

Sunlight Exploration, Inc.

Lease Name: Linam No. 1
 PTD: 9200 ft.
 PRIMARY ZONE: Hueco Dolomite
 COUNTY/STATE: Lea County, New Mexico
 SECTION: 14
 TWP/RGE: 13S - 38E
 BLOCK/SURVEY:
 COMMENTS: Re-enter and Complete
 Acidize , test, Complete. New Tank Battery

PREPARED BY: Chris Bright
 DATE PREPARED: 8/3/2003

| LEASEHOLD COSTS | DESCRIPTION | Before Testing | After Testing | Total |
|----------------------|-------------|----------------|---------------|-------|
| Lease / Acreage cost | | n/a | 0 | n/a |
| Sub-Total | | n/a | 0 | n/a |

INTANGIBLE DRILLING COSTS

| | | | | |
|------|-----------------------------------|-------------|--------|-------------|
| 9201 | Administrative Fee | \$4,500.00 | \$0.00 | \$4,500.00 |
| | Prospect Fee / Geological | \$20,000.00 | \$0.00 | \$20,000.00 |
| | Geophysical | \$0.00 | \$0.00 | \$0.00 |
| | Delay Rentals | \$0.00 | \$0.00 | \$0.00 |
| 9202 | Drill Bits | \$0.00 | \$0.00 | \$0.00 |
| 9210 | Casing Crews Run 8 5/8 and 5 1/2" | \$0.00 | \$0.00 | \$0.00 |
| 9213 | Cement Surface Pipe | \$0.00 | \$0.00 | \$0.00 |
| 9217 | Engineering - Consulting | \$0.00 | \$0.00 | \$0.00 |
| 9225 | Insurance - Drilling | \$800.00 | \$0.00 | \$800.00 |
| 9226 | Dozers / Backhoe | \$0.00 | \$0.00 | \$0.00 |
| 9230 | Drilling - Turnkey | \$0.00 | \$0.00 | \$0.00 |
| 9231 | Drilling - Footage | \$0.00 | \$0.00 | \$0.00 |
| 9230 | Drilling - Daywork | \$0.00 | \$0.00 | \$0.00 |
| 9232 | Rig Mobilization | \$0.00 | \$0.00 | \$0.00 |
| 9246 | Gravel - Caliche | \$0.00 | \$0.00 | \$0.00 |
| 9258 | Legal - Title | \$7,200.00 | \$0.00 | \$7,200.00 |
| 9260 | Location - Building | \$0.00 | \$0.00 | \$0.00 |
| 9261 | Location - Damages | \$0.00 | \$0.00 | \$0.00 |
| 9262 | Location- Restore | \$0.00 | \$0.00 | \$0.00 |
| 9263 | Surveying | \$0.00 | \$0.00 | \$0.00 |
| 9267 | Mud Logging | \$0.00 | \$0.00 | \$0.00 |
| 9269 | Mud - Drilling | \$0.00 | \$0.00 | \$0.00 |
| 9277 | Regulatory - Permitting | \$500.00 | \$0.00 | \$500.00 |
| 9238 | Drill Stem Test | \$0.00 | \$0.00 | \$0.00 |
| 9278 | Rental Equipment | \$0.00 | \$0.00 | \$0.00 |
| 9279 | Roustabout | \$2,500.00 | \$0.00 | \$2,500.00 |
| 9286 | Materials and Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9290 | Trash / Toilet | \$0.00 | \$0.00 | \$0.00 |
| 9291 | Transportation | \$0.00 | \$0.00 | \$0.00 |
| 9293 | Water - Lines | \$0.00 | \$0.00 | \$0.00 |
| 9294 | Welding | \$0.00 | \$0.00 | \$0.00 |
| 9295 | Wellsite Supervision | \$0.00 | \$0.00 | \$0.00 |
| 9264 | Wireline Services | \$6,500.00 | \$0.00 | \$6,500.00 |
| | Sub-Total | \$42,000.00 | \$0.00 | \$42,000.00 |

