



PROSPECTS & PROPERTIES

A current compilation of news, regional activities and prospects & properties for sale

The Barnett by any other name ...

The "prettiest girl at the dance" has some good-looking sisters

Chesapeake Energy spokesman Tom Price once described the Barnett Shale as "the beautiful woman at the prom. Everybody wants to dance with her." Now a lot of good-looking sisters and cousins have popped up along the Ouachita Thrust Front and elsewhere – namely, the Woodford (West Texas, Oklahoma), Caney (Oklahoma), Fayetteville (Arkansas), Palo Duro (North Texas) and the (Mississippi, Alabama) Neal (or Floyd) Shales.

Why the interest in Barnett look-a-likes? Gas, and lots of it!

Natural gas from shale – usually considered a nonporous seal or source rock – is proving to be a significant source of energy and revenue as is evidenced by the Barnett's ~1.2 BCF per day (and growing) production figures. Furthermore, according to the *Oil and Gas Investor*, total shale gas resources in the U.S. are estimated at between 500 and 600 TCF and

there are currently more than 35,000 producing shale wells producing ~600 BCF per year.

The key to getting the gas out in paying quantities usually involves two ever-improving technologies – horizontal drilling and hydraulic fracturing. Combine rising energy prices with constantly improving drilling and completion technology and you have an opportunity for success wherever you can find a gas-rich shale, so the fire is red-hot under several Barnett-style plays in West Texas, North Texas, Oklahoma, Arkansas, Mississippi and Alabama.

As was the case with the Barnett; the Caney, Woodford, Fayetteville and Neal/Floyd have long been known as "gas-bearing" to local operators who would drill through the shales on their way to deeper conventional objectives.

THE BARNETT continues on page 3



Photo courtesy of Chesapeake Energy

Chesapeake sets the bar for Shale plays

If anyone wants to know what the hottest plays in the country are, the easy answer is, "Go see what Chesapeake's doing."

Chesapeake is a recognized leader in developing unconventional gas plays. Although production in several plays has only recently been established, the future reserve potential could be substantial. Chesapeake owns 2.2 million net acres on which it has an estimated 100 BCFe of proved undeveloped reserves, and ~3.8 BCFe of risked unproved reserves.

These hot plays are stretched over the country. Chesapeake believes it is the largest leasehold owner in the Arkansas Fayetteville

Shale, and the second largest in the most prospective area of the play. Production is ~2.0 MMCFd, and is currently using two rigs (up to eight by year-end) to further develop is 1.0 million net acres. Proved undeveloped reserves in the play are ~18 BCFe after applying an 85% risk factor and assuming an additional 2,000 net wells are

CHESAPEAKE continues on page 27

Southwestern doubles production in Fayetteville

New frac process improves performance

Southwestern Energy more than doubled production from its Fayetteville wells to 50 MMCFD from 20 MMCFD in May. The increase was due to the combined effects of the increased pace of development as additional drilling rigs were placed in service and to improved fracture stimulation techniques.

CEO Harold M. Korell said the company was continuing to move up the learning curve and has seen marked improvements during the quarter in both drilling and development of horizontal wells, which resulted in dramatic increases in production.

Southwestern invested \$344.2 million in its E&P program during the first half of the year, compared to \$179.6 million in the first half of 2005. During the first six months of 2006, the company participated in 170 wells, 68 of which were successful, 98 were still in progress and four were dry as of June 30.

In the Fayetteville Shale play, Southwestern invested ~\$120 million so far this year,

which includes \$88.6 million to spud 86 wells, \$17.0 million for leasehold and \$14.1 million for seismic and other expenditures.

Through July 31, Southwestern has drilled and completed a total of 105 Fayetteville wells (54 horizontal). The wells are located in 21 separate pilot areas in eight counties in Arkansas.

SOUTHWESTERN continues on page 24

XTO seeks to double Barnett production

In the race to unlock reserves in the Barnett Shale play, XTO Energy is an aggressive No. 2 player. CEO Bob Simpson says increased production, particularly in the Barnett, will help XTO unseat Devon Energy as the state's largest natural-gas producer, the *Dallas Business Journal* reported.

"Our goal is to double our Barnett Shale production in the next three to five years," said Simpson. Current production is ~170 MMCFD.

XTO continues on page 29

Recap of Range's shale activity

Range Resources said its shale plays are now producing ~24 MMCFd and cover in excess of 350,000 acres. In the Fort Worth Basin Barnett Shale play, the company plans 40 wells in the second half of the year and targets six rigs running by year-end.

In the West Texas Barnett Shale play, where Range has 20,000 acres leased, a 3-D seismic shoot is underway and an initial well planned for early 2007. In the Devonian Shale play of Pennsylvania, the company has drilled

13 wells, with several wells yet to be completed to the shale. Three of the vertical shale wells have been on production for an average of five months and reserves appear to be in the range of 600 to 1,000 MMCF per well.

Plans are to have 10 vertical wells fraced and on production in Q4. In addition, the company has leased 20,000 acres in the Black Warrior Basin Floyd Shale play and is targeting another 20,000 acres before year-end.

For more news on Range, see Page 5.

Industry set for Summer NAPE

August 23-24 in Houston

The 2006 Summer NAPE Expo is set for August 23rd and 24th at the George R. Brown Convention Center in Houston. NAPE Expo LP presented the inaugural Summer NAPE last year and received rave reviews and a better than predicted turnout.

Summer NAPE is designed to augment winter NAPE, providing double the opportunity to showcase prospects and properties, gain company exposure and increase networking

Summer NAPE originated from the acquisition of Apex and PLS' DealMakers show.

audience. "There has been a demonstrated need for the Summer NAPE Expo," AAPL EVP Robin Forte' said. "As companies and investors make mid-year adjustments, the NAPE marketplace will help facilitate those changes with the buying, selling and trading of prospects and properties."

NAPE continues on page 23

ROYALTY

ROYALTY & OVERRIDE PKG PLS
17-Wells, 3-Fields, 3-Payers.
DEEP BOSSIER & WISHBONE
and LA COPITA FIELDS 260 MCFeD
La Copita/Wishbone Incl- Re Completions
Deep Bossier-Includes New Drilling
Override & Royalties For Sale.
Est Net Production: 260 MCFeD
Recent Cash Flow: \$52,000 Mn
New Well/Winter Pricing: >\$60,000 Mn
Negotiated Sale—
RR 84420V

PROSPECT

WISE CO., TX NEWARK EAST PLS
2-Well Potential. 168-Acres.
BARNETT SHALE BARNETT
OffSet to Solid Production.
Gas Line In Place.
McPeck Horiz @ 1,850 Ft. & 1,800 Ft.
LOOKING FOR WI PARTNERS; 75% NRI
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PROPERTY

JOHNSON CO., TX SALE PKG PLS
6-Producers. New Well Waiting On Tie-In
5,000 Acres. 2-Adjacent Blocks.
Area Approved For 20 Acre Spacing.
8th Well Set To Spud September
EAST NEWARK/BARNETT SHALE DV
10-15 Proved Undeveloped Locations
20-25 Possible Locations
OnGoing Drilling Program
3-D Seismic
75-85% Operated WI Available.
Recent Production: 6.0-8.0 MMCFD
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Newfield boosts budget for Woodford Shale

Newfield Exploration is increasing activity in the Woodford Shale play. The company approved a \$150 million budget increase for the Mid-Continent and is making plans to move to a 13-rig program by year end. Rigs needed for this increase have already been secured.

Wells reported an initial flow rate of 6.0 MMCFD, limited by surface facilities, at its most recent horizontal completion, which had a 3,500 ft. lateral (~1,000 ft. longer than typical laterals). Newfield has 14 horizontal Woodford wells on production, which reported initial rates of more than 3.0 MMCFD at six wells, 2.0 to 3.0 MMCFD at six other wells, and ~1.5 MMCFD at two others.

The company told the *Oil & Gas Journal* it plans to average 17 to 18 rigs in 2007, and in two years, could expand to as many as 30 rigs. Newfield increased its 2006 drilling plan to 75 wells.

NEWFIELD continues on page 28



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Contact our exploration office for a list of our generated prospects or our corporate office if you have prospects you would like us to review.

Acquisitions boost Whiting's production

Whiting Petroleum's Q2 production totaled 3.8 MMBOE (64% oil), or 41,740 BOEPD, a 39% increase over the 30,000 BOEPD in the year ago quarter. Whiting's exit rate in the current quarter was ~42,100 BOEPD.



The primary contributors to the increase were the Postle field in the Oklahoma Panhandle and the North Ward Estes field in the Permian Basin. The fields were part of Whiting's property acquisition from Celero Energy last year.

During Q2, production from Postle, North Ward Estes and ancillary Permian Basin properties averaged ~12,800 BOEPD, a 9.4% increase over the properties' 11,700 BOEPD average during Q1 of 2006.

Whiting increased its expected total drilling budget for 2006 to a range of \$400 to \$420 million, up from \$360 million. The company has invested \$234.4 million of this drilling budget in the first six months of the year, and expects using ~75% of the budget to bring proved undeveloped properties into production and ~25% to add new reserves.

Schlumberger acquires rights to QVM software

Schlumberger Information Solutions and Quorum Business Solutions said SIS has acquired the rights to the Quorum Volume Management software. QVM is a comprehensive

Schlumberger

field operations data management application with multiple proven heavy oil volume management installations in North America and a large scale brownfield installation in Asia.

Schlumberger said the acquisition of the QVM technology is vision of the digital oilfield by expanding its portfolio beyond conventional industry offerings to include production operations, engineering, management and accounting.

Aurora plans 110 Antrim Shale wells this year

So far this year, Aurora Oil & Gas has participated in 40 commercial Antrim Shale gas wells, 21 operated. Eight of the wells are already in production and the remaining wells are waiting on infrastructure. The company will continue to be focused on developing the Antrim Shale, where it expects to participate in 110 additional wells this year.

During that same period, the company also participated in 16 commercial New Albany Shale wells, six operated. Two of the wells are already in production. As with the Antrim Shale, the remaining wells are also waiting for infrastructure to be completed prior to production. Aurora's interest on the 16 wells drilled to date has varied from 5% to nearly 49%. Expectations are to drill an additional 34 wells in the New Albany Shale during the balance of the year, where Aurora said it will aggressively continue to develop its acreage position.

Aurora owns an interest in 360 producing wells, 307 of which are Antrim Shale and seven of which are New Albany Shale wells. There are another 87 commercial wells which are waiting on completion of infrastructure. The producing wells are generating net production of ~7.3 MMCFD.

Contents

On the inside...

A special look at Shales —

PAGE 2

Acquisitions boost Whiting's production
Schlumberger acquires rights to QVM software
Aurora plans 110 Antrim Shale wells this year

PAGE 3

Anadarko seeks to boost Haley production through JV with Chevron
Bankers Petroleum set to frac Palo Duro wells; other shale development planned
Carrizo expands shale plays to 200,000 net acres
Activa drills in Barnett, Fayetteville

PAGE 5

EOG continues organic growth, boosts Barnett production to 140 MMCFD
Range reaches record production; drills 479 wells this year
Tyner drills horizontal leg on Palo Duro well
Cabot drills two discoveries at Louisiana Castor prospect

PAGE 6

Repsol invests \$2.15 billion in deepwater Shenzi
Newfield restores production, drills three shelf discoveries
Noble reports deepwater discovery at Raton
Murphy reports discovery at Thunder Bird
Hess confirms deepwater discovery at Pony

PAGE 7

Cano's recompletions yield positive results
Delta Petroleum updates development programs
Parallel adds six Barnett wells producing 32 MMCFD
Maverick encounters three Fayetteville Shale intervals
EnCana seeking JV partners in Delaware Basin
Anadarko reports East Texas successes
Brigham reaches TD on first Bakken horizontal well

PAGE 8

CREDO and Redman in JV to recover stranded gas
TXCO's Glen Rose production surges
Gastar completes Deep Bossier wells
Abraxas reports drilling successes at SW Oates
Dune in farm out agreement with Chesapeake
Westside in JV to develop Hill Co. acreage

PAGE 23

PYR raises production; new well at Wilburton produces 6 MMCFd
Unit's well at Panola producing 53 MMCFd
PetroQuest logs pay in Caney and Woodford shales
Brinx plans offset to Owl Creek well
Irvine Energy acquires interest in shale gas project
Quest builds reserves and production, adds to Cherokee Basin assets

PLS

PAGE 24

Trenton-Black River play generating excitement
CNX plans evaluation programs targeting CBM and New Albany Shale
Ultra drills successful well in Pennsylvania
Rex Energy spots 80 locations on Illinois Basin acreage
BPI expects gas flow at Illinois Basin project

PAGE 25

Storm Cat expands CBM play with Bill Barrett acquisition
Ultra obtains additional 10-acre density drilling
Gasco finds partner for Hilliard Shale test
Teton drills in Piceance, adds North Dakota assets
Kodiak permits several wells at Green River and Williston
Galaxy updates Piceance Basin, to sell non-core properties

PAGE 26

Aspen reports successes at Rice Creek and West Grimes
Tri-Valley evaluating McClure shale in three deep wells
Foothills starts Grizzly Bluff drilling program
OAG Resources begins drilling 30 well project in Kentucky
Young Oil's Farris well tests 6.9 MMCFD from Big Lime

PAGE 27

W&T Offshore drills eight successful Q2 wells
Chevron completes drilling on deepwater Big Foot sidetrack
Devon boosts Gulf production with eight new wells

PAGE 28

United Heritage boosts production at Cato; plans pilot program at Wardlaw
Triton American in 12-well drilling pact, using proprietary technology
Infinity on track to drill 20 horizontal Barnett wells this year
Saxon to start drilling at Hudson Hills, takes stake in wildcat prospect
Reichmann partners with Striker in South Texas play
Wentworth buys East Texas mineral block, could accommodate 200 wells
Terax fracs Barnett wells

PAGE 29

BP shuts in nation's largest oilfield, removes 8% U.S. production
ConocoPhillips and Anadarko report satellite discovery near Alpine
Marathon increases Alaska production by up to 30 MMCFD

PAGE 30

People
McMoRan tests three discoveries
Goodrich well at Squaw Creek produces 830 BOPD
Unicorp to drill Mississippi well

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The Barnett by any other name *cont. from page 1*

Caney/Woodford Shales

Closest to the Fort Worth Barnett, the **Caney/Woodford** play of Oklahoma includes **Devon, Chesapeake, and Newfield Resources**. Devon has bought the rights to lease ~90,000 acres in the play, although most of Devon's drilling activity targets the Woodford play, which is centered in Pittsburg, Coal and Hughes counties.

Newfield has 110,000 acres in the Woodford with current gross production of ~50 MMCFE, and plans to drill 75 wells this year in a 10-rig program. If the results are fruitful, the company may intensify its drilling program.

"The industry has known for years that the Woodford Shale was productive, but it took a certain gas price to make it economic," said Steve Campbell, Newfield's vice president of investor relations, who was quoted in the *Tulsa World*.

Fayetteville Shale

The Fayetteville Shale, a red-hot gas play covering 13 Arkansas counties between Fort Smith, Arkansas, and Memphis, Tennessee, is another new field that could rival the Barnett, experts say.

"It's got tremendous potential because it's so large," Chesapeake spokesman Tom Price told the *Tulsa World*. "It's potentially 150 miles across."

Chesapeake plans to spend \$100 million this year to evaluate and develop the Fayetteville. Of the 1.1 million Fayetteville acres Chesapeake owns, 300,000 acres are commercial quality, Price said. The company said it could drill up to 4,600 wells, each expected to produce more than 1.5 BCF.

Southwestern Energy, the originating explorer in the Fayetteville Shale, started their pilot program in 2004 with vertical wells, and



Graphic courtesy of Schlumberger

Production from a typical Woodford well is expected to surpass the output of a typical Barnett well, and a Woodford well can recover on average 2.75 BCF, compared to 2.0 BCF for a typical Barnett well, according to the newspaper report.

Woodford wells are 6,000 ft. to 11,000 ft. deep and cost ~\$3.3 million with multiple fracs required. The gas-bearing shale section ranges from 120 to 200 ft. thick.

"Woodford is where the action is," said Devon spokesman Chip Minty. "We've taken what we've learned in North Texas and we're applying those lessons to shale formations in Eastern Oklahoma." Devon plans to drill 24 wells this year at a cost of ~\$3 million per well. The company plans to spend ~\$79 million this year to develop the play.

quickly undertook horizontal drilling (2005 expenditure exceeded \$499MM). Southwestern currently has ten drilling rigs operating in the area and expects to have eight to nine more by the end of the year. As of May 1, the company said it held a total of 880,000 net acres in the play area.

Southwestern has reached over 50 MMCFD from its Fayetteville Shale wells. "The company is experiencing continued improvement in well performance with modifications to recent slickwater fracture stimulation treatments," Harold M. Korell, CEO, said in a recent press release. (Details in separate story).

Black Warrior Basin Neal/Floyd

Talk to some operators in this play and they will call it the Neal Shale, while others speak

of the Floyd, but they are all after the same thing – a gas rich shale in the Black Warrior Basin, which is located on the northern portion of the Mississippi/Alabama border. The reason for the confusion is that some workers call the "hot" shale, (high gamma ray, high resistivity, high TOC) Neal, and consider it a part of the overall Floyd shale package.

Due to the structural nature of the basin, the Neal/Floyd can be found at depths between 3,000 and 11,000 ft. with an average thickness between 100 and 200 ft. and, importantly, has no identified water bearing formations to cause Ellenburger-type problems found in portions of the Barnett. Leasing is centered in Pickens, Lamar, Fayette and Tuscaloosa and Greene Counties in Alabama, and Clay, Lowndes, Monroe and Chickasaw Counties in Mississippi.

Companies known to be chasing the Neal/Floyd include **Carrizo Oil & Gas, Noble Energy, Murphy Oil Corp., Arrington Oil & Gas** (~100,000 acres), **Lario Oil & Gas Co.** (~110,000 acres), **Edge Petroleum Corp., Samson Resources, and Cabot Oil & Gas.**

Dominion and Energen are playing shale further east out of the basin proper, and **Anadarko** is rumored to be in the mix, too. In most cases, little technical information has been disclosed during the leasing process, but one source said that the play was practically all leased – only scraps remain – so field activity should start picking up soon.

Some companies have publicly acknowledged their involvement and are reporting their status and plans, such as Edge announcing they have picked up 27,000 acres and intend to drill a test well early next year. Carrizo indicates that they have ~100,000 acres and are preparing to shoot 3-D and then drill. Murphy, rumored to have 200,000 acres, has recently drilled its fifth vertical pilot, but released little data.

North Texas Palo Duro

With the success of its unconventional older sisters, the Palo Duro, Bend Shale in the Northern Panhandle of West Texas is also heating up. The play was sparked by Legacy Petroleum of Arlington, Texas, following a 1950's well that tested gas and condensate from the Granite Wash.

The Bend bears many similarities to the Barnett, with a thickness of 500 ft. to 1,000 ft. at drilling depths that range from 7,000 ft. to 10,000 ft. The basin includes Floyd, Motley, Hall and Briscoe Counties. Although several vertical wells have been drilled by **Vintage Petroleum (OXY), Bankers Petroleum, Tyner Resources and Apollo Energy**, the first horizontal, operated by Tyner, is still in the second phase of a five phase program.

Until its acquisition by OXY earlier year, Vintage had the largest holding in this play. Bankers bought the Vintage Palo Duro acreage

Anadarko to boost Haley production through JV with Chevron

Anadarko entered into an exploration JV with **Chevron** covering 200,000 net mineral acres Chevron owns within the West Texas Delaware Basin. The acreage overlaps and extends westward from Anadarko's existing leasehold, which includes the rapidly growing Haley natural gas field.

Anadarko will serve as operator and earn up to 100% WI in the Chevron-owned acreage. Chevron will retain royalty interests on its mineral acres, as well as hold an option to take up to 25% WI in each well.

The company has ramped up gross operated gas production in the Haley field from zero in 2003 to 175 MMCFD currently, making it one of Anadarko's largest and fastest-growing onshore gas plays, SVP Karl Kurz said in a statement. "The new venture with Chevron will allow us to apply our play concept farther westward, with the Chevron acreage essentially more than doubling our net land position in the highly prospective Delaware Basin."

The company's existing holdings in the region total 264,000 gross acres (140,000 net), of which the Haley field represents about 60,000 gross acres (44,000 net).

The Pennsylvanian zones Anadarko is targeting in the Delaware Basin have already produced a cumulative 2 TCF, and the company believes more than 10 TCF of gross resource potential remains just on its captured land position, inclusive of the Chevron acreage. Anadarko expects to be operating as many as 13 drilling rigs in the region by year-

end, up from the six rigs it had working through May and the nine rigs currently drilling in the play.

Two notable Q2 completions (APC – 100% WI) were the University 19-10 #1, which tested at 22.5 MMCFD, and the Walker 41-1, which tested at 18.0 MMCFD.

Anadarko said Haley has set production records for four consecutive months, with recent levels as high as 175 MMCFD. Gross volumes averaged 151 MMCFD (109 MMCFD net) in Q2, compared with 125 MMCFD (90 MMCFD) in Q1.

For more news on Anadarko's operations, see Pages 7 and 29.

Activa drills in the Barnett, Fayetteville Shale

Activa Resources and operator **Lewis Energy** drilled two vertical test wells with positive results. The first, the Voyles 461 No. 1, was drilled to 5,950 ft. and logs indicate four potentially productive formations. About 230 ft. of Barnett Shale was encountered in addition to the Ellenburger, Marble Falls and Caddo Lime formations. The second well, the Voyles 110 No. 1, was drilled to 5,830 ft. The logs revealed similar results encountering shows in the Ellenburger, Marble Falls and Caddo Lime in addition to ~210 ft. of Barnett.

In the Fayetteville Shale (Lee Co., Arkansas), partner **Hallwood Energy** spudded Activa's first well. The John Dozier No. 1-22 will be drilled to a TD of 4,840 ft.

Activa Resources is the U.S. sub of **Activa Resources AG**, based in Germany

Bankers Petroleum set to frac Palo Duro wells

Other development planned

Bankers Petroleum is proceeding with the next stage of its exploration program at Palo Duro, with several fracture stimulations planned for Q3.

The company's U.S. strategy for 2006 is focused on the acceleration of its exploration drilling program, incorporating activities on the recently acquired **Vintage** acreage.

Based on log calculations, results from the Jones No. 1 indicate 56 BCF in place per section from the Bend Shale interval and 33 BCF in place per section for the Wolfcamp Shale interval. Bankers intends to schedule a fracture stimulation for the Jones No. 1 early in Q4.

