

ESENJAY PETROLEUM CORP.

EXECUTIVE SUMMARY

WEST STEVENS PROSPECT
LAVACA COUNTY, TEXAS
ESENJAY # 1 DUGAT

Esenjay Petroleum Corporation (EPC) has assembled 230 ± gross and net acres of leasehold about 16 miles south of the town of Hallettsville. EPC recommends drilling a 8,300' vertical well to test the Upper Wilcox sands of Eocene age. The Prospect targets oil-bearing sands in the Wilcox 1, 1-A, 2, and 3 sands. The 1-A is historically an oil reservoir and the other sands typically produce gas with high-liquid yields.

The prospect is identified by 3-D seismic as well as subsurface mapping. The structure is an elongated nose on the high side of a growth fault. It is adjacent to a 1.6 MMBO + 2.2 BCFG field (North Borchers) and structurally high. The separation between the prospect and this field is a small buried fault, or a stratigraphic shale barrier.

This prospect was identified by several seismic attributes that appear analogous to the responses from the producing field. Sand Isopach maps also seem to indicate several sand fairways in this area, separated by shale/non-sand boundaries.

These prominent sand fairways are the result of structural development associated with the underlying Middle Wilcox. As the Yoakum Channel's genesis included an erosional episode of Middle Wilcox sands and shales, its final history included a filling in the channel with marine shales. This shale substratum thus provided an unstable tectonic platform for the Upper Wilcox sands, in which numerous stratigraphic channels and minor slump faults occurred. These Stratigraphic channels consisted of both shale and sands, thus providing a unique structural environment for stratigraphic entrapment.

The prospect's potential could be 500 MMBO + 2 BCFG, or greater. These figures are based on analog fields in the (North Borchers 1.6 MMBO + 2.2 BCFG, and Chicolete Creek 226 MBO + 13.1 BCFG).