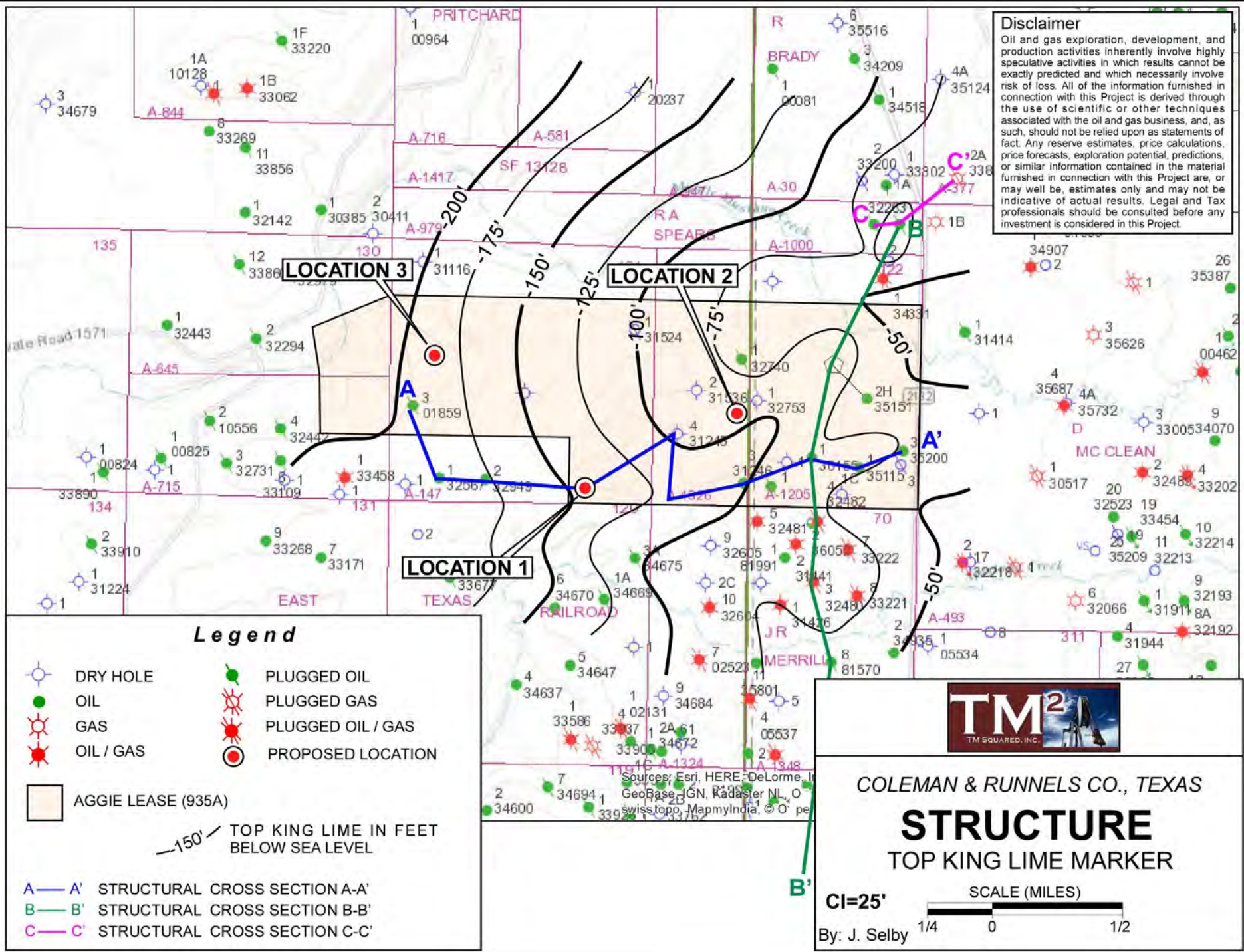


COLEMAN & RUNNELS CO., TEXAS
PRODUCTION
 OIL AND GAS CUMULATIVE

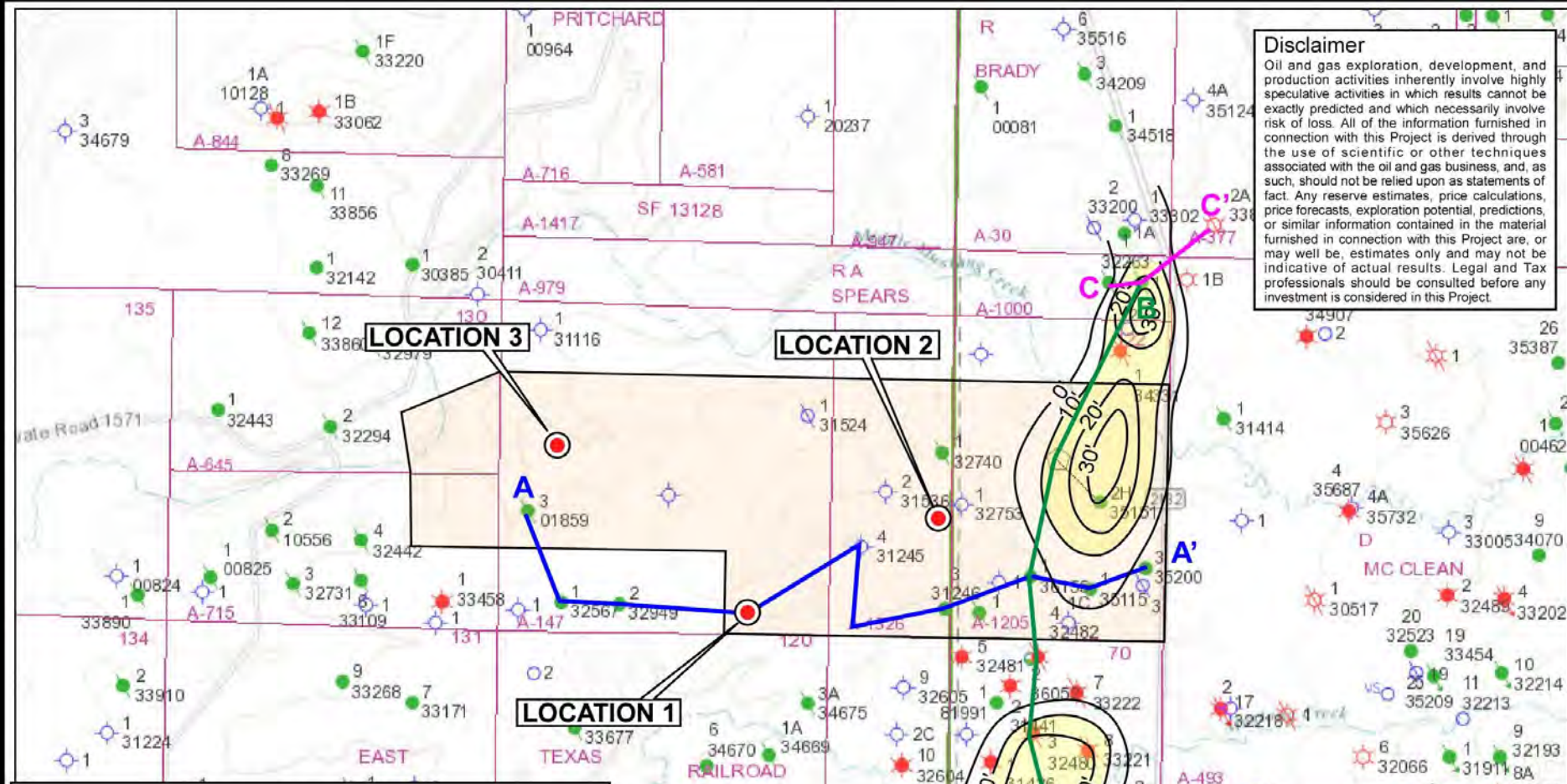


By: J. Selby

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Legend

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

	AGGIE LEASE (935A)
	KING SAND THICKNESS OF 10 FT OR GREATER

A—A' STRUCTURAL CROSS SECTION A-A'
 B—B' STRUCTURAL CROSS SECTION B-B'
 C—C' STRUCTURAL CROSS SECTION C-C'

COLEMAN & RUNNELS CO., TEXAS

ISOPACH

KING SAND THICKNESS (FT)

