SNRG CORP
Form 10QSB
May 19, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2006**
OR
[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from __________ to ___________

Commission File Number 000-33193

SNRG CORPORATION

(FORMERLY TEXEN OIL & GAS, INC.)

(Exact name of small business issuer as specified in its charter.)

Nevada	**90-0082485**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

14300 N Northsight Blvd

Suite 227

Scottsdale, AZ 85260

(Address of principal executive offices)

(480) 991-2040

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [x] No [ ]

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PART I - FINANCIAL INFORMATION

SNRG CORPORATION

(FORMERLY TEXEN OIL & GAS, INC.)

CONSOLIDATED BALANCE SHEET

	March 31, 2006 (Unaudited)
ASSETS	
CURRENT ASSETS	
Cash	$ 3,607
Accounts receivable- oil and gas sales	221,585
Prepaid expense	285,000
Total Current Assets	510,192
PROPERTY AND EQUIPMENT	
Oil and gas, on the basis of successful efforts accounting:	
Proved Property, developed and undeveloped wells, related equipment and facilities	26,862,514
Less accumulated depreciation, depletion, and amortization and impairments	(24,655,897)
Net Oil and Gas Properties	2,206,617
OTHER PROPERTY AND EQUIPMENT	
Other property and equipment	13,346
Less accumulated depreciation	(5,476)
Total Other Property and Equipment	7,870
OTHER ASSETS	
Deposits	150,000
Rubber recycling equipment	2,000,000
Total Other Assets	2,150,000
TOTAL ASSETS	$ 4,874,679

See condensed notes to interim financial statements.

SNRG CORPORATION

(FORMERLY TEXEN OIL & GAS, INC.)

CONSOLIDATED BALANCE SHEETS (continued)

		March 31, 2006 (Unaudited)
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$	261,372
Advances from related party		191,109
Notes payable		500,000
Total Current Liabilities		952,481
TOTAL LIABILITIES	$	952,481
SHAREHOLDERS' EQUITY (DEFICIT)		
Preferred Shares, 300,000,000 shares authorized, none issued		
Common stock, 500,000,000 shares authorized, $0.00001 par value, issued and outstanding: 184,220,866 Shares	$	1,842
Additional paid-in capital		34,889,785
Stock options		330,175
Accumulated deficit		(31,299,604)
TOTAL STOCKHOLDERS' EQUITY		3,922,198
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,874,679

See condensed notes to interim financial statements.

SNRG CORPORATION

(FORMERLY TEXEN OIL & GAS, INC.)

CONSOLIDATED STATEMENTS OF OPERATIONS

		Three Months Ended March 31		
		2006		2005
		(Unaudited)		(Unaudited)
REVENUES				
Oil and gas sales	$	37,807	$	145,882
TOTAL REVENUES		37,807		145,882
GROSS PROFITS FROM PRODUCTION	$	37,807	$	145,882
EXPENSES				
Lease operating	$	18,488	$	83,892
Compensation		23,869		156,193
General and administrative expense		22,522		47,299
Legal and accounting		21,032		24,376
Depreciation, depletion and amortization		7,181		52,459
Production taxes included in lease operating)		1,744		3,588
TOTAL EXPENSES	$	94,836	$	367,807
OPERATING LOSS	$	(57,029)	$	(221,925)
OTHER INCOME AND EXPENSES				
Gain (loss) on debt settlement	$	67,445	$	-
Gain (loss) on disposal of assets				80,049
Interest and finance expenses		-		(978)
TOTAL OTHER INCOME AND EXPENSES	$	67,445	$	79,071
PROFIT (LOSS) BEFORE INCOME TAXES	$	10,416	$	(142,854)
INCOME TAXES		-		-
NET PROFIT (LOSS)	$	10,416	$	(142,854)
NET PROFIT (LOSS) PER COMMON SHARE, BASIC AND DILUTED	$	nil	$	nil
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED		184,220,866		98,740,866

See condensed notes to interim financial statements.