INTANGIBLE COMPLETION COSTS

| | | | | |
|------|------------------------------------|--------|-------------|-------------|
| 9301 | Administrative Fess | \$0.00 | \$4,500.00 | \$4,500.00 |
| 9302 | Anchors | \$0.00 | \$850.00 | \$850.00 |
| 9310 | Casing Crew | \$0.00 | \$0.00 | \$0.00 |
| 9312 | Cement - Production Casing | \$0.00 | \$0.00 | \$0.00 |
| 9317 | Engineering - Consulting | \$0.00 | \$4,200.00 | \$4,200.00 |
| 9326 | Dozer / Backhoe | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9346 | Gravel / Caliche build pu pad | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9364 | Wireline Services | \$0.00 | \$2,000.00 | \$2,000.00 |
| 9373 | Pulling Unit & Crews | \$0.00 | \$20,000.00 | \$20,000.00 |
| 9378 | Rental Equipment | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9379 | Roustabout set PU and tank battery | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9385 | Stimulation - Acid 1 job | \$0.00 | \$8,050.00 | \$8,050.00 |
| 9386 | Materials & Supplies | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9393 | Water Lines | \$0.00 | \$1,000.00 | \$1,000.00 |
| 9394 | Welding | \$0.00 | \$500.00 | \$500.00 |
| 9395 | Wellsite Supervision | \$0.00 | \$3,500.00 | \$3,500.00 |
| | Sub-Total | \$0.00 | \$60,100.00 | \$60,100.00 |

TANGIBLE DRILLING COSTS

| | | | | |
|------|---------------------------------|--------|--------|--------|
| 9502 | Braden Head | \$0.00 | \$0.00 | \$0.00 |
| 9505 | Cattle Gards | \$0.00 | \$0.00 | \$0.00 |
| 9506 | Surface Casing 700' 85/8 24#/ft | \$0.00 | \$0.00 | \$0.00 |
| 9507 | Intermediate Casing | \$0.00 | \$0.00 | \$0.00 |
| 9536 | Misc. Tangible Equipment | \$0.00 | \$0.00 | \$0.00 |
| | Sub-Total | \$0.00 | \$0.00 | \$0.00 |

TANGIBLE COMPLETION COSTS

| | | | | |
|------|--|--------|--------------|--------------|
| 9603 | Battery Fittings | \$0.00 | \$2,000.00 | \$2,000.00 |
| 9606 | Production Casing 8500' 5 1/2" 15.5#/ft | \$0.00 | \$0.00 | \$0.00 |
| 9610 | Down Hole Assembly pump & sinker bars | \$0.00 | \$3,000.00 | \$3,000.00 |
| 9622 | Flowlines & Fittings 2" & 3" | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9637 | Motors / Engines | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9643 | Pumping Unit | \$0.00 | \$42,000.00 | \$42,000.00 |
| 9645 | Rods & Ponies | \$0.00 | \$12,483.00 | \$12,483.00 |
| 9650 | Heater Treater / Production Unit 6X12X20 | \$0.00 | \$9,500.00 | \$9,500.00 |
| 9651 | Stock Tanks 2- 210 BBL WLD STL | \$0.00 | \$10,700.00 | \$10,700.00 |
| 9652 | Stuffing Box / Polish Rod | \$0.00 | \$800.00 | \$800.00 |
| 9680 | Tubing 8500' 2 3/8" 4.7#/ft | \$0.00 | \$18,878.40 | \$18,878.40 |
| 9680 | Water Tank 210 Bbls | \$0.00 | \$5,200.00 | \$5,200.00 |
| | Sub-Total | \$0.00 | \$115,561.40 | \$115,561.40 |

TOTALS \$42,000.00 \$175,661.40 \$217,661.40

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT

3

Sunlight Exploration, Inc.