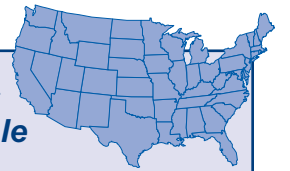
In the Q3, two fracture stimulations for the Misener No. 1 are scheduled. The first is a small stimulation of the Granite Wash Sands in the lower Bend group.

The primary fracture stimulation for the well has been planned to target the Bend Shale interval. Preliminary analysis has shown that the Bend Shale is very highly naturally fractured in the Misener No. 1. The lack of a water formation below the Bend Shale combined with the highly fractured shale is very encouraging for the potential success of this well.

Bankers also plans to re-enter the existing Cogdell No. 1-1 in order to evaluate the well and restimulate the previously producing intervals. This well had a significant reported short-term test flow rate before being shut in and then being damaged by the commingling of water

BANKERS continues on page 26

Fun Facts On Shale



■ *Shale is a sedimentary rock with ultra-low permeability – far less permeable than what the industry calls tight sand.*

■ *Unlike conventional gas sands or carbonates, which rely on geologic traps to hold the gas in place, shale is both the source and producer of gas.*

■ *The weight of the overlying rock and movements in the earth's crust form natural fractures in the shale. If an operator is lucky enough to find large fracture swarms (resembling a windshield hit by a rock), then the reservoir may recover enough gas to make it worthwhile.*

■ *Usually, the shale must be fractured to create a sufficient surface area before it will produce at economic volumes. The only place for the gas to flow is either through natural fractures in the rock or through fractures created by injecting high rates of fluids and propant into the formation under high pressure.*

– Excerpted from Hart's E&P, October 2005.

from OXY earlier this year, giving Canadian independent, Bankers, a whopping 260,000 net acres, according to its reports.

(See Bankers and Tyner articles in this issue).

West Texas Barnett/Woodford

Way out west, **EnCana** and **EOG Resources** are betting that the West Texas Woodford Shale could rival or surpass the Barnett. The area is over Culberson, Reeves, Loving and Ward Counties.

The Woodford has thicker, harder rock than the Barnett and requires bigger rigs and longer drilling times.

EOG controls 126,000 acres in Culberson Co., where the Woodford and Barnett deposits overlap, and said its Woodford holdings may yield reserves of 2 TCF. EOG once referred to the play as a "mystery play," and the industry speculated for months until the location was revealed. The company is currently drilling a second well.

EnCana holds 675,000 acres. Several smaller companies are also in the play, including **Abraxas, Southwestern Energy, Carrizo Oil & Gas** and **Quicksilver**.

Other exciting gas shale plays – including the **Chattanooga, New Albany and Antrim** – will be featured in an upcoming *Prospects & Properties*.

Carrizo expands shale plays to 200,000 net acres

In addition to its 82,000 acres in the Barnett, **Carrizo Oil & Gas** continues to acquire acreage in other shale plays. The company now holds 200,000 acres, including 70,000 acres in the Barnett/Woodford, 100,000 acres in the Floyd/Neal, 18,000 acres in the New Albany play in Kentucky, and 12,000 acres in the Arkansas Fayetteville Shale play.

The company is preparing a Floyd Shale test with a 3-D survey and horizontal wells. Additional Barnett drilling includes a horizontal well in the Tier 2 of Erath Co, as well as other potential core wells in SE Tarrant Co.

Carrizo's overall apparent drilling success rate in Q2 was 90%, comprised of 21 gross wells drilled, 19 successful.

In the Barnett, Carrizo participated in twelve gross horizontal wells in Q2, all successful. At the end of the quarter, one of these successful wells had been completed to sales. Fifteen horizontal wells were in various stages of testing, completion or awaiting pipeline hook-up.

CARRIZO continues on page 29

PROSPECT

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Edge ramps up Chapman Ranch production

Edge Petroleum drilled 16 wells in Q2 – 11 in South Texas and 5 in SE New Mexico. Early in July, the company logged its Patterson #2 deep Hosston well in Lamar Co., Mississippi (75% operated WI) on the Midway Dome. The logs indicated potential across five separate zones, totaling ~140 ft. of apparent net pay. First production is expected in late August or September.

In South Texas, the Chapman Ranch #16 (50% WI) has increased production from 2.5 MMCFeD to a current rate of 5.3 MMCFeD. Also in South Texas, the Dreier #1 (13% WI) in Goliad Co., logged 90 ft. of apparent pay in three Wilcox sands. The deepest sand is currently flowing in excess of 8.0 MMCFeD. Additional pay sands remain behind pipe.

The Box Canyon 13 Federal #1 (100% WI), a Morrow producer in SE New Mexico is producing at a pipeline-restrained 2.0 MMCFeD, but is capable of producing in excess of 4.0 MMCFeD. Edge said pipeline modifications would allow additional production.

Edge participated in two Fayetteville Shale wells (9% and 15% WI) which spud in Q2. Drilling operations are expected to resume on these two wells this month with the arrival of a larger drilling rig to drill the horizontal portion of the wells. The company expects that two to three additional outside operated wells could spud by year end.

Estimated production for Q2 was a record 4.5 BCFe (~50 MMCFeD), an increase of 11% over the same period a year ago and an increase of 5% over Q1.

Rig count still rising

For the second consecutive week, the number of U.S. rigs actively exploring rose – the week of July 28 by 31 to 1,714, up from the previous week's 2006 high of 1,683. A year ago, the rig count was 1,408, according to Baker Hughes, who has kept track of the count since 1944. The tally peaked at 4,530 in 1981, during the height of the oil boom. Several record lows were set in 1999, bottoming out at 488. In the last report, Texas gained 12 rigs, Colorado gained five, Oklahoma and Wyoming each gained two and Alaska and California each gained one. New Mexico lost four rigs, and Louisiana lost one.

Penn Virginia reports development wells; Louisiana exploratory successes

Penn Virginia Corp. participated in three exploratory wells in South Louisiana – the Cotton Land Corp. #1 (41% WI) in Iberia Parish, which tested at 9.6 MMCFD and 75 BOPD; the Miami Corp #1 (30% WI) in St. Mary Parish, which tested at 1.0 MMCFD and 100 BOPD; the Borah et al. #1 in St. Martin Parish, which resulted in a dry hole.

In Mississippi, 19 Selma Chalk development wells were drilled in Q2 in the Baxterville, Gwinville and Maxie fields, 17 successful. PVA's Mississippi production was 17.2 MMCFeD.

Cimarex boosts production by 52% in Texas and Gulf Coast

Cimarex Energy drilled 304 gross (188.9 net) wells during the first six months of 2006, achieving an 89% success rate. Q2 production averaged 448 MMCFeD, a 52% increase over the same period a year earlier.

Notable completions were reported in the Texas Panhandle, where 41 gross wells were drilled. Two 100% WI wells at Hobart Ranch tested at 3.4 MMCFeD combined. Three other wells tested a combined 4.6 MMCFeD.

In West Texas, Cimarex drilled 22 infill wells at the Westbrook Unit (90% WI) were completed in the Clearfork. As a result of successful drilling and recompletions, production from Westbrook has increased from 950 BOPD last December to 1,300 BOPD currently.

In the Anadarko Basin, two wells tested at 3.5

In the Cotton Valley project (Harrison Co., Texas), Penn Virginia drilled six successful development wells in the company's AMI with GMX Resources in the North Carthage field. Net production for the first half of 2006 increased 61% to ~9.8 MMCFeD.

Recently PVA initiated testing of deeper prospective pay intervals below the typical Cotton Valley pay section. Four different zones within the Bossier/Haynesville/Smackover section have been tested in nine wells and all have tested gas at various rates. Although results are encouraging, the company believes more testing and evaluation is needed before attempting to

assign incremental reserves to these additional pay intervals.

Five HCBM development wells were drilled in West Virginia during Q2, with a 100% success rate. Through the first half of the year, PVA has drilled thirteen successful HCBM development wells, with a current average net production of 15 MMCFeD.

Overall, Q2 production was 7.5 BCFe (82 MMCFeD), surpassing the previous quarterly record of 7.3 BCFe, set in Q1. Production through the first six months of the year was 14.8 BCFe, which is 11% higher than the 13.3 BCFe reported for the same period of 2005.

St. Mary tests two wells at NE Mayfield at 10.8 MMCFeD

St. Mary Land and Exploration completed two wells at NE Mayfield – the Megan 2-5 (36% WI) which produces 7.1 MMCFeD, and the Rebecca 1-27 (55% WI) which produces 3.7 MMCFeD.

Also in its Mid-Continent region, in Grady Co., St. Mary had a horizontal success in the Cottage Grove formation with the Spurgin 1-30 (56% WI) which had an initial production rate of 2.2 MMCFeD. In Centrahoma, the company's second horizontal Woodford shale well, the Ryan Gaylor 2-32 (100% WI), was turned on to sales at a rate of 1.0 MMCFeD. St. Mary is continuing to evaluate the horizontal program in the Centrahoma area where it currently holds 48,300 gross and 25,600 net acres.


In the Bakken program, St. Mary completed five wells in Q2, including the Barbara 1-21H (20% WI) at ~400 BOPD and the Anvik 4-18H (65% WI) completed at a rate of ~320 BOPD.

In the Hanging Woman Basin CBM program in the northern Powder River Basin, 216 wells were producing at the end of Q2 compared to 154 at the end of Q1. Another 52 wells were at various stages of completion. Production at June 30 was ~10.5 MMCFeD gross (7.0 MMCFeD net). At the Spider field in the ArkLaTex, the McKenzie #1 (26% WI) was completed at 5.5 MMCFeD, and the Hewitt 10-1 (78% WI) was completed at 6.8 MMCFeD. The White No. 4 (57% WI) in the Box Church field was recompleted at 2.6 MMCFeD.

Admiral Bay completes 75 CBM wells at Cherokee Basin

Admiral Bay Resources has completed the drilling of more than 75 new CBM wells at its projects in the Cherokee Basin since the beginning of the year. The Shiloh project remains the company's main development focus with 58 wells having been drilled there this year. Development at the Mound Valley and Devon projects also continues, with the drilling of 13 and 5 wells, respectively.

Admiral Bay has four drilling rigs in operation. Based on this current drilling program, Management expects to complete the drilling of 110 new wells from the beginning of the year to its fiscal year-end (July 31st).



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**EOG continues organic growth
Barnett vols top 140 MMCFD**

For the first six months of the year, EOG's natural gas and NGL production increased 10.6% over the same period last year driven in part by success from the Barnett Shale play. Favorable results from EOG's Rocky Mountain, East Texas and North Louisiana drilling programs also bolstered EOG's solid performance.

Barnett production continues to surpass internal forecasts. EOG recently achieved net production of over 140 MMCFD, which exceeds its original plan and also approaches the company's original year-end target. CEO Mark Papa said in a statement, "The organic growth rate and operational success of the Barnett have been tremendous considering that this time last year, we were producing about 36 MMCFD from the play."

Another area recording strong performance during the second quarter was South Texas. EOG reported successful drilling results from the Frio Formation in San Patricio Co. The Kirk Gas Unit #4 (87% WI), was drilled to a depth of over 12,000 ft. After fracture stimulation, the well tested at a gross rate of 13 MMCFD and ~800 BCPD. Several offset well locations are planned for later in the year. Also in South Texas, EOG reported success from the Lobo formation. EOG has 88% WI in both the Slaton Ranch V#1 and the Slaton Ranch W#1 that were each drilled to ~11,000 ft. The V#1 is producing at a gross rate of 13 MMCFD and the W#1 at 18 MMCFD.

Information is sparse about Barnett activities. EOG said it would curtail reporting on specific wells until the end of the year. The company did say it was drilling a second well on the West Texas Barnett in Culberson Co., but right-of-way issues have prevented getting gas to market. EOG said the two wells are expected to be put to sales in late November or early December.

EOG is still looking at developing the six Barnett "clones," and is building up cash for development. Papa said in a conference call that if the "clones" turn into "drones," they would deploy the cash (~\$759 million at June 30) for other investments, including a possible stock buyback. But don't look for EOG to enter the acquisition market. The company will still continue to drive its growth organically while maintaining low debt levels.

Q2 net income was \$329.6 million, compared to Q2 last year's \$247.6 million.

Tyner drills horizontal leg on Palo Duro well

Tyner Resources and partners – Apollo Energy Operating Co. (Dore) and Basa Resources reentered the Foster #1 (vertical well) by drilling a 2,400-ft. horizontal extension in Floyd Co., Texas. The work on Foster #1 is partially done and preliminary results show that the Bend Shale is highly naturally fractured which should help well productivity.

Schlumberger interprets logs to show that original gas in place could total 107 BCF per section.

Based on this encouraging news, Tyner has decided to re-enter the Stephens well in order to re-evaluate previously producing intervals with expectations that this well could produce after frac 800-1,400 MCFD.

Tyner is also considering a re-work of the Broseh well, its second Lower Bend Shale well in Floyd Co.

Based on this progress, Tyner has initiated plans to acquire pipeline ROW and initiate a full review of midstream infrastructure

Tyner's current plan is to drill 10 to 20 wells to achieve the lower cost benefits of a multiple well program concentrated in the areas of proven shale potential. The company looks for well hook-ups of 30 days or less in this type of multiple well program.

Range reaches record production; drills 479 wells this year

Range Resources said Q2 production rose to 264 MMCFeD – the highest production in its history – a 13% increase over the year ago period.

The company's drilling program continues to make solid progress with 36 rigs currently running. For the year, 1,065 gross (789 net) wells and 63 (44 net) recompletions are planned. Second quarter development and exploration expenditures of \$156

Range volumes top 264 MMCFeD, up 13%.

million funded the drilling of 273 (196 net) wells and 21 (15 net) recompletions.

For the first half of the year, Range has drilled 479 (345 net) wells and recompleted 42 (35 net) others. A 99% success rate was achieved. By the end of the second quarter, 330 (240 net) of the wells had been placed on production. The remaining 149 (105 net) wells are in various stages of completion or waiting on pipeline connection. For Q2, the company expects to recognize exploration expense of ~\$7.5 million, including \$2.5 million of seismic expenditures.

The Appalachian Division drilled 202 wells (136 net) in tight sandstone and CBM, achieving a 100% success rate.

The Permian Division drilled 46 wells during the quarter. As a result of completing the Stroud Energy acquisition, Range's presence and activity in the Fort Worth basin Barnett

Shale play has increased significantly. The company expects to drill more than 40 wells in the Barnett Shale in H2 and anticipates having six rigs running in the play prior to year-end. Range now operates 23 MMCFeD net of Barnett production and owns 40,000 net acres in the play. A notable Q2 completion in Tarrant Co. produced an initial 7.8 MMCFeD (5.3 MMCFeD net). Range also has 20,000 acres under lease in Reeves and Culberson counties in West Texas, where a 3-D seismic shoot is underway and an initial well is planned for early next year.

In addition, Range has 5,000 acres committed that are prospective for Woodford Shale in Oklahoma where a well is planned to spud before year-end.

At the West Fuhrman-Mascho field in West Texas, production increased to 18.2 MMCFeD net. The first downspaced well (five-acre) at Fuhrman produced 100 BOPD initially. Three more wells are planned on five-acre spacing. If the next three wells are successful, Range said it has the potential to double the recovery from the field through a combination of 250 infill drilling locations and waterflooding.

The company also drilled in the Conger Field of West Texas (10 wells). In East Texas, Range completed a horizontal dual lateral Austin Chalk well (50% WI) on a 10,000-acre block which produces 9.4 MMCFeD gross.

Cabot drills two discoveries at Louisiana Castor prospect

Cabot Oil & Gas achieved a 97% success rate in Q2. The company has 25 rigs drilling, 26 wells completing and 177 wells remaining for the year.

Two wells (100% WI) at the Louisiana Castor prospect were discoveries. The Weyerhaeuser 24-1 Hosston completion flowed 5.9 MMCFD, and the Brazzell #4-1 Cotton Valley completion flowed 2.9 MMCFD. The Brazzell well also has five Hosston sands behind pipe. Production should start next month.

In East Texas in the Minden area (100% WI), Cabot has three rigs operating. To date, Cabot has drilled 12 wells and expects to drill an additional 15 wells during H2. Initial production rates per well have been up to 3.5 MMCFeD, with an average 2.6 MMCFeD.

Cabot is experiencing excellent results from its Frontier/Dakota infill program on the Moxa Arch in Wyoming. To date, Cabot and its partners have drilled 11 wells averaging 1.2 MMCFD per well, in line with pre-drill estimates. Plans are to participate in at least 15 more wells this year.

The company reported a 10% increase in Q2 production of 23.5 BCFe (~261 MMCFeD), the highest level ever recorded in a single quarter. Cabot said the majority of the increase came from its low-risk resource plays.



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Repsol invests \$2.15 billion in deepwater Shenzi

Spain's Repsol paid \$2.15 billion for BP's 28% stake in the Shenzi deepwater project. The deal will add ~28,000 BOPD by 2009, almost quadrupling the 7,500 BOPD Repsol expects begin producing in the Gulf next year.

The deepwater Shenzi field, off the Louisiana coast, has total proved and probable reserves of 350 to 400 MMBO in the Southern Flank. Shenzi is already considered to be one of the largest fields in the deepwater Gulf. The field is operated by BHP Billiton (44%), and Hess owns 28%.

Additional potential reserves have been identified by Repsol. Shallower reservoirs, improved performance and water injection could boost the South Flank's total reserves to 500 MMBOE.

Repsol estimates that areas in the Northern Flank of the field that have geological characteristics similar to those of the Southern Flank. Exploration will begin in this area in Q4, and has a potential to be a project of similar size as the Southern Flank.

Once on stream this field is expected to raise Repsol's GOM production a more than 35,000 BOPD.

The field was discovered in 2002 and five appraisal wells (with numerous side-tracks) have been drilled to date on the Southern Flank.

Initial field development at Shenzi will consist of seven producing wells, and the full field development is expected to have up to 15 producing wells and possible water injection. Total

costs for the full field development through 2015 are estimated at \$4.4 billion, according to operator BHP Billiton.

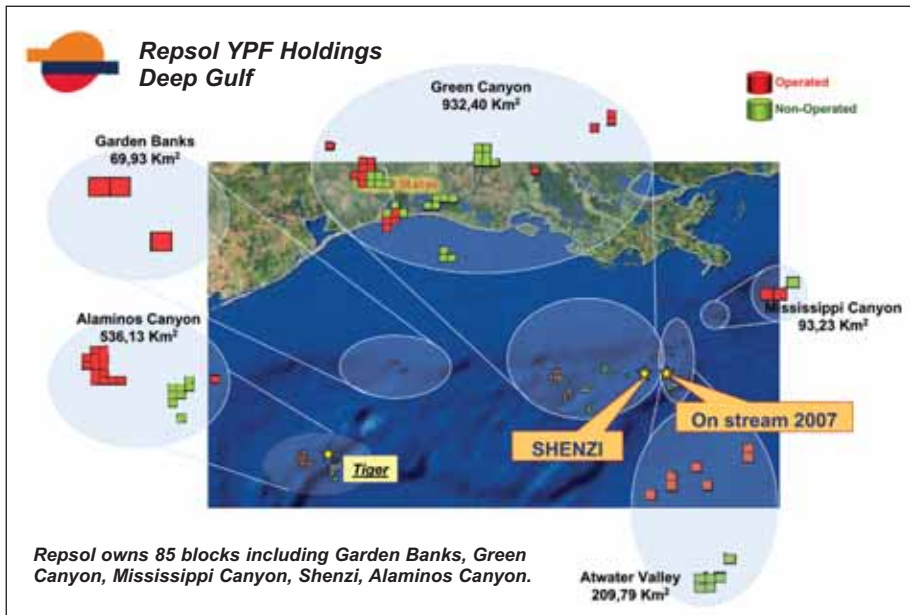
Repsol has held a significant activity in the GOM since 2003, and currently holds a stake in 85 exploration blocks, located in Green Canyon, Atwater Valley, Alaminos Canyon and Mississippi Canyon, and operates 45 of them. First production related to these assets will begin in 2007, with a net production for

Repsol of 7,500 BOPD and 7.5 MMCFD.

Enbridge Offshore Pipelines will extend its GOM pipeline infrastructure by constructing a natural gas gathering lateral to connect the deepwater Shenzi field to existing Gulf pipelines. The lateral will consist of 11 miles of 12-inch pipe and will have the capacity to deliver in excess of 100 MMCFD.

For additional analysis on Shenzi, see PLS MarketAlert dated July 20, 2006.

Offshore



Newfield restores production, drills three shelf discoveries

Newfield Exploration said production has recovered from the 2005 storm damage and is now ~280 MMCFd with 40 MMCFd coming from deepwater fields. About 20 MMCFd is shut-in awaiting pipeline repairs. An additional 60 MMCFd will be on-line later this year from the development of new discoveries and redevelopment of Main Pass 138 which was destroyed by Hurricane Katrina.

During the Q2, Newfield drilled six shelf wells with three discoveries, and has eight remaining wells in the 2006 shelf drilling program. Three of the major developments include: Eugene Island 182 (67% WI), a single well deep shelf development, Grand Isle 3 (50% WI), another single well deep shelf development, and West Delta 133 (67% WI), a three-well development.

The company is participating in two exploration wells, both operated by Kerr-McGee. Newfield has 10% WI in the Grand Cayman, a sub-salt prospect, and 35% WI in PowerPlay/Terlingua, an amplitude supported prospect.

The Rigel Field (25% WI) is producing 95 MMCFd from a single subsea completion.

For other news on Newfield onshore activities, see Page 1.

Hess Corp. drilled a well at its Pony Prospect, on Green Canyon Block 468, to a TD of 32,448 ft. The well encountered 475 ft. of oil saturated sandstones in Miocene age reservoirs. Hess will next drill an appraisal sidetrack well ~4,000 ft. to the NE. Whole rock cores and wireline logs will be obtained from the sidetrack well to refine estimates of net pay. Results to date have been consistent with pre-drill expectations. Total hydrocarbon resource on the Hess acreage is estimated to be in the range of 100 to 600 MMBOE. Hess has 100% WI in this well.

Hess confirms deepwater discovery at Pony

Hess Corp. drilled a well at its Pony Prospect, on Green Canyon Block 468, to a TD of 32,448 ft. The well encountered 475 ft. of oil saturated sandstones in Miocene age reservoirs. Hess will next drill an appraisal sidetrack well ~4,000 ft. to the NE. Whole rock cores and wireline logs will be obtained from the sidetrack well to refine estimates of net pay. Results to date have been consistent with pre-drill expectations. Total hydrocarbon resource on the Hess acreage is estimated to be in the range of 100 to 600 MMBOE. Hess has 100% WI in this well.