SNRG CORPORATION

(FORMERLY TEXEN OIL & GAS, INC.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three Months Ended March 31		
		2006		2005
		(Unaudited)		(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	$	10,416	$	(142,854)
Adjustments to reconcile net loss to net cash used by operating activities:				
Gain on debt settlement		(67,445)		-
Gain on sale of assets		-		(80,049)
Depreciation, depletion and amortization		7,181		52,459
Common stock issued for accrued consulting fees		-		98,350
Decrease (increase) in accounts receivable		8,560		(147,825)
Decrease (increase) in accrued oil and gas sales		-		8,727
Decrease (increase) in prepaid expense		(35,000)		-
Increase (decrease) in accounts payable		(421,274)		(43,770)
Increase (decrease) in advances - related party		(281,330)		(8,780)
Net cash provided (used) by operating activities	$	(778,892)	$	(263,742)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of equipment		-		148,499
Net cash provided by investing activities		-		148,499
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from notes payable		-		41,300
Net cash provided (used) by financing activities		-		41,300
Net increase (decrease) in cash		(778,892)		(73,943)
Cash, beginning of period		782,499		121,731
Cash, end of period	$	3,607	$	47,788

		Three Months Ended March 31		
		2006		2005
		(Unaudited)		(Unaudited)
SUPPLEMENTAL DISCLOSURES:				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
NON-CASH INVESTING AND FINANCING TRANSACTIONS:				
Stock issued for accrued consulting fees	$	-	$	98,350

See condensed notes to interim financial statements.

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 ORGANIZATION AND DESCRIPTION OF BUSINESS

SNRG Corporation (formerly Texen Oil & Gas, Inc, formerly Palal Mining Corporation) (hereinafter SNRG or the Company) filed for incorporation on September 2, 1999 under the laws of the State of Nevada. On July 1, 2002, the Company developed a plan for acquisition, development, production, exploration for, and the sale of, oil, gas and natural gas liquids. During 2002 and 2003 the Company acquired oil and gas leasehold interests located in Victoria, Dewitt and Warren Counties, Texas, through the acquisition of wholly owned subsidiaries Texas Brookshire Partners, Inc., Texas Gohlke Partners, Inc., Yegua, Inc. and BWC Minerals, LLC. These acquisitions were accounted for using the purchase method. The Company sells its oil and gas products to domestic customers.

The Company s wholly owned subsidiaries consist of Texas Brookshire Partners, Inc. (Brookshire), Texas Gohlke Partners, Inc, (Gohlke), Brookshire Drilling Services, Inc. (Drilling), Yegua, Inc. (Yegua) and BWC Minerals, LLC (BWC).

The Company s fiscal year end is December 31. The Company changed its year end effective December 31, 2004 from June 30, an 8-K was filed on February 15, 2005 advising as to the year end change.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For purposes of its statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The carrying amounts for cash, accounts receivable, accrued oil and gas runs, accounts payable, accrued liabilities and loans and notes payable approximate their fair value.

Compensated Absences

The Company s policy is to recognize the cost of compensated absences when earned by employees. If the amount was able to be estimated, it would not be currently recognized as the amount would be deemed immaterial.

Basic and Diluted Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share. Outstanding options were not included in the computation of net loss per share because they would be antidilutive.

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Wells and related equipment and facilities, support equipment and facilities and other property and equipment are carried at cost. Oil and gas assets are subject to depreciation, depletion and amortization utilizing a unit of production method. Depreciation for drilling equipment and other assets are subject to the straight-line method over the estimated useful lives of the related assets, which range from five to ten years. The Company purchased rubber recycling equipment for usage in conjunction with the Port Assets facility. The Company will dispose of the equipment in 2006. No depreciation has been recorded as the equipment has not operated. The total other property and equipment as of March 31, 2006 was $2,013,346, and the corresponding accumulated depreciation was $5,476.