Lease Name: Linam No. 2
 PTD: 9200 ft.
 PRIMARY ZONE: Hueco Dolomite
 COUNTY/STATE: Lea County, New Mexico
 SECTION: 14
 TWP/RGE: 13S - 38E
 BLOCK/SURVEY:
 COMMENTS: Re-enter and Complete
 Acidize, test, Complete. New Tank Battery

PREPARED BY: Chris Bright
 DATE PREPARED: 10/6/2003

| LEASEHOLD COSTS | DESCRIPTION | Before Testing | After Testing | Total |
|-----------------|----------------------|----------------|---------------|-------|
| | Lease / Acreage cost | n/a | 0 | n/a |
| | Sub-Total | n/a | 0 | n/a |

INTANGIBLE DRILLING COSTS

| | | | | |
|------|---------------------------------|--------------|-------------|--------------|
| 9201 | Administrative Fee | \$4,500.00 | \$0.00 | \$4,500.00 |
| | Prospect Fee / Geological | \$20,000.00 | \$0.00 | \$20,000.00 |
| | Geophysical | \$0.00 | \$0.00 | \$0.00 |
| | Delay Rentals | \$0.00 | \$0.00 | \$0.00 |
| 9202 | Drill Bits | \$1,100.00 | \$0.00 | \$1,100.00 |
| 9210 | Casing Crews | \$0.00 | \$0.00 | \$0.00 |
| 9213 | Cement Surface Pipe | \$0.00 | \$0.00 | \$0.00 |
| 9217 | Engineering - Consulting | \$4,500.00 | \$0.00 | \$4,500.00 |
| 9225 | Insurance - Drilling | \$800.00 | \$0.00 | \$800.00 |
| 9226 | Dozers / Backhoe | \$2,000.00 | \$0.00 | \$2,000.00 |
| 9230 | Drilling - Turnkey (Side Track) | \$66,000.00 | \$0.00 | \$66,000.00 |
| 9231 | Drilling - Footage | \$0.00 | \$0.00 | \$0.00 |
| 9230 | Drilling - Daywork | \$0.00 | \$0.00 | \$0.00 |
| 9232 | Rig Mobilization | \$15,000.00 | \$0.00 | \$15,000.00 |
| 9246 | Gravel - Caliche | \$4,500.00 | \$0.00 | \$4,500.00 |
| 9258 | Legal - Title | \$7,200.00 | \$0.00 | \$7,200.00 |
| 9260 | Location - Building | \$0.00 | \$0.00 | \$0.00 |
| 9261 | Location - Damages | \$0.00 | \$0.00 | \$0.00 |
| 9262 | Location- Restore | \$0.00 | \$5,000.00 | \$5,000.00 |
| 9263 | Surveying | \$0.00 | \$0.00 | \$0.00 |
| 9267 | Mud Logging | \$0.00 | \$0.00 | \$0.00 |
| 9269 | Mud - Drilling | \$5,000.00 | \$0.00 | \$5,000.00 |
| 9277 | Regulatory - Permitting | \$500.00 | \$0.00 | \$500.00 |
| 9238 | Drill Stem Test | \$0.00 | \$0.00 | \$0.00 |
| 9278 | Rental Equipment | \$3,000.00 | \$0.00 | \$3,000.00 |
| 9279 | Roustabout | \$2,500.00 | \$0.00 | \$2,500.00 |
| 9286 | Materials and Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9290 | Trash / Toilet | \$800.00 | \$0.00 | \$800.00 |
| 9291 | Transportation | \$2,500.00 | \$2,500.00 | \$5,000.00 |
| 9293 | Water - Lines | \$0.00 | \$4,500.00 | \$4,500.00 |
| 9294 | Welding | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9295 | Wellsite Supervision | \$4,500.00 | \$0.00 | \$4,500.00 |
| 9264 | Wireline Services | \$6,500.00 | \$0.00 | \$6,500.00 |
| | Sub-Total | \$150,900.00 | \$15,500.00 | \$166,400.00 |