For other news on Newfield onshore activities, see Page 1.

Noble reports deepwater discovery at Raton

Noble Energy reported the preliminary results for the Raton prospect (Mississippi Canyon Block 248 #1). While it is premature to estimate resources, the well encountered 90 feet of pay over three zones. Raton has been temporarily abandoned pending further delineation drilling, currently scheduled for Q4. The well drilled to a TMD of 20,106 ft.

"The results of the initial well at Raton are encouraging, particularly in light of the proximity of the well to our Redrock discovery," said Dave Stover, Noble's SVP for North America. "The Raton delineation, planned for the fourth quarter, along with expected appraisal work at our recent Redrock discovery just five miles to the north, will be important in helping us formulate a combined development plan for both discoveries."

Noble and its partners were also awarded two new blocks adjacent to Redrock and Raton in OCS Lease Sale 198 held last March. The company now has eight contiguous leases across the area.

Noble operates Raton with 50% WI. Samson Offshore and Energy Partners Ltd. each have 25% WI.

Murphy reports discovery at Thunder Bird

Murphy Oil reported a deepwater discovery at the Thunder Bird prospect in Mississippi Canyon Block 819. The development options for the discovery have not been finalized, but the oil found at Thunder Bird will likely be produced as a subsea tie-back to a facility nearby. Murphy operates with 37.5% WI. Partners are Dominion E&P (25%), Hydro Gulf of Mexico (25%), and Marubeni Offshore Production (12.5%).

Murphy Oil reported a deepwater discovery at the Thunder Bird prospect in Mississippi Canyon Block 819. The development options for the discovery have not been finalized, but the oil found at Thunder Bird will likely be produced as a subsea tie-back to a facility nearby. Murphy operates with 37.5% WI. Partners are Dominion E&P (25%), Hydro Gulf of Mexico (25%), and Marubeni Offshore Production (12.5%).



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Cano's recompletions yield positive results

After the closing of its latest acquisition in the Panhandle Field in May, **Cano Petroleum's** production is ~1,550 net BOEPD. The company remains on schedule to begin pilot programs for surfactant polymer injection at its Corsicana and Nowata Fields in September and November, respectively.

Re-completion operations in its Corsicana Field have yielded positive results and further production testing is ongoing. A re-completion and stimulation in its Desdemona Field has resulted in initial 48 hour flow rates of ~850 MCFD from the previously unproduced Duffer formation at ~3,500 ft.

Additional re-entry and recompletion operations in the Desdemona Field in the Duffer are also ongoing. Cano also said surface facilities construction for its waterflood program at Desdemona is progressing on schedule, with full injection operations anticipated to commence prior to September 1.

Delta Petroleum updates development programs

Delta Petroleum is drilling in the Vega Unit (Piceance Basin, Colorado – 100% WI), where the field is producing at a processing plant-restricted rate of 3.5 MMCFD. During most of Q2, additional plant and pipeline restrictions further reduced Vega's production to between 1.0 and 2.0 MMCFD. The new pipeline project should be operational in September and upon completion, production from the field should be ~11.0 MMCFD.

Delta is currently producing 52 MMCFd.

Delta has been actively developing infrastructure, including roads, centralized production pads and a new compression facility, in order to allow accelerated development when the marketing constraints are lifted. The company has also continued to acquire acreage around the original federal unit.

Also in the Piceance Basin, ten wells at Garden Gulch Field (18.5% WI) are currently producing with a production capacity in excess of 12 MMCFD, and four wells are being completed. Three wells have been drilled since the end of March, and three wells were completed during Q2. Delta's net daily production from the field is ~1.8 MMCFD.

At the Howard Ranch area (Wind River Basin, Wyoming – 50-100% WI), Delta has completed seven frac stages within the Mesaverde formation in the Copper Mountain Unit 35-15. The well is currently flowing back from the entire Mesaverde section at a rate in excess of 4.0 MMCFD. The company plans to produce the well for an extended period of time before undertaking completion activity in the Lance, where an additional 35 potentially productive sands have been identified. Current production from the field is ~6.5 MMCFD.

Delta re-affirmed its production guidance for Q2, projecting 4.2 to 4.4 BCFe.

Parallel adds six Barnett wells producing 32 MMCFD

Parallel Petroleum added six new wells to production on its Barnett Shale project – five operated by **Dale Resources** and one operated by **Four Sevens**. The six new wells are producing at 31.6 MMCFD gross combined (1,385 BOEPD net). Average gross production from each well ranges from 900 MCFD to 7.7 MMCFD.

Last March, Parallel reported the results of two wells which were simultaneously fracture stimulated ("simo-frac"). Two of the six new wells employed this same procedure. As with the initial two "simo-frac'd" wells, these two new wells have also exhibited positive early results with an initial combined rate of ~15 MMCFD gross (784 BOEPD net).

Including the six new wells, Parallel's Barnett Shale gas project now has 14 wells producing at a combined rate of ~47 MMCFD gross (2,054 BOEPD net). Current gross average production ranges from 750 MCFD to 7.7 MMCFD.



In addition, six other wells operated by Dale Resources have been drilled and are currently in various stages of pre-production operations.

Parallel's working interest in each of the four wells operated by Four Sevens is ~25% BPO and ~18% APO. Parallel's WI in each of the 16 wells operated by Dale Resources varies from ~18.5% to ~50% BPO (18.5% to 37% APO).

The company's Barnett Shale gas project generated ~10% of Q1 production (527 BOEPD) and represented ~6% of its reserve value as of March 31, 2006.

Parallel's current Barnett leasehold position is ~11,700 gross (4,400 net) acres. The company budgeted ~\$21.1 million for the project in 2006 for the drilling and completion of 18 new wells, pipeline construction and leasehold acquisition, exclusive of the \$5.5 million acquisition of additional interests last March.

Maverick encounters three Fayetteville Shale intervals Mechanical problems prevent production

Maverick Oil & Gas drilled and tested the first two wells in its extensive company operated Fayetteville Shale project. Both of the first two wells encountered three prospective shale intervals – the Upper Fayetteville, Lower Fayetteville (Moorefield) and Chattanooga Shales. All three intervals were characterized as thermally mature and with total organic content in the range of 2.5% to 4.6%. Additionally, as expected, the shales were significantly thicker than their equivalents in the western part of the play in Cleburne and surrounding counties. The two wells have proven a significant easterly extension of the known presence of potentially productive shales.

Due to the need to clarify the extent of the shale intervals, a minimum of six exploratory tests are planned. The first of these, the Morris #1-3H, ~7 miles west of the two initial test wells, is drilling.



Despite the presence of the target formation, Maverick was unable to produce either well after its initial completion attempt, which consisted of fracture stimulating the well utilizing a hybrid slick water foam process, with the Williamson Brothers #1-36H having its lateral placed in the Lower Fayetteville (Moorefield) interval and the Byers #1-3H in the Upper Fayetteville interval. On test, the Williamson Brothers #1-36H produced significant quantities of fresh water (possibly indicative of a mechanical problem) and the Byers #1-3H failed to produce from its original completion interval. Plans for further evaluation and/or remedial activity on these wells are currently being developed.

V. Ray Harlow, Maverick CEO, said in a statement that the engineering challenges posed by the play are not insignificant, but the company believes they are not insurmountable.

Brigham reaches TD on first Bakken horizontal well

In the Williston Basin Bakken trend, **Brigham Exploration** is completing the Field 18-19 1-H, which encountered good drilling shows in the horizontal section. Brigham drilled the well to a TVD of ~10,600 ft., with a lateral extension of ~7,800 ft. The second horizontal Bakken well, the Erickson 8-17 1-H, will be drilled to ~10,600 ft., with a planned lateral extension of ~9,000 ft. Brigham continues to add to its Bakken acreage position, where it now controls ~75,000 net acres.

Brigham is completing its newest Triple Crown Field well, the Dawson #4 (100% WI), which encountered significant apparent pay in the Upper Vicksburg 9800' and "Brigham" sands. Based on cased hole logs, and the strong drilling shows, the Dawson #4 appears to be comparable to Brigham's better Triple Crown Field wells.

Brigham perforated and fracture stimulated the Dawson #3 in the Upper Vicksburg



"Brigham" sand and the well was recently flowing to sales at an early rate of ~4.7 MMCFd. Brigham previously completed the Dawson #3 in the Upper Vicksburg 9800' sands at an initial rate of ~3.5 MMCFd, and expects to commingle the deeper 9800' interval into the production stream in the near future.

In its Frio exploration area, Brigham recently completed the Trull B #3, in the lowest 6 ft. of ~31 ft. of apparent Frio net pay at an early rate of 2.8 MMCFd. Additional potential pay intervals will be added to the producing stream over time.

Results are expected this month on the high-potential Turtle Ridge #1 targeting the Lower Frio at ~15,650 ft. Brigham operates with 75% WI, Royale Energy owns 25%.

In the Anadarko Basin, the Mills Ranch #1-99S discovery began production at ~6.0 MMCFD, and currently produces 2.5 MMCFD. Though the rate of production decline has decreased, the well has yet to stabilize.

EnCana seeking JV partners in Delaware Basin

EnCana is seeking joint venture participation in two multi-TCF western Delaware Basin resource play opportunities in Culberson and Reeves Co., Texas.



These two opportunities provide exposure to an unrivaled acreage position in the Barnett and Woodford Shale fairway.

The JV partner would earn between 25 to 35% WI in either one or both blocks by providing up-front cash and a capital work commitment over a period of up to two years. The North Block acreage consists of 500,000 gross acres (444,000 net), and the South Block is 140,000 gross acres (120,000 net).

EnCana drilled four operated wells, and a total of seven wells have been drilled on the acreage.

The participant will earn its interest on a divided basis with completion of the capital work commitment. EnCana will also consider offering an undivided interest in lieu of a divided interest.

For more information, request PLS Listing No. PP 8298L or contact Randall & Dewey.

Anadarko reports East Texas successes

In its East Gulf Coast area, **Anadarko** reported development wells at Vernon – Davis Brothers 30-8 (97% WI), which tested at 12.1 MMCFD; the Davis Brothers J-10 Alt. (91% WI), which tested at 10.7 MMCFD; the



Davis Lumber 11-3 (92% WI), which tested at 10.3 MMCFD; the Davis Brothers G-5 Alt. (100% WI), which tested 7.9 MMCFD; and the Stewart Hanson 25-6 (80% WI), which tested at 9.2 MMCFD.

In the Bossier play, Q2 volumes averaged 240 MMCFD (182 MMCFD net). Two notable completions (100% WI) tested 2.1 MMCFD and 3.8 MMCFD. In the Austin Chalk, net production averaged 36,600 BOEPD. Three wells at Brookeland were completed in the quarter – Pfluger-Blackstone A-20 (59% WI) which tested 16.1 MMCFD and 2,340 BOPD; the Blackstone South A-7 #1 (60% WI) which tested 19.0 MMCFD and 935 BOPD; and the Sterling Blackstone A-5 West #1 (51% WI) which tested 15.2 MMCFD and 4,925 BOPD.

Gross volumes in Anadarko's deepwater Gulf of Mexico increased to an average of 32,400 BOEPD, compared to Q1's average of 14,100 BOEPD.

At the K2 North (Green Canyon 518 – 100% WI), three wells were completed – the 518 #1 (8,900 BOPD and 9.0 MMCFD), the 518 #3 (9,800 BOPD and 6.0 MMCFD), and the 518 #2, where production will ramp up during Q3.

At the ENI-operated K2 (Green Canyon 562 – 52.5% WI), the 562 #3 is producing 15,200 BOPD and 90 MMCFD, and the 562 #2 was placed on line in July producing 7,500 BOPD and 5.0 MMCFD as it continues to ramp up.

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CREDO and Redman in JV to recover stranded gas

CREDO Petroleum entered into a JV with Redman Energy Holdings II to drill wells for the purpose of using CREDO's patented

Calliope Gas Recovery System to develop stranded gas reserves. Redman Energy Holdings is an affiliate of Redman Energy Corp. a privately held, Houston-based E&P company affiliated with Natural Gas Partners. Drilling will concentrate on previously prolific fields containing significant stranded gas.

Texas & New Mexico

In its initial phases, the JV plans to invest up to \$35 million to acquire leases, drill new wells, and install Calliope principally in South and East Texas. Drilling will target large gas fields that were abandoned when natural gas prices were considerably lower than today, and when fluid lift technologies were much less effective than Calliope. The company presently expects to fund its 50% share of the JV from existing cash and future cash flow.

Wells are expected to range in depth from 8,000 to 12,000 ft. Reserves are projected to range from 1.0 to 3.0 BCFe per well, with beginning production rates ranging from 500 to 1,000 MCFD. Average drilling economics are expected to include payouts of less than two years and internal rates of return from 50% to 100%.

TXCO's Glen Rose production surges

The Exploration Co. said first half Glen Rose Porosity oil sales averaged 1,604 BOPD, a 420% increase from 308 BOPD for the first half of last year. Q2 sales include a 6,600-barrel inventory drawdown caused by limited transport services in Q1. Inventories have now returned to a more typical level.

Net Q2 sales were ~2,280 BOPD and 3.2 MMCFD (2,820 BOEPD), up 36% from Q1 and up 29% from the year ago Q2.

Year to date, TXCO has spudded 33 wells in the Maverick Basin (15 on production, 12 in completion and five are drilling). One well stopped prior to reaching its Glen Rose Porosity target after encountering gas in a shallower zone. The well was transferred to an operating partner.

The largest share of the 2006 drilling program has been focused on the Glen Rose Porosity with 18 wells spudded to date. Eight Porosity wells have been placed on production, five are in completion and four are drilling, plus the transferred well. TXCO has spudded 15 wells targeting other formations, including 10 to the Pena Creek San Miguel, two to the Georgetown, and one each to the Glen Rose Shoal, a Glen Rose Reef, and the

Pryor. Seven are on production, one is drilling and seven are in, or awaiting, completion.

Notable wells in the Glen Rose play include the Cage 1-19H (100% WI) which went on production in late June flowing at 326 BOPD. In mid July, the well was averaging ~535 BOPD. The Comanche 1-6H (76% WI) went on production in June at 648 BOPD, and in July averaged ~750 BOPD. The Comanche 4-13H (73% WI) went on production in June at 712 BOPD, and in July averaged ~340 BOPD.

In the Marfa Basin, the company's partner, Continental Resources Inc. (Enid, Oklahoma) is moving a rig on location on TXCO's lease block and work is expected to begin shortly. An existing well on the block will be re-entered to test the Woodford and Barnett Shales. TXCO has 50% WI in the 140,000-acre block. Continental operates with 50% WI.

On the Maverick Basin's Pearsall gas play, EnCana will begin moving a rig on location in August to drill the first of a 15-well program focused on the potential gas shale resource play. Separately, the company completed acquisition of 3-D seismic data on a 28,800-acre tract across portions of its Burr and Wipff leases in early July. TXCO now has 3-D seismic data covering nearly all of its Maverick Basin lease block.

Gastar Exploration hits Deep Bossier wells

Gastar Exploration re-completed the Donelson #2 (100% WI) by adding a completion in the Pettet formation. The Pettet completion is producing at a stabilized gross rate of 4.0 MMCFD and ~50 BCPD. The well is also producing ~750 MCFD from the Knowles formation.

The company also completed the Wildman Trust #1 (67% WI) in two zones, a middle Bossier formation at ~15,600 ft. and an upper Bossier formation at ~15,300 ft. The well is producing at a gross rate of 900 MCFD of natural gas and still producing back fluids used in the completion of the upper Bossier zone. The well was stimulated in two stages. The first stage has produced a stabilized gross rate of 1.6 MMCFD from a thin middle Bossier interval. The second stage is unexpectedly producing water from an upper Bossier interval. Gastar is currently evaluating the second stage results and will monitor production to understand the source of the water production.

Two additional Bossier wells are drilling in the Hilltop area.

Abraxas reports drilling successes at SW Oates

Abraxas said the La Escalera #5-1 (SW Oates Field) was drilled to ~12,500 ft. Large diameter production casing was run to the base

of the Lower Wolfcamp formation after open hole logs and core samples confirmed natural gas indications that were encountered while drilling. Completion operations will begin soon.

The Hudgins #37-1H, also at SW Oates, is currently producing ~500 MCFD from the Devonian formation while waiting on equipment to clean out the drilling fluid and repair suspected wellbore skin damage; and

The La Escalera #2 (SW Oates) was perforated in the Atoka formation at ~13,300 ft. and is recovering frac fluids.

In South Texas, the Simek-Cook #1 was drilled to 9,000 ft. Production casing was set after encountering four potentially productive zones in the Wilcox formation. Completion operations are currently underway.

Abraxas owns 100% WI in all four wells.

Dune in farm out agreement with Chesapeake

Dune Energy entered into a farm out agreement with Chesapeake Energy covering Dune's Welder Ranch property in Victoria Co., Texas. The agreement does not include existing producing properties.

Welder Ranch is comprised of two leases held by Dune's sub Vaquero Partners totaling ~8,000 contiguous acres. Chesapeake will pay Vaquero \$1.8 million cash in exchange for 75% of Vaquero's interest in its two Welder Ranch leases.

In addition, Chesapeake has committed to spud two wells by November 1, targeting the geo-pressured Middle Wilcox formation. Dune will be carried to casing point, and would subsequently pay for its share of costs going forward. Any additional wells would be drilled by Chesapeake and Dune on a heads up basis.

Dune said that Chesapeake had significant success adjacent to the northern boundary of the property.

In Denton Co., Dune's McPeck #2 reached TD of 9,044 ft., and encountered a significant Barnett Shale section. In addition to the Barnett, the well also encountered a Conglomerate sand which will be evaluated. The well should be placed on production this month.

Westside in JV to develop Hill Co. acreage

Westside Energy (Houston) entered into a JV agreement with an unnamed "large US independent" for the purpose of drilling and developing ~17,000 gross (13,600 net) acres in Hill Co. The two companies will assign to each other 50% in certain of their respective acreage positions and will each act as the operator for wells drilled on their respective assigned acreage. The rig for the first joint well has commenced drilling.

The deal increases Westside's Hill Co. exposure to ~17,000 acres. Overall, the company has ~66,000 net acres in the Barnett Shale. Last March, Westside closed the purchase of EBS Oil & Gas Partners and affiliates for ~\$9.8 million. The EBS acquisition added 9,837 gross acres, interests in 30 operated producing wells, and proved reserves of ~2.3 BCFe.

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GULF COAST

ALABAMA

BLOUNT CO., AL PROSPECT
15-Potential Wells. 4,085-Net Acres.
BLACK WARRIOR BASIN
Obj 1: Conasaugua Shale @ 6,000 Ft.
Obj 2: Stones River, Knox Chert
& Attalla Chert Conglomerate **WILDCAT**
77% NRI Delivered.
Appalachian Thrust-Ramp Anticline.
Total Recoverable Rsvs: 38,913 MMCF
Drilling Cost: \$320,000/Well
DV 1768L

FLORIDA

BAY, CALHOUN & WASHINGTON CO.
24,594 Gross Acres To Sell/Lease.
FLORIDA SMACKOVER TREND
Will Sell Minerals or Will Lease. **FL/M**
Sale, Lease, Option.
CONTACT PLS TO LEARN MORE
L 5015M

FLORIDA MINERAL PACKAGE
24,500 Gross & 10,900 Net Acres.
WASHINGTON, BAY & CALHOUN CO.
Attractive 2,000-3,000 Acre Blocks.
DESIRE – TO SELL MINERALS **MINERAL**
OR LEASE ACREAGE TRACTS
Ownership Varies Incl 1/6, 1/3 & 100%
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LOUISIANA

CALDWELL PR., LA PROSPECT
NORTH LOUISIANA AREA
Coals Contain Vast Amounts of Nat'l Gas.
SEEKING PARTNERS TO SECURE
ADDITIONAL MAPPED LEASES **CBM PLAY**
Attractive Mix Of Shallower Drilling
— Depths & Long-Lived Reserves!
DV 9456

NORTH LOUISIANA LEASE
16-Wells Plus PUD Locations.
SABINE PARISH **500 MCFD/DV**
Fredricksburg Interval.
SHALLOW GAS (3,500 Ft.)
Operational & Maintenance Opportunity.
50% OPERATED WI; 73% NRI
Gross Production: 500 MCFD
Offset Development Incl Horizontal Work
Simple Remedial WorkOver Potential.
— SELLER MANAGING DATA ROOM
— LOOKING FOR PARTNER & RIG
PP 8774RE

GULF COAST

LOUISIANA

ACADIA & JEFFERSON PR., LA
SOUTH LOUISIANA
Camerina Thru Miogyppsinoides @ 14,500 Ft.
Large Downthrown Fault Closure.
Excellent 3-D Seismic Data & SubSurface.
100% OPERATED WI; 73% NRI
Est Reserves: 544 MBO & 38 BCF
DV 0843L 795-Acres.

Deals For Sale

ACADIA PR., LA PROSPECT
500-Acres. 3-D Seismic. Test @ 13,750 Ft.
SOUTH LOUISIANA
Camerina Thru Miogyppsinoides Sands.
270-Acre Faulted FourWay Closure
— Downthrown To Growth Fault
100% OPERATED WI; 73% NRI **DV/SLA/3-D**
Multiple Thick Productive Horizons
— On A Closure.
Est Reserves: 698 MBO & >29 BCF
Est Dry Hole: \$5,537,000
DV 0842L

ACADIA PR., LA PROSPECT
SOUTH LOUISIANA AREA
Camerina Thru Miogyppsinoides Sands.
MultiPay Fault Block Traps.
3-D Seismic. **DV/SLA/3-D**
100% OPERATED WI; 72.5% NRI
Est Reserves: 247 MBO & 4.24 BCF
Est Dry Hole Cost: \$3,401,000
DV 0845L 262-Acres.

Acadia Parish: 1-Drilling Permit
Browning Oil Co., Inc. (1)

ASCENSION PR., LA PACKAGE
3-ShutIn Wells. **24 MMBOE**
SORRENTO FIELD
50-Acre Tract On Sorrento Salt Dome.
Excellent SubSurface Well Control.
— Negotiated Sale.
100% MINERAL INTEREST
Possible Gross Prod: 65 BOPD
Anticipated Net Cash Flow: \$71,000/Mn
Total Net Proved Rsvs:
— 65 MBO & 152 MMCF
CONTACT AGENT FOR PACKAGE
DV 8747PP

CADDO PR., LA PROPERTY
1-Oil Well. 40-Acres. **6 BOPD**
RODESSA
Gloyd (6,001 Ft. & 6,087 Ft.)
100% OPERATED WI; 70% NRI
Net Production: 6 BOPD
Net Cash Flow: \$11,700/Mn
PP 9528

GULF COAST

LOUISIANA

CALCASIEU PR., LA PROSPECT
GULF COAST YEGUA TREND
Upper Yegua @ 16,500 Ft. TD **42 BCFe**
— Dryland Location
75% WI For Sale; 72% NRI
OPERATIONS AVAILABLE
Est Reserves: >2.2 MMBC & >29 BCF
DV 9427 1,700-Acres.

