

## **INTRODUCTION**

The accompanying "Due Diligence Memorandum" relating to Pacific Energy & Mining Company, a Nevada Corporation, has been prepared for the purpose of complying with rule 15C (2) (11) of the United States Securities and Exchange Act of 1934, as amended. This rule is designed to give basic information on any company that is owned by the public. Any other use of this memorandum, in whole or in part, is expressly forbidden without the prior written consent of the company.

It should be noted that all of the enclosed information has been prepared by the company and has not been passed upon or reviewed by any independent expert or authority. All representations contained herein are those of the company and its officers and directors.

It should be further noted that the securities described herein are speculative and involve a degree of risk. As such, purchase of these securities may not be appropriate for all investors. This memorandum should not be considered an offer to buy or sell these securities and is not intended as an offering of securities.

Additional information relating to Pacific Energy & Mining Company may be obtained by a written request to the company.

**DISCLOSURE STATEMENT**

**Pursuant to Rule  
15c2—11  
Securities Exchange Act of 1934**

**RE: PACIFIC ENERGY & MINING COMPANY**

Item 1: The exact name of the issuer and its predecessor (if any).

Pacific Energy & Mining Company

Item 2: The address of its principal executive offices.

3550 Barron Way, Suite 13a  
Reno, Nevada 89511

Item 3: The state of incorporation, if it is a corporation.

Nevada

Item 4: The exact title and class of the security.

Common voting stock

Item 5: The par or stated value of the security.

\$0.001 per share

Item 6: The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year.

23,654,287 as of August 31, 2010

Item 7: The name and address of the transfer agent.

Standard Registrar & Transfer Company, Inc.  
12528 South 1840 East  
Draper, Utah 84020  
801 571 8844

Item 8: The nature of the issuer's business.

The Company owns and/or leases and oil and gas properties and natural gas processing plants and pipelines in the United States. The processing plants manufacture natural gas liquids for sale.

## **Business**

### **General**

Pacific Energy & Mining Company ("PEMC") is primarily a natural resource company incorporated in November 1979 under the laws of the State of Nevada. PEMC owns oil and gas properties in the United States primarily in the State of Utah.

### **Natural Gas Processing**

Pacific Energy operates a natural gas processing plant in Grand County, Utah. Natural gas is transported via natural gas pipeline to the processing plant, where the natural gas is stripped of liquids using a refrigeration plant. The resultant liquids are stored in 30,000 gallon high pressure propane tank prior to shipment to a purchaser.

Once the liquids are stripped, Pacific Energy than transports the natural gas is transported to a sales point.

### **Oil and Gas Activities**

#### Natural Gas and Oil Reserves

The following table presents our estimated proved natural gas and oil reserves and the PV-10 value of our interests in net reserves in producing properties as of December 31, 2009 based on reserve report prepared by our Engineers. The PV-10 values shown in the table are not intended to represent the current market value of the estimated oil and natural gas reserves we own. These reserves are estimated reserves of crude oil (including condensate and natural gas liquids) and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved undeveloped reserves are those expected to be recovered through drilling of new wells using existing operating methods.

Operations:

Pacific Energy owns non-operated working interest in the Cisco Springs Field and the Cisco Field in Grand County, Utah. These wells produce from the Dakota and Morrison formations from depth ranging from 520 feet to 1800 feet. Pacific Operates 6 oil and gas wells in the Cisco Field.

It commenced operations on the Greentown field located in Grand County Utah the wells in this field produce from depths of approximately 10,000 feet.

Pacific has non-operated working interest in the Cedar Rim field operated by El-Paso Exploration Company in Utah and the Brennan Bottoms Field in Uintah County, Utah operated by Mar/Reg Oil Company.

During 2010 Pacific Energy entered into a Farmout agreement with QEP Exploration, wherein QEP drilled two horizontal wells in the Johnson Bottoms Unit in Uintah County, Utah.