INTANGIBLE COMPLETION COSTS

| | | | | |
|------|------------------------------------|--------|-------------|-------------|
| 9301 | Administrative Fess | \$0.00 | \$4,500.00 | \$4,500.00 |
| 9302 | Anchors | \$0.00 | \$850.00 | \$850.00 |
| 9310 | Casing Crew | \$0.00 | \$0.00 | \$0.00 |
| 9312 | Cement - Production Casing | \$0.00 | \$22,000.00 | \$22,000.00 |
| 9317 | Engineering - Consulting | \$0.00 | \$4,200.00 | \$4,200.00 |
| 9326 | Dozer / Backhoe | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9346 | Gravel / Caliche build pu pad | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9364 | Wireline Services | \$0.00 | \$2,000.00 | \$2,000.00 |
| 9373 | Pulling Unit & Crews | \$0.00 | \$20,000.00 | \$20,000.00 |
| 9378 | Rental Equipment | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9379 | Roustabout set PU and tank battery | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9385 | Stimulation - Acid 1 job | \$0.00 | \$8,050.00 | \$8,050.00 |
| 9386 | Materials & Supplies | \$0.00 | \$1,500.00 | \$1,500.00 |
| 9393 | Water Lines | \$0.00 | \$1,000.00 | \$1,000.00 |
| 9394 | Welding | \$0.00 | \$500.00 | \$500.00 |
| 9395 | Wellsite Supervision | \$0.00 | \$3,500.00 | \$3,500.00 |
| | Sub-Total | \$0.00 | \$82,100.00 | \$82,100.00 |

TANGIBLE DRILLING COSTS

| | | | | |
|------|---------------------------------|--------|------------|------------|
| 9502 | Braden Head | \$0.00 | \$4,000.00 | \$4,000.00 |
| 9505 | Cattle Gards | \$0.00 | \$2,500.00 | \$2,500.00 |
| 9506 | Surface Casing 700' 85/8 24#/ft | \$0.00 | \$0.00 | \$0.00 |
| 9507 | Intermediate Casing | \$0.00 | \$0.00 | \$0.00 |
| 9536 | Misc. Tangible Equipment | \$0.00 | \$0.00 | \$0.00 |
| | Sub-Total | \$0.00 | \$6,500.00 | \$6,500.00 |

TANGIBLE COMPLETION COSTS

| | | | | |
|------|--|--------|--------------|--------------|
| 9603 | Battery Fittings | \$0.00 | \$2,000.00 | \$2,000.00 |
| 9606 | Production Casing | \$0.00 | \$45,000.00 | \$45,000.00 |
| 9610 | Down Hole Assembly pump & sinker bars | \$0.00 | \$3,000.00 | \$3,000.00 |
| 9622 | Flowlines & Fittings 2" & 3" | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9637 | Motors / Engines | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9643 | Pumping Unit | \$0.00 | \$42,000.00 | \$42,000.00 |
| 9645 | Rods & Ponies | \$0.00 | \$12,483.00 | \$12,483.00 |
| 9650 | Heater Treater / Production Unit 6X12X20 | \$0.00 | \$9,500.00 | \$9,500.00 |
| 9651 | Stock Tanks 2- 210 BBL WLD STL | \$0.00 | \$10,700.00 | \$10,700.00 |
| 9652 | Stuffing Box / Polish Rod | \$0.00 | \$800.00 | \$800.00 |
| 9660 | Tubing 8500' 2 3/8" 4.7#/ft | \$0.00 | \$25,000.00 | \$25,000.00 |
| 9680 | Water Tank 210 Bbls | \$0.00 | \$5,200.00 | \$5,200.00 |
| | Sub-Total | \$0.00 | \$166,883.00 | \$166,883.00 |

TOTALS \$150,900.00 \$270,783.00 \$421,683.00

Sunlight Exploration, Inc.

Lease Name: Linam No. 3
 PTD: 9200 ft.
 PRIMARY ZONE: Hueco Dolomite
 COUNTY/STATE: Lea County, New Mexico
 SECTION: 14
 TWP/RGE: 13S - 38E
 SPOT: SE/4 NW/4
 COMMENTS: Re-enter and Complete
 Acidize, test, Complete. New Tank Battery

PREPARED BY: Chris Bright
 DATE PREPARED 10/6/2003

| LEASEHOLD COSTS | DESCRIPTION | Before Testing | After Testing | Total |
|-----------------|----------------------|----------------|---------------|-------|
| | Lease / Acreage cost | n/a | 0 | n/a |
| | Sub-Total | n/a | 0 | n/a |