CALCASIEU PR., LA PROSPECT
SOUTH LOUISIANA
Gas Development Offsets Two Wells
That Produced 120 MBO & 850 MMCF
— From Three Reservoirs. **DV/SLA**
25% WI REMAINING; 75% NRI
Est Reserves: 20 MBO & 2.0 BCF
Condensate; Classified PUD
— With One Well @ 7,500 Ft.
DV 9829

CALCASIEU PR., LA PROSPECT
STARKS AREA
50 Ft. Lower Hackberry "B" @ 8,150 Ft.
3-D Amplitude Play - DHI
Faulted 4-Way Closure. **3-5 BCF/DV**
50% WI For Sale; 75% NRI
UpThrown To Offset Producer/Well
Est Reserves: 3.0-5.0 BCF
DHC: \$500,000; Complete: \$400,000
DV 8728

Calcasieu Parish: 4-Drilling Permits
Aspect Energy (1), Forest Oil (1),
Mayne & Mertz (1), Quest Explor (1)

IBERIA PR. LA PROSPECTS
2,800 Acres. **DV/3-D**
SOUTH LOUISIANA PROJECT
Planulina-Liebusella @ 21,000 Ft.
GEO — PRESSURED WILDCAT
3-D Seismic Defined.
OPERATIONS Available; 73% NRI
Potential IP Rates: 15-30 MMCFD/Well
Project: 10-47 MMBO & 215-950 BCF
Total Drilling Cost: \$12,728,000/Well
DV 8962

Iberia Parish: 3-Drilling Permits
Century Exploration Houston, Inc. (2),
Stone Energy Corp. (1)

Call 713-650-1212 **RR**
To List An Override
There Are No Commissions

GULF COAST

LOUISIANA

IBERIA PR., LA 3-D PROSPECTS
GULF COAST
Planulina - Miocene Objectives **1 TCFe**
Newly Reprocessed 3-D Seismic!
Seeking Partners & An Operator.
Targeting Initial Rates: 15-30 MMCFeD
Total Project: > 1.0 TCFe
CALL LAFAYETTE GEOLOGIST FOR DATA
DV 9005

JEFFERSON DAVIS PR., LA DEAL
Deep Pool Tests **26 BCF**
INDIAN VILLAGE FIELD
Yegua Objective.
Sell For Cash & ORRI
Est Reserves: 26 BCF & 260 MBC
DV 7662

Jefferson Davis Pr.: 2-Drilling Permits
Cox & Perkins (1), Stroud Prod.(1)

LAFAYETTE PR., LA PROSPECT
BROUSSARD FIELD
Bol Mex 3 Target @ 14,800 Ft. MD
Developmental Project. **DV/SLA**
75% OPERATED WI; 70% NRI
Est Reserves: 6 BCF & 345 MBC
DV 9518 550-Acres.

LAFOURCHE PR., LA PROSPECT
465-Acres. 3-D Fault Trap.
LAKE RACCOURI FIELD **WILDCAT**
13,200 Ft. TVD Directional Well
Deeper Pool Wildcat/Normal Pressure.
~69% NRI Delivered.
Est Reserves: 62 BCFe Unrisked
Dry Hole: \$2,056,000; Compl: \$3,200,000
DV 7915

LaFourche Parish: 9-Drilling Permits
Apache (1), Browning Oil Co (1),
Erskine Energy (1), Hilcorp Energy (1),
Samson Contour Energy (1), Swift (4)

LOUISIANA SALE PACKAGE
3-Wells. 1-SI Offset Well. **PLS**
COQUILLE BAY & BARATARIA FIELD
UpSide Potential. **570 MCFeD**
OPERATED & NonOperated WI For Sale.
Gross Prod: 137 BOPD & 1,250 MCFD
Net Production: 28 BOPD & 402 MCFD
Net Cash Flow: \$80,000/Mn
Est Reserves: 635 MBO & 0.87 BCF
PLS HAS SALE PACKAGE
PP 8715DV

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LOUISIANA

SOUTH LOUISIANA PROSPECT

14,000 Ft. Test Well.
GULF COAST **DV/LA/3-D**
 SubSurface Supported By 3-D.
 Multiple GeoPressure Objectives.
 Produce Adjacent Fault Block.
 Target Fault Block Productive.
 From Multiple Normal Pressure Zones.
 Shallower.
 Possible Development Location(s)
 Easy Access To Gas/Oil Marketing.
DV 8943



ST BERNARD PR., LA SALE PKG

10-Active Wells. 5-SI Wells. 1-SWD.
NEAR SHORE PROPERTY
 Significant UpSide Potential. **3,360 MCFeD**
 15-Proven Pay Sands @ 10,200 Ft.
 3-D Seismic Available.
 60-100% OPERATED WI; 49-83% NRI
 Net Prod: 309 BOPD & 3,781 MCFD
 — STRONG CASH FLOW
 PROPERTY IS STILL AVAILABLE
PP 6875DV



St. Bernard Pr.: 2-Drilling Permits
 Aspect Energy (1), ORX Resources (1)

ST. JAMES PR., LA PROPERTY

1-Well.
VACHERIE LOWER FIELD
 Rob 7 Sand (10,600 Ft.) **729 MCFeD**
 >13% NonOperated WI; >10% NRI
 Production: 17 BOPD & 627 MCFD
 — & 0 BWPD
 Net Cash Flow: >\$20,000/Mn
 ORIGINAL OFFERS DUE AUGUST 4, 2006
PP 8296

VERMILION PR., LA PROSPECT

200-Acres. **LA/3D**
ABBEVILLE FIELD
 Shallow Fault Block Test.
 Miocene Targets @ 7,200 Ft.
 3-D Seismically Defined.
 75% OPERATED WI For Sale.
 Est Reserves: 750 MBO & 520 MMCF
 Initial Well Compl Cost: \$1,000,000
DV 9544

VERMILION PARISH OPERATOR **PLS**

Imminent Drilling Program EOY 2006
SOUTH LOUISIANA **RIGS**
 Has Barge Rig Capable of Drilling 22,000 Ft.
 SEEKING WI PARTNERS & PARTNERS
 — With Similar Drilling Prospects
 Client Retains Operations. CA Required.
 CALL PLS FOR MORE INFORMATION
DV 9887



Vermillion Parish: 2-Drilling Permits
 McMoran Oil (1), Peak Operating (1)

MISSISSIPPI

JACKSON CO., MS MINERALS

12,844-Gross Acres. 1,542-Net Acres.
 NonProducing Minerals.
 12.5% Mineral Interest For Sale. **MINERALS**
M 6008

MISSISSIPPI MINERALS AVAILABLE

Mineral Interests in Multiple Counties.
JEFFERSON, MARION, PIKE
& WALTHALL COUNTY **MINERALS**
 Sandy Cook, Greens Creek & Kokomo Flds
 FOR SALE OR LEASE
M 5625L

SMITH CO., MS TEST WELL

1,840 Gross Acres. 725 Net Acres.
GULF COAST
 Obj 1: Rodessa & Sligo @ 16,250 Ft. **26 BCFe**
 Obj 2: Hosston & Lower Hosston
 SEEKING PARTNERS; 50% WI
 OPERATIONS NEGOTIABLE
 Potential Rsrvs: 2,305 MBO & 12.5 BCF
 Dry Hole: \$1,700,000; Compl: \$700,000
DV 8007

MULTISTATE

MISSISSIPPI & ARKANSAS MINERALS

42,000-Net Mineral Acres **MINERALS**
COUNTIES IN MISSISSIPPI
PLUS SEVERAL SOUTHERN
 — ARKANSAS COUNTIES
 BEING BROKERED BY AGENT
M 9557

OFFSHORE

GULF COAST SALE PACKAGE **PLS**

JEFFERSON & PLAQUEMINES PR., LA
MATAGORDA CO., TX OFFSHORE
 Significant UpSide Potential
 OPERATED & NonOperated WI For Sale
 Gross Prod: 165 BOPD & 1,600 MCFD
 Net Production: ~937 MCFeD
 Net Cash Flow: \$87,000/Mn **~937 MCFeD**
 Lafayette Data Room. 3-D Data Base.
 Negotiated Sale.
PP 8696DV

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OFFSHORE

LOUISIANA SHALLOW PROSPECT

900-Acres. Shallow Water.
OFFSHORE LOUISIANA
 Cib Op-Middle Miocene Target @ 15,700 Ft.
 Objective 2: Tex W @12,600 Ft.
 3-D Seismic Defined. **276 BCFe**
 Prospect Generator Can Deliver 75% NRI
 Target Surrounded By Prolific Miocene Prod.
 Multiple Drilling Locations.
 Est Rsrvs Potential: 5,920 MBO & 241 BCF
 Dry Hole: \$5,500,000; Compl: \$2,700,000
DV 8199

GALVESTON CO., TX PROSPECT

5,692-Acres. 44 Ft. Water Depth.
TEXAS STATE WATERS
 Lower Frio to Yegua @ 20,000 Ft.
 3-D Seismic. **SOLD** **1.75 TCFe/3D**
 Four-Way Dip Anticline.
 50% WI Available; 80% NRI
 Related Frio Prod: 47 MMBO & 295 BCF
 Est Reserves: 1.75 TCFe
DV 1724 — SOLD BY SELLER

JEFFERSON CO., STATE WATERS

5,225-Acres. Water Depth 44 Ft.
DEEPWATER YEGUA **1.6 TCFe**
 Proposed TD: 21,000 Ft.
 3-D Seismic: ~600 Square Miles.
 15% WI Available; 80% NRI Delivered.
 Nearby Production: 400 BCFe (2 Fields)
 Potential Reserves: Up To 1.6 TCFe
DV 8956

Call 713-650-1212
 for Seller Information

OFFSHORE

TEXAS PROJECT/STATE WATERS **PLS**

Frio Production/Formations
 3-D Seismic Available. **OFFSHORE**
 Significant Upside & New Locations
 OPERATED WI IN THE BAY
 Net Production 500 MCFD -1.0 MMCFeD
 Low PDP; But Significant PUD, PDNP
 — Requires A Confidentiality Agreement
 PLS IS SCREENING BUYERS/AGENT
PP 9418DV

SEISMIC

3-D SEISMIC DATA FOR SALE

MISSISSIPPI COUNTIES INCLUDE:
SIMPSON, JEFFERSON DAVIS
& COVINGTON MAPPED AREAS **3-D SEISMIC**
DV 7672

EAST TEXAS

CASS CO., TX ROYALTY

RODESSA NW (HILL) FIELD **ROYALTY**
SMALL ROYALTY FOR SALE
 Gross Production: >75 MCFeD
 CONTACT SELLER TO LEARN MORE
RR 9637

CASS CO., TX PROSPECT

4-Wells Possible. 430-Acres
RODESSA **16 BCF/Proj**
 Hill Sand Target @ 5,860 Ft.
 20 Ft. Gas Pay In Virgin Hill Sand.
 75% OPERATED WI; 75% NRI
 28 Ft. Hill Sand In Newly Drilled Well.
 Est Reserves: 4 BCF/Well; 16 BCF/Proj.
 Dry Hole: \$525,000; Compl: \$187,000
DV 9556 SubSurface Geology.

EAST TEXAS

EAST TEXAS LEASE ACRES

+/- 17,000-Acres.
DELTA, HOPKINS, LAMAR, FRANKLIN
& RED RIVER COUNTIES
 Available For Lease; 80% NRI **ACREAGE**
 CONTACT PLS TO LEARN MORE
L 9336

HENDERSON & RUSK CO., TX PKG

2-Units. ~1,023-Acres. 7-PUDs.
OAK HILL & TRI-CITIES FIELDS **480 MCFD**
 Cotton Valley Production.
 Behind Pipe Possible: Travis Peak/Pettit
 Significant UpSide Potential.
 100% OPERATED WI; 73-77% NRI
 Total Production: 480 MCFD
 Total Proved Net PV10: ~ \$9.3 MM
 CONTACT AGENT FOR DATA PACKAGE
PP 9227DV

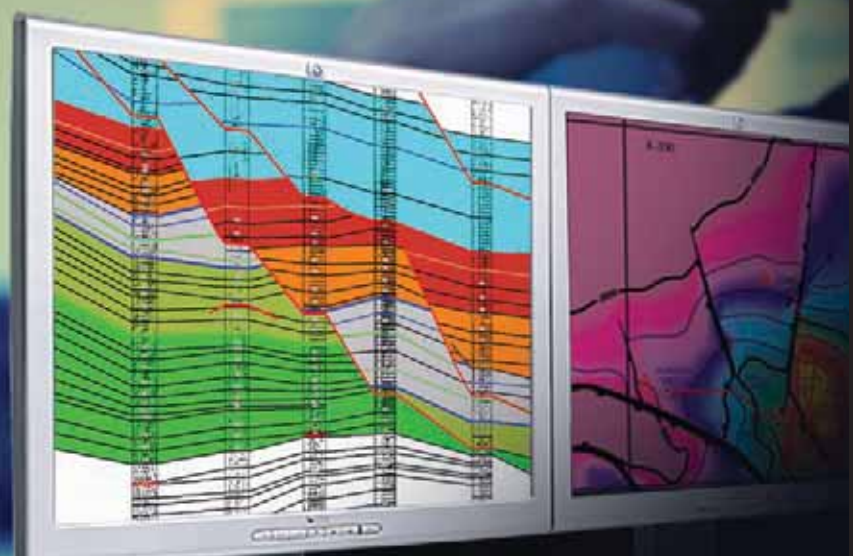
Rusk County: 71-Drilling Permits

Anadarko E&P Co. LP (3), Cabot Oil & Gas (8), Carr Resources (1), Chinn Expl. Co. (2), Comstock Oil & Gas (1), Danmark Energy Services (2), El Paso (7), Encana (3), Enduring Resources (2), Enervest Operating (8), EOG Resources (2), EXCO Resources (4), GMT Expl. (4), Goodrich Petroleum (11), H&T Exploration (1), Houston Expl. Co. (6), King Operating Corp. (1), PMO (2), Range Production (1), Samson Lone Star (1), Stroud Energy (1)

PLS Listings Marked By PLS Logo are Opportunities Being Handled By The PLS Marketing Arm.

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David Coddling,
 Manager of New Ventures & Technology,
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EAST TEXAS

HENDERSON CO., TX MINERALS
EAST TEXAS
100% Owned. All Depths. **LEASE**
Minerals For Lease Not For Sale.
M 8191DV

HENDERSON CO., TX PROSPECT
2-Possible Wells.
LARUE FIELD 500 MBO
Obj 1: Bacon Lime
Obj 2: 2nd Rodessa
Obj 3: Pettit
Close In - PTD 9,000 Ft.
30% OPERATED WI; 75% NRI
Est Recoverable Rsvs: 500 MBO
Dry Hole: \$430,219; Compl: \$370,708
DV 9428

HENDERSON CO., TX PROSPECT
~1,994 Gross & ~1,745 Net Acres.
5 PROSPECTS NNE of FAIRWAY FIELD
Obj 1: Rodessa & Pettit @ 9,000-10,500 Ft.
Obj 2: Upper Travis Peak @ ~11,000 Ft.
OPERATIONS AVAILABLE; 77% NRI **>7 BCFe**
Est Reserves: 1.1 MBO & 7.2 BCF/Gas
LOOKING FOR PARTNERS TO DRILL
DV 7216

Henderson Co.: 2-Drilling Permits
Peak Energy (1), XTO Energy Inc. (1)

MARION & CASS CO., TX
24-Tracts. >10,544-Total Acres. **MINERALS**
EAST TEXAS LEASES TO DRILL
Mineral Interest For Lease.
Seller Will Entertain Separate Offers.
CONTACT PLS TO LEARN MORE
L 9600

Marion County: 4-Drilling Permits
C.W. Resources, Inc. (2), Nadel and Gussman (2)

NACOGDOCHES CO., TX PROSPECT
2-Initial Proposed Wells. 654 +/- Acres.
TRAWICK FIELD 13 BCF
Obj 1: James Lime Horztl. TVD 11,500 Ft.
Obj 2: Travis Peak Vertical @ 9,000 Ft.
Direct ExxonMobil Offsets.
25% NonOperated WI Available; 75% NRI
Est Recoverable Reserves: 13 BCF
— CALL PROSPECT CENTRE
DV 9389

Nacogdoches Co: 41-Drilling Permits
Apache Corp. (2), Chesapeake Operating, Inc. (5), Comstock Oil & Gas, LP (2), Encana Oil & Gas (USA) Inc. (1), Enerquest Corp. (5), EOG Resources, Inc. (3), Exxon Mobil Corp. (1), Fair Oil, Ltd. (2), LKD Corp. (1), Ovation Energy II, LP (2), Petrohawk Operating Co. (1), Samson Lone Star LP (10), Sonerra Resources Corp. (3), Southwestern Energy Prod. Co. (2), Virtex Petroleum Co., Inc. (1)

SMITH CO., TX REEF PLAY
28-Well Potential. 2,861-Gross Acres. **PLS**
VERTON FIELD. 1,795-NET ACRES.
Obj 1: Haynesville Reef Opportunity
Obj 2 & 3: Cotton Valley & Rodessa **40 BCFe**
90% OPERATED WI; 77% NRI
Rodessa Objective Yield: 240 MBO/Well
Cotton Valley Reef Yield 1.8 BCF/Well
Haynesville Lime Yield: 3.0 BCFe/Well
— IMMEDIATE OPPORTUNITY
DV 8620

Smith County: 23-Drilling Permits
Atlantis Oil Company, Inc. (1), Encore Operating, L.P. (3), J-W Operating (3), Map Production Co., Inc. (1), Southwestern Energy Prod. Co. (15)

EAST TEXAS

GREGG & RUSK CO., TX PROPERTIES
256-Wells.
EAST TEXAS FIELD 3,300 MMCFe
Woodbine (3,600 Ft.)
Experienced Operator.
Small NonOperated WI For Sale.
Net Production: 135 BOED
Net Proved Rsvs: 500 MBO & 300 MMCF
Proved Net PV10: \$10.7 MM
3rd Party Engineering.
CONTACT AGENT FOR DATA PACKAGE
PP 8314DV

Gregg County: 12-Drilling Permits
Burlington Resources (2), Chinn Exploration (2), Dallas Prod. (1), Geo-Vest (3), Hunt Petroleum (1), Machin & Assoc. (1), TkOK Texas Energy (2)

EAST TEXAS RE-ENTRY
5,000-Acres.
EAST TEXAS BASIN HORIZONTAL
Austin Chalk ReEntry.
Targeting Deeper Pay.
Buda & Georgetown Trend.
SEEKING WI PARTNERS
500-Miles Of 2-D Data Available.
DV 9248HZ

NORTH TEXAS

NORTH TEXAS WATERFLOOD
27-Active Wells. 20-WIW. 2,983-Acres.
STEPHENS & YOUNG CO 200 BOED
Deep Rights, Drilling/Workover Potential.
91% OPERATED WI; >80% NRI
Gross Prod: 267 BOPD & 55 MCFD
Net Production: 200 BOED
Net Cash Flow: \$163,000/Mn
Low Decline Rates.
PP 8347WF

TEXAS ROYALTY FOR SALE
JACK COUNTY REGULAR FIELD
SMALL ROYALTY INTEREST FOR SALE
Gross Production: >36 MCFeD **ROYALTY**
CONTACT SELLER TO LEARN MORE
RR 9658

WISE CO., TX NEWARK EAST
2-Well Potential. 168-Acres. **PLS**
BARNETT SHALE BARNETT
OffSet to Solid Production.
Gas Line In Place.
McPeck Horiz @ 1,850 Ft. & 1,800 Ft.
LOOKING FOR WI PARTNERS; 75% NRI
CONTACT PLS FOR MORE INFO
DV 9437HZ

Wise County: 43-Drilling Permits
Aruba Petroleum (1), Burlington (7), Cal-Tex Fossil (1), Citrus Energy (1), Sark Horse Operating (1), Denbury (1), Devon Energy (20), Encana (2), Enexco (1), Lakota Energy (2), Primexx (1), Range Production (1), Roil Mineral & Land (2), Western Chief (1), Westside Energy (1)

ARCHER CO., TX LEASE
1-Well & 1-Injector Well. 80-Acres. **LEASE**
NORTH TEXAS
Permitted Commercial Injection Well.
Probable Prod Increase After Workover.
Both Wells Fully Equipped.
Stripper Production.
Cumulative Prod Since 1983: >69 MBO
CONTACT AUSTIN AGENT FOR PKG
PP 9117L

Archer County: 18-Drilling Permits
A&B Minerals (2), BM Oil Co. (3), Cobra (1), Bob Craig (2), Energy Group of America (1), Palmer Tank Trucks (2), John Palmer (2), Palmer, Mike Oil (1), Rogers Drilling Co. (1), Willowbend Investments, Inc. (2), Z&G Operating (1)

NORTH TEXAS

COOKE CO., TX PROPERTY
2-SWD Wells. 10-Acres.
COOKE COUNTY REGULAR >26 BOED
Commercial Disposal Facility
— Barnett Shale Activity.
Monthly Injection: 80,000 bbls
100% OPERATED WI For Sale.
Monthly Oil Sales: 100 BOPM
Net Cash Flow: \$40,000/Mn
CONTACT AUSTIN AGENT FOR PKG
PP 9439SWD

Cooke County: 4-Drilling Permits
Encana Oil & Gas (2), Joint Resources (1), Rife Energy Operating (1)

CORYELL CO., TX ACREAGE
12,500-Acre Project.
SOUTHERN BARNETT SHALE BARNETT
Horizontal Test- Upper Barnett. 6,000 Ft.
Similar Wells Make 750-2,500 MCFD
Expected Reserves: 80 BCF Per Sq Mile
DV 8722

Coryell County: 3-Drilling Permits
Scully Energy Corp. (3)

DENTON CO., TX PACKAGE
5-Directional Gas Wells. 208-Acres. **PLS**
BARNETT SHALE 341 MCFD
Significant UpSide Potential.
Potential To Drill 5-6 New Wells
100% OPERATED WI; 80.5% NRI
Gross Production: 424 MCFD
Net Production: 341 MCFD
Est Reserves: 3.8 BCF
Offsetting Wells – Avg IP: 1,500 MCFD
CONTACT PLS FOR DATA PACKAGE
PP 8846DV