In connection with the Port Assets transaction, the Company acquired rubber recycling equipment for $2,000,000. Due to the Company not pursuing the operation of the gasification facility, the equipment was not installed. The Company intends to sell the equipment and believes that the proceeds of such a disposal will exceed the carrying cost at March 31, 2006.

Successful Efforts Accounting

The company accounts for its oil and gas exploration and development activities utilizing the successful efforts method of accounting. Under this method, cost of productive exploratory wells, developmental dry hole and productive wells and undeveloped leases are capitalized. Oil and gas acquisition costs are also capitalized. Exploration costs, including personnel costs, certain geological and geophysical expenses and delay rentals for oil and gas leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized, but such costs are charged to expense if and when the well is determined not to have found reserves in commercial quantities.

Unproved oil and gas properties that are individually significant are periodically assessed for impairment of value and a loss is recognized at the time of impairment by providing an impairment allowance. Other unproved properties are amortized based on the Company s experience of successful drilling and average holding period. Capitalized costs of producing oil and gas properties, after considering estimated dismantlement and abandonment costs and estimated salvage values, are depreciated and depleted by the units-of-production method. Support equipment and other property and equipment are depreciated over their estimated useful lives.

On the sale or retirement of a complete unit of a proved property, the cost and related accumulated depreciation, depletion, and amortization are eliminated from the property accounts, and the resultant gain or loss is recognized. On the retirement or sale of a partial unit of proved property, the cost and related accumulated depreciation, depletion, and amortization of this partial unit are eliminated from the property account and the resulting gain or loss is recognized in income.

On the sale of an entire interest in an unproved property, gain or loss on the sale is recorded, with recognition given to the amount of any recorded impairment if the property has been assessed individually. If a partial interest in an unproved property is sold, the amount received is treated as a reduction of the cost of the interest retained.

Capitalized Interest

The Company capitalizes interest on expenditures for significant exploration and development projects while activities are in progress to bring the assets to their intended use. No amounts of interest were capitalized in the three months ended March 31, 2006.

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to SFAS No. 109 Accounting for Income Taxes. Under this approach, deferred income taxes are recorded to reflect the tax consequences on future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the more likely than not standard imposed by SFAS No.109 to allow recognition of such an asset.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred an accumulated deficit in the amount of $31,299,604 for the period of September 2, 1999 (inception) to March 31, 2006 and a net profit in the amount of $10,416 during the three months ended March 31, 2006. The future of the Company is dependent upon its ability to obtain financing and upon future successful explorations for and profitable operations from the development of oil and gas properties.

Management has plans to seek additional capital through a private placement at market value and public offering of its common stock as well as obtaining additional financing in the form of loans. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Environmental Remediation and Compliance

Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Expenditures resulting from the remediation of existing conditions caused by past operations that do not contribute to future revenue generations are expensed. Liabilities are recognized when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated.

Estimates of such liabilities are based upon currently available facts, existing technology and presently enacted laws and regulations taking into consideration the likely effects of inflation and other societal and economic factors, and include estimates of associated legal costs. These amounts also reflect other companies clean-up experience and data released by the Environmental Protection Agency (EPA) or other organizations. Such estimates are by their nature imprecise and can be expected to be revised over time because of changes in government regulations, operations, technology and inflation. As of March 31, 2006 the company is not aware of any outstanding compliance issues or obligations.

Principles of Consolidation

The financial statements include those of SNRG Corporation., Texas Brookshire Partners, Inc., Texas Gohlke Partners, Inc., Brookshire Drilling Services, L.L.C., Yegua, Inc., and BWC Minerals, L.L.C. All significant inter-company accounts and transactions have been eliminated

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued a revision to Statement of Financial Accounting Standards No. 123R, Accounting for Stock Based Compensation. This statement supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and its related implementation guidance. This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity s equity instruments or that may be settled by the issuance of those equity instruments. This statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. This statement does not change the accounting guidance for share based payment transactions with parties other than employees provided in Statement of Financial Accounting Standards No. 123. This statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, Employers Accounting for Employee Stock Ownership Plans. The Company already complies with SFAS 123 and believes that the changes in SFAS 123R will have no material additional effect on the Company.

Revenue Recognition

The Company utilizes the accrual method of accounting for crude oil revenues whereby revenues are recognized as the Company's entitlement share of the oil that is produced and delivered to a purchaser based upon its working interest in the properties. The Company records a receivable (payable) to the extent that it receives less (more) than its proportionate share of the gas revenues. There are no significant gas imbalances at March 31, 2006.

Accounts Receivable

The Company carries its accounts receivable at cost. On a periodic basis, the Company evaluates its accounts receivable and writes off receivables that are considered non-collectible. The Company s policy is to accrue interest on trade receivables 30 days after invoice date. A receivable is considered past due if payments have not been received by the Company within 90 days of invoicing. At that time, the Company will discontinue accruing interest and pursue collection. If a payment is made after pursuing collection, the Company will apply the payment to the outstanding principal first and resume accruing interest. Accounts are written off as non-collectible if no payments are received within 90 days after initiating collection efforts.

NOTE 3 COMMON STOCK

During the three months ended March 31, 2006, the Company did not issue any shares of its common or preferred stock. As of March 31, 2006, the company had 184,220,866 shares issued and outstanding.

NOTE 4 RELATED PARTIES

During the three months ended March 31, 2006, the Company received and repaid advances to a related party Texen Holdings LLC, an entity controlled by our President Elroy Fimrite, the net repayments were $281,330 and the balance owing to the related party on March 31,2006 was $191,109.

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 5 COMMITMENTS AND CONTINGENCIES

Regulatory Issues

The oil and gas exploration and development industry is inherently speculative and subject to complex environmental regulations. The Company is unaware of any pending litigation or of past or prospective environmental matters which could impair the value of its properties.

Farmout Agreements

No farmout agreements entered into during the quarter ending March 31, 2006.

Consulting Agreements

During the three months ending March 31, 2006, the Company entered into various per diem and month to month consulting agreements for administrative, advisory, operations management and accounting services. All contracts were with unrelated parties.

Leases

The Company has a month to month lease on office space requiring payments of $1,607 per month.

Legal Proceedings

The Company is currently involved in the following litigation:

Kuester Heirs litigation: On February 9, 2005 a group of mineral rights owners on the Charles Kuester Lease in Dewitt County, TX, (the Kuester Heirs) filed suit against our wholly owned subsidiary Texas Gohlke Partners, Inc. (Lessee) alleging default by the lessee by reason of non-payment of royalties. The Kuester Heirs have obtained a declaration from the court that the lease has terminated, however the lease term had already expired January 31, 2005. SNRG believes that it holds rights to most of the lease acreage through production.

Vertical Financial Network, LLC litigation. On August 6, 2004 Vertical Financial Network, LLC filed suit against us alleging breach of an investment banking agreement dated June 30, 2004. Vertical is seeking 4,000,000 shares of registered common stock. We deny the allegations and are vigorously defending the complaint. The complaint was filed in the Supreme Court of New York, County of New York.

We have several additional parties suing us for alleged breach of contract and a variety of alleged losses, all of which we consider frivolous lawsuits and without merit or significant liability.

The Company cannot assign any value to the above described legal proceedings at the present time.

NOTE 6 NOTES PAYABLE

At March 31, 2006, the Company s notes payable consisted of the following:

		March 31 2006
RMS Rubber Machinery Systems AG dated October 4, 2005, unsecured, interest accruing at 6% commencing Jan 1 2006, original amount $1,000,000, outstanding $500,000, matures June 30, 2006.	$	500,000
Total		500,000
Less current portion of notes payable		500,000
Total long term portion	$	-

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SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 7 OIL AND GAS PROPERTIES

The Company s oil and gas producing activities are subject to laws and regulations controlling not only their exploration and development, but also the effect of such activities on the environment. Compliance with such laws and regulations may necessitate additional capital outlays, affect the economics of a project, and cause changes or delays in the Company s activities. The Company s oil and gas properties are valued at the lower of cost or net realizable value.

