STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSES OF CONSIDERING:

CASE NO. 13556

APPLICATION OF TREK RESOURCES, INC. FOR COMPULSORY POOLING LEA COUNTY, NEW MEXICO.

AFFIDAVIT OF FRANK MCCOLLOCH

STATE OF TEXAS	§
	§
CITY & COUNTY DALLAS	§

Before me, the undersigned authority, personally appeared Frank McColloch and being first duly sworn stated:

A. My name and qualification as expert are as follows:

Frank McColloch

Education:	BBA – University of Texas 1974
	Certified Professional Landman
Experience:	31 years as a landman
Occupation:	Landman & co-owner of an oil & gas
	company

I am over the age of majority and competent to make this Affidavit.

I am responsible for and involved in preparing the necessary documents for submittal to the New Mexico Oil Conservation Division for this case.

I am personally knowledgeable and familiar with the facts and circumstances of this case and the following factual statements.

- B. This affidavit has been prepared in accordance with the New Mexico Oil Conservation Division Rule 1207.A(1)(b).
- C. My expert opinions are based on the following facts and events:

Affidavit of FRANK MCCOLLOCH NMOCD Case 13556 -Page 1-

	EXHIBIT	
TIMUT	a	

CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS

(1) Trek has obtained a "farmout" from Emerald Energy, LLC, who has a working interest ownership in the oil and gas minerals underlying the NE/4SW/4 of Section 30, T16S, R39E, NMPM, Lea County, New Mexico, to be dedicated as a standard 40-acre oil proration and spacing unit for its Stephenson Well No. 1 located in Unit K of this section.

(2) On July 7, 2005, Emerald Energy, LLC sent to Kenneth Cone, the only uncommitted mineral interest owner in this spacing unit with a $9/320^{\text{th}}$ interest, a written well proposal, including an AFE, for the Stephenson Well No. 1 to be drilled at a standard well location in Unit K of this section.

(3) On August 2, 2005, Trek sent to Kenneth Cone a letter advising that Trek had obtained a "farmout" from Emerald Energy, LLC and again proposed this same well to Mr. Cone, sending an AFE, for the Stephenson Well No. 1 to be drilled at a standard well location in Unit K of this section.

(4) Despite reasonable efforts, Trek was unable to conclude a voluntary agreement with Mr. Cone as listed on Exhibit "A"

(5) Pursuant to Commission Order R-11992, effective August 15, 2003, Trek requests that the 200% risk charge be applied.

(6) This spacing unit is within the Lower Clearfork-Drinkard Pool and subject, among other things, to Division Rule 104 providing for standard 40-acre spacing unit and locations not closer than 330 feet to an outer boundary.

(7) Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Trek needs an order of the Division pooling the identified and described mineral interest involved in order to protect correlative rights and prevent waste.

(8) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for September 22, 2005.

RULE 1207.A(1)(b) REQUIREMENTS

(9) In accordance with Division Rule 1207.A(1)(b) attached are the following statements and exhibits in support of this case:

(i) No opposition for the hearing is expected because the party to be pooled has not responded to these well proposals or objected to the entry of this pooling order.

Affidavit of FRANK MCCOLLOCH NMOCD Case 13556 -Page 2-

- (ii) Map (a) outlining the spacing unit, being the NE/4SW/4 of Section 30, T16S, R39E, NMPM, Lea County, New Mexico, forming a standard 40-acre oil spacing and proration unit for any production for any and all formations/pools developed on 40-acre spacing within that vertical extent, including but not limited to the Lower Clearfork-Drinkard Pool. This unit is to be dedicated to its Stephenson Well No. 1 that is to be drilled at a standard well location in Unit K of this section. See Exhibit "B" attached
- (iii) For name and last known address of the party to be pooled with the nature and percent of their interest; I attest that a diligent search has been conducted of all public records in the county where the well is located and the party has been contacted on our behalf on several occasions. See Exhibit "A" attached
- (iv) The names of the formations and pools to be pooled are the Lower Clearfork-Drinkard Pool, and any other formations/pools spacing in 40-acre gas spacing units.
- (v) The pooled unit is for oil.
- (vi) Written evidence of attempts to reach voluntary agreement including letters and summaries of telephone calls are included herein. See Exhibit "C-1 and C-2"
- (vii) The maximum 200% risk factor penalty was justified prior to drilling the well in accordance with Commission Order R-11992 and Division Order R-11926
- (viii) The well costs overhead rates of \$5000 per month drilling and \$600 per month producing well rates, subject to COPAS adjustment
- (ix) Copy of Division forms C-101 and C-102 showing the well location and the proposed depth of the well (approximately 6750 feet). See Exhibit "D-1 and D-2"
- (x) Copy of the AFE in the amount of \$ 999,000 completed well costs for this well, which I conclude, is fair, reasonable and current for wells of this type in this area.
 See Exhibit "E"

ATTESTATION

I, Frank McColloch attested that this submittal was prepared by me and the information is correct and complete to the best of my knowledge and belief. I recommend that a compulsory pooling order be entered which provides that:

- (1) Trek Resources, Inc. to be the named Operator;
- (2) for applicant and all working interest owners to participate in the costs of drilling, completing, equipping, and operating the infill gas well;

Affidavit of FRANK MCCOLLOCH NMOCD Case 13556 -Page 3-

- (3) In the event a working interest owner fails to elect to participate, then provisions be make to recover out of production the costs of the drilling, completing, equipping and operating the optional infill gas well, including a risk factor penalty; and
- (4) Provisions for overhead rates of \$5000 per month drilling and \$600 per month operating and a provision for an adjustment method of the overhead rates as provided by COPAS;

FURTHER AFFIANT SAYETH NOT:

Frank McColloch

STATE OF TEXAS

CITY & COUNTY OF DALLAS

SUBSCRIBED AND SWORN TO before me this 20th day of September 2005, by Frank McColloch

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Notary Public

ACKNOWLEDGMENT

STATE OF TEXAS

CITY & COUNTY OF DALLAS

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 20th day of September, 2005, personally appeared Frank McColloch to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

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ssie Bales

My Commission expires:

BESSIE BALES otary Public, State of Texas My Commission Expires

June 30, 2008

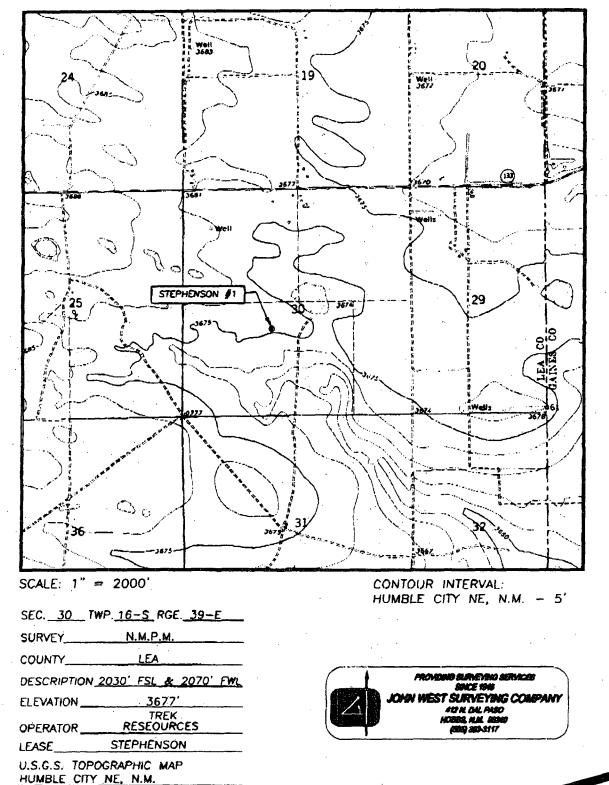


Affidavit of FRANK MCCOLLOCH NMOCD Case 13556 -Page 4-

EXHIBIT "A"

Mr. Kenneth Cone P. O. Box 11310 Midland, Texas 79702 2.8125% of S/2 spacing unit

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EXHIBIT

WM. SCOTT RAMSEY

Oil and Gas Properties

P. O. Box 51181 Midland, Texas 79710 Phone (432) 682-7408 Fax (432) 682-6611 E-mail sramsey@t3wireless.com

July 7, 2005

Kenneth Cone P. O. Box 11310 Midland, Texas 79702

RE: The South Half (\$/2) of Section 30, Township 16 South, Range 39 East, Lee County, New Mexico

Dear Mr. Cons:

A recent check of the records of Lea County, New Mexico, revealed a mineral interest owned by you in the captioned lands. By this letter Emerald Energy, LLC is offering a Paid-Up Oil and Gas Lease based on the following term:

Bonus Consideration: Royaity; Term: \$150.00 per net mineral acre 1/4 3 years

As an alternative, you are invited to participate in the drilling of the well with your mineral interest. Records indicate you own a 9/320th mineral interest or 2.8125% interest. Find enclosed an Authority for Expanditure (AFE) covering the drilling and completing of the Stephenson #1 well located in the SW/4 of Section 30, Township 16 South, Range 39 East. If this is acceptable, please execute the AFE and return it to the above address. A Joint Operating Agreement will be forwarded to you at a later date.

If you choose not to accept either of these alternatives, Emerald Energy, LLC will bring action to unitize your mineral interest under the Statutory Unitization Act, found in Chapter 70, Article 7, of the 1978 New Mexico Statutes.

If you have any questions or would like to discuss any of these alternatives, please call me at 682-7408. Your consideration of this matter is greatly appreciated.

Sincerely,

Toms

Wm. Scott Ramsey Landman - Agen



TREK Resources Inc. Authorization for expenditure

FES.	ent	DATE:	06/03/2005	<u> </u>
PERATOR	TREX Reporters inc.	WELL NAME:	STEPHENSON #1	
OCATION:	SW/4 Set 20 198 392 Las, New Marico			
BECHEPTION	Dill the Best TIEX Pac Prospect well - 8700' Drinkard Test			
			ECTIMANTET	
			ESTIMATED	
		· .	COSTS	
SUB ACCT	DEBORTTICHE	DRILLING	COMPLETION	TOTAL
NTANGIBLEB		1		
		2000	500	2.1
10	PERMITALEGAL/TITLE	2,000		
11	DAMAGES	5,000	500	5,
12	LOCATION	25,500	8,000	36,1
13	DRULLING: ROD MOVE	45,000		45,
14	DRILLING: POOTAGE	0		
15	DRILLING: DAYWORK 22 days	231,000		231,
18	DRULING: TURNERY			
		37,000		37,0
17	CEMENTING SERVICES			
18	MUDICHERICALS	7,500	h ~	7,
19	EITS and TOOLS	22,500		
20	ELECTRICLOSONG	18,500		18,
21	WIRELINE SERVICES/MERCORATING		10,000	10,0
	MUD LOGONO/GROLOGIC SUPERVISION	1 1	8,000	5.5
		1	85,000	85,0
	STIMULATION SERVICES	<u> </u>		
24	COMPLETION RIG	·	24,500	24,!
25	ENGINEERINGANELLERTE BUPERVISION	20,500	6,100	25,
26	CONSULTING SERVICES			
27	CONTRACT LABOR	1		
26	ROUSTADOUT BERNIOES	1,000	3,000	4,
29	CASING CREW AND BERVICES	2,500	3,500	6,0
	INSPECTION			
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	EQUIPMENT REINTAL	4,500	,	
	TRUCKING	∳		1,(
33	TRANSPORTATION			
34	FUELMATER	6,000	1,000	7.0
35	DRILL STEM TESTING/TESTING			
	DIRECTIONAL TOOLS/SERVICES	T		
		1		
37	CORE ANALYBRITICLE	t=		
- 38	PLUGGING and Allandoningnt	<u> </u>		
	NSURANCE	2.500		2,
40	OVERHEAD	4,000	2,500	
41	CONTINGENCIES & MIRC.	44.000	10,900	54,6
	TOTAL RITANGIBLES	\$482,000	\$144,000	\$628,0
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TANGIBLES				
	SURFACE CASING - conductor and 400' 13 3/8" cog	13,000		13.6
	NTERMEDIATE CASING - 4500 8 5/5" (49	99,675		
12	PRODUCTION CASING - 5700 6 1/2" oug	L	93,525	93.5
13	TURNO		40,850	40.8
	WELLHEAD ASSEMBLY	B,500	2,500	9,0
	RODE/PUMPING STRING	1	20,000	20,0
		<u>├</u>		
		┼─────┤	3,500	3,5
	SEPERATOR/TREATER	<u>├────</u>	4,500	
	TANK BATTERY	<u>↓</u>	18,500	14,5
	PUMPING UT W/ ELEC MOTOR & CONTROL UT	i	95,000	55,0
		1-manuel	800	£
21	VALUES/FITTINGS		1,200	1,2
22	SUPPLIES			
	ELECTRIFICATION			
	COMPRESSION	1		
	DONTINGENCIES & MISC.	9,225	5,625	14,8
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	TOTAL TANGIBLES	\$129,000	\$244.000	\$373,0
	TOTAL TANGIBLES	\$129,000	\$244,000	\$373,0

TREEX Remources inc.	·	WORKING INTEREST OWNER
REPRESENTAT	Contral Mitcohine	REPRESENTATIVE
me	V.F. Operations	me
SIGNATURE		SIGNATURE
DATE	00/22/2006	DATE
		PARTNER INTEREST
		NET AFE AMOUNT

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August 2, 2005

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Mr. Kenneth Cone P. O. Box 11310 Midland, Texas 79702

RE: Spacing Unit and Well Proposal S/2 Section 30, T16S, R39E Initial Well: Stephenson Well No. 1, SW/4 Footage: 2,070' FWL & 2,030' FSL Lea County, New Mexico

Dear Mr. Cone:

By letter dated July 7, 2005, Emerald Energy, LLC advised you that its review of the records of Lea County, NM revealed that you apparently own a 9/320-mineral interest within the S/2 of Section 30, T16S, R39E, NMPM. Based upon that information, it proposed to you participation in this well with your mineral interest and included an Authority for Expenditure ("AFE").

Since then, TREK Resources Inc. has obtained a farmout from Emerald Energy, LLC and will be the operator of this spacing unit and this well. On behalf of TREK Resources Inc., I wish to provide you with a final opportunity to voluntarily participate by signing and returning to me the enclosed AFE. The estimated total dry hole coats for this well is \$611,000.00 and to estimated total complete well costs are \$999,000.00. Due to rig availability, TREK intents to commence drilling of this well within the next 30days.

TREK Resources Inc. respectfully requests your support and participation in the drilling of this well as proposed and in the event that you elect to participate, TREK requests that you execute one (1) copy of the enclosed AFE's and return same to the undersigned as soon as reasonably possible the other copy is for your file. Upon your election to participate, TERK will prepare and send a mutually acceptable Joint Operating Agreement 1982 A.A.P.L. Model Form Operating Agreement for your review and approval. In the event you elect not to participate, then TREK will file an application for compulsory pooling with the New Mexico Oil Conservation Division.

Very truly yours,

TREK RESOURCES. INC.

Robert B. Howell, Sr. Vice President, Operations

5 ONE ENERGY SQUARE 25 GREENVILLE AVE. 11LAS, TEXAS 75206

www.TrekResources.com

DFFICE: 214-265-1161 TOLL-FREE: 877-855-8969 FAX: 214-373-8035

TREK Resources Inc. AUTHORIZATION FOR EXPENDITURE

Sec. 10

FE #:	811	DATE:	June 5.	2003
PERATOR:	TREK Resources Inc.	WELL NAME:	STEPHEN	SON #1
DCATION:	SW/4 Sec 30 16S 39E Lea, New Mexico			
SCRIPTION;	Drill the first TEX Pac Prospect well - 8700' Drinkard Test			
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		E	STIMATED COSTS	
SUB ACCT	DESCRIPTIONS	DRILLING	COMPLETION	TOTAL
INTANGIBLES				
10	PERMITAEGALITTLE	2,000	500	2,100
11	DAMAGES	5,000	800	5,500
12	LOCATION	28,500	8,000)	36,500
13	DRILLING: RIG MOVE	45,000		45,000
14	DRILLING: FOOTAGE	0		
15	DRILLING: DAYWORK 22 (lays	231,000	······	231,000
16	DRILLING: TURNKEY		······	
17	CEMENTING SERVICES	37,000		37,00
18	MUD/GHEMICALS	7,500		7,500
19	BITS and TOOLS	22,500	,	22,500
20	ELECTRIC LOGGING	18,500	اجرب راجم مستحسب الم	18,50
21	WIRELINE SERVICES/PERFORATING		10,000	10,00
22	MUD LOGGING/GEOLOGIC SUPERVISION		8.000	8,00
23	STIMULATION SERVICES		65,000	65,00
24	COMPLETION RIG 8 days		24,500	:24,500
25	ENGINEERING/WELLS/TE SUPERVISION	20,500	5.100	25,60
26	CONSULTING SERVICES			
27	CONTRACT LABOR			
28	ROUSTABOUT SERVICES	1,000	3,000	4,00
29	CASING CREW AND SERVICES	2,500	3,500	6,00
30	INSPECTION			
31	EQUIPMENT RENTAL	4,500	500	5,00
32	TRUCKING		1,000	1,00
33	TRANSPORTATION			
34	FUELWATER	5,000	1,000	7,00
35	DRILL STEM TESTING/TESTING			
36	DIRECTIONAL TOOLS/SERVICES			
37	CORE ANALYSIS/TOOLS			~~~~~~ · ·
38	PLUGGING and ABANDONMENT			مر بسمامه
39	INSURANCE	2,500		2,50
40	OVERHEAD	4,000		(1,50
41	CONTINGENCIES & MISC.	44,000	10,900	54,90
	TOTAL INTANGIBLES	\$ 402,000	\$ 144,000	\$ 628,000
	10132 11130 00460			
TANGIBLES				
10	SURFACE CASING - conductor and 400' 13 3/8" esg	13,500		13,60
11	INTERMEDIATE CASING - 4500' 8 5/8" csg	09,675	3	99,67
12	PRODUCTION CASING - 8700' 5 1/2" csg		93,525	93,52
13	TUBING		40,850	40,8
14	WELLHEAD ASSEMBLY	6,50	2,500	9,01
15	RODS/PUMPING STRING		20,000	20.0
16	DOWNHOLE EQUIPMENT		3,500	9,5
17	SEPERATOR/TREATER		4,500	4,5
18	TANK BATTERY		16,500	16,5
19	PUMPING UT W/ ELEC MOTOR & CONTROL UT		55,000	
20	FLOWLINES		800	8
21	VALUES/FITTINGS		1,200	1,2
22	SUPPLIES			
23	ELECTRIFICATION			
24	COMPRESSION			· · · · · · · · · · · · · · · · · · ·
25	CONTINGENCIES & MISC.	9,22	5,625	14,0
				+
	TOTAL TANGIBLES	\$ 129,000	\$ 244,000	\$ 373,00
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TREK Resources Inc.		WORKING INTEREST ON	WORKING INTEREST OWNER				
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nn_E	N.P. Operadogs	, TITLE					
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Kenneth Cone Box 11310	
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so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Brinted Name) C. Date of Delive
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Dedicated Arren Juliet or Jurit Juliet or Jurit Communication Case Order Me. 40 40 40 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BREN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The The Division Image: Complexity of the The Division Image: Complexity of the The Division Image: Complexity of the The Division Image: Complexity of the The Division Image: Complexity of The Division Image: Complexity of the The Division Image: Complexity of The Division Image: Complexity of The Division Image: Complexity of The Division Image: Complexity of The Division Image: Complexity of The Division <			10-3		L	<u></u>	1	L	WESI	
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION				nadidetion	Code Or	der No.	<u> </u>			L
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X=883267.9 E LAT.=32:53'26:50" N LONG.=103'05'05:22" W Signature Regulatory Agent THOM C-23-05 Date SURVEYOR CERTIFICATION 1 Arroby control that unit inclusion shown on the plate are plated from field actor of or other plate 2070 207	•						· · ·	antained hereis	n is true and comple	
LONG. = 103:05:05.22" W Slendure Mn. E. R. itchie Priored Name Regulatory Agent Tidd G-28-05 Date SURVEYOR CERTIFICATION 1 Arroby correct Mat the south south of the plat may plated from plate the south of the south south of a constrained from plate the south of the south south of the source of the south from plate the south of the south of the supervises and that the may blated JUNE 23, 2005 Date Surveyed JR Signature of the south of the south of the south of the Supervises and that the may blated JUNE 23, 2005 Date Surveyed JR Signature of the south of the south of the Signature of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the Signature of the south of the south of the south of the south of the Signature of the south o		· .		X=8832	67.9 E			est of my should		
Ann E. Ritchie Privated Name Regulatory Agent Regulatory Agent G-28-05 Bate SURVEYOR CERTIFICATION I haroby certify that the well torsten shown on the plat are plated over under my contract to the test of my bate JUNE 23, 2005 Date Surveyed JUNE 23, 2005 Date Surveyed MEA Standard Contract MEA Surveyed MEA Standard Contract Surveyed Standard Standard Surveyed Standard Standard Standard Standard Standard Standa							• •	Aris	Muliti)
Printed Name Regulatory Agent Title 6-278-05 Bate SURVEYOR CERTIFICATION 1 hereby certify that the well torship about on the plate was platted from fills acte of resting reverses and the set of ray baller 1005 JUNE 23, 2005 Date Surveyed JUNE 23, 2005 JUNE 23, 2005 JUNE 24, 200		'			 	'		Ann E.	Ritchie	
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2070' 20			 	ا <u>ن</u> ہ ہے۔	<u> </u>			SURVEYO	R CERTIFICAT	10N
JUNE 23, 2005 Date Surveyed JR Signatures Pail (Phylink) Protesticated Street Only ME4: 1 Diff (28/05) Certaining No. CARY RESONT 12841		」 〔	40			1		I hereby certify on this plat we		on shown notes of
JUNE 23, 2005 Date Surveyed Signature of Parl Of Milling Protosticated Street Continue Of MEX Difference of 28/05 Certaining No. CARY RESONT 128/11 Certaining No. CARY RESONT 128/11	-	۲ بر 2070-	·	0				autual surveys supervison, and	shade by me or I that the same se	under my irwe and
Date Surveyed JR Signatures Bail of Milling Profostional Surveyed JR Signatures Bail of Milling MEX. 28/05 R: 05.11.0968 5 Certainate No. CARY RESOLUTION					r }		•			!
Protostation Service Com N MEX: 2 BOT 128/05 R: 05.11.0968 5 Certainto No. CARY RESOLUTION 12641		1					<u>.</u>	1	4	JR
Certainting No. CARY RIDSON 2541		- <u></u>			<u>├</u>	i				
Certainty No. CARY RISSON 22541		1				1		C W	MEXI 2	la alar
	.*) .		. 1		1	. · · ·		5.11.0968 5	rojos
EXHIBIT.		.						Certificate No	CARY BUSSIE	12641
P-A	· · · · · · · · · · · · · · · · · · · ·	l		<u> </u>			XHIBI	The second se	PEDSIO PERSON	
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6-28-205 3:11PM

FROM

P. 2

# TREK Resources Inc.

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### AUTHORIZATION FOR EXPENDITURE

AFE #:	811	DATE	ીપાયલ તે,	
OPERATOR:	TREK Resources Inc.	WELL NAME:	STEPHEN	SON #1
LOCATION:	SW/4 Sec 30 16S 39E Lea, New Mexico			
DESCRIPTION:	Drill the first TEX Pac Prospect well - 8700' Drinkard Test			
		·	· · · · · · · · · · · · · · · · · · ·	
·	······································	~		
		1 1	STIMATED COSTS	
SUB ACCT	DESCRIPTIONS	DRILLING	COMPLETION	TOTAL
INTANGIBLES				
and the second sec	DEDAGTA FOAL OTTA		م	
10	PERMITAEGALITITLE	2,000	500	2,500
11	DAMAGES	5,000	500	5,500
12	LOCATION	28,500	8,000	36,500
13	DRILLING: RIG MOVE	45,000		45,000
14	DRILLING: FOOTAGE	231,000		
15	DRILLING: DAYWORK 22 (lays DRILLING: TURNKEY		.	201,000
	CEMENTING SERVICES	37,000		37,000
18	MUD/CHEMICALS	7,500		7,500
19	BITS and TOOLS	22,500		22,500
20	ELECTRIC LOGGING	18,500		18,500
21	WIRELINE SERVICES/PERFORATING		10,000	10,000
22	MUD LOGGING/GEOLOGIC SUPERVISION		8,000	8,000
23	STIMULATION SERVICES		65,000	65,000
- 24	COMPLETION RIG 8 days		24,500	24,500
25	ENGINEERING/WELLSITE SUPERVISION	20,500	5,100	25,600
26	CONSULTING SERVICES			
27	CONTRACT LABOR			
28	ROUSTABOUT SERVICES	1,000	3,000	4,000
29	CASING CREW AND SERVICES	2,500		5,0(X
30	INSPECTION			
31	EQUIPMENT RENTAL	4,500	500	5,000
32	TRUCKING		1,000	1,00(
33	TRANSPORTATION			
34	FUELWATER	6,000	1,000	7,00
35	DRILL STEM TESTING/TESTING			
36	DIRECTIONAL TOOLS/SERVICES			
37	CORE ANALYSIS/TOOLS			
38	PLUGGING and ABANDONMENT			
39	INSURANCE	2,500		2,50
40	OVERHEAD	4,000		6,50
41	CONTINGENCIES & MISC.	44,000	10,900	54,90
	TOTAL INTANGIBLES	\$ 482,000	\$ 144,000	\$ 628,000
L	I UTAL INTANOIDLES		1	
TANGIBLES				
10	SURFACE CASING - conductor and 400' 13 3/8" esg	13,60	0	13,80
11	INTERMEDIATE CASING - 4500' 8 5/8" cag	99,67		99,67
12	PRODUCTION CASING - 8700' 5 1/2" csg		93,525	93,52
13	TUBING		40,850	40,85
14	WELLHEAD ASSEMBLY	6,50	2,500	9,00
15	RODS/PUMPING STRING		20,000	20,00
16	DOWNHOLE EQUIPMENT		3,500	
17	SEPERATOR/TREATER		4,500	
18	TANK BATTERY		16,500	
19	PUMPING UT WI ELEC MOTOR & CONTROL UT		55,000	
20	FLOWLINES		800	
21	VALUES/FITTINGS		1,200	1,20
22	SUPPLIEB			
23	ELECTRIFICATION			
24	COMPRESSION			1
25	CONTINGENCIES & MISC.	9,22	5 5,629	34,0
}	TOTAL TANGIBLES	\$ 129,00	5 244,000	\$ 373,00
	JOINE INHOUSE	123,00	244,000	
1	TOTALS	\$ 611,00	0 \$ 388,000	\$ 999,00

TREK Resources Inc.		WORKING INTEREST O	WNER	
REPRESENTATIVE	Conrad Mirochna	REPRESENTATIVE	Bright & Company, I, Lill	
TITLE	N.P. Operadogs	TITLE		
SKONATURE Co-	I Mant	SIGNATURE		
DATE	6/22/2005	DATE		EXHIBIT
		PARTNER INTEREST		/
		NET AFE AMOUNT		