Denton County: 50-Drilling Permits
Burlington Resources (7), Chief Operating (3), Devon Energy (17), Dune Operating (2), Eagle Oil (2), Encana (4), Encore Operating (1), Endeavor Energy (1), J-W Operating (1), Range Production (1), Saddle Creek Energy (2), Chief (1), Williams Prod. (4), XTO Energy (4)

ERATH CO., TX LEASE
3,000-Acres.
NORTH TEXAS LEASE
Active Area.
M 9097L

Erath County: 22-Drilling Permits
Carrizo Oil & Gas, Inc. (1), Denbury Onshore (1), EOG Resources, Inc. (10), Great Northern Energy Inc. (4), Majestic Consulting LC (1), Quicksilver Resources (2), Reichmann Petroleum (3)

FOARD CO., TX WILDCAT
36,000-Acres Contiguous. 1-Owner.
NORTH TEXAS WILDCAT
Multi Pay Zones: 2,900-8,700 Ft.
Available For Seismic Option & Lease.
100% OPERATED WI; 80% NRI
Area Cumms: 30 BCF/Field
AUSTIN AGENT HAS PACKAGE
DV 9538

HILL CO., TX ACREAGE
715-Acres.
BARNETT SHALE ACREAGE
100% OPERATED WI; 75% NRI
M 9339L

Hill County: 10-Drilling Permits
Carrizo Oil & Gas, Inc. (2), Chief Oil & Gas (1), DTE Gas (4), EOG Resources (1), J-W Operating (1), Westside Energy (1)

NORTH TEXAS

JOHNSON CO., TX SALE PKG
6-Producers. New Well Waiting On Tie-In
5,000 Acres. 2-Adjacent Blocks.
Area Approved For 20 Acre Spacing.
8th Well Set To Spud September **DV**
EAST NEWARK/BARNETT SHALE
10-15 Proved Undeveloped Locations
20-25 Possible Locations
OnGoing Drilling Program
3-D Seismic
75-85% Operated WI Available.
Recent Production: 6.0-8.0 MMCFD
New Engineering Report Available
Package Being Prepared Mid-August
Call PLS To Get On Buyers List
PP 6013DV

Johnson Co. 109-Drilling Permits
Adexco Operating Co. (1), Aspect Energy (1), Burnett Oil Co., Inc. (1), Chesapeake Operating (29), Coastal Plains Energy (1), Devon Energy Production Co. (22), EOG Resources (22), Grand Operating (1), Don H. Hanvey Oil Interests Inc. (1), J-W Operating Co. (1), Joint Resources (1), LLano Operating (3), Quicksilver Resources (2), Stroud Energy (2), Hollis R. Sullivan, Inc. (1), Texas Transco Inc. (1), TWJM Services (1), Williams Prod. Guldf Coast (2), XTO Energy (15), Marshall R. Young Oil Co. (1)

MONTAGUE CO., TX ACREAGE
1,500-Acres.
BARNETT SHALE BARNETT
Adjacent To Wells Prod: 300 BOPD
M 8889L

MONTAGUE CO., TX PROJECT
Horizontal Drilling. 500-Acres.
FORT WORTH BASIN 400 MBO/Well
Penn Reef & Penn Conglomerate
Strong SubSurface Control.
70% OPERATED WI; 77% NRI
Est Reserves: 400 MBO/Well
Dry Hole: \$700,000; Compl: \$100,000
DV 7879HZ

MONTAGUE CO., TX PROSPECT
BARNETT SHALE HORIZONTAL
Horizontal Well Locations —
100% OPERATED WI; 75% NRI
Near Existing Well With IP
— 700 BOPD & 1,500 MMCFD
DV 9576HZ

Montague Co.: 29-Drilling Permits
Chaparral Energy (2), Dark Horse Operating (1), Glahn Resources, Inc. (1), HEP Oil Co., Ltd. (1), Muenster Drilling Co. Inc. (3), Osborn, W.B. Oil & Gas Operations (1), Peak Flow Operating & Drilling LP (1), PEBA Oil & Gas (16), Steven B. Tittleton (1), Trio Consulting & Management (1), V&H Oil, LP (1)

PARKER CO., TX ROYALTY
1-Well.
EAST NEWARK FIELD BARNETT
SMALL ROYALTY INTEREST FOR SALE
Gross Production: >2,150 MCFD
CONTACT SELLER FOR MORE
RR 9003

Parker County: 98-Drilling Permits
Adexco Operating Co. (1), David H. Arrington, Oil & Gas (5), Burlington Resources (4), Cal-Tex Fossil (1) Carrizo 6), Chief Oil & Gas (7), Crown Equipment (1), Denbury (5), Devon Energy (9), Encana (3), EOG Resources, (5), Harding (1), Majestic Consulting (1), C.B. Moncrief (1), Nabors Well Services (1), Llano Operating (2), P.L.O. (1), Range (1), Reichman Petroleum (6), Republic Energy (2), Sauder Management (1), Shell (7), Stroud Energy (2), Chief (2), XTO (24)

Listings Work

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Permian Basin
Midland, TX
432-685-0075

Corporate Office
State College, PA
814-278-7267



NORTH TEXAS

RUNNELS CO., PROJECT TO DRILL
 1-Producer. 5-Locations. 20-Acre Sp.
NORTH TEXAS **FRY SAND**
 Primary Interval: Fry Sand Zone.
 Additional Behind Pipe Potential.
 Gardner Sand Also Possible.
 Looking For Investor Or Partner
 Current Producer: 12-20 BOPD
 500-Acres. Additional Locations Possible.
 Seller Desires Original OV & BackIn.
PP 8408DV

Runnels County: 25-Drilling Permits
 Cholla Petroleum, Inc. (1), Imperial Gas Resources (4), Panamerican Operating (1), Pioneer Exploration (16), Rhyne (1), Sha-Jam Operating Corp. (1), Telesis (3)

WISE CO., TX SALE PACKAGE
BARNETT SHALE **3.7 MMCFeD**
 Gross Production: 3.7 MMCFeD
 Sales Materials Available In September.
 CONTACT DALLAS AGENT FOR INFO
PP 6037DV

NORTH TEXAS PROSPECTS
 Denton, Parker, Erath & Johnson Co's
BARNETT SHALE **BARNETT**
 SEEKING PARTNERS: 50-75% WI
 Est Reserves: 1.5-4.0 BCF/Well
DV 9219

NORTH TEXAS SWD FACILITY **PLS**
 560-Acre Salt Water Disposal Facility
BARNETT SHALE **SWD/DV**
 Serving 50 Companies/Clients.
 New Client Will Add 10,000-12,000 BWPD
 SWD Monthly Injection: 16,000 BWPD
 System Permitted For 30,000 BWPD
 Skim Oil System Generates 10-15 BOPD
 560 Acres Offers-Own Barnett Shale Sites
 Attractive Growing/Operating Business
 Expected YearEnd Cash Flow \$300,000 Mn
 NEGOTIATED SALE
SWD 9085P

TEXAS PANHANDLE

FLOYD & MOTLEY CO., TX PROJECT
 2-Wells Drilled. 1-Compl. 46,000-Acres. **PLS**
PALO DURO BASIN PLAY
 3rd Well Ready To Drill.
 Unconventional Shale Play. **PALO DURO**
 Pennsylvanian Shale @ 10,000 Ft.
 NonOperated or Operated WI Available
 1-Vertical Test Well Is Producing.
 Family Trust Will Deliver 75% NRI
 Well Costs/Completed: \$2,000,000
 5-10 Year Leases. With Lse Extensions.
DV 9064PP

Floyd County: 2-Drilling Permits
 Petroglobe Energy USA LTD (2)

HALL & MOTLEY CO., TX ACREAGE
 +/- 78,000-Acres.
PALO DURO BASIN **PALO DURO**
 Available For Lease; 80% NRI
 CONTACT PLS TO LEARN MORE
L 9335

LIPSCOMB CO., TX PROSPECT
 1-Recompletion Well; 320-Acres.
ANADARKO BASIN
 Cleveland Target @ 7,345-7,396 Ft.
 60% NonOperated WI; 75% NRI
 Est Net Reserves: **PANHANDLE**
 Completion Cost: \$300,000
DV 8257

Lipscomb Co.y: 32-Drilling Permits
 Chesapeake Operating Inc. (3), EOG Resorces (5), H&L Operating (1), Holmes Exploration (3), Jones Energy (5), Merit Energy (2) Mewbourne Oil (8), Samson (4), Upland Resources (1)

MOTLEY CO., TX PROSPECT **PLS**
 >4,000-Acres.
PALO DURO BASIN
 Obj 1: Barnett Shale (Look A Like)
 Obj 2: Lower Pennsylvanian Sand
 1.5 Miles From Vintage Discovery Well.
 75% OPERATED WI; 75% NRI
 SubSurface Geology Defined. **50 BCF**
 Est Reserves: 50 BCF
 CONTACT PLS FOR DATA PACKAGE
DV 8228

SOUTH TEXAS

BROOKS CO., TX ASSETS FOR SALE
NORTH RUCIAS FIELD **ASSETS**
 Package Coming Soon.
 Information On This Offering
 — Available In The Near Future
 CONTACT AGENT WITH QUESTIONS
PP 9207DV

Brooks County: 4-Drilling Permits
 Bepco Operating Co. (1), Erskine Energy (2), Samson Lone Star, LP (1)

Call 713-650-1212
 To List A Property
 There Are No Commissions



SOUTH TEXAS

WEBB CO., TX PROSPECTS
 3 PUD Locations On 1,400-Acres.
CABEZON FIELD **WILCOX**
 Wilcox Targets @ 7,500 Ft. & 5,300 Ft.
 8-UpDip Producing Locations.
 3-D Seismic. SubSurface Geology.
 75% OPERATED WI; 72% NRI
 Field Has Cum'm'd 19.2 BCF
 — From Wilcox @ 5,300 Ft.
 Est Rsrvs: 3.5 BCF/Well; 14 BCF/Proj
 Shallow Normal Pressure.
 Dry Hole: \$650,000; Comp: \$100,000
DV 9517



Webb County: 68-Drilling Permits
 Barrett Brothers Oil & Gas (1), Blackbrush O&G (6), Chesapeake (1), ConocoPhillips (9), Devon Energy (1), EOG Resources (6), S. Lavon Evans Jr. Oper. (2), Houston Exploration (4), Huber Energy (2), Kerr-McGee (3), Killam Oil (2), Legend Natural Gas (1) Lewis Petro Properties (14), Metano Energy (3), Ricochet Energy, (1), Rosetta Resources (4), Sabco Operating (1), United Resources (2), Virtex Petroleum (3), Welhausen (2)

BEE CO., TX PROSPECT
 1-Well. 1-Prospect. 510 Acres.
WILCOX @ 9,000 FT **2 BCF**
 SubSurface.
 100% OPERATED WI; 78% NRI
 Est Reserves: 2.4 BCF
DV 7507

SOUTH TEXAS

BEE CO., TX WILDCAT
 ~2,000-Net Acres.
SOUTH TEXAS READY TO DRILL
 Multiple Wilcox Sands @12,000-13,000 Ft.
 Shallow Production Proved By Fault Block.
 3-D Seismic Data.
 53% WI; 75% NRI **>250 BCF**
 Operations Available.
 Potential Reserves: >250 BCF
DV 9127

Bee County: 17-Drilling Permits
 Bridwell Oil Co. (3), Dewbre Petroleum Corp. (1), Dominion (1), Enduring Resources (1), Dan A. Hughes Company, (1), W. Dale Morris (1), Petrohawk Operating (4), Pioneer Natural Resources (2), Tidal Petroleum (1), United Resources (1), West Tuleta Operating Corp. (1)

BROOKS CO., TX PROJECT **PLS**
 12-Wells. 4-PUD Locations. 400-Acres.
SOUTH TEXAS **15-17 BCFe**
 Vicksburg Producing (8,000-11,000 Ft.)
 Multi-Pay Vicksburg Stringers.
 Significant Upside/PDNP & Behind Pipe
 75-100% OPERATED WI; ~74% NRI
 Gross Prod: 500 BOPD & 3,600 MCFD
 Net Cash Flow: \$1,000,000/Mn
 Total Proved Rsrvs: 697 MBO & 12.4 BCF
 Total PDP Reserves: 431 MBO & 4.3 BCF
 Total PV10 Range: \$42.1 MM-\$63.6 MM
PP 8868DV

SOUTH TEXAS

BROOKS CO., TX PROSPECT **PLS**
 880-Acres.
SOUTH TEXAS **2-6 BCF/3D**
 Obj 1: Loma Blanca & Lower Vicksburg
 Obj 2: Several Targeted Areas
 Defined By SubSurface & 3-D Seismic.
 25% NonOperated WI Available.
 Production In Immediate Vicinity.
 North Wells Have Cum'm'd >2 BCF
 Est Reserves: 2-6 BCF/Well
 Trapped Hydrocarbons In Loma Blanca.
 CONTACT PLS TO LEARN MORE
DV 9649

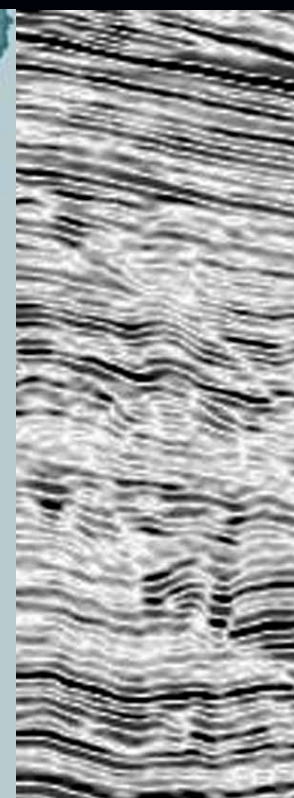
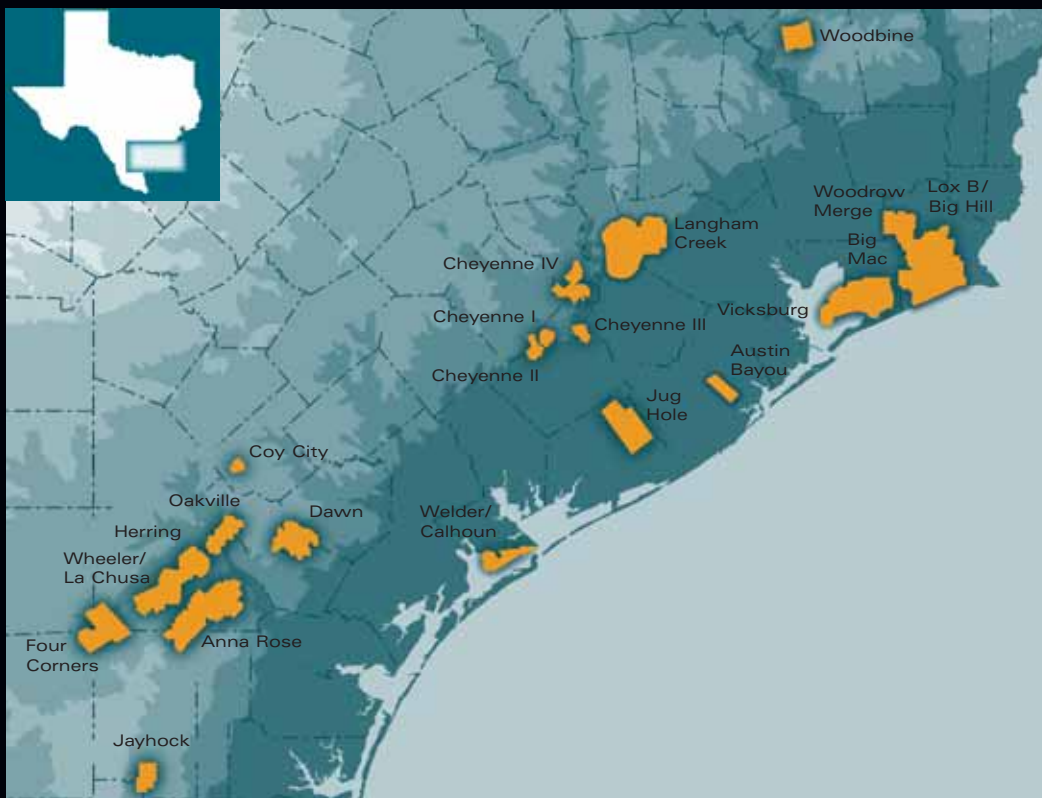
CALHOUN CO., TX PACKAGE **PLS**
 3-Wells. State Waters. 1,181-Acres.
ZOLLAR FIELD **21 BOED**
 Frio (~9,000 Ft.) Various Stringers.
 Additional Upside — ReCompletion/Acreage.
 3D Seismic & Geology/Support Upside
 100% OPERATED WI; 73.5% NRI
 Gross Prod: 16 BOPD & 70 MCFD
 Net Production: <13 BOPD & ~51 MCFD
 Net Cash Flow: \$28,000/Mn
 PLS HAS SALE PACKAGE FOR BUYERS
PP 9037DV

Calhoun Co.: 2-Drilling Permits
 Cummins & Walker (1), Davis Gulf Coast (1)



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SOUTH TEXAS

DUVAL CO., TX PROPERTIES
8-Wells. 1-SWD. 3-PUDs. +730-Acres.
SOUTH LONGHORN FIELD
One Well Producing: Pettus (5,740 Ft.)
Others: Hockley (4,280 Ft.) Cole (4,200 Ft.)
Plus Additional Inside Drilling Locations.
100% OPERATED WI; 75% NRI
Net Production: 18 BOPD **18 BOPD**
Net Cash Flow: \$23,000/Mn
Est Total Reserves: >160 MBO
Exempt For State Severance Tax.
PP 9278DV

DUVAL CO., TX PROSPECT
1,600-Acres.
GULF COAST BASIN
Obj 1: House Target @ 17,500 Ft.
Obj 2: Reagan @ 16,500 Ft. **100 BCF**
3-D Seismically Defined.
50% OPERATED WI; 75% NRI
High Side 3-Way Closure.
Est Reserves: 100 BCF
Dry Hole: \$4,102,706; Compl: \$1,775,870
DV 8886

DUVAL CO., TX SALE PACKAGE
640-Acres HBP. 2-PDP. 1-PDNP. 1-PUD.
BRAVO FIELD
All Rights Thru 3rd Hinnant (Wilcox "C")
Low Operating Costs.
SIGNIFICANT UPSIDE POTENTIAL **450 MCFeD**
65% OPERATED WI For Sale.
Net Production: 5 BOPD & 420 MCFD
Net Cash Flow: \$30,000/Mn
Negotiated Sale.
CONTACT AGENT FOR UPDATE
DV 8268

Duval County: 18-Drilling Permits
Denali Oil & Gas (1), Devon Energy (2), Jerry C. Dewbre (1), Discorbis Oil (2), EOG Resources (1), Live Oak Reserves (2), Noble Energy (1), Reichmann Petro (3), Reserve Operating (2), Southern Bay (1), U.S. Enercorp (1), Wagner Oil Co. (1)

FRIO & LASALLE CO., TX
17-Wellbores. **WELLBORES**
SOUTH TEXAS
No Surface Equipment.
OPERATED WI FOR SALE
1-Well Never Produced.
IP: 164 Bbls/6Hrs
CONTACT AUSTIN AGENT
DV 9699PP



Frio County: 2-Drilling Permits
Virtex Petroleum Co., Inc. (2)
LaSalle County: 12-Drilling Permits
Alamo Operating Co. (1), Escondido Resources (5), Hawthorn Energy Partners (1), Lewis Petro Properties (4), Virtex Petroleum Co. (1)

GUADALUPE CO., TX DISPOSAL
Recompl Candidate On 14-Acre Lease.
COMMERCIAL DISPOSAL
Daily Injection: 5,000 bbl **SWD**
FOR SALE or JOINT VENTURE
Recent Mechanical Integrity Test.
SWD 8313DV

HIDALGO CO., TX DEVELOPMENT
3-Frio Wells. 143-Acres. 1-Prospect
FRIO & VICKSBURG BASIN
Obj 1: G Sand @ 8,000 Ft. **2-6 BCF/3D**
Obj 2: M & N Sands @ 8,500 Ft.
3-D Seismic/SubSurface/GeoPhysics.
100% OPERATED WI; 75% NRI
3-Way Closure/Uphrown/UpDip
— To Existing Sand Control
Est Reserves: 2-6 BCF
DV 8609

HIDALGO CO., TX LEASE
SOUTH TEXAS ACREAGE **ACREAGE**
Available For Lease; 80% NRI
CONTACT PLS TO LEARN MORE
L 9337 +/- 3,000-Acres.