Brookshire Dome Field

The Company owns a 96.4% working interest ownership in approximately 24 gross leasehold acres and 16 net leasehold acres located in the Brookshire Dome Field of Waller County, Texas. This working interest ownership position consists of 14 wells drilled to date and one water injection well. As of March 31, 2006, 4 wells were producing or capable of producing oil.

Helen Gohlke Field

The Company owns a 100% working interest and a 70% net revenue interest in approximately 4,346.7 gross leasehold acres which are located under nine different oil, gas and mineral leases in Victoria and DeWitt Counties, Texas. Over 60 wells have been drilled in this field, with 18 wells currently producing or capable of production.

NOTE 8 OIL AND GAS PRODUCING ACTIVITIES

The Securities and Exchange Commission defines proved oil and gas reserves as those estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recovered in future years from known reservoirs under existing economic and operating conditions. Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Natural gas reserves and petroleum reserves are estimates. The estimates include reserves in which SNRG and its wholly owned subsidiaries hold an economic interest under lease and operating agreements.

Reserves attributable to certain oil and gas discoveries are not considered proved as of March 31, 2006 due to geological, technical or economic uncertainties. Proved reserves do not include amounts that may result from extensions of currently proved areas or from application of enhanced recovery processes not yet determined to be commercial in specific reservoirs. SNRG and its subsidiaries have no supply contracts to purchase petroleum or natural gas from foreign governments.

NOTE 9 CONCENTRATION OF RISK

The Company derives its sales and accounts receivable from primarily three customers and these receivables are not collateralized. At March 31, 2006, the Company s accounts receivable from these customers totals $221,585, and revenue from the three customers totals $37,807.

NOTE 10 STOCK OPTIONS

During the quarter ending March 31, 2006, no shares were granted under the 2003 Nonqualified Stock Option Plan of SNRG Corporation.

The Company had no outstanding exercisable stock options as of March 31, 2006.

SNRG Corporation

(Formerly Texen Oil & Gas, Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

NOTE 11 WARRANTS:

During the quarter ending March 31, 2006, no warrants were issued or exercised.

NOTE 12 IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Corporation recorded an impairment loss on its oil and gas proved and unproved properties and its leasehold costs of oil and gas producing properties. The engineering reports on the oil and gas properties indicated that the undiscounted future cash flows from these properties would be less than the carrying value of the long-lived assets. The engineer reports also indicated that net leasehold acreage did not support the value carried by the Company. Accordingly, on December 31, 2003, the Company recognized an asset impairment loss of $20,407,559 ($0.46 per share). This loss is the difference between the carrying value of the oil and gas properties and the fair value of these properties based on discounted estimated future cash flows.

The Company engaged an independent consultant to conduct a reserve analysis as of December 31, 2004. Based on the resulting analysis the company recorded a further impairment loss on its oil and gas proved and unproved properties and its leasehold costs of oil and gas producing properties in the amount of $2,505,138 ($.014 per share).

NOTE 13 PREPAID EXPENSES AND DEPOSITS

The Company has prepaid for a comprehensive, one year term, investor relations contract with WallSt.net in the amount of $250,000. The company has supplied a cash deposit of $50,000 to the Railroad Commission in Texas as a deposit on an operating bond. The company expects to replace the deposit with a bond in 2006. The company has paid a deposit of $100,000 pursuant to oil and gas lease acquisitions in Texas.