December 31, 2009

Estimated Proved Undeveloped reserves	
Net natural gas reserves (Bcf):	3,994
Net oil reserves (Bcfe):	4,674
Total Proved Natural Gas & Oil Reserves (Bcfe)	8,668
Estimated Value of Proved Reserves (in thousands)	
Future Net Revenues	\$47,662
PV-10 Value (discounted at 10% per annum):	\$23,689
Prices Used in Calculating December 31, 2006	
Proved Undeveloped Reserves:	
Oil (per Bbl)	\$48.00
Gas (per Mcf)	\$ 3.00*

There are numerous uncertainties in estimating quantities of proved reserves and in projecting future rates of production and the timing of development expenditures, including many factors beyond our control. The reserve data set forth in this registration statement are only estimates. Although we believe these estimates to be reasonable, reserve estimates are imprecise and may be expected to change as additional information becomes available. Estimates of natural gas and oil reserves, of necessity, are projections based on engineering data, and there are uncertainties inherent in the interpretation of this data, as well as the projection of future rates of production and the timing of expenditures. Reservoir engineering is a subjective process of estimating underground accumulations of natural gas and oil that cannot be exactly measured. Therefore, estimates of the economically recoverable quantities of natural gas and oil attributable to any particular group of properties, classifications of the reserves based on risk of recovery and the estimates are a function of the quality of available data and of engineering and geological

interpretation and judgment and the future net cash flows expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. There also can be no assurance that the reserves set forth herein will ultimately be produced or that the proved undeveloped reserves will be developed within the periods anticipated. Actual production, revenues and expenditures with respect to our reserves will likely vary from estimates, and such variances may be material. In addition the estimates of future net revenues from our proved reserves and the present value thereof are based upon certain assumptions about future production levels, prices and costs that may not be correct.

We emphasize, with respect to the estimates prepared by our petroleum engineers that PV-10 value should not be construed as representative of fair market value of our proved natural gas and oil properties since discounted future net cash flows are based upon projected cash flows which do not provide for changes in natural gas and oil prices or for the escalation of expenses and capital costs. The meaningfulness of such estimates is highly dependent upon the accuracy of the assumptions upon which they are based. Actual future prices and costs may differ materially from those estimated. You are cautioned not to place undue reliance on the reserve data included in this registration statement. Under SEC guidelines, estimates of the PV-10 value of proved reserves must be made using oil and gas sales prices at the date for the valuation, which prices are held constant throughout the life of the properties. Commodity prices used were unusually high at May 31, 2009.

The standardized measure of discounted future net cash flows is computed by applying the May 31, 2009 prices of oil and natural gas (with changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves, less estimated future expenditures (based on May 31, 2009 costs) to be incurred in developing and producing the proved reserves, less estimated future production taxes (based on May 31, 2009 statutory tax rates, with consideration of future tax rates already legislated) to be incurred on pretax net cashflows and assuming continuation of existing economic conditions. The estimated future net cash flows are then discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. As of May 31, 2009 natural gas at the company's properties was being marketed at approximately \$3.00 per thousand cubic feet while crude oil at companies properties was being marketed at approximately \$48.56 per bbl. (Gas price was \$2.85/MCF at Brennan Bottoms) There is no assurance that the price of natural gas will remain at or near \$2.85 in the near future. The market for natural gas fluctuates, however the past year the market has been steady at the above rate, while market for crude oil has reached new highs during the current year. There is no assurance that the price of crude oil will be at the December 31, 2009 level.

Item 9: The nature of products or services offered.

See Item 8, above

Item 10: The nature and extent of the issuer's facilities.

The company has a 1500 square foot office in Reno, Nevada under a 5 year lease at the cost of \$1500.00 per month.

Item 11: The name of the chief executive officers and members of the Board of Directors.

Tariq I Ahmad, President  
3550 Barron Way #13a  
Reno, NV 89511

Dan Green, Secretary/Vice President  
5777 West Century Blvd. Suite 1060  
Los Angeles, CA 90045

Jerry Kumar Director  
3550 Barron Way #13a  
Reno, NV 89511

Item 12: The issuer's most recent balance sheet and profit and loss and retained earnings statements.

See Exhibit "A" attached hereto.

Similar financial information for the three prior fiscal years of the issuer's existence.

See Exhibit "A" attached hereto.

Item 13: Whether the broker or dealer or any associated person is affiliated directly or indirectly with the issuer.

No.

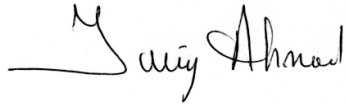
Item 14: Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so, the name of such broker or dealer.

No.

Item 15: Whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 per cent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such person, and the basis of any exemption under the federal securities laws for any sales of such securities, on behalf of such person.

No.

DATED August 31, 2010

A handwritten signature in black ink that reads "Tariq Ahmad". The signature is written in a cursive style with a long horizontal stroke at the beginning.