Hidalgo County: 32-Drilling Permits
Abaco (1), Capital Star Oil & Gas (2), Chesapeake (1), Chevron (2), Dewbre (2), El Paso (4), EOG Resources (4), Fidelity Expl. & Prod (1), Greehey & Co. (1), Headington Oil (1), Jetta Operating (2), Kaler Energy. (1), Riddle Engineering (2), Shell (5), Sierra Resources (1), Smith Production (1), XTO (1)

SOUTH TEXAS

JACKSON CO., TX DEVELOPMENT
240-Acres.
SOUTH TEXAS PROSPECT
Upper Wilcox "C" @ 10,850 Ft.
Downtrown Trap Targeted. **DV/STX**
3-D Seismic Defined. Low Risk.
73.5% NRI; 25% Lease Royalty
& 1.5% ORRI Prospect Generator
Est Reserves: 13.4 BCF
Dry Hole: \$1,100,000; Compl: \$1,500,000
DV 7543L

Jackson County: 5-Drilling Permits
Cordele Development (1), DJ Explor. (1), Nueces Petroleum (1), Tri-C (2)

JIM HOGG CO., TX PROSPECT
1-Proposed Well. 40-Acres.
SOUTH TEXAS
Obj 1: Hockley @ 4,800 Ft.
Obj 2: Jackson @ 3,900 Ft. **860 MMCFe**
SubSurface Geology.
100% OPERATED WI; 72% NRI
Equipment, SWD Well &
— Low Pressure Gas Tap For Sale.
Est Reserves: 60 MBO & 500 MMCF
DHC: \$100,000; Compl: \$80,000
DV 6497

JIM HOGG CO., TX PROSPECT
2-Wells. 1-Prospect. 80-Acres.
NORTH RANDADO FIELD **DV/TX**
Obj 1: Yegua @ 4,000 Ft.
Obj 2: Hockley @ 1,900 Ft.
Rework ShutIn Well: Cole @ 1,750 Ft.
100% OPERATED WI; 75% NRI
Replacement Well To Abandoned.
ReEntry Gas Tap In Place Plus Equipment
SubSurface Geology.
Dry Hole Cost: \$75,000
DV 6614

Jim Hogg County: 6-Drilling Permits
Mestena Operating (5), Newfield (1)

JIM WELLS CO., TX SALE PACKAGE
5-Shut-In Wells.
QUINTO CREEK **DV/SI**
Obj 1: Pundt Sand @ 5,145 Ft.
Obj 2: Frio @ 4,930 Ft.
Behind Pipe Gas Sands.
100% OPERATED WI For Sale.
DV 6495SI

Jim Wells County: 1-Drilling Permit
Continental Exploration (1)

LAVACA CO., TX PROJECT
700-Leasehold Acres. **DV/STX/3-D**
SOUTH TEXAS
Yegua & Wilcox To 13,500 Ft.
3-D Seismic.
45% OPERATED WI LEFT
Total Reserves: 21 BCF
Dry Hole: \$2,500,000; Compl: \$1,000,000
DV 7245

LAVACA CO., TX PROSPECT
BENBOW FIELD **DV/3D**
Base Of Gorge @ 13,400 Ft.
Close by Productive Analogies.
3-D Seismic Defined.
100% OPERATED WI; 73% NRI
Field Has Cum'm'd 6 BCF/Well
Est Reserves: 11 BCF
Dry Hole: \$700,000; Compl: \$400,000
DV 7243

LAVACA CO., TX PROSPECTS
2-Prospects. 437 +/- Acres.
GULF COAST BASIN **1.5 BCF/3D**
Well 1: Frio @ 3,000 Ft.
Well 2: Miocene @ 1,000 Ft.
3-D Seismic.
25% NonOperated WI For Sale.
READY TO DRILL
Est Reserves: 1.5 BCF
DV 9139

Lavaca County: 35-Drilling Permits
Camden Resources (1), Cavalier (2), Cimarex Energy (1), Dominion (2), El Paso (1), H.P. Ellsworth (3), Jamex, Inc. (1), Geodominion Petroleum (1), LGDC (3), Lou Little Operating (1), Magnum Producing (1), New Century Exploration (4), Northstar Energy (1), Peoples Energy (2), Pioneer Natural Res. (3), Rincon Petroleum (1), Sequoia Management (1), Trio Consulting (5), C.J. Wofford (1)

SOUTH TEXAS

LIVE OAK CO., TX PROPERTY
2-Wells. 9-PUDs. 4,660-Acres.
SOUTH TEXAS
UpSide Potential. **780 MCFD**
20% NonOperated WI For Sale.
Net Production: 780 MCFD
Net Proved Reserves: 7.3 BCF
PV10: \$17MM
CONTACT AGENT FOR UPDATE
PP 8317L

Live Oak County: 10-Drilling Permits
Aurora Resources Corp. (1), Bexco (1), Double Play Oil & Gas (1), Harper Heftle (1), KCS Resources (1), LMP Exploration (1), Magnum (1), Mosbacher Energy (1), Pioneer Natural Resources (1), Zenergy (1)

MAVERICK & FRIO CO., TX PACKAGE
12-Wells. 2,417-Acres.
CHITTIM & PEARSALL FIELDS
Pearsall: Austin Chalk Oil Production
Chittim Glen Rose at 5,000 Ft. **12 WELLS**
Glen Rose Porosity/Horizontal Play.
<58% OPERATED WI; 76% NRI
Gross Prod: 12-15 BOPD & 400 MCFD
Plant Generates Third Party Income.
12/Mns Net Revenues: \$57,000/Mn
Some Glen Rose Yield 1.0 BCF/Well
— Seller Preparing a Geological Study
PP 8207HZ

Maverick County: 23-Drilling Permits
Blue Star Operating (1), ConocoPhillips (16), Exploration Co. (6)

MCMULLEN CO., TX PROSPECT
20-Development Wells. 3,733-Acres.
GULF COAST BASIN **>40 BCF**
Obj 1: Lower Wilcox @ 7,500 Ft.
Obj 2: Middle/Upper Wilcox 5,000-7,000 Ft.
Proven Gas Productive. Stack Pays.
100% OPERATED WI; 75% NRI
Large Structure. Infrastructure In Place.
Est Rsrvs: 1.9 - 10 BCF/Well
Est Rsrvs: >40 BCF & Cond/Proj
Dry Hole: \$350,000; Compl: \$200,000
DV 9709

MCMULLEN CO., TX PROSPECT
11-Development Wells. 710-Acres.
GULF COAST BASIN **40 BCFe/3D**
Obj 1: Escondido @ 11,000 Ft.
Obj 2: Wilcox-Cole 7,500 Ft. & 2,000 Ft.
New Oil Field Discovery Defined By 3-D.
100% OPERATED WI; 75% NRI
GeoPressured.
Est Rsrvs: 400 MBO & 1 BCF/Well
Est Rsrvs: 5,000 MBO & 10 BCF/Proj
Dry Hole: \$1,800,000; Compl: \$600M
DV 9648

MCMULLEN CO., TX PROSPECT
1,216-Net Acres.
LA JOLLA RANCH FIELD
Sligo & Edwards @ 15,000-17,000 Ft.
Pipeline On Lease. **70 BCF**
3-D Seismic Data.
70% OPERATED WI; 75% NRI
Potential Reserves: 70 BCF
DV 9129

MCMULLEN CO., TX PROSPECT
3-Proposed Wells. 1,220-Acres Leased.
SOUTH TEXAS
Lower Cretaceous Sligo Target. **41 BCF/Well**
3-D Seismic.
100% OPERATED WI; 75% NRI
Est Reserves: 41 BCF/Well
DHC: \$3,500,000; Compl: \$1,000,000
DV 8825L

McMullen County: 6-Drilling Permits
Blackbrush (1), Camden Resources (1), Swift Energy (3), U.S. Enercorp (1)

MILAM CO., TX PROSPECT
~60-Wells Possible. 320-Acre Spacing.
12,000-ACRES. CENTRAL TEXAS.
Up To 15,000-Acre Potential.
Cotton Valley, Hosston & Sligo Targets.
SEEKING WI PARTNERS **>100 BCF**
50% NonOperated WI; 75% NRI
OPERATIONS Negotiable.
Discovery Well Drilled & Logged.
Est Reserves: >100 BCF
DV 9528L

Milam County: 10-Drilling Permits
C-D Oil Co. (10)

SOUTH TEXAS

SAN PATRICIO CO., TX LEASE **PLS**
3-Wells. 1-SWD Well.
MATHIS FIELD **6-8 BOED**
Het (2,500 Ft.) & Vicksburg (4,190 Ft.)
Small NonOperated WI For Sale.
Gross Production: 60 BOPD & 19 MCFD
Net Cash Flow: \$6,630/Mn
PP 9448DV

San Patricio Co.: 10-Drilling Permits
EOG Resources (5), Rincon Petroleum Corp. (1), Slawson Exploration Co., Inc. (1), Southern Bay Operating (3)

SOUTH TEXAS DRILLING RIG
For Sale
EmSCO 500 Drill Rig **RIG**
Contact Land Rig For More Information
RG 8435

SOUTH TEXAS PRODUCTION
20-Producers. 35-ShutIn Wells.
GANADO AREA **125 BOPD**
Frio Production.
ShutIn Wells Can be Brought Online/Gas
Remedial Work. Wells Need Pump Jacks
100% OPERATED WI. 79-80% NRI.
Gross Production: 125 BOPD
Gas Lift. Field.
— 3rd Party Engineering Report Available
— Must Buy This Field w/ Permian Assets
— Contact Denver Engineer For Packages
PP 9393RE

SOUTH TEXAS PROSPECTS
Unleased Ground Floor Prospect. **DV/FRIO**
HOUSTON SALT DOME
Frio Targets @ 8,000-11,000 Ft.
100% OPERATED WI; 75% NRI
Non-Pressured Test.
Est Reserves: 1-2 MMBO & 10-20 BCF
AGENT HAS PACKAGE
DV 9588

STARR CO., TX PROJECT **PLS**
10-Active Wells. 8,000-Acres.
RIO GRANDE CITY & GREGG WOOD
YEGUA DEVELOPMENT
Original-NonPressured-Frio, Vicksburg
GeoPressure Potent-Yegua, Wilcox, Queen
90% OPERATED WI; Up To 80% NRI
Gross Production: 350 MCFD **350 MCFD**
Waiting On New Pipeline To Complete.
Est Reserves: 500 MMCF/Well
— New Pipeline In Progress.
— Informal Sale Package Available
PP 9395DV

Starr County: 39-Drilling Permits
Ascent Operating, LP (2), Bommer Engineering Co. (2), BPL Exploration (2), EOG Resources (2), Houston Exploration Co. (7), Kerr-McGee (10), Lighthouse Exploration (1), Metano Energy (3), Mortimer Production Co. (1), Raptor Resources (1), Reichmann Petroleum (1), Shell (1), Smith Production. (2), Wagner Oil (1), White Oak Operating (3)

VICTORIA CO., TX PROSPECT
4-Recompletions. 1-New Drill. **DV/STX**
NORTH MCFADDIN
Greta & Catahoula @ 5,100 & 5,320 Ft.
Prolific Field.
100% OPERATED WI FOR SALE
Est Project Rsrvs: 18 MBC & 3 BCF
Negotiated Transaction.
STILL AVAILABLE
CONTACT AGENT FOR PACKAGE
DV 1363RE

Victoria County: 23-Drilling Permits
Acock/Anaqua Operating Co., LP (1), Brayton Operating Corp. (1), Cordele Development corp. (1), Esenjay Operating, inc. (2), Hart Petroleum Serv., Inc. (3), Klotzman, M.S. Exploration Co. (1), LTS Oil & Gas (1), Mandarin Oil & Gas Company (1), Patterson Petroleum (7), Pitchfork Oil & Gas (2), QNK Energy, Inc. (1), Texcom Operating (1), Union Gas (1)

WEBB CO., TX DISPOSAL FACILITY
Multi-Well Facility. **SWD**
COMMERCIAL DISPOSAL
Monthly Injection: 53,000 bbls
Monthly Oil Sales: 640 BOPM
Net Cash Flow: \$40,000/Mn
CONTACT AUSTIN AGENT FOR PKG
SWD 8437PP

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www.cpsenergy.com



SOUTH TEXAS

ZAPATA CO., TX DISPOSAL FACILITY
Multi-Well Facility
COMMERCIAL DISPOSAL **SWD**
Monthly Injection: 108,000 bbls/Mn
Monthly Oil Sales: 1,425 BOPM
Net Cash Flow: \$85,000/Mn
CONTACT AUSTIN AGENT FOR PKG
SWD 8436P

ZAPATA CO., TX PROSPECT
8-10 Wells Possible. 2,600-Acres.
FANDANGO - BOB WEST
Obj 1: Wilcox @ 18,500 Ft. **>500 BCF**
Obj 2: Hinnant @ 13,500 Ft.
3-D Seismic & Geophysics.
75% OPERATED WI; 74% NRI
Leased, Mapped & Ready To Drill.
Excellent Show Wells; Amplitudes on 3-D
Est Rsrvs:>50 BCF/Well; >500 BCF/Proj
DHC: \$8,000,000; Compl: \$4,000,000
DV 9318

Zapata County: 68-Drilling Permits
Chesapeake Operating, Inc. (10),
Chevron (2), ConocoPhillips (8), Devon
Energy (1), Enterprise Products Operating
(1), EOG Resources (2), Escondido
Resources (2), Houston Expl. Co. (8),
Killam Oil Co., Ltd. (1), Laredo Energy (5),
Legend Natural Gas (2), Newfield Expl.
(1), Peoples Energy (2), Pogo Producing
Co. (8), Reichman Petroleum Corp. (4),
Ricochet Energy, Inc. (1), Shell (1),
Synthetic Energy Corp. (3), U.S. Enercorp
(1), United Resources (2), Wagner Oil Co.
(3)

GULF COAST TEXAS PROSPECTS
ONSHORE
SOUTH & SOUTHEAST TEXAS AREAS
Multiple Targets: Frio Through Wilcox
Supported By 3-D Seismic. **ONSHORE**
OPERATIONS AVAILABLE
DV 8208

SOUTH TEXAS SALE PKG **PLS**
1-Producing Well. 2-New Wells Possible.
MATAGORDA ISLAND
3-D Seismic. Solid Geology. **525 MCFD**
UpSide/New Drilling.
100% OPERATED WI; 65.7% NRI
Gross Production: 700-800 MCFD
Net Production: 525 MCFD
Cash Flow: \$30,000/Mn
Recoverable Reserves: 3.2 BCF
Seller Presentation. Lafayette Data Room.
Negotiated Sale.
PP 8714DV



SOUTH TEXAS SALE PKG **PLS**
Vicksburg & Frio Opportunities.
Solid PDNP & ReCompletes. **4.0 MMCFeD**
Some PUDs. Limited Acreage.
100% OPERATED WI FOR SALE
Recent Net Production: 4.0 MMCFeD
Cash Flow: \$1.0 MM/Mn
— Flexible Seller.
PLS HAS PREPARED DETAILED PKG
PP 9069RE

SOUTHEAST TEXAS

BRAZOS CO., TX ROYALTY **ROYALTY**
GIDDINGS FIELD
(Austin Chalk Gas)
SMALL ROYALTY INTEREST FOR SALE
Total Gross Production: >342 MCFeD
CONTACT SELLER TO LEARN MORE
RR 9728

BRAZOS CO., TX ROYALTY **ROYALTY**
NAVASOTA RIVER FIELD
(Lower Cretaceous)
SMALL ROYALTY INTEREST FOR SALE
Gross Production: >215 MCFeD
CONTACT SELLER TO LEARN MORE
RR 9758

BRAZOS CO., TX ROYALTY PACKAGE **ROYALTY**
GIDDINGS FIELD
(Austin Chalk Gas)
SMALL ROYALTY INTEREST FOR SALE
Gross Production: >120 MCFeD
CONTACT SELLER TO LEARN MORE
RR 9789

AUSTIN CO., TX PROSPECT
1,721-Gross Acres.
SOUTHEAST TEXAS **>100 BCF/3D**
Wilcox Target. Large Natural Gas Rsrvs.
3-D Seismically Defined.
75% NRI Delivered.
Gas Shows In Off Structure Wells.
Est Reserves: >100 BCF
Complete Well Cost: \$5,000,000
DV 1145L

Austin County: 13-Drilling Permits
A.C.T. Operating (2), Etoco (1), Strand
(1), Geosouthern Energy(2), R.T.C.
Resources, (5), T-N-T Engineering (2)

SOUTHEAST TEXAS

BRAZORIA CO., TX PROSPECT
6-Proposed Wells. 2,400-Acres.
GULF COAST BASIN **371 BCFe**
Obj 1: Frio @ 9,800-9,900 Ft.
Obj 2: Vicksburg @ 10,000-10,500 Ft.
3-D Seismic & SubSurface Geology.
100% WI Available; 75% NRI
Developmental Turn-Key Drilling.
Est Proj Rsrvs: ~4,818 MBO & 343 BCF
Dry Hole: ~\$4,054 M; Compl: ~\$1,824 M
DV 8997

Brazoria County: 9-Drilling Permits
Davis Southern Operating Co. (1),
Dow Chemical Company (1), Hilcorp
Energy Company (1), Noble Energy Inc.
(1), Slawson Exploration Co. (1), Stroud
Production (1), Tucker Operating Co. (1),
James A. Whitson Jr. (1), Zinke &
Trumbo, Inc. (1)

COLORADO CO., TX OVERRIDE **PLS**
2-New Wells. Plus Additional Locations.
DEEP WILCOX TREND
MultiPay Sands. **OV/RI/RR**
Behind Pipe & ReCompletes Pending
Small Override, Term Royalty &
Perpetual Royalty For Sale.
Potential Production: 14-20 MMCFD
1-Producer Already Making 7.0 MMCFD
Ongoing Workover-ReComplete.2nd Well
Potential Revenue: \$64,000-\$72,000/Mn
SELLER TAKING NAMES FOR PKG
RR 8262M

Colorado County: 14-Drilling Permits
American Energy Partners (1), C&E
Operating (1), Everest Resource
(1), New Century Exploration (1), Newfield
(1), Petrosearch (1), Rosetta Resources
(2), Sue-Ann Operating (1), Sunray
Operating (1), Talon Development Co. (2)

FORT BEND CO., TX PROSPECT
3,400-Gross Acres. 3-D Seismic.
GULF COAST **DV/3-D**
EY & AU Yegua Target @ 13,300 Ft.
Anomalous Seismic Amplitude
& Energy Absorption (Yegua Production).
72%-77% NRI Delivered.
— Seller Retains 3% ORRI
Total Reserves: 6,100 MBO & 112 BCF
Wilcox Interval Rsrvs: 150 MBO & 15 BCF
DV 1520

Fort Bend Co.: 11-Drilling Permits
Atmic, Inc. (1), Cypress E&P Corp. (1),
Daystar Operating Co. (1), ECA
Holdings (1), Kellco Energy (3), LGDC (2),
Patterson Petroleum (1), Sue-Ann (1)

GALVESTON CO., TX PROSPECT
960-Acres. Water Depth-25 Ft.
SOUTH EAST TEXAS
Obj: Deltaic Upper Frio @ 12,500 Ft.
3-D Seismic: ~600 Square Miles. **37 BCFe**
NOW DRILLING. Interest Still Available.
NonOperated WI; 80% NRI
— Looking For Partners —
UpThrown Fault Trap On Trend W/Prod.
Est Reserves: 37 BCFe
— SOLD BY SELLER
DV 7267

GALVESTON CO., TX PROSPECT
5,760-Acres. Water Depth-35 Ft.
DEEPWATER LOWER FRIO 17.500 FT
3-D Seismic: ~600 Square Miles.
Up To 50% Working Interest For Sale.
Nearby Production: 150 BCFe **450 BCFe**
Four Way Faulted Anticline.
Est Reserves: 450 BCFe
DV 8955

Galveston County: 7-Drilling Permits
Davis Petroleum Corp. (1), Hassie Hunt
Exploration Co. (2), KCS Resources,
Inc. (1), Stroud Production (1), TEMA Oil
(1), Transatlantic Petroleum Corp. (1)

GOLIAD & WHARTON CO., TX **PLS**
2-Wells
ALKEK & CALLIS FIELDS **362 MCFD**
Frio (2,640 Ft. & 4,300 Ft.)
100% OPERATED WI; 75% NRI
Gross Production: 483 MCFD
Net Production: 362 MCFD
Net Cash Flow: \$70,398/Mn
3rd-Party Engineering Report Available.
PLS Is Preparing Sale Package
PP 9376

Goliad County: 24-Drilling Permits
Charro Operating (1), Chesapeake (2),
Esenjay Operating, Inc.(1), Hankey Oil
Co. (1), Modern Exploration (1), Patterson
Petroleum (1), Petrohawk (4), Pogo
Producing (3), Rincon Petroleum (1),
Rock Resources (1), T-C Oil Co. (3),
Transcontinental Minerals Corp. (3),
Welder Exploration & Prod., Inc. (2)

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SOUTHEAST TEXAS

HARDIN CO., TX MINERALS
~202-Gross Acres. 50-Net Acres.
SOUTH EAST TEXAS MINERALS
MINERALS FOR LEASE
Washington Co R.R. Survey #365, A-516
VERY ACTIVE AREA
M 7939

Hardin County: 14-Drilling Permits
Cobra Oil & Gas Corporation (1),
Kerr-McGee Oil & Gas Onshore LLC
(4), Samson Lone Star L(2), Sanchez Oil
& Gas Corp. (1), Tandem Energy
Corporation (2), Union Gas Operating (4)

HARRIS CO., TX PACKAGE
2-Wells. 2-Prospect
SWORD & RANKIN FIELDS
Gas Well WorkOver In Progress.
3-D Seismically Defined.
Significant UpSide Potential.
Small NonOperated WI For Sale
Gross Prod: 65 BOPD & 1,400 MCFD
Net CashFlow: \$12,050/Mn
Rig For New Well Available Aug-Sept.
CONTACT PLS TO LEARN MORE
PP 9218DV

Harris County: 6-Drilling Permits
Ballard Exploration Co., Inc. (1), Ipaact
(1), LGDC Corp. (1), Morgan
Enterprises (1), New Century Exploration
(1), Tandem Energy Corp. (1)

LIBERTY & SAN JACINTO CO., TX
950-Net Mineral Acres.
SOUTH EAST TEXAS MINERALS
Minerals For Lease.
M 9498

LIBERTY CO., TX MINERALS
460-Gross Acres. 230-Net Acres.
MINERALS FOR LEASE
George W Harris Survey, A-223
P.A. Heisig Survey, A-950
Sun Exploration Co. Survey, A-1009
M 7938L

Liberty County: 14-Drilling Permits
Carrizo Oil & Gas, Inc. (3), Cimarex
Energy Co. (2), Cobra Oil & Gas Corp.
(1), Forest Oil Corp. (1), Harrison Interests,
Ltd. (2), Joy Resources (1), Quail Creek Oil
Corp. (1), Resaca Resources (3)

SOUTHEAST TEXAS

POLK CO., TX LEASE
1,000-Acres.
SOUTHEAST TEXAS
OIL, GAS & MINERAL LEASE
Possible Production Included.
L 9508

Polk County: 8-Drilling Permits
Ballard Exploration (1), Black Stone
Energy (1), Devon Energy (1), Gordy
Oil (1), Meridian Resource (1), Pogo
Producing Co. (1), Unit Petroleum Co. (2)

WEST TEXAS

WEST TEXAS ACREAGE TO DRILL
2,500-Acres.
PERMIAN BASIN
Fusselman Target @ 11,000 Ft.
75% NRI To Deliver.
Est Rsrvs: 300 MBO/Well; 3 MMBO/Proj
DHC: \$1,200,000; Compl: \$500,000
DV 9289

PERMIAN

NEW MEXICO

ROOSEVELT CO., NM PROSPECT
10,000-Gross Acres. 4,500-Net Acres.
TULE FIELD. LOW RISK.
Stratigraphic Traps From 6,850-7,150 Ft.
Wells Produce From Up To 4 Lower Zones.
5-Wells & ReEntry Cumm'd: 4.56 BCFe
SEEKING PARTNERS TO DRILL
Est IP Range From 1-3 MMCFD/Well
2-Initial PUDs Identified With 5 Possible.
DV 9028PP