NOTE 14 SUBSEQUENT EVENTS

On March 31, 2006 we entered into a joint venture letter of intent with Arapahoe Energy Corporation to jointly explore and develop the oil and gas potential on approximately 30,000 acres of land in central Saskatchewan, Canada. Under the terms of the agreement, SNRG will be purchase a 50% interest in the lease for $3,750,000, will fund 50% of a 3-D seismic shoot, and will at our expense drill five exploratory wells.

Item 2. Management's Discussion and Analysis or Plan of Operation.
This discussion includes a number of forward looking statements that reflect our current views with respect to future events and financial performance. Forward looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward looking statements, which apply only as of the date of this discussion. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Overview

We are an oil and gas exploration and development company and carry out our operations through our wholly owned subsidiaries. We are currently engaged in the exploration for and development of oil and gas in our properties located in Victoria, DeWitt and Waller Counties, Texas. Our revenue comes from the sale of oil and gas.. Our subsidiaries lease approximately 4,211 acres of crude oil and natural gas production properties in Texas. We have entered into an agreement with Arapahoe Energy Corporation to acquire a 50% interest in approximately 30,000 acres in Saskatchewan in the Western Canadian Basin.

Our Texas holdings are mature properties that are producing from the minimum number of locations to preserve our leasehold interests. Many of our wells require maintenance to increase their potential. We believe that we have additional development prospects within our leases and we hope to develop these prospects in the upcoming year. As a development stage company, we have opportunities to increase revenues from well development and rework projects, but will require additional capital to do so. There is no assurance that we will have the resources to pursue these projects in our properties. We may decide to dispose of the properties in Texas in order to focus on the Western Canadian Basin

We are actively seeking additional capital with which to invest in our current properties, as well as provide resources with which we may be able to pursue new opportunities in the future. Our plans include seeking financing from private investors, as well as entering into working relationships with external oil and gas funds that may be attracted to direct investment in our properties or other properties we may identify. We have announced our intention to structure special purpose income funds for access to funds for acquisition, and development of new prospects. We intend to participate in the fund entities as the managing member and will participate in the net revenue earned, but we disavow ownership of the funds.

We are also making strategic plans to improve our ability to attract and identify low risk oil and gas projects. These plans include joint ventures with companies that have analytical technologies with which oil and gas property owners can select drilling locations with an improved probability of economic viability. We hope to use this technology to identify high probability drilling sites in our properties as well as in other properties that may be presented to us.

Results from Operations

We continued to improve our quarterly performance in the current quarter with a continuation on control of our expenses while completing the financial and operational reorganization of the company. During the reorganization period we have focused on maintaining our leasehold interests while repositioning the company; a phase that is now complete . Our source of operating revenue is from the sale of produced oil, natural gas, and natural gas liquids. The level of our revenues and earnings are affected by prices at which natural gas, oil and natural gas liquids are sold. Therefore, our operating results for any prior period are not necessarily indicative of future operating results because of fluctuations in price and production levels.

Revenue

We have experienced lower revenue levels this quarter at $37,807 as compared to $145,882 in the quarter ended March 31, 2005. Our existing leases have little capacity to significantly increase revenue as potential increases from existing wells are of limited and short term impact on revenues. Our proposed acquisition in the Western Canadian Basin has significant capacity to rapidly increase revenue with relatively low cost wells in shallow formations.

Capital Expenditure

We did not make any capital expenditures during the current quarter.

Depreciation, Depletion and Amortization

Depreciation and depletion have decreased to $7,181 from $52,459 in the first quarter of 2005 as a result of the limited production during the quarter.

Production Expenses

Production expenses for the quarter were $18,488 as compared to $83,892 for the same quarter in 2005.

The company conducted only enough operating activity to maintain lease obligations.

General and Administrative Expenses

During the quarter our general and administrative expenses were lower than the equivalent quarter of 2005 reflecting the limited activity of the company as we transition from reorganization to a growth and development phase. Legal and accounting expenses for the quarter were comparable to the equivalent period in 2005.

Exploration Outlook

The company has entered into an agreement to acquire a 50% interest in approximately 30,000 acres of oil and gas leases in Saskatchewan, Canada. The initial field data indicates significant reserves of shallow gas and heavy oil. The company has committed to a five well exploratory drilling program scheduled to commence in June 2006.

Financial Condition, Liquidity and Capital Resources

We continue to rely on equity investments or debt increases to finance our operations. We expect to continue operations and believe that with increasing production and lower operating costs we will be able to attract capital as required. We need to raise substantial capital to complete the acquisition of the leasehold interest in Saskatchewan and capital to develop the property. There is no guarantee that we will be successful in acquiring capital on acceptable terms and conditions if at all. If we do acquire the required capital to complete the acquisition and drill exploration and development wells, there is a risk that there may not be hydrocarbons in commercially viable quantities.

Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued a revision to Statement of Financial Accounting Standards No. 123R, Accounting for Stock Based Compensations. This statement supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and its related implementation guidance. This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity s equity instruments or that may be settled by the issuance of those equity instruments. This statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. This statement does not change the accounting guidance for share based payment transactions with parties other than employees provided in Statement of Financial Accounting Standards No. 123. This statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, Employers Accounting for Employee Stock Ownership Plans. The Company has not yet determined the impact to its financial statements from the adoption of this statement.

Item 3. Controls and Procedures.

As required by Rule 13a-15 under the Exchange Act, as of the end of the period covered by this quarterly report, being March 31, 2006, we have carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our company's management, including our company's President along with our company's Secretary. Based upon that evaluation, our company's President along with our company's Secretary concluded that our company's disclosure controls and procedures are effective as of the end of the period covered by this report. There have been no significant changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our President and Secretary as appropriate, to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in several litigations and have described these involvements more certainly in our December 31, 2005 10KSB. No new material legal claims have been filed against us or by us since the issuance of the December 31, 2005 10KSB.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

We have a total of 184,220,866 shares issued and outstanding as of March 31, 2006. We did not issue any securities during the quarter ended March 31, 2006.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of Security Holders during the quarter ending March 31, 2006.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
21.1	We have the following subsidiaries:
	Texas Brookshire Partners, Inc.
	Texas Gohlke Partners, Inc.
	Brookshire Drilling Service, LLC
	Yegua, Inc.
	BWC Minerals, L.L.C.
31.1*	Section 302 Certification under Sarbanes-Oxley Act of 2002 for D. Elroy Fimrite
32.1*	Section 906 Certification under Sarbanes-Oxley Act of 2002 for D. Elroy Fimrite

*Filed herewith.

(1) Incorporated by reference to our Form SB-2 Registration Statement filed with the Securities and Exchange Commission on January 13, 2000.

(2) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on February 22, 2002.

(3) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on May 17, 2002.

(4) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on July 26, 2002.

(5) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on September 17, 2002.

(6) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on October 4, 2002.

(7) Incorporated by reference to our Form S-8 filed with the Securities and Exchange Commission on April 11, 2003.

(8) Incorporated by reference to our Form 8-K Registration Statement filed with the Securities and Exchange Commission on July 9, 2003, as amended.

(9) Incorporated by reference to web s Form 10-KSB Annual Report filed with the Securities and Exchange Commission on November 12, 2003.

(10) Incorporated by reference to our Form 10-KSB Annual Report filed with the Securities and Exchange Commission on November 30, 2004.

(11) Incorporated by reference to our Form 10-KSB Annual Report filed with the Securities and Exchange Commission on May 20, 2005.

(12) Incorporated by reference to our Form 10-KSB Annual Report filed with the Securities and Exchange Commission on May 4, 2006.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 15th day of May 2006.

SNRG CORPORATION (Formerly Texen Oil & Gas, Inc.)
(Registrant)

BY: /s/ D Elroy Fimrite
D Elroy Fimrite, President, Principal Executive Officer, Treasurer, Principal Financial Officer and a member of the Board of Directors.

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