By: \_\_\_\_\_  
Tariq Ahmad  
President

Pacific Energy & Mining Company  
Balance Sheet August 31, 2010

**ASSETS**

**Current Assets**

**Checking/Savings**

    Checking Account -Heritage Bank 16,963.57

**Total Checking/Savings** 16,963.57

**Accounts Receivable**

**Receivables**

    Receivable - Other 1,788.65

    Receivable - Well Owners 400.00

    Receivables - Other 5,434.53

**Total Receivables** 7,623.18

**Total Accounts Receivable** 7,623.18

**Other Current Assets**

    Advance - Field Expense 126,964.00

**Total Advance - Field Expense** 126,964.00

    Advance Deposits 2,930.00

    Advances to Genesis -25.15

    Advances to NGen 20,742.02

    Advances to Satview 11,000.00

    Certificate of Deposit 69,776.23

    Employee Advances -856.30

    Notes Receivable-Satview 7,922.00

**Securities Accounts**

    Etrade 1,000.00

    Pacific Investments 457.94

    WENR Corp 71,523.00

    Securities Accounts - Other 59.60

**Total Securities Accounts** 73,040.54

    Suspense - Well Owners 14,675.09

**Total Other Current Assets** 326,168.43

**Total Current Assets** 350,755.18

**Fixed Assets**

**Equipment - Office**

    Cost 15,309.56

    Depreciation -13,518.91

**Total Equipment - Office** 1,790.65

**Equipment - Well**

    Cost 88,360.06

    Depreciation -67,138.73

**Total Equipment - Well** 21,221.33

**Land**

    OK Mining Land 3,033.00

Total Land	3,033.00
<b>Oil &amp; Gas Properties</b>	
Cost	7,595,466.87
Depletion	-68,581.00
Oil & Gas Properties - Other	675.00
<b>Total Oil &amp; Gas Properties</b>	<u>7,527,560.87</u>
<b>Vehicles</b>	
Cost	500.00
Depreciation	-150.00
Vehicles - Other	2,500.00
<b>Total Vehicles</b>	<u>2,850.00</u>
<b>Total Fixed Assets</b>	<u>7,556,455.85</u>
<b>Other Assets</b>	
Inventory - Equipment	5,117.36
<b>Investments</b>	
Investment - Mar/Reg Partnrshp	11,385.07
<b>Total Investments</b>	<u>11,385.07</u>
<b>Marketable Securities</b>	10,621.73
<b>Notes Receivable</b>	
Notes Receivable - Dan Green	15,000.00
Notes Receivable - Spendrup	150,590.00
Notes Receivable - Other	1,000.00
<b>Total Notes Receivable</b>	<u>166,590.00</u>
<b>Total Other Assets</b>	<u>193,714.16</u>
<b>TOTAL ASSETS</b>	<u><u>8,100,925.19</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	
Jamila Begum	12,859.99
RCL	22,003.60
Satview	-3,945.19
Accounts Payable - Other	50,023.58
<b>Total Accounts Payable</b>	<u>80,941.98</u>
<b>Total Accounts Payable</b>	<u>80,941.98</u>
<b>Credit Cards</b>	
Capital One 8260	19,339.00
<b>Total Credit Cards</b>	<u>19,339.00</u>
<b>Other Current Liabilities</b>	
Ad Val Tax Payable	7,517.43
Payroll Liabilities	2,219.70
Revenues in Suspense	4,849.45
Royalties Payable	-12,206.74
Taxes Payable	
Conservation Tax	438.52

Severance Tax	15,795.45
Utah W/H Tax	9,886.37
<b>Total Taxes Payable</b>	<u>26,120.34</u>
Well Revenue Clearing Account	120,897.26
<b>Total Other Current Liabilities</b>	<u>149,397.44</u>
<b>Total Current Liabilities</b>	<u>249,678.42</u>
<b>Long Term Liabilities</b>	
<b>Notes Payable</b>	
Dell Preferred Account	1,313.81
Notes Payable - Toyota	39,498.73
Notes Payable - Wells Fargo	5,430.71
RCL	64,506.04
Resources Co.	3,500.00
T. Ahmad	10,921.50
<b>Total Notes Payable</b>	<u>125,170.79</u>
<b>Total Long Term Liabilities</b>	<u>125,170.79</u>
<b>Total Liabilities</b>	<u>374,849.21</u>
<b>Equity</b>	
Additional Paid in Capital	8,612,642.93
Capital Stock	30,803.50
Dividends	-100,000.00
Opening Bal Equity	-40,192.20
Preferred Stock	1,032,508.05
Retained Earnings	-1,716,349.68
Net Income	-93,336.67
<b>Total Equity</b>	<u>7,726,075.93</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u><b>8,100,925.14</b></u></u>