ROOSEVELT CO., NM RE-ENTRY
PERMIAN BASIN
Casing Surface To 8,000 Ft.
Drilled 2004, Not Plugged.
100% OPERATED WI; 75% NRI
OffSets Penn (Cisco) Production
— North & South (Oil & Gas)
Est Reserves: 30 MBO & 0.3 BCF
DV 9896RE

In the Permian



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PERMIAN

WEST TEXAS

PERMIAN PROPERTIES FOR SALE
2-Fields. 30-Wells; Waterflood Potential.
LOVING & REEVES
Significant Upside-Waterfloods
— Pilot Installed & Injection Started
Behind Pipe; PUD & Probable Reserves.
100% OPERATED WI; 76-81% NRI
Gross Prod: 200 BOPD & 500 MCFD
Permian Cash Flows: >\$320,000/Mn**
— Being Marketed w/Additional PDP
— Includes New 3rd Party Engineering Report
— NEGOTIATED SALE
PP 9394WF

WEST TEXAS 3-D PROSPECTS
5-Possible Wells.
PROLIFIC CIB CARST, TEX W TREND
Multiple Obj: Regional Blanket Sands.
Drilling Depths 9,500-11,700 Ft.
3-D Seismic.
35% NonOperated WI For Sale.
Surrounded By Established Fields.
Straight Holes Potential For All Wells.
Est Reserves: ~4.0 MMBOE
DHC:~\$2,000,000; Compl:~\$1,000,000
DV 8960

LOVING CO., TX ROYALTY
640-Acres.
HALEY FIELD
SMALL ROYALTY INTEREST FOR SALE
Gross Production: >29 MMCFD
CONTACT SELLER TO LEARN MORE
RR 9679

BORDEN CO., TX PROSPECT
15-Horizontal Wells. 7,000-Acres.
PERMIAN BASIN. LOWER SPRABERRY
Obj 1: Jo Mill Sand @ 6,700 Feet
Obj 2: Dean Sand @ 7,000 Feet
SubSurface Defined.
75% NRI Delivered.
OPERATIONS NEGOTIABLE
Reservoir Engineering.
Rsrvs: 178 MBOE/Well; <3 MMBOE/Proj
DHC: \$1,320,000; Compl: \$500,000
DV 8206

BROWN & RUNNELS CO., TX
35-Wells. 10-PDNP. 2-PUDs.
>4,000 GROSS ACRES
Shallow, Long Lived & Stable PDP.
Barnett Shale Potential.
95% OPERATED WI; 73% NRI
Net Production: 12 BOPD & 330 MCFD
>12-Miles of Gathering Sys Pipelines.
Plus 2-Mile Pipeline Delivery Points.
Net Cash Flow: > \$92,000/Mn
CONTACT AGENT FOR UPDATE
PP 6027DV

Brown County: 1-Drilling Permit
Thrifty Well Service (1)

CONCHO CO., TX WATERFLOOD
20-Wells. 1,100-Acres.
HOPE SANDS UNIT
Shallow Zones (1,500-1,700 Ft.)
Solid Engineering/Geological Review.
100% OPERATED WI; 76.875% NRI
Current Production: 20 BOPD
Net Cash Flow: \$10,000 - \$15,000
Austin Engineering Report Available.
PLS HAS UPDATED DATA!
PP 8721WF

CONCHO CO., TX WATERFLOOD
2-Waterflood Units. 24-Wells.
HOPE & COOK SANDS UNIT
Shallow Zones (1,500-1,700 Ft.)
Solid Engineering/Geological Review
SW of Eden. Area Cumm'd 20 MMBO
100% OPERATED WI For Sale; 75% NRI
Current Production: 85 BOPD
Net Cash Flow: \$113,500/Mn
Austin Engineering Report Available.
PLS IS HANDLING SALE PROCESS
PP 8720WF

CONCHO CO., TX WATERFLOOD
4-Wells.
COOK SANDS UNIT
Shallow Zones (1,500-1,700 Ft.)
100% OPERATED WI; 76.875% NRI
Gross Production: 75-80 BOPD
Net Cash Flow: \$90,000-\$100,000/Mn
— ALSO SEE PP 8720WF
PLS IS MANAGING SALE PROCESS
PP 8722WF

Concho County: 9-Drilling Permits
3-M Energy Corp. (1), Wm. R. Guffey
(1), Jasper Energy (1), Leclair
Operating (1), Paint Rock Operating (5)

CULBERSON CO., TX
15,000-Acres.
PERMIAN BASIN
Barnett & Woodford Shale Targets.
MINERALS FOR SALE OR LEASE
77% NRI
— And/Or Surface, All Depths.
M 9879

Culberson County: 2-Drilling Permits
COG Operating LLC (1), Quicksilver
Resources Inc. (1)

PERMIAN

WEST TEXAS

CULBERSON CO., TX MINERALS
15,000-Acres.
PERMIAN BASIN
Barnett & Woodford Potential.
MINERALS and/or SURFACE
— ALL DEPTHS
M 9387

GARZA CO., TX PROPERTY
2-Wells. 1-SWD. 20-Acres.
PERMIAN BASIN
San Andres (4,000 Ft.)
100% OPERATED WI; 75% NRI
Gross Production: 1.5 BOPD
Net Cash Flow: \$4,000/Mn
— OFFER PENDING
PP 9638

GARZA CO., TX RE-ENTRY
6-Possible Wells. 480-Acres.
MIDLAND BASIN. LOW RISK.
Strawn A & B Targets @ 7,400-7,500 Ft.
ReEnter One Well With Good Log
— & Mud Log Shows.
100% OPERATED WI; 78% NRI
Close To Well Making >100 MBO
— Identical To Area Producers!
Est Rsrvs: ~200 MBO/Well; 600 MBO/Proj
SubSurface Geology.
DV 1023RE

Garza County: 5-Drilling Permits
Southwest Royalties, Inc. (1), Trio
Consulting & Management (3),
Voyager Gas Corp. (1)

HOWARD CO., TX PROSPECT
2-6 Possible Wells. 220-Acres.
CLOSE TO WOODHAVE FIELD
Clearfork Lime Target @ 5,500 Ft.
87.5% OPERATED WI; 75% NRI
Direct OffSet To 100 BOPD Well.
Est Reserves: 90,000
DV 9749

LEA CO., NM SALE PACKAGE
PERMIAN BASIN
Knowles South Production (85%)
UpSide Potential.
Mostly OPERATED WI
Net Production: 580 BOED
Expected Net IP: 650 BOED
CONTACT DALLAS AGENT FOR INFO
PP 6047DV 31-Wells.

Howard County: 10-Drilling Permits
Apache Corp. (1), Clear Water (2),
Crownquest (1), Finley Resources (1),
Midland Oil (2), Partee Drilling Inc. (2),
WTG Exploration (1)

LOVING CO., TX PACKAGE
3-Operated Wells. 1-NonOperated Well.
HALEY & TWO GEORGE & BRUNSON
Wolfcamp & Bone Springs Intervals
Brushy & Cherry Canyon Formations
Morrow, Ellenburger & Atoka Possible
20-25% OPERATED WI FOR SALE
Gross Production: 10 BOPD & 250 MCFD
Maintenance & Remedial Opportunities.
Mechanical & Operational Upside.
New Plunger Lifts Added/Help Volumes
PP 8438RE

Loving County: 18-Drilling Permits
Anadarko Petroleum (9), Chapparral
Energy (2), Chesapeake Operating (5),
Forest Oil (1), Mexco Energy (1)

MIDLAND CO., TX PROPERTIES
1-Well. 1-PUD. HBP Lease.
PERMIAN BASIN
Spraberry Production.
1 PUD Location Identified.
5% NonOperated WI; 3.75% NRI
Gross Production: 76 BOPD & 139 MCFD
Net Production: 3 BOPD & 5 MCFD
Net Cash Flow: \$6,670/Mn
PP 9257DV PLS HAS DATA PKG

Midland County: 50-Drilling Permits
Discovery Operating (1), Endeavor
Energy (4), EXL Petroleum (2), Henry
Petroleum (7), LCX Energy (8), Midland
Energy (2), Pioneer Natural Resource (21),
Prime Operating (1), Whittier (2), WTG (2)

PECOS CO., TX ASSETS FOR SALE
100-Wells. 9,115-Gross Acres.
PERMIAN BASIN
Marathon Thrust Belt Production.
300-Drilling Locations Identified —
Selling All NonOperated Interests
& Pipeline Ownership.
Net Production: 2,000 MCFD
Est Total Net Proved Rsrvs: > 21 BCF
Plus Additional Net Prob Rsrvs: 24 BCF
CONTACT AGENT FOR DATA PACKAGE
PP 8318DV

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PERMIAN

WEST TEXAS

PECOS CO., TX PROSPECT
15-Well Potential.
DELAWARE BASIN 900 MBO/Proj
Obj 1: Queen @ 2,200 Ft.
Obj 2: Yates @ 1,900 Ft.
— Both Sands In 2 Open Wellbores.
100% OPERATED WI; 75% NRI
VERY LOW RISK
Est Rsrvs: 60 MBO/Well; 900 MBO/Proj
DV 1186

Pecos County: 39-Drilling Permits
Aspen Operating Co. (1), Browning Oil (1), Camden Resources, Inc. (1), Chesapeake (2), COG Operating (2), Fossil Rock Resources (2), Kinder Morgan (12), Millennium Resources (2), Orbit Crude (1), Riata Energy (14), Tandem Energy (1)

SCHLEICHER CO., TX PROSPECT
2-Well Potential.
MIDLAND BASIN 300 MBO/Proj
Strawn Targeted @ 5,700 Ft.
SubSurface Geology.
100% OPERATED WI; 77-78% NRI
Est Rsrvs: 150 MBO/Well; 300 MBO/Proj
Analogous Strawn Well Cumm'd 158 MBO
DV 1015

SCHLEICHER CO., TX PROSPECT
6-Potential Wells.
MIDLAND BASIN-EASTERN SHELF
Obj 1: Strawn & Lime @ 5,300 Ft.
Obj 2: Harkey @ 4,800 Ft.
SubSurface Geology. 700 MBOE
100% OPERATED WI; 77-78% NRI
OffSets & Infill Drilling.
VERY LOW RISK
Est Reserves: 100 MBOE/Well
— & 500-700 MBOE/Proj
DV 1014

Schleicher Co.: 15-Drilling Permits
Approach Operating LLC (3), COG Operating (2), Dominion Oklahoma Texas E&P, Inc. (7), Pogo Producing Co. (3)

VAL VERDE CO., TX PROSPECT
35,000-Acres.
VAL VERDE BASIN DV/WTX
Recent Test Well Drilled @ 15,000 Ft.
—Highlights Acreage Potential
10% NonOperated WI; 75% NRI
Prospector Believes Several TCF In Place.
Acreage Is Extraordinary Opportunity
CALL PLS FOR LATEST INFO
DV 9465

VAL VERDE CO., TX PROSPECT
2-Proposed Well. 5,040-Acres.
VAL VERDE BASIN DV/WTX
Obj 1: Langtry "A" Sands @ 11,600 Ft.
Obj 2: Langtry "B" & "C" Sands
SubSurface Defined. 2-D Seismic.
100% OPERATED WI; 75% NRI
OPERATIONS Available. Field Extension.
Est Rsrvs: 4.0 BCF/Well & 49 BCF/Project
DHC: \$1,000,000; Compl: \$1.2-3 MM
DV 7222

Val Verde County: 4-Drilling Permits
Cimarex Energy Co. Of Colorado (1), EXCO Resources, Inc. (3)

WEST TEXAS PROSPECTS
5-11 Development Wells. 880-Acres.
PERMIAN BASIN DV/PERMIAN
Obj 1: Cisco Target @ 8,100 Ft.
Obj 2: W-Camp, Leonard, & Clearfork
37% NonOperated WI; 75% NRI
OffSets Clearfork Production.
Est Reserves: 75 MBO & 250 MMCFD
DV 9579

YOAKUM CO., TX WI FOR SALE PLS
2-Well. Submersible Pumps.
BRONCO FIELD 15 BOED
Siluro-Devonian Formations
Cumulative: 1.3 MMBO & 250 MMCF
~17.9% NonOperated WI; 13.8 NRI%
Gross Production: 104 BOPD & 48 MCFD
Net Lease Costs: \$6,000-\$8,000/Mn
Net Operating Cash Flow: \$17,500/Mn
Est Net Rsrvs: 27-44 MBO & 14-16 MMCF
Price/Value Range: \$645,000-\$982,000
PP 8232

Yoakum County: 24-Drilling Permits
Occidental (7), OXY (1), XTO Energy (14), Yucca Energy (2)

MID-CONTINENT

ARKANSAS

COLUMBIA, LAFAYETTE & UNION COS
61-Well. 1-Gas Producing Plant
2 MAJOR FIELDS 1,526 BOED
Multiple Objectives —
Rodessa, James, Pettet, Travis Peak, Cotton Valley, Haynesville & Smackover.
OPERATED WI For Sale
Recent Net Production: 1,526 BOED
225-Miles of Gas Line Included.
Net Proved Rsrvs: 6.7 MMBOE
Net Cash Flow: \$1,580,000/Mn
CONTACT AGENT FOR UPDATE
PP 6499DV

MID-CONTINENT

ARKANSAS

CONWAY & FAULKNER CO., AR
100-Proposed Wells. 100,000-Acres.
ARKANSAS AREA 200 BCF
Fayetteville Shale @ 2,000-7,000 Ft.
SubSurface Geology. Large Land Position.
80% OPERATED WI; 80% NRI
Est Rsrvs: 1.3-2 BCF/Well; 200 BCF/Proj
Dry Hole: \$700,000; Compl: \$800,000
DV 8222

PHILLIPS CO., AR PROSPECT LEASES
1-Test Well. 18,260-Acres.
GEOLOGIC EQUIVALENT TO BARNETT
Obj 1: Fayetteville @ 6,000-10,000 Ft.
Obj 2: Devonian & Knox @ 10,000-12,000 Ft.
Down Dip From Crawford To Phillips Cos.
Will Deliver 80% NRI Leases.
CloseTo Large Player Producing: 17 MMCFD
2-D Seismic Defines >1,000 Ft. of Closure.
CONTACT SELLER TO LEARN MORE
DV 1156L

KANSAS

KANSAS SALE PACKAGE
60-Active Wells. 20-PUDs. 23,000-Acres.
JEFFERSON & LEAVENWORTH CO.
Shallow Production (2,000 Ft.) 150 BOPD
Significant UpSide Potential.
100% OPERATED WI; >81% NRI
Gross Production: 150 BOPD
Net Cash Flow: \$80,000/Mn
Total Net Proved Reserves: >489 MBO
Includes Service Company.
3rd-Party Engineering Report.
PP 8346DV

MID-CONTINENT

KANSAS

LANE CO., KS PROSPECT
4-Possible Locations. 160-Acres.
KANSAS 50 MBO/Well
L-KC & Marmaton Targets @ 4,800 Ft.
SubSurface Geology Defined.
100% OPERATED WI; 80% NRI
Prospect Locations OffSet Oil Well.
Est Reserves: 50,000 BO/Well
UpDip To Low Well On Structure.
Est Cost: \$275,000/Well
DV 9886

>2,000 Members In PLS

NEMAHA CO., KS PROSPECT
48,069-Acres. >50 MMBO
FOREST CITY BASIN
Simpson, Viola & Hunton Zones
Strat. Truncations & 4-Way Closures.
100% OPERATED WI FOR SALE
Est Reserves: >50 MMBO
Dry Hole: \$66,000-\$136,000
DV 6964

RENO CO., KS PROPERTIES PLS >42 BOED
15-Well. ~1,760-Acres.
LANGDON FIELD
Gas Gathering System In Place.
Waterflood UpSide Potential.
— Mississippi Field.
100% OPERATED WI; ~87% NRI
Net Production: 31 BOPD & 67 MCFD
Net Cash Flow: ~\$50,000/Mn
Wells Have Prod: >1 MMBO & 4.3 BCF
PP 9975DV

MID-CONTINENT

MISSOURI

MISSOURI PROSPECT-LEASES
MIDCONTINENT
Obj 1: Warner Sands @ 280 Ft. 230 MMBO
Obj 2: Blue Jacket Sands @ 120 Ft.
Core Samples Available.
Est Reserves: 230 MMBO
SELLER HAS DETAILED PACKAGE
DV 7937L 20,964 Net Acres.

NEBRASKA

CHEYENNE & MORRILL CO., NE
320-Possible Wells. 40-Acre Spacing.
DJ BASIN. 25,000-ACRES LEASED.
Obj 1: Niobrara @ 3,500 Ft. DV/LSE/NE
Obj 2: D&J Sands @ 4,300 Ft.
Obj 3: Permian/Pennsylvanian
— PreCambrian Granite; TD @ 6,700 Ft.
Seismic Shows Multiple Large Structures.
16" Gas Pipeline Crossing Prospect Area.
Est Reserves: 0.3 BCF/Well; 96 BCF/Proj
DHC: \$100,000; Compl: \$100,000
DV 9006L

NEBRASKA PROPERTIES
113,955-Gross & 107,520-Net Acres.
NORTHEAST IMPERIAL ACREAGE
CHASE, PERKINS & KEITH CO., NE
Beecher Island Zone Targeted
— Plus Multiple Formations NEBRASKA
3-Major Pipelines Traverse Prospect Ac.
100% OPERATED WI; 82.5% NRI
2-D Seismic Available.
Est Reserves: 0.4-0.5 BCF/Well
Compl Well Cost: \$180,000
CONTACT AGENT FOR UPDATE
DV 9188



• Exploitation and Production in East Texas and North Louisiana for 20 years.

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MID-CONTINENT

NEBRASKA
ROCKY MOUNTAIN PACKAGE
 5-Field Areas.
 NEBRASKA **400 BOED**
 Exploitation/Exploration Opportunities.
 Significant UpSide Potential.
 59.4% OPERATED WI; ~49% NRI
 Net Production: 400 BOED (63% Oil)
 Net Cash Flow: \$604,000/Mn
 Long Life Reserves.
 Mid-Value Negotiated Sale.
 CONTACT AGENT FOR UPDATE
PP 9399DV

OKLAHOMA
ALFALFA & MAJOR CO., OK **PLS**
 39-Wells, 26-Producers, 13-TA.
 ENID AREA **597 MCFeD**
 28-Proposed ReStimulation Candidates
 8-Hunton Lime PUDs.
 Woodford Shale/Hunton-Behind Pipe
 100% OPERATED WI; 78-87.5% NRI
 Current Production: 37 BOPD & 375 MCFD
 Extensive Reservoir, Eng, Geo Data Bases
 3rd Party Reserve Report In Progress.
 42-Infield (Mississippian)Drilling Locations.
 Reserve Infield Locations: 520 MMCFe/Well
PP 8439DV

Alfalfa County: 1-Drilling Permit
 Special Energy Corp. (1)

BEAVER CO., OK GAS WELLS
 2-Wells.
 CHESTER MORROW INTERVAL **OBO/OK**
 ~12% NonOperated WI FOR SALE
PP 5383

BECKHAM CO., OK MINERALS
 20-Net Acres.
 ANADARKO BASIN **MINERALS**
 MINERAL INTEREST FOR SALE
M 9069

CARTER CO., OK PROSPECT
 1-Proposed Well. 248-Acres.
 SE ANADARKO BASIN **10 BCF**
 Obj 1: Goodard @ 16,000 Ft.
 Obj 2: Over Brook @ 14,000 Ft.
 SubSurface & Seismic Defined.
 100% OPERATED WI; 80% NRI
 OffSet To Producing Well.
 Est Reserves: 10 BCF
 DHC: \$4,000,000; Compl: \$1,000,000
DV 7739

Carter County: 1-Drilling Permit
 Chesapeake Operating, Inc. (1)

KINGFISHER CO., OK PACKAGE
 2,720-Acre Waterflood Unit.
 EAST HENNESSEY **287 MBO**
 Red Fork Waterflood Possible.
 Small NonOperated WI For Sale
 Net Acceleration Potential: 190 BOPD
 Est Net Reserves: 287 MBO
 Negotiated Sale.
 ORIGINAL OFFERS DUE AUGUST 2, 2006
PP 8282WF

Kingfisher County: 1-Drilling Permit
 Avalon Exploration Inc. (1)

OKMULGEE & MUSKOGEE., OK
 5-Potential Wells. +/-500-Acres.
 ARKOMA BASIN SHELF **DV/OK**
 CHEROKEE PLATFORM
 Cromwell @ 2,000 Ft./Dutcher @ 1,750 Ft.
 Booch @ 1,250 Ft./Bul @ 800 Ft.
 50% NonOperated WI; 75% NRI
 Est Rsvs:100 MMCF/Well; 500 MMCF/Proj
 Dry Hole: \$47,000 M; Compl: \$66,000 M
DV 9768

TULSA CO., OK GATHERING SYSTEM
 OKLAHOMA **PIPELINE**
 Includes Access to 10 Sq. Miles
 — Of Coal Seam Gas Production
 — Associated Gas & Gas Production
 Stripper Plant Is Optional.
PL 6607

MID-CONTINENT

OKLAHOMA
MIDCONTINENT SALE PACKAGE
 11-Wells (Work Over). 18-Total Possible.
 OKLAHOMA AREA WORKOVER **LEASE**
 Red Fork Production.
 Skinner, Prue & Cleveland Behind Pipe.
 75% WI; 81.25% NRI
 OPERATIONS Negotiable.
 Currently Lease Making 4 BOPD
 Initial Production: 358 BOPD
 Potential To Produce Up To 500 BOPD
 Tax Free Revenue (Depletion Allowance)
PP 8323WO

OKLAHOMA MINERALS FOR SALE
 20-Net Acres.
 ANADARKO BASIN **MINERALS**
 DESIRE — TO SELL MINERALS
M 9019

OKLAHOMA SALE PACKAGE
 215,000-Gross Acres. 110,000-Net Acres
 INDIAN & POTATO HILLS **35 MMCFeD**
 Large Exploration Opportunities.
 Significant UpSide Potential.
 100% OPERATED WI For Sale.
 Current Net Prod: 35 MMCFeD
 Net Cash Flow: >\$8,000,000/Mn
 Total Reserves: 489 BCFe
 > 4.6 TCFe Gross Resource Potential.
 PACKAGE STILL AVAILABLE
PP 9187DV

MULTI STATE
PROPERTY FOR SALE OR LEASE
 Large Shop Building w/Office On 3-Acres.
 ON 1-40 & HALF WAY BETWEEN **SALE**
 LITTLE ROCK, AR & MEMPHIS, TN **LEASE**
 In The Heart Of The Fayetteville Shale.
 FOR SALE or FOR LEASE
 CONTACT SELLER TO LEARN MORE
PP 9463BLD