INTANGIBLE DRILLING COSTS

| | | | | |
|------|---------------------------------|--------------|-------------|--------------|
| 9201 | Administrative Fee | \$5,000.00 | \$1,000.00 | \$6,000.00 |
| | Prospect Fee / Geological | \$5,000.00 | \$0.00 | \$5,000.00 |
| | Geophysical | \$0.00 | \$0.00 | \$0.00 |
| | Delay Rentals | \$0.00 | \$0.00 | \$0.00 |
| 9202 | Drill Bits | \$0.00 | \$0.00 | \$0.00 |
| 9210 | Casing Crews | \$5,000.00 | \$4,000.00 | \$9,000.00 |
| 9213 | Cement Surface Pipe | \$7,000.00 | \$0.00 | \$7,000.00 |
| 9214 | Cement Intermediate | \$16,000.00 | \$0.00 | \$16,000.00 |
| 9217 | Engineering - Consulting | \$0.00 | \$0.00 | \$0.00 |
| 9225 | Insurance - Drilling | \$0.00 | \$0.00 | \$0.00 |
| 9226 | Dozers / Backhoe | \$0.00 | \$0.00 | \$0.00 |
| 9230 | Drilling - Turnkey (Side Track) | \$0.00 | \$0.00 | \$0.00 |
| 9231 | Drilling - Footage | \$191,100.00 | \$0.00 | \$191,100.00 |
| 9230 | Drilling - Daywork | \$7,500.00 | \$7,500.00 | \$15,000.00 |
| 9232 | Rig Mobilization | \$18,900.00 | \$700.00 | \$19,600.00 |
| 9246 | Gravel - Caliche | \$0.00 | \$0.00 | \$0.00 |
| 9258 | Legal - Title | \$0.00 | \$0.00 | \$0.00 |
| 9260 | Location - Building | \$35,000.00 | \$2,000.00 | \$37,000.00 |
| 9261 | Location - Damages | \$5,000.00 | \$0.00 | \$5,000.00 |
| 9262 | Location - Restore | \$0.00 | \$0.00 | \$0.00 |
| 9263 | Surveying | \$1,500.00 | \$0.00 | \$1,500.00 |
| 9267 | Mud Logging | \$15,000.00 | \$0.00 | \$15,000.00 |
| 9269 | Mud - Drilling | \$17,000.00 | \$0.00 | \$17,000.00 |
| 9277 | Regulatory - Permitting | \$0.00 | \$0.00 | \$0.00 |
| 9238 | Drill Stem Test | \$0.00 | \$0.00 | \$0.00 |
| 9278 | Rental Equipment | \$8,000.00 | \$0.00 | \$8,000.00 |
| 9279 | Roustabout | \$3,000.00 | \$5,000.00 | \$8,000.00 |
| 9286 | Materials and Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9290 | Trash / Toilet | \$0.00 | \$0.00 | \$0.00 |
| 9291 | Transportation | \$0.00 | \$0.00 | \$0.00 |
| 9293 | Water - Lines | \$20,000.00 | \$2,500.00 | \$22,500.00 |
| 9294 | Welding | \$2,000.00 | \$0.00 | \$2,000.00 |
| 9295 | Wellsite Supervision | \$17,200.00 | \$5,100.00 | \$22,300.00 |
| 9264 | Wireline Services | \$17,500.00 | \$4,000.00 | \$21,500.00 |
| 9200 | Contingency | \$20,000.00 | \$10,000.00 | \$30,000.00 |
| | Sub-Total | \$416,700.00 | \$41,800.00 | \$458,500.00 |

INTANGIBLE COMPLETION COSTS

| | | | | |
|------|------------------------------------|------------|-------------|-------------|
| 9301 | Administrative Fess | \$0.00 | \$5,000.00 | \$5,000.00 |
| 9302 | Anchors | \$0.00 | \$0.00 | \$0.00 |
| 9310 | Casing Crew | \$0.00 | \$0.00 | \$0.00 |
| 9312 | Cement - Production Casing | \$0.00 | \$16,000.00 | \$16,000.00 |
| 9317 | Engineering - Consulting | \$0.00 | \$0.00 | \$0.00 |
| 9326 | Dozer / Backhoe | \$0.00 | \$0.00 | \$0.00 |
| 9346 | Gravel / Caliche build pu pad | \$0.00 | \$0.00 | \$0.00 |
| 9364 | Wireline Services | \$0.00 | \$0.00 | \$0.00 |
| 9373 | Pulling Unit & Crews | \$0.00 | \$13,500.00 | \$13,500.00 |
| 9378 | Rental Equipment | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9379 | Roustabout set PU and tank battery | \$0.00 | \$0.00 | \$0.00 |
| 9385 | Stimulation - Acid 1 job | \$0.00 | \$10,000.00 | \$10,000.00 |
| 9386 | Materials & Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9393 | Water Lines | \$0.00 | \$0.00 | \$0.00 |
| 9394 | Welding | \$0.00 | \$1,000.00 | \$1,000.00 |
| 9395 | Wellsite Supervision | \$0.00 | \$0.00 | \$0.00 |
| 9300 | Contingency | \$5,000.00 | \$10,000.00 | \$15,000.00 |
| | Sub-Total | \$5,000.00 | \$63,000.00 | \$68,000.00 |

TANGIBLE DRILLING COSTS

| | | | | |
|------|--------------------------|-------------|-------------|-------------|
| 9502 | Braden Head | \$0.00 | \$11,000.00 | \$11,000.00 |
| 9505 | Cattle Gards | \$0.00 | \$2,500.00 | \$2,500.00 |
| 9506 | Surface Casing | \$6,500.00 | \$0.00 | \$6,500.00 |
| 9507 | Intermediate Casing | \$57,200.00 | \$0.00 | \$57,200.00 |
| 9536 | Misc. Tangible Equipment | \$0.00 | \$0.00 | \$0.00 |
| | Sub-Total | \$63,700.00 | \$13,500.00 | \$77,200.00 |

TANGIBLE COMPLETION COSTS

| | | | | |
|------|--|--------|--------------|--------------|
| 9603 | Battery Fittings | \$0.00 | \$2,500.00 | \$2,500.00 |
| 9606 | Production Casing | \$0.00 | \$52,800.00 | \$52,800.00 |
| 9610 | Down Hole Assembly pump & sinker bars | \$0.00 | \$3,000.00 | \$3,000.00 |
| 9622 | Flowlines & Fittings 2" & 3" | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9637 | Motors / Engines | \$0.00 | \$10,000.00 | \$10,000.00 |
| 9643 | Pumping Unit | \$0.00 | \$60,000.00 | \$60,000.00 |
| 9645 | Rods & Ponies | \$0.00 | \$25,000.00 | \$25,000.00 |
| 9650 | Heater Treater / Production Unit 6X12X20 | \$0.00 | \$9,500.00 | \$9,500.00 |
| 9651 | Stock Tanks 2- 210 BBL WLD STL | \$0.00 | \$15,000.00 | \$15,000.00 |
| 9652 | Stuffing Box / Polish Rod | \$0.00 | \$800.00 | \$800.00 |
| 9660 | Tubing 8500' 2 3/8" 4.7#/ft | \$0.00 | \$28,500.00 | \$28,500.00 |
| 9680 | Water Tank 210 Bbls | \$0.00 | \$5,200.00 | \$5,200.00 |
| | Sub-Total | \$0.00 | \$215,800.00 | \$215,800.00 |

TOTALS \$485,400.00 \$334,100.00 \$819,500.00

Sunlight Exploration, Inc.

Lease Name: Linam No. 4
 PTD: 9200 ft.
 PRIMARY ZONE: Hueco Dolomite
 COUNTY/STATE: Lea County, New Mexico
 SECTION: 14
 TWP/RGE: 13S - 38E
 SPOT: SE/4 NW/4
 COMMENTS: Re-enter and Complete
 Acidize , test, Complete. New Tank Battery

PREPARED BY: Chris Bright
 DATE PREPARED 10/6/2003

| LEASEHOLD COSTS | DESCRIPTION | Before Testing | After Testing | Total |
|----------------------|-------------|----------------|---------------|-------|
| Lease / Acreage cost | | n/a | 0 | n/a |
| Sub-Total | | n/a | 0 | n/a |

INTANGIBLE DRILLING COSTS

| | | | | |
|------|---------------------------------|--------------|-------------|--------------|
| 9201 | Administrative Fee | \$5,000.00 | \$1,000.00 | \$6,000.00 |
| | Prospect Fee / Geological | \$5,000.00 | \$0.00 | \$5,000.00 |
| | Geophysical | \$0.00 | \$0.00 | \$0.00 |
| | Delay Rentals | \$0.00 | \$0.00 | \$0.00 |
| 9202 | Drill Bits | \$0.00 | \$0.00 | \$0.00 |
| 9210 | Casing Crews | \$5,000.00 | \$4,000.00 | \$9,000.00 |
| 9213 | Cement Surface Pipe | \$7,000.00 | \$0.00 | \$7,000.00 |
| 9214 | Cement Intermediate | \$16,000.00 | \$0.00 | \$16,000.00 |
| 9217 | Engineering - Consulting | \$0.00 | \$0.00 | \$0.00 |
| 9225 | Insurance - Drilling | \$0.00 | \$0.00 | \$0.00 |
| 9226 | Dozers / Backhoe | \$0.00 | \$0.00 | \$0.00 |
| 9230 | Drilling - Turnkey (Side Track) | \$0.00 | \$0.00 | \$0.00 |
| 9231 | Drilling - Footage | \$191,100.00 | \$0.00 | \$191,100.00 |
| 9230 | Drilling - Daywork | \$7,500.00 | \$7,500.00 | \$15,000.00 |
| 9232 | Rig Mobilization | \$18,900.00 | \$700.00 | \$19,600.00 |
| 9246 | Gravel - Caliche | \$0.00 | \$0.00 | \$0.00 |
| 9258 | Legal - Title | \$0.00 | \$0.00 | \$0.00 |
| 9260 | Location - Building | \$35,000.00 | \$2,000.00 | \$37,000.00 |
| 9261 | Location - Damages | \$5,000.00 | \$0.00 | \$5,000.00 |
| 9262 | Location- Restore | \$0.00 | \$0.00 | \$0.00 |
| 9263 | Surveying | \$1,500.00 | \$0.00 | \$1,500.00 |
| 9267 | Mud Logging | \$15,000.00 | \$0.00 | \$15,000.00 |
| 9269 | Mud - Drilling | \$17,000.00 | \$0.00 | \$17,000.00 |
| 9277 | Regulatory - Permitting | \$0.00 | \$0.00 | \$0.00 |
| 9238 | Drill Stem Test | \$0.00 | \$0.00 | \$0.00 |
| 9278 | Rental Equipment | \$8,000.00 | \$0.00 | \$8,000.00 |
| 9279 | Roustabout | \$3,000.00 | \$5,000.00 | \$8,000.00 |
| 9286 | Materials and Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9290 | Trash / Toilet | \$0.00 | \$0.00 | \$0.00 |
| 9291 | Transportation | \$0.00 | \$0.00 | \$0.00 |
| 9293 | Water - Lines | \$20,000.00 | \$2,500.00 | \$22,500.00 |
| 9294 | Welding | \$2,000.00 | \$0.00 | \$2,000.00 |
| 9295 | Wellsite Supervision | \$17,200.00 | \$5,100.00 | \$22,300.00 |
| 9264 | Wireline Services | \$17,500.00 | \$4,000.00 | \$21,500.00 |
| 9200 | Contingency | \$20,000.00 | \$10,000.00 | \$30,000.00 |
| | Sub-Total | \$416,700.00 | \$41,800.00 | \$458,500.00 |

INTANGIBLE COMPLETION COSTS

| | | | | |
|------|------------------------------------|------------|-------------|-------------|
| 9301 | Administrative Fess | \$0.00 | \$5,000.00 | \$5,000.00 |
| 9302 | Anchors | \$0.00 | \$0.00 | \$0.00 |
| 9310 | Casing Crew | \$0.00 | \$0.00 | \$0.00 |
| 9312 | Cement - Production Casing | \$0.00 | \$16,000.00 | \$16,000.00 |
| 9317 | Engineering - Consulting | \$0.00 | \$0.00 | \$0.00 |
| 9326 | Dozer / Backhoe | \$0.00 | \$0.00 | \$0.00 |
| 9346 | Gravel / Caliche build pu pad | \$0.00 | \$0.00 | \$0.00 |
| 9364 | Wireline Services | \$0.00 | \$0.00 | \$0.00 |
| 9373 | Pulling Unit & Crews | \$0.00 | \$13,500.00 | \$13,500.00 |
| 9378 | Rental Equipment | \$0.00 | \$7,500.00 | \$7,500.00 |
| 9379 | Roustabout set PU and tank battery | \$0.00 | \$0.00 | \$0.00 |
| 9385 | Stimulation - Acid 1 job | \$0.00 | \$10,000.00 | \$10,000.00 |
| 9386 | Materials & Supplies | \$0.00 | \$0.00 | \$0.00 |
| 9393 | Water Lines | \$0.00 | \$0.00 | \$0.00 |
| 9394 | Welding | \$0.00 | \$1,000.00 | \$1,000.00 |
| 9395 | Wellsite Supervision | \$0.00 | \$0.00 | \$0.00 |
| 9300 | Contingency | \$5,000.00 | \$10,000.00 | \$15,000.00 |
| | Sub-Total | \$5,000.00 | \$63,000.00 | \$68,000.00 |

TANGIBLE DRILLING COSTS

| | | | | |
|------|--------------------------|-------------|-------------|-------------|
| 9502 | Braden Head | \$0.00 | \$11,000.00 | \$11,000.00 |
| 9505 | Cattle Gards | \$0.00 | \$2,500.00 | \$2,500.00 |
| 9506 | Surface Casing | \$6,500.00 | \$0.00 | \$6,500.00 |
| 9507 | Intermediate Casing | \$57,200.00 | \$0.00 | \$57,200.00 |
| 9536 | Misc. Tangible Equipment | \$0.00 | \$0.00 | \$0.00 |
| | Sub-Total | \$63,700.00 | \$13,500.00 | \$77,200.00 |

TANGIBLE COMPLETION COSTS

| | | | | |
|------|--|--------|--------------|--------------|
| 9603 | Battery Fittings | \$0.00 | \$2,500.00 | \$2,500.00 |
| 9606 | Production Casing | \$0.00 | \$52,800.00 | \$52,800.00 |
| 9610 | Down Hole Assembly pump & sinker bars | \$0.00 | \$3,000.00 | \$3,000.00 |
| 9622 | Flowlines & Fittings 2" & 3" | \$0.00 | \$3,500.00 | \$3,500.00 |
| 9637 | Motors / Engines | \$0.00 | \$10,000.00 | \$10,000.00 |
| 9643 | Pumping Unit | \$0.00 | \$60,000.00 | \$60,000.00 |
| 9645 | Rods & Ponies | \$0.00 | \$25,000.00 | \$25,000.00 |
| 9650 | Heater Treater / Production Unit 6X12X20 | \$0.00 | \$9,500.00 | \$9,500.00 |
| 9651 | Stock Tanks 2- 210 BBL WLD STL | \$0.00 | \$15,000.00 | \$15,000.00 |
| 9652 | Stuffing Box / Polish Rod | \$0.00 | \$800.00 | \$800.00 |
| 9660 | Tubing 8500' 2 3/8" 4.7#/ft | \$0.00 | \$28,500.00 | \$28,500.00 |
| 9680 | Water Tank 210 Bbls | \$0.00 | \$5,200.00 | \$5,200.00 |
| | Sub-Total | \$0.00 | \$215,800.00 | \$215,800.00 |

TOTALS \$485,400.00 \$334,100.00 \$819,500.00