CI: 10 FT

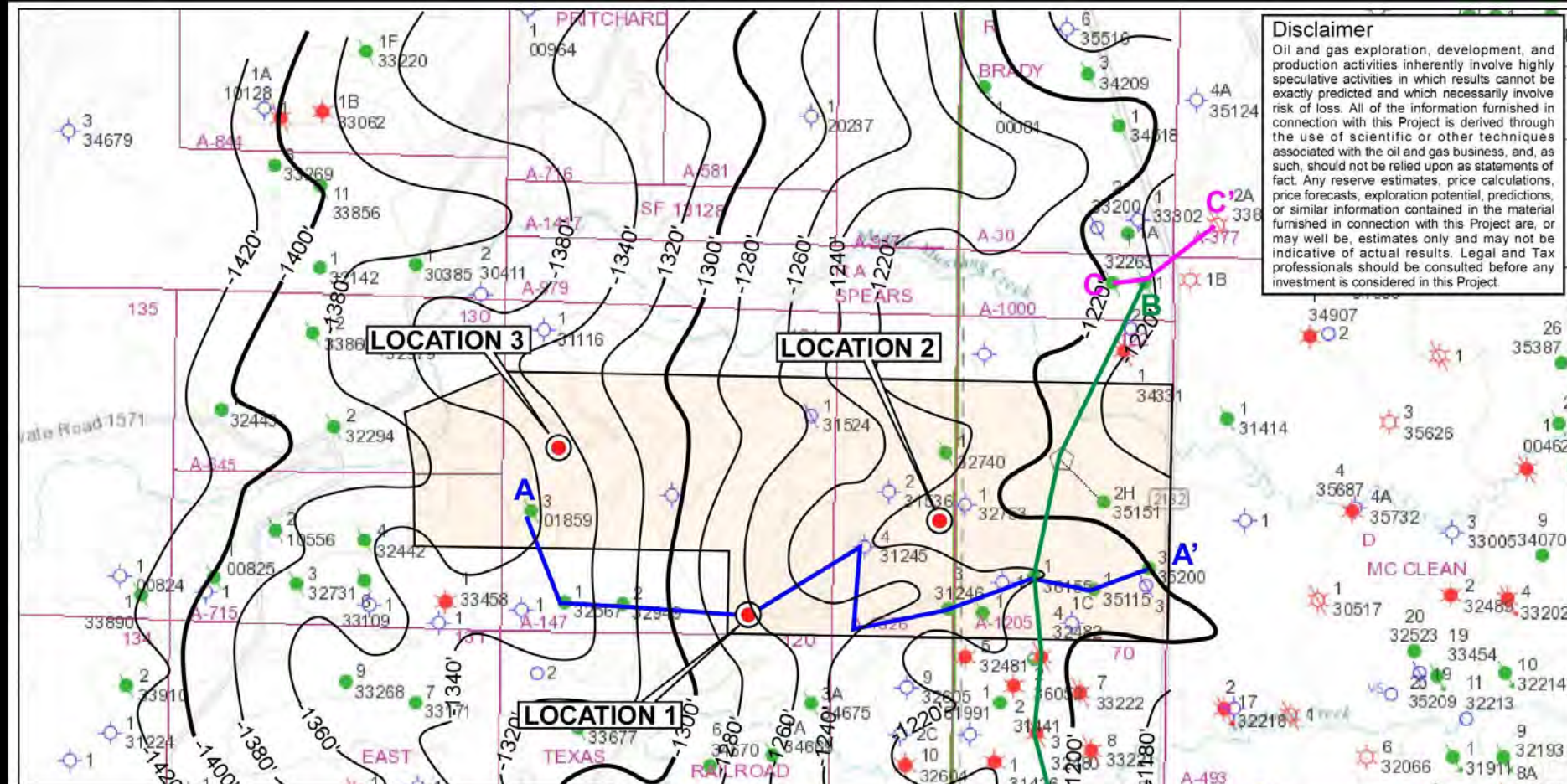
By: J. Selby

SCALE (MILES)

1/4 0 1/2

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Legend

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

AGGIE LEASE (935A)

TOP DOG BEND LIME IN FEET BELOW SEA LEVEL

A—A' STRUCTURAL CROSS SECTION A-A'
 B—B' STRUCTURAL CROSS SECTION B-B'
 C—C' STRUCTURAL CROSS SECTION C-C'

COLEMAN & RUNNELS CO., TEXAS

STRUCTURE

TOP DOG BEND LIME

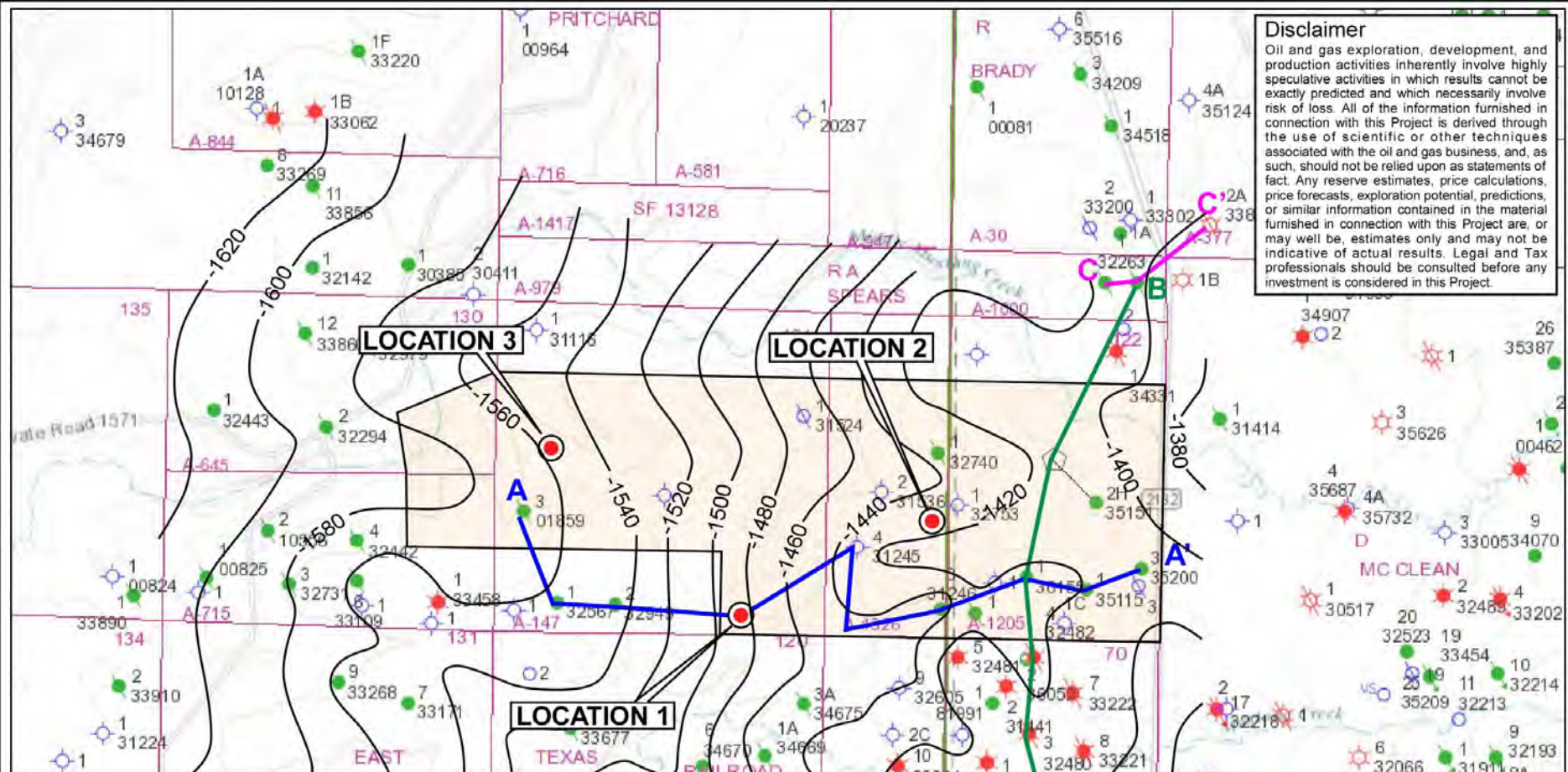
SCALE (MILES)

CI=20'

By: J. Selby

Sources: Esri, HERE-DeLorme, Mapbox, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri, Swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

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Legend

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

AGGIE LEASE (935A)

B / LOWER CAPPS BELOW SEA LEVEL IN FEET

A — A' STRUCTURAL CROSS SECTION A-A'
 B — B' STRUCTURAL CROSS SECTION B-B'
 C — C' STRUCTURAL CROSS SECTION C-C'