EASTERN

ALABAMA
ST CLAIR CO., AL OVERRIDES
 1,016-Acres.
 FLOYD SHALE PLAY **OVERRIDE**
 Leased To Major Company.
 AGENT HAS PACKAGE
RR 9377L

ILLINOIS
ILLINOIS PROSPECTS
 MultiWell Potential. ~1,500-Acres.
 SILURIAN REEF **SILURIAN**
 Multiple Targets @ 4,000 Ft.
 MultiPay Zones.
 Large Oil Fields In Close Proximity.
 75% NRI Delivered.
 OPERATIONS Available.
 21 Miles of 2-D Seismic Data.
 Close By Reef Producing
 — Up To: 15 MBO
DV 9438L

Average
 PP Listing
 Receives
 12-25 Calls

KENTUCKY
WHITLEY CO., KY ACREAGE
 7,600-Acres.
 KENTUCKY **ACREAGE**
 Fee Simple. Surface & Minerals Rights.
 Future Large Scale Land Development
 — For Housing & Recreation
 \$500 MM + Gross In Proven Gas.
 Rome Trough; Oil, Coal & Timber Rsvs.
 Principles Only. Virtual Data Room.
M 9288

MICHIGAN
MICHIGAN PLAY OPPORTUNITY
 4,100-Acres.
 TRENTON & BLACK RIVER **10 MMBO**
 Obj 1: Trenton @ 5,500 Ft.
 Obj 2: Upper Devonian @ 2,500 Ft.
 SubSurface Geology. Geophysics.
 80% OPERATED WI; 80% NRI
 HIGH RESERVE POTENTIAL
 2-D Seismic.
 Rsvs: 250-500 MBO/Well, 10 MMBO/Proj
 DHC: \$650,000; Compl: \$300,000/Well
DV 7983

EASTERN

MICHIGAN
MICHIGAN SHALLOW GAS PLAY
 6,000-Acres.
 MICHIGAN BASIN **DV/MI**
 Upper Devonian @ 2,100 Ft.
 80% WI For Sale; 80% NRI
 Operations Available.
 Dry Hole: \$300,000; Compl: \$125,000
 Lateral Wellbore \$125,000
DV 7977

NEW YORK
GENESEE CO., NY PROSPECTS
 8,000-Acres. Ready To Drill.
 ALDEN FIELD **6 BCF/DV**
 55-Miles Of Pipeline & Gathering System.
 LOOKING FOR 50% PARTNER
 — For 72 Sites Ready To Drill
 Current Prod (65-Wells): 255 MCFD
 Est Reserves: 6 BCF
DV 9449PP

PENNSYLVANIA
PENNSYLVANIA LEASE
 13-Wells. 4-Injection Wells. 75-Acres.
 NORTHWESTERN PENNSYLVANIA
 Oil Producing Sands
 (Chipmunk, 2nd Bradford, & 3rd Bradford)
 Additional Development Potential.
 Mineral Rights & Interest For Sale.
 Net Production: 4-5 BOPD **LEASE**
 Cash Flow: \$6,930/Mn
 Water Plant Feature On Lease.
 Additional Equipment Available.
 CONTACT AGENT TO LEARN MORE
PP 9708DV

WEST VIRGINIA
JACKSON CO., WV PROSPECTS
 APPALACHIAN BASIN
 Devonian Shale Targets @ +/-10,000 Ft.
 Shallow Sands Also Possible. **DV/JOINT VEN**
 Defined By Seismic & Geology.
 SEEKING JOINT VENTURE PARTNERS
 — For Leasing & Drilling.
DV 1279L

WEST VIRGINIA MINERALS
 Multiple Counties.
 23,000-NET ACRES **MINERALS**
 MINERALS FOR SALE
 — Oil, Gas & Coal
M 8918

MULTI STATE
ALABAMA & FLORIDA PACKAGE
 28-Producers 15-Inj Wells. 4-SWD
 SMACKOVER & NORPHLET **2160 BOED**
 Upside Through-Artificial Lift Upgrades
 Maintenance & Workover Opportunities.
 Significant Infield Drilling.
 36% OPERATED WI. 32% NRI.
 Net Sales: 2,000 BOPD & 970 MCFD
 Net Annual Revenues: \$40,000,000/Yr
 Current Cash Flow: \$25,000,000/Yr
 SELLER WANTS OFFERS AUG 30, 2006
PP 8269DV

INDIANA & KENTUCKY ASSETS
 195,000-Acres. 115-PUD Locations.
 NEW ALBANY SHALE PLAY **NEW ALBANY**
 A Pipeline & Plant.
 Owned/Operated Gathering System.
 Significant UpSide Potential.
 100% OPERATED WI For Sale.
 Net Production: 6.1 MMCFD
 Possible Reserve Increase From
 — Horizontal Well Development
 Each Asset Requires Separate Offers.
 CONTACT AGENT FOR UPDATE
PP 9899L/PL

ROCKY MOUNTAINS

COLORADO
COLORADO PROSPECT FOR SALE
 2,787-Gross & 2,569-Net Acres.
 PICEANCE BASIN **276 BCF**
 Williams Fork Target.
 278-Well Locations For Compl Field Dev.
 Add'l Reservoirs In MesaVerde Group.
 Mostly OPERATED WI; 85-87.5% NRI
 Total Reserve Potential: 276 BCF
 PV10: \$11,400,000
 CONTACT DENVER AGENT FOR INFO
PP 9086DV

COLORADO PROSPECTS
 2-Well Locations Identified.
 DOUGLAS & ELPASO CO. **DV/CO**
 Lyons Formation & Cretaceous Intervals.
 Also: Codell, Niobrara & L. Dakota Gr.
 Seismic Option or Outright Purchase.
 Looking For Partners or Will Sell/Assign.
 Wells Permitted; Awaiting Approval.
DV 5187

COLORADO SALE PACKAGE
 7-Wells. 2,360-Gross & 2,062-Net Acres.
 ADAMS & ELBERT CO **>226 MCFeD**
 D & J Sands.
 Significant UpSide Potential.
 7-PUDs; 3-Prob Locations.
 75-100% OPERATED WI; 60-80.25% NRI
 Gross Prod: 12.2 BOPD & 229 MCFD
 Net Production: 9.0 BOPD & 172 MCFD
 Cash Flow: \$27,500/Mn
 Est Total Rsvs: >213 MBO & >2,939 MMCF
 AGENT SAYS PACKAGE STILL AVAILABLE
PP 1535DV

ROCKY MOUNTAINS

COLORADO
LOGAN CO., CO PROPERTY
 3-Wells. 1,240-Acres.
 MOOSE FIELD **5.7 BOPD**
 "D" Sands (4,500 Ft.)
 2-3 OffSet Locations.
 Plus Engineered Waterflood.
 100% OPERATED WI; 82.5% NRI
 Gross Prod: 6.0-7.0 BOPD & 7 BWPD
 Cash Flow: \$7,500/Mn
PP 9328DV

RIO BLANCO CO., CO PROPERTIES
 14-Gas Wells. 3-ShutIn. 2,720-Acres.
 CATHEDRAL FIELD. 160 Spacing.
 Mancos A & B (3,000-4,000 Ft.) **87 MCFD**
 Dakota, Emery (6,000 Ft.)
 Gas Gathering System. UpSide Potential.
 93% OPERATED WI; 72% NRI
 Net Production: 87 MCFD
 Net Cash Flow: \$11,300/Mn
 Est Value Range (NPV10): \$659,000
 Fenced, 2.2-Acre Pipe Storage Yard.
PP 9307DV

SOUTHEAST COLORADO FARMOUT
 103,000-Gross Acres. 74,000-Net Acres.
 LAS ANIMAS ARCH AREA
 Pennsylvanian Fluvial @ 5,800 Ft. **DV/CO**
 Active Oil & Gas Fields.
 Mature Producing Area. Large Lease Blk.
 100% OPERATED WI; 80% NRI
 Cumm'd Prod: 230 MBO & 70 MMCF
 Est Rsvs: 140 MMBO & 530 BCF
 Existing Pipeline & Services.
DV 8197FO

WASHINGTON & YUMA CO., CO
 107,000-Acre Project. 2-AMI Areas. 3-D.
 NIOBRARA & DENVER BASIN **3D/DV**
 Obj 1: Niobrara @ 3,000 Ft.
 Obj 2: D&J Sands @ 4,200 Ft.
 Structural Closure/Seismic Amplitude.
 Small (3.0-12.0%) NonOperated WI Left
 Niobrara Initial Production: 200-250 MCFD
 Analog -DeNova & White Eagle Fields.
 Est Reserves Per Well: 400-500 MMCFe
 Spud First of 12 Wells-Summer 2006
 3-D Seismic Generated 15-20 Leads.
DV 8414

MULTISTATE

MONTANA & NORTH DAKOTA
 18-Wells. 3,360-Acres. **145 BOPD**
 WILLISTON BASIN
 Red River, Devonian & Bakken Potential.
 Mission Canyon Potential.
 UpSide Potential.
 100% OPERATED WI; ~75-84% NRI
 Net Production: 145 BOPD
 Net Cash Flow: \$140,000/Mn
 CONTACT SELLER FOR PACKAGE
PP 9076DV/L

PECOS CO., PROJECT
 5-Well Bores. 3,840-Gross Acres.
 MULTI-DEEP GAS PROJECT **119 BCFe**
 DEVONIAN/FUSSELMAN
 Montoya & Atoka @15,000-17,000 Ft.
 — Wolfcamp @ 9,500-14,500 Ft.
 Shallower Delaware Pays 5,000-7,500 Ft.
 RE-ENTRY POTENTIAL
 — 5-Deep Wells @ 15,000 Ft.
 Est Recoverable Reserves: 119 BCFe
DV 7922RE

ROCKIES NONOPERATED PACKAGE
 MULTI-STATE **417 MBOED**
 Experienced Operators.
 Conventional & CBM Production.
 Working, Override & Royalty Interest.
 Gross Prod: 1,463 BOPD & 5,573 MCFD
 Net Production: ~104 BOPD & ~372 MCFD
 Net Cash Flow: \$79,600/Mn
 Est PDP Rsvs: 300 MBO & 704 MMCF
 CONTACT AGENT FOR UPDATE
PP 8762DV 139-Wells.

MONTANA

CARTER CO., MONTANA MINERALS
 8,216-Gross Acres. 6,000-Net Acres. **MINERALS**
 WILLISTON BASIN
 Leases Near Prolific Red River Well.
 Mineral Interest For Lease.
 Favorable Basement Fault Structures.
M 8194

CARTER CO., MT PROSPECT
 40-Possible Wells. 13,000-Acres. **10 BCF**
 POWDER RIVER BASIN
 Obj 1: Muddy Sand @ 1,300-1,900 Ft.
 Obj 2: Minnelusa @ 3,500 Ft.
 SubSurface Geology & Geophysics.
 100% OPERATED WI; 81% NRI
 Est Rsvs: 400 MMCF/Well & 10 BCF/Proj
 Dry Hole: \$60,000, Compl: \$100,000
DV 8215

FALLON & WIBAUX CO., MT
 29,000-Gross Acres. 20,000-Net Acres. **20 MMBO**
 WILLISTON BASIN
 Red River B&C Porosity Zones, Devonian
 Duperow, Lodgepole & Mission Canyon
 Good Oil Shows.
 100% OPERATED WI; 80% NRI
 Wells In C Zone Have Cumm'd: ~300 MBO
 Porosity Zones Cumm'd: 500-1,000 MBO
 Est Reserves: 20 MMBO
DV 8195L

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ROCKY MOUNTAINS

MONTANA

FERGUS CO., MT PROJECT
150,000-Acres. 2-Well Test. **SHALLOW GAS**
CENTRAL MOUNTAIN UPLIFT
Cret Eagle @ 900 Ft & Mowry @ 3,000 Ft
Mississippian Heath Black Shale Possible.
Reprocessed Seismic. Well Logs; Offsets
Deliver 79% NRI
Some Shallow Wells Have IP: 2-3 MMCFD
Midstream Infrastructure North of Acreage.
Some Shallow Wells Cummd 1 BCF/Area
Est Drill Cost: \$200,000/Per Well
DV 0848

GALLATIN CO., MT PROSPECT
>5-Prospects. 65,000-Fee Acres.
MONTANA OVERTHRUST BELT
Obj 1: Deep Gas @ 12,000 TD **5-DEALS/MT**
Obj 2: Shallow Gas @ 5,000 TD
Ref — Blackleaf Canyon (10 BCF) Field
100% OPERATED WI; Deliver 78% NRI
Waterton, Pincher Creek, Lookout Butte
Large Fee Acreage Blocks.
Gas Infrastructure/Pipeline 16 Miles SW
Well Cost: \$450,000-\$2,000,000/Depth
Desire To Drill 1-Test Devonian Well
DV 0849

SHERIDAN CO., MT PROSPECTS
9-Drilling Locations.
SOUTH OFFSET TO PROD FIELD
Obj 1: Duperow @ 8,700 Ft
Obj 2: Nisku @ 8,500 Ft. **3 MMBO/3D**
3-D Seismically Defined.
100% OPERATED WI; 77-80% NRI
Red River or Ratcliffe Possible.
Est Rsrvs: 250 MBO/Well; 3 MMBO/Proj
Dry Hole: \$700,000; Compl: \$1.5 MM
DV 9317L

TETON, LEWIS & CLARK CO., MT
83,000-Net Acres.
ALBERTA BASIN **DV/LSE/MT**
Good Bituminous CBM Potential.
In Morrison & Eagle Formations.
Cretaceous/Paleozoic Carbonate Zones.
~83% NRI Delivered.
Abundant Oil & Gas Shows.
Gas Pipelines Transect Property.
DV 8884L

TOOLE CO., MT PROSPECT **DV/MT**
2-Prospects. 12,600-Acres.
MULTIPLE STACKED GAS/OIL ZONES
Obj 1: Bow Island @ 600-1,200 Ft.
Obj 2: Sunburst-Madison @ 1,400-2,000 Ft.
100% OPERATED WI; 80% NRI
GAS PIPELINE THROUGH PROJECT
Potential Rsrvs: 1,000 MBO & 10 BCF
Dry Hole: \$70,000; Compl: \$40,000
DV 6826L

CENTRAL MONTANA ACREAGE
27,500 NMA Under 40,000-Gross Acres.
GOLDEN VALLEY, STILLWATER
SWEETGRASS & WHEATLAND Cos
Cretaceous Gas & Oil Above 4,500 Ft.
SubSurface Geology. 2-D Seismic. **LEASES**
Many 10/Yr Leases (5/Yrs Left); 80% NRI
Close To Field w/10-Wells
— Producing 30 BCF @ 3,000 Ft.
M 9628L

MULTISTATE

COLORADO & NEBRASKA PACKAGE
9-Wells. 3-ShutIn Wells. 1-Disposal Well.
385,300-GROSS & 330,000-NET ACRES
Amherst Area - Niobrara Play. All Depths.
(140) 80-Acre Drilling Locations.
86-Square Miles 3-D Seismic Data.
MultiPay Potential From Productive Horiz.
75-100% OPERATED WI; 84-87.5% NRI
Net Production: 500 MCFD
Western Gathering System **500 MCFD/LSE**
— & Connection To Pipeline
CONTACT AGENT FOR UPDATE
PP 8287DV

NEW MEXICO (4C)

SAN JUAN CO., NM LEASE **LEASE**
Federal Oil & Gas Lease. 160-Acres.
NEW MEXICO
Held By Production In Shallower Zones.
Available For Assignment —
Bonus & Reserved Overriding Royalty.
L 9784

San Juan County: 7-Drilling Permits
ConocoPhillips (1), Devon Energy (3),
Williams Production Company (3)

NORTH DAKOTA

NORTH DAKOTA OIL PROJECT
44,630-Net Acres.
SLOPE, STARK & BILLINGS CO **LIGHT OIL**
Tyler Formation.
4-Vertical Locations: Horizontal UpSide.
Fee State & Federal Leases.
100% OPERATED WI For Sale.
Offset Tyler Wells Produced Ave 250 MBO
Seller Looking For Cash & ORRI
Contact Seller for Tech Report & Reserve.
DV 7443

SLOPE CO., ND LEASES **LEASE**
>142-Total Acres.
NORTH DAKOTA
Four Federal Oil & Gas Leases.
L 9769

ROCKY MOUNTAINS

POWDER RIVER

POWDER RIVER BASIN OVERRIDES
~2,600-Wells. 435,000-Acres.
SHERIDIAN JOHNSON & CAMPBELL
Continuous Drilling 10-15 Wells/Pr Mn
Multiple Pay. Coals >20 Ft Thick
Shallow Gas. Low Cost Production.
LARGE OVERRIDE PACKAGE **OV/CBM**
Gross Production: 103,333 MCFD
Cash Flow: \$125,000-\$150,000 Mn
Year By Year; Revenue Increase;
DOE Reports: 39 TCF Recoverable
PLS HAS PREPARED DETAILED PKG
RR 8380DV

GREEN Means Override

POWDER RIVER PROSPECTS
10-New Well Locations. 15-ReEntries.
COLE CREEK FIELD. 4,000-ACRES.
Shannon Target @ 4,600 Ft.
SubSurface Geology; Good Well Control.
100% OPERATED WI; 80% NRI
HBP Leases. Possible ReEntries. **225 MBO**
Est Reserves: 225 MBO/Well
New Well Cost \$300,000; \$450,000 Compl.
ReEntry Cost: \$200,000/Well
M 7050DV

SOUTH DAKOTA

HARDING & PERKINS CO., SD
750,000-Gross & 550,000-Net Acres.
SW WILLISTON BASIN **NEW INFO**
Divided Into 11-Blocks 8,000-136,000 Ac.
Red River B&C Porosity Zones
SE Ext of 40 MMBO Buffalo Field
SE Ext of 800 MMBO Cedar Hills Field
100% OPERATED WI; 80% NRI
C Zone Wells Have Cummd: ~300 MBO
Porosity Zones Cummd: 500-1,000 MBO
Est Reserves: 500 MMBO
SELLER HAS PACKAGE
DV 9729

UTAH

CARBON & DUCHESNE CO., UT **UTAH**
5,513-Gross Acres. 4,828-Net Acres.
80-POTENTIAL WELLS
40-Acre Spacing.
Deep Structure On Seismic.
7-Multiple Hydrocarbon Target Formations.
100% OPERATED WI; 80% NRI
OffSets On Going Development.
Pipeline Transects Southern Border.
Est Reserves: 1 BCF/Well
Theoretical Potential Rsrvs: >80 BCF
CONTACT AGENT FOR UPDATE
DV 9121L

ROCKY MOUNTAINS

UTAH

CARBON CO., UT COAL BED METHANE
>12,451-Acres. 15-Oil & Gas Leases.
UTAH ACREAGE **CBM LEASES**
DV 9107L
CENTRAL UTAH PROSPECTS
Near Wolverine Discovery.
UTAH OVERTHRUST
Sanpete, Sevier, Juab & Millard Counties.
Navajo & Twin Creek Targets.
GeoChemistry & GeoPhysics. **UTAH OIL**
100% OPERATED WI; 75% NRI
Est Rsrvs: 10 MMBO/Well; >1 BBO/Proj
DHC: \$2,000,000; Compl: \$1,000,000
LARGE PROJECT-FLEXIBLE SELLERS
DV 9997

DUCHESNE & CARBON CO., UT
80-Proposed Wells. 4,400-Acres.
WEST TAVAPUTS/NINE MILE CANYON
Wasatch/Mesaverde @ 4,000-9,500 Ft.
Multiple Targets @ 10,500-18,000 Ft.
SubSurface Geology & Seismic. **DV/UT**
100% OPERATED WI; 80% NRI
Est Rsrvs: 3 BCF/Well; 240 BCF/Proj
DHC: \$1,500,000; Compl: \$1,000,000
DV 9577

GRAND CO., UTAH PROSPECTS
5-Well Drilling Program. +/-4,000-Acres.
BRUSHY BASIN **7.8 BCFe**
Dakota Target @ 1,600-3,000 Ft.
SubSurface Geology.
Seeking JV Partners; 50% WI After Payout
Field Now Producing: 50 MCFD
Est Future Prod: 50 MBO & 6 BCF
DV 9259PP AGENT HAS PACKAGE

ROCKY MOUNTAINS DEVELOPMENT
10-Wells Drilled/Completed. 3,900-Acres.
UTAH PLAY & BUYOUT **DVI/UTAH**
Morrison & Dakota PUDS
3-Wells Waiting Completion.
80% PUD. 20% PDP.
Potential To Produce:
— 200 BOPD & 1,500 MCFD
DV 9287 CONTACT UTAH AGENT

ROCKY MOUNTAINS LEASES
4-Active Wells. 6-PUDS. 1,400-Acres HBP
UTAH DEVELOPMENT PLAY-BUYOUT
Morrison & Dakota PUDS
100% OPERATED WI; 82.5% NRI
Gross Production: 30 BOPD & 50 MCFD
Potential To Produce: **>38 BOED**
— 150 BOPD & 300 MCFD
AGENT HAS DETAILED PACKAGE
PP 9359DV

ROCKY MOUNTAINS

UTAH

UINTAH CO., UT PROSPECT
90-Proposed Wells. 3,675-Acres.
UINTAH BASIN **DVI/UT**
Obj 1: Multiple Zones @ 2,000-13,000 Ft.
Obj 2: Mancos, Dakota
SubSurface Geology Defined.
100% OPERATED WI; 80% NRI
Est Rsrvs: 1.5-6 BCF/Well; 300 BCF/Proj
DHC: \$2,000,000; Compl: \$1,000,000
DV 9537

UINTAH CO., UT PROSPECT **UTAH**
3,181-Gross Acres & 2,781-Net Acres.
60-POTENTIAL WELLS
40-Acre Spacing.
5-Multiple Hydrocarbon Target Formations.
Adjacent To Producing Oil & Gas Fields.
100% OPERATED WI; 80% NRI
OffSets On Going Development.
Est Reserves: 1 BCF/Well
Theoretical Potential Rsrvs: >60 BCF
CONTACT AGENT FOR UPDATE
DV 9122L

UINTAH CO., UTAH PROSPECTS
48-Potential Wells. **1,300 MMCFe**
UINTA BASIN
Wingate & Greenriver Targets.
Est Rsrvs Per Well: 200 MBO & 100 MMCF
DV 9178 AGENT HAS PACKAGE

UTAH DEVELOPMENT PLAY
15,000-Acres. Plus Gas Gathering Lines.
SEEKING JV PARTNERS OR BUYOUT
Proven Production. **15,000 Acres**
CONTACT AGