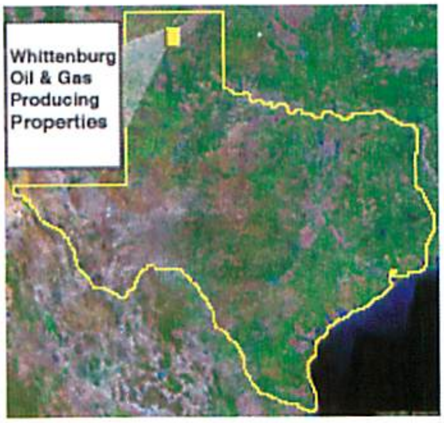
Castle Oil and Gas, LLC and 1031X.com offers the following tax deferred exchange or standard investment opportunity in the Whittenburg Producing Property, located in the Panhandle Gas Field, Texas Panhandle.



The Panhandle Gas Field is a giant gas and oil producing area that draws production from several producing horizons from over 200,000 surface acres in the Texas Panhandle. The Panhandle Gas Field is considered one of the largest known gas fields in the world. Over the last 24 months (September 2005 through September 2007) the property has generated 12.20% rate of return. The profitability in the last 5 months (May to September) is higher than the profitability for the same period in 2006. The sales price has not been increased for the last 18 months.

The Whittenburg Oil and Gas Producing Unit offers a unique diverse investment in oil and gas production from 85 oil and gas producing wells and ownership in a gas gathering system (including pipelines) that serve the Units' 85 wells. Approximately 45% of the revenue is generated from liquid sales that follow crude oil prices. The balance of the revenue is generated from natural gas sales and transportation revenue from the gas pipeline, which is included in the package. This diversification affords the owners the opportunity not to be dependant to one source of income i.e. oil revenue, gas revenue and transportation revenue. REAL TIME EXAMPLE: Oil is at an all time high, natural gas prices are low, and the pipeline transportation charges rise when gas prices are low, to offset the difference.

Thank you very much for your interest, after review of the information, please call anytime to discuss the Whittenburg property.

Regards,

Dana Veitch, President

303-829-7306 direct, **www.castleoilandgas.com**

Executive Summary

The Whittenburg Unit Leases, wells and gas gathering system
Crude Oil and Natural Gas Producing Property
Hutchinson County, Texas

For sale are three contiguous crude oil and natural gas leases[1] (which are called the Whittenburg leases), the 85 crude oil and natural gas production wells on the Whittenburg leases, and related crude oil and natural gas production facilities. The property is located in Hutchinson County, Texas, in the northern Texas panhandle. The wells produce from a rock formation locally called the Red Cave. The Red Cave is a Permian-age sandstone which lies about 2,000 feet below the surface.

Together, the 85 wells produce about 550,000 cubic feet of high heating value natural gas (about 1,650 BTUs per 1,000 cubic feet of natural gas) per day and about two tanks of crude oil (about 300 barrels; a barrel of oil is 42 gallons) per month. Revenues are generated by the sale of the crude oil and natural gas. The crude oil is sold to a purchaser who takes possession of it via truck at the leases. The natural gas is delivered, largely via a natural gas pipeline system in which the purchaser of the Whittenburg leases will acquire an interest, to a plant owned by Duke Energy. The plant separates the natural gas liquids[2] (propane, butane, etc.) entrained in the natural gas (methane) from the methane, sells the methane (called residue gas) and the liquids, and shares the proceeds of sale with the owners of the Whittenburg leases. The owners also earn revenues from the transportation of natural gas through the natural gas pipeline system to Duke's plant.

Third party engineering show a 20 year life in the production. Actual production show a lesser production decline than the engineering report, thus the production life would be extended past the stated 20 years.

[1] For a description of the various types of property interests involved in the extraction of crude oil and natural gas from the underground reservoirs where they are found, see "Purchasing and Owning an Oil and Natural Gas Producing Property." A copy is available on request.
[2] It is the presence of natural gas liquids in the natural gas stream which causes the natural gas to have a high heating value (BTU). Methane alone has a BTU content of 1,000 BTUs per 1,000 cubic feet of methane.

Sales of produced crude oil and natural gas are accounted for on a calendar-month basis. The products' purchasers typically pay the Whittenburg leases' operator (American Star Energy & Minerals of Amarillo, Texas) for crude oil and natural gas purchased during a month by the twenty-fifth day of the succeeding month (*e.g.*, December production paid for by about January 25th). The operator will disburse to each owner the owner's t-i-c share of these revenues less operating costs plus gas gathering revenue within about two additional weeks (*e.g.*, December production revenues less December operating costs plus December gathering revenue forwarded to t-i-c owners by about February 15th). The effective date of a purchase of a t-i-c interest in the Whittenburg leases, 85 wells, and other facilities will be the first day of the calendar month in which the purchase is closed (*e.g.*, closing on December 16; the property is owned by the purchaser effective December 1; thus, December production would accrue to the benefit of the t-i-c purchaser).

The leases and wells are operated pursuant to an industry-standard AAPL Form 610-1982 Model Form Operating Agreement (a "JOA"). The property's operator (*i.e.*, manager) is chosen by a majority in interest of the t-i-c owners subject to the JOA.

A petroleum engineering firm has performed a study to predict the volumes of crude oil and natural gas which will be produced in the future. Production obtained since the study was performed indicates that actual production volumes are declining more slowly than predicted. A civil engineer with oilfield experience has examined the leases for environmental compliance. No environmental violations were discovered. Copies of these two reports are available for review.

The estimated rates of returns referenced above are strictly estimations, based on market conditions. The potential Investor will be required to complete an Investor Qualification Statement. The Whittenburg properties are subject to prior sale or withdraw without notice.

Whittenburg Unit Offering

The offering is comprised of a minimum investment of $200,000 for 2.743597% of 100%, or up to 14.5124% for $1,057,910.00 Working Interest in the Whittenburg Unit, Hutchinson County, Texas. The Whittenburg Unit property package includes:

- Location in one of the largest gas producing fields in the world.

- Assets owned:
  - 85 producing oil and gas wells
  - Gas Pipeline system
  - Owned and operated Saltwater Disposal well.
  - Unit Owners proportionately share in transportation revenues from gas wells outside the Whittenburg Unit.

- Revenues generated from the diversified nit:
  - natural gas and liquid sales: 55%, oil: 5%, Gathering System: 40% (approximate, varies month to month)

- Extended Production life:
  - Third party Engineering analysis showing 20 years of remaining reserves.
  - Actual production declines indicate a longer production life (documentation available). Actual declines can be verified through the Texas Railroad Commission website, http://www.rrc.state.tx.us/

Total offering

- Minimum investment of $200,000 for 2.743597% of 100%
- Maximum investment of $1,057,910.00 for 14.5124% of 100% working interest is available.
- Effective date: retroactive to the first day of the closing month.

<u>Due Diligence material</u>

Materials available for review are:

- Gas Gathering System Statements
- Letter of Intent for a Oil and Gas Lease as 1031 Exchange Replacement Property.
- Purchase and Sale Agreement
- Deed to oil and gas leases and tangible property (attached as Exhibit A & B to P&SA)
- Compendium of Field Observations (well by well, July 21 & July 22, 2005)
- Beamon Memoranda, scheduled work (July 2005
- OilLab Laboratory report (July 26, 2005) for the Saltwater Disposal well
- Third Party Inspection report

Tax Benefits

The basic tax consideration involved in investing in an oil and/or gas well with a company are as follows: (For more information, see the Working Interest section of our definition page.)

- **Dry Hole** - All dollars invested are written off as an ordinary loss against your ordinary income in the year incurred.
- **Producing Well** - 70-85%(approx.) of the amount of your investment constitutes what are known as intangible drilling cost, and are written off your ordinary income in the year incurred.
- **15%-25% of the investment constitutes tangible drilling costs (well equipment).** This portion of your investments is depreciated over a seven year period using the Accelerated Cost Recovery System. In some cases, approximately 5-10% of the investment is considered syndication fees which will be amortized over a three to five year period.
- **Depletion Allowance** - currently the allowance is 15%. This means that 15% of all revenues received are tax free income.
- **Section 1031 Tax Deferred Exchanges** - Click here for more information
- You can go to the IRS website for more information

DEPLETION ALLOWANCE

An allowance granted on taxable income from oil and gas by the Federal and most State Governments. The current Federal rate is 15% of gross income. The law is rather involved and a tax specialist should be used when computing the tax free portion of income. This information is supplied to each partner prior to filing his income tax returns on April 15th of each year.

WHITTENBURG LEASES
100% WORKING INTEREST BASIS

Production Month →	07/05	08/05	09/05	10/05	11/05	12/05	01/06	02/06	03/06	04/06	05/06	06/06
Gathering Revenue **	103,917	151,765	53,503	122,150	126,749	142,374	162,234	115,680	146,959	146,592	156,953	156,923
Working Interest Gas Revenue	112,936	106,185	45,431	130,312	123,645	118,890	115,341	77,397	96,759	93,718	103,350	99,036
Working Interest Oil Revenue	5,792	4,980	5,555	6,098	4,823	5,631	7,012	6,392	6,367	7,065	6,452	10,136
TOTAL REVENUE	222,645	262,930	104,489	258,560	255,217	266,895	284,587	199,469	250,085	247,375	266,755	266,095
Gathering Costs	(81,111)	(110,919)	(50,947)	(89,133)	(93,278)	(102,430)	(114,351)	(83,703)	(103,078)	(100,694)	(109,714)	(108,036)
Lease Operating Expenses	(44,320)	(52,420)	(61,813)	(53,554)	(94,240)	(40,772)	(42,284)	(47,698)	(50,326)	(56,251)	(49,149)	(55,843)
Working Interest Gas Severance Tax	(2,982)	(242)	(2)	(3,573)	(2,920)	(1,903)	(746)	(114)	(183)	(87)	(184)	(6)
TOTAL COSTS & EXP.	(128,413)	(163,588)	(112,762)	(146,260)	(190,439)	(145,104)	(157,381)	(131,515)	(153,587)	(157,032)	(159,047)	(163,884)
NET ^^	94,232	99,342	(8,273)	112,300	64,778	121,791	127,206	67,954	96,498	90,343	107,708	102,211
Gas Price ($/mcf)	11.25	12.01	13.21	14.42	13.84	13.65	13.52	10.84	11.12	12.00	11.45	11.67
Gas Production (mcf)	16,908	14,577	5,765	15,145	15,058	14,595	14,297	11,996	14,598	13,149	15,135	14,307

Production Month →	07/06	08/06	09/06	10/06	11/06	12/06	01/07	02/07	03/07	04/07	05/07	06/07	07/07	08/07	09/07
Gathering Revenue **	146,991	139,310	121,678	90,720	97,454	59,686	62,052	66,559	114,255	60,306	164,656	166,554	141,374	158,734	165,457
Working Interest Gas Revenue	97,575	97,586	81,012	68,007	68,579	45,161	54,204	50,817	82,306	41,957	113,574	102,990	95,693	104,170	110,724
Working Interest Oil Revenue	6,059	6,676	5,277	2,985	3,664	3,047	-	2,147	2,586	5,271	3,147	12,141	5,585	11,136	5,609
TOTAL REVENUE	250,625	243,572	207,966	161,712	169,697	107,895	116,256	119,523	199,147	107,534	281,376	281,685	242,652	274,041	281,790
Gathering Costs	(103,553)	(104,180)	(86,210)	(70,921)	(72,013)	(48,134)	(53,916)	(52,847)	(84,762)	(47,157)	(114,930)	(114,822)	(101,106)	(112,890)	(116,170)
Lease Operating Expenses	(53,387)	(67,159)	(63,055)	(61,899)	(52,754)	(74,302)	(62,327)	(28,348)	(54,006)	(60,490)	(53,724)	(49,178)	(56,314)	(76,827)	(55,181)
Working Interest Gas Severance Tax	(192)	(137)	(243)	(427)	(308)	(232)	(607)	(468)	(576)	(58)	(569)	(5)	(248)	(62)	(402)
TOTAL COSTS & EXP.	(157,133)	(171,476)	(149,508)	(133,247)	(125,075)	(122,668)	(116,849)	(81,682)	(139,344)	(107,705)	(169,222)	(164,004)	(157,667)	(189,778)	(171,753)
NET ^^	93,492	72,095	58,458	28,465	44,622	(14,774)	(593)	37,861	59,803	(172)	112,154	117,680	84,985	84,263	110,037
Gas Price ($/mcf)	11.84	12.28	10.56	9.18	10.42	10.72	9.43	10.53	11.38	11.78	13.39	13.29	13.04	12.57	13.73
Gas Production (mcf)	13,825	13,397	12,887	12,434	11,087	7,068	9,644	8,103	12,162	5,973	14,282	12,988	12,311	13,929	13,589

Gas revenue down due to (1) 20% decrease in price from January, (2) February being a short month, (3) Duke's gathering system (the gas purchaser) being down 4 days, & (4) liquids dropping out of the lines due to cold weather, which increased well head pressure

Decreased gas revenue due to lower gas prices, decreased gathering revenue due to royalty owners' lack of profit at current price levels, note LOE and gathering costs have remained stable or decreased

1) Gas purchaser, Duke, down for 20 full days for line repair/replacement
2) Gas purchaser, Duke, down due to winter storms that damaged electrical poles
3) Gas production drop-off due to colder temps, liquids condensing out of gas stream into gathering lines

1) Gas purchaser, Duke, down due to winter storms that damaged electrical poles
2) Gas production drop-off due to colder temps, liquids condensing out of gas stream into gathering lines
3) Billing of annual ad valorem taxes

1) Gas purchaser, Duke, down for 6 full or partial days due to line repair
2) February is a short month

1) Gas purchaser, DCP, down for 14 full days and 1 partial day due to plant maintenance

** adjusted for three (3) 100% owned compressors

^^ before any contractual adjustments

xls 4/c/lkl/WL 100% WI basis