COLEMAN & RUNNELS CO., TEXAS

STRUCTURE

BASE LOWER CAPPS LIME

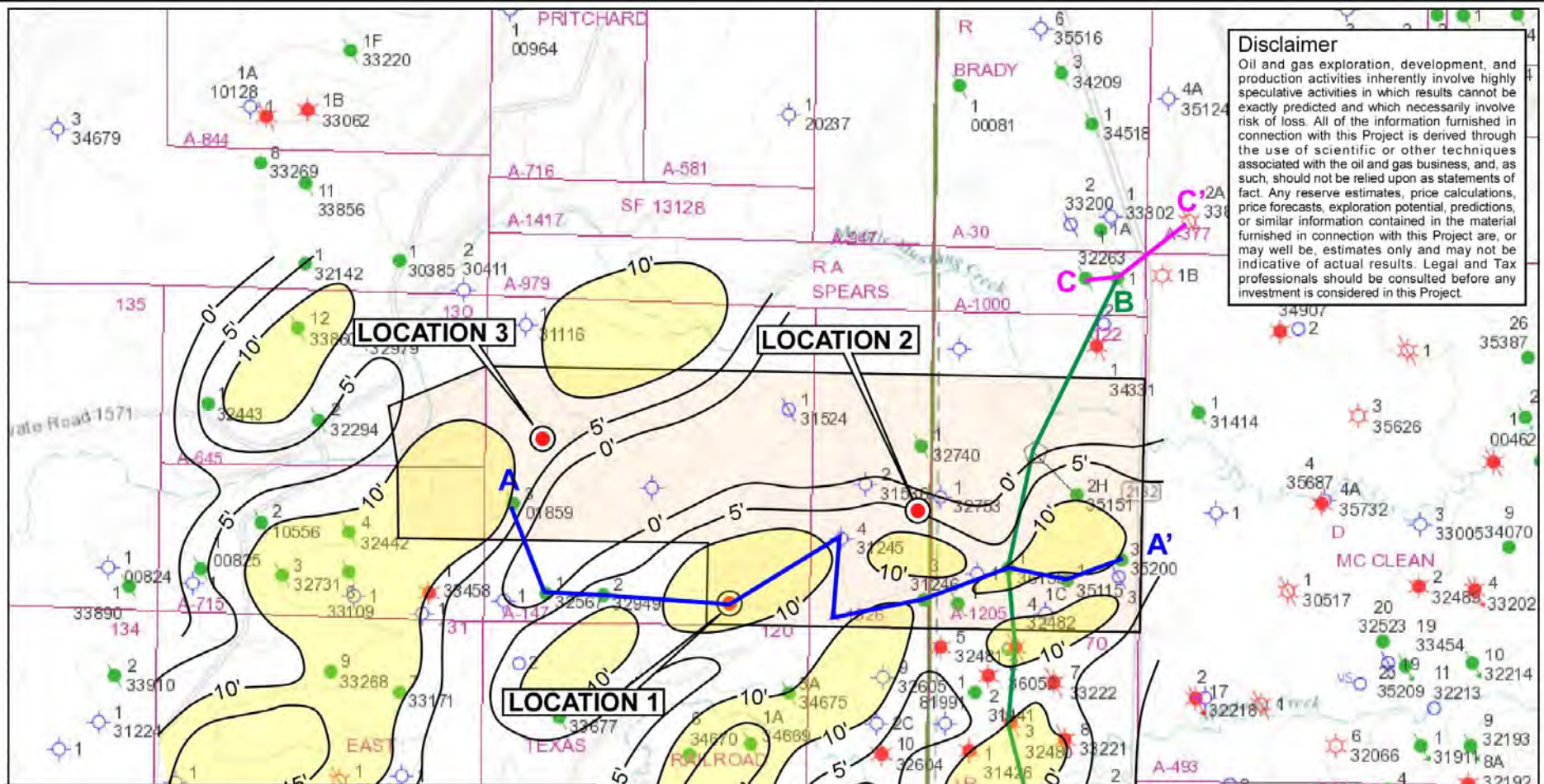
CI=20'

SCALE (MILES)

By: J. Selby

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Legend

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

	AGGIE LEASE (935A)
	L. FRY SAND THICKNESS OF 10 FT OR GREATER

A—A' STRUCTURAL CROSS SECTION A-A'
 B—B' STRUCTURAL CROSS SECTION B-B'
 C—C' STRUCTURAL CROSS SECTION C-C'

COLEMAN & RUNNELS CO., TEXAS

ISOPACH

LOWER FRY SAND THICKNESS (FT)

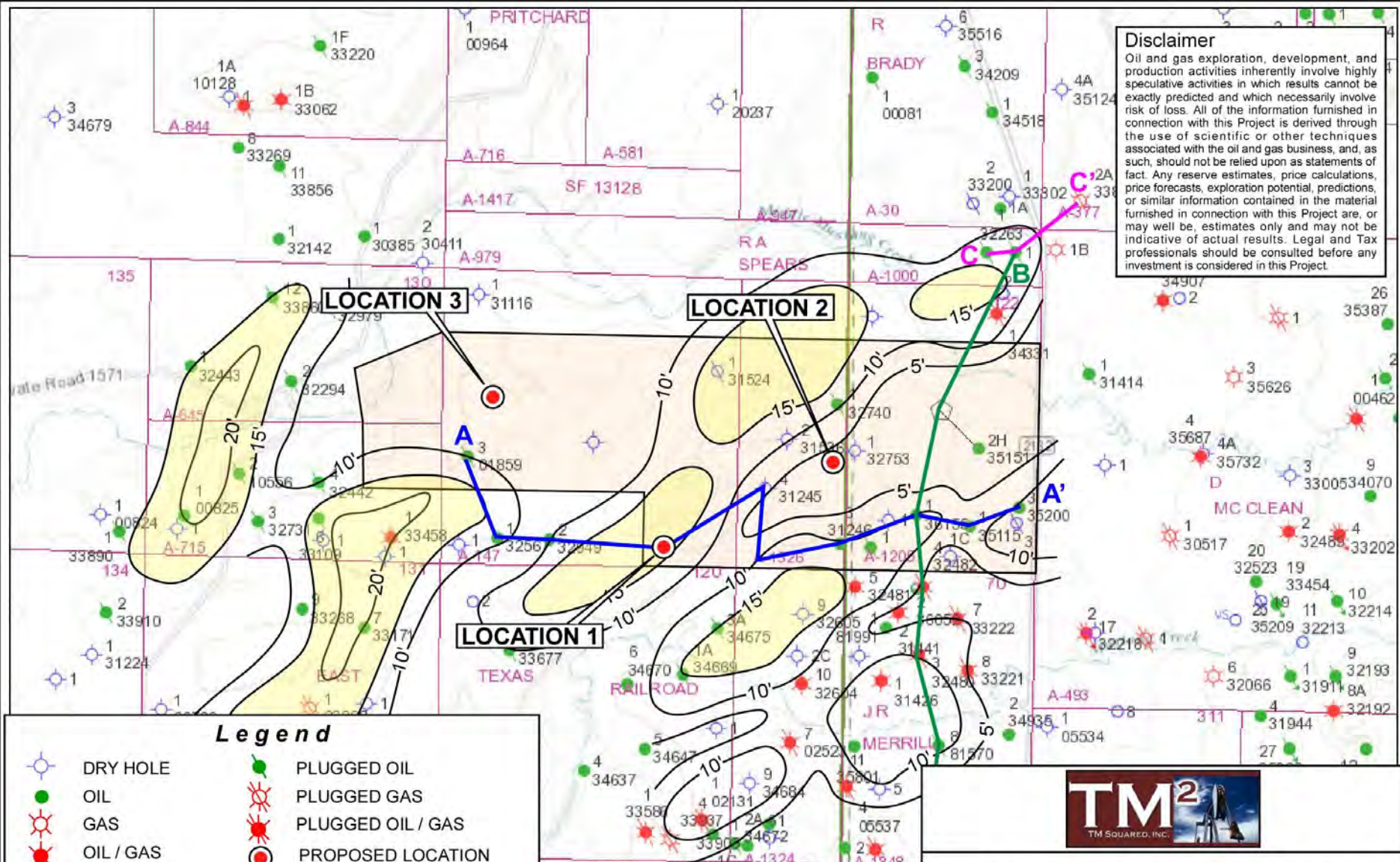
CI: 5 FT

SCALE (MILES)

By: J Selby

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Legend

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

AGGIE LEASE (935A)

GARDNER SAND THICKNESS OF 15 FT OR GREATER

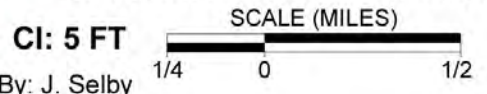
A—A' STRUCTURAL CROSS SECTION A-A'
 B—B' STRUCTURAL CROSS SECTION B-B'
 C—C' STRUCTURAL CROSS SECTION C-C'



COLEMAN & RUNNELS CO., TEXAS

ISOPACH

GARDNER SAND THICKNESS



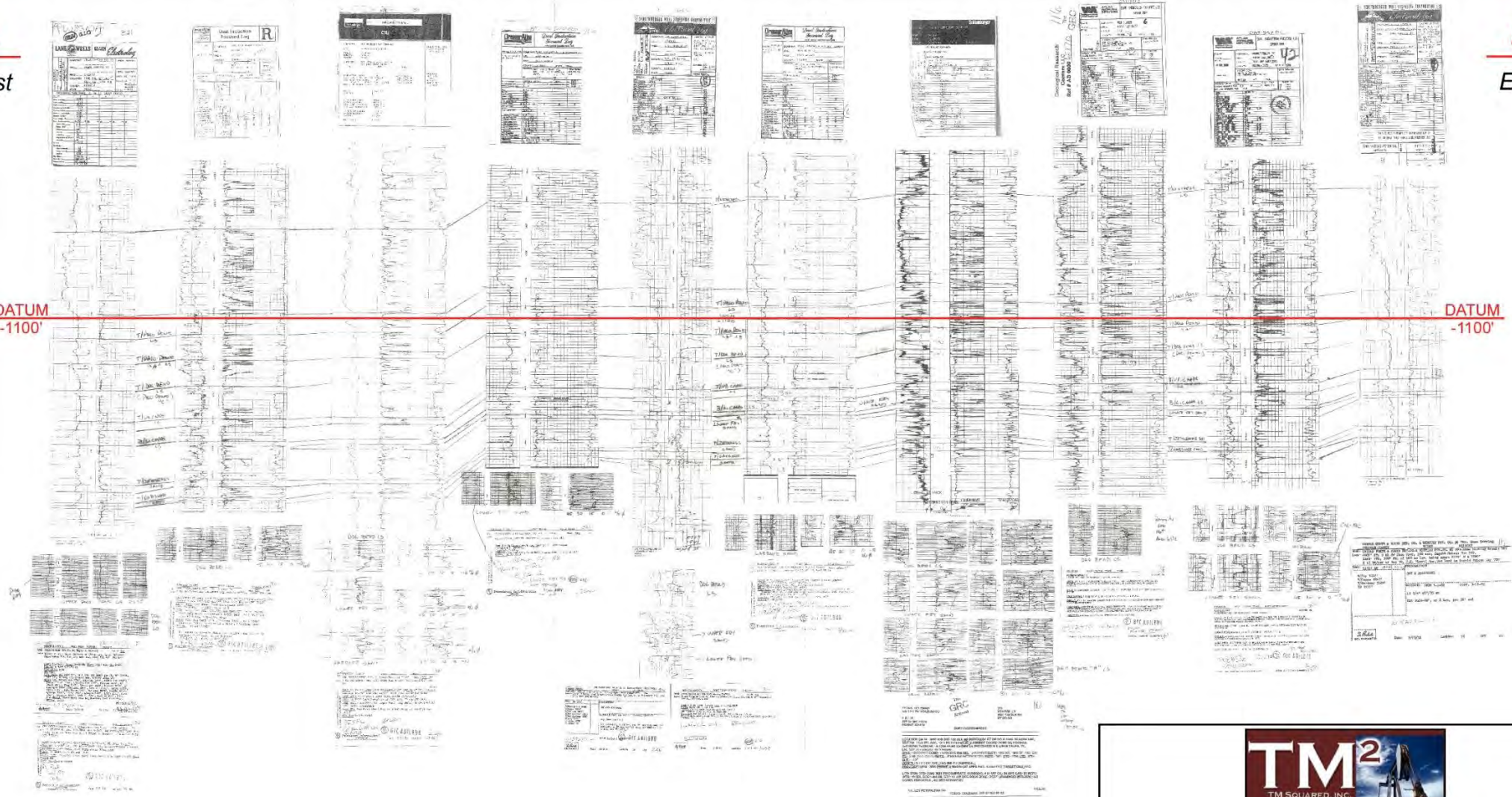
Sources: Esri, HERE-DeLorme,
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A
West

A'
East

DATUM
-1100'

DATUM
-1100'



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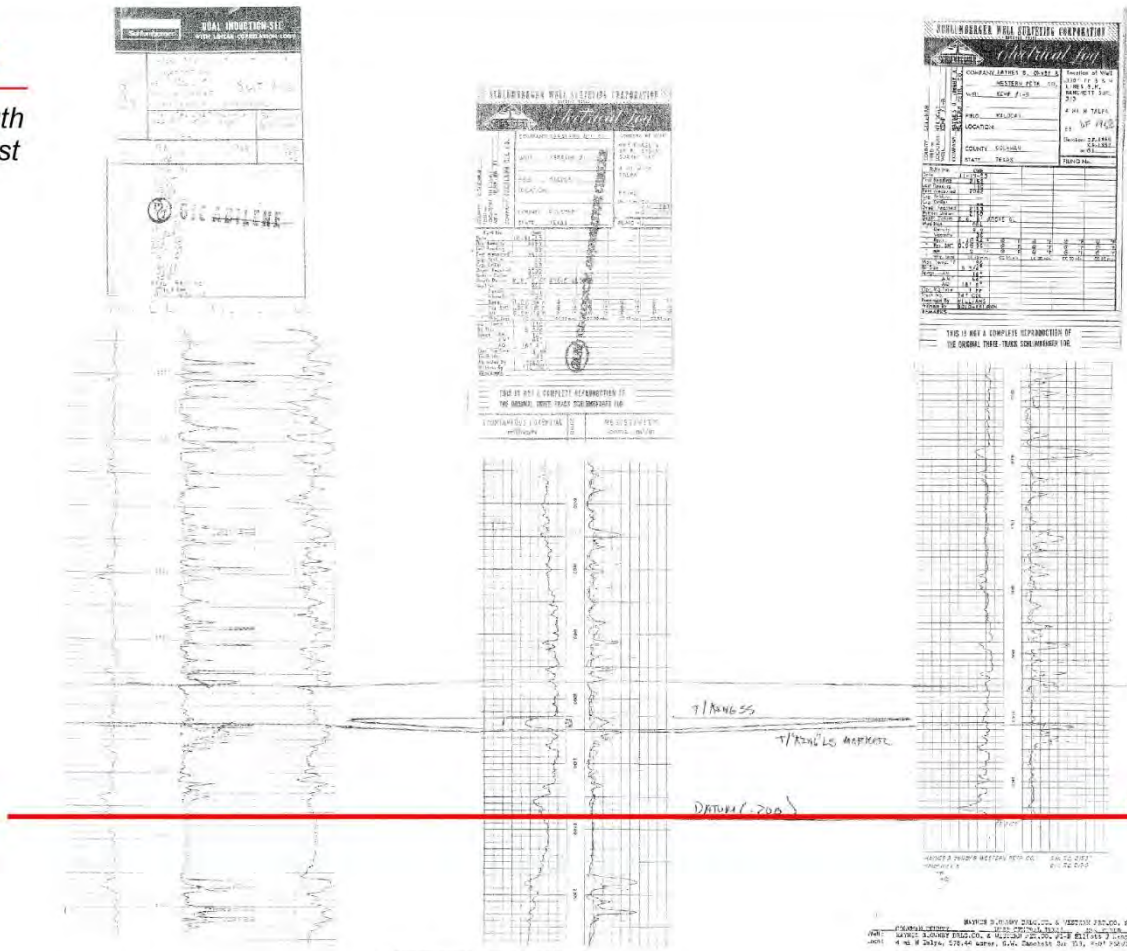


COLEMAN & RUNNELS CO., TEXAS
CROSS SECTION A-A'
STRUCTURAL
DATUM: -1100 FT
EQUAL DISTANCE WELL SPACING

By: J. Selby

C
← South
West

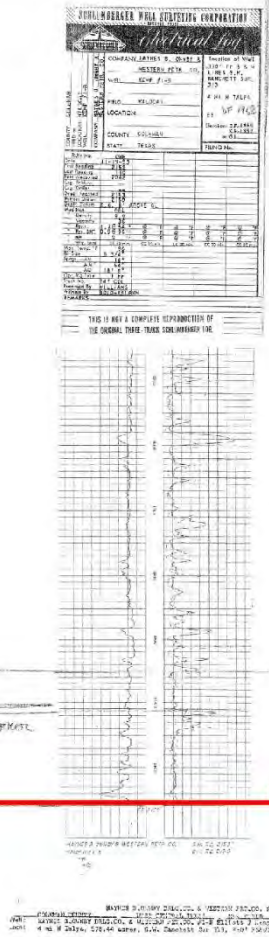
C'
→ North
East



WELL LOG
WELL: 718655
DATE: 11/10/03
LOGGERS: [Names]
WELL DEPTH: 10,000 ft
WELL TYPE: [Type]
WELL STATUS: [Status]



WELL LOG
WELL: 718656
DATE: 11/10/03
LOGGERS: [Names]
WELL DEPTH: 10,000 ft
WELL TYPE: [Type]
WELL STATUS: [Status]



WELL LOG
WELL: 718657
DATE: 11/10/03
LOGGERS: [Names]
WELL DEPTH: 10,000 ft
WELL TYPE: [Type]
WELL STATUS: [Status]



COLEMAN & RUNNELS CO., TEXAS
CROSS SECTION C-C'
STRUCTURAL
DATUM: -200 FT
EQUAL DISTANCE WELL SPACING

By: J. Selby

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AGGIE PROSPECT

Summary

Total Working Interest Offered (%)	100%
Cost Per 1% Working Interest (\$)	4,000
Total Working Interest Purchased (%)	100%
Investment Amount (\$)	400,000

	IP Rate		EUR	
	Bbl/d	Mcf/d	Bbl	Mcf
High	50	300	60,000	600,000
Expected	30	250	40,000	400,000
Low	20	75	30,000	275,000

Tax Analysis

Personal Tax Bracket (%)	35%
Investment Tax Deduction (%)	90%
Tax Deduction (\$)	360,000
Tax Savings (\$)	126,000
Tax Adjusted Cost of Investment (\$)	274,000

	Payout	Net Cash Flow		Return on Investment	
	# Months	1-Year	5-Year	Cash	Tax Adj.
High	8	103,877	830,183	3.6x	3.9x
Expected	15	-73,849	471,454	2.8x	3.1x
Low	23	-177,550	356,189	1.8x	2.1x

Interest

Well Net Revenue Interest (%)	75.0%
Purchased Net Revenue Interest (%)	75.00%

Commodity Price Assumptions

Oil Price per Barrel	40.00
Gas Price per Mcf	2.75

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For additional information on the Aggie Prospect, please contact W.A Westmoreland,
Managing Member of TM2 Operating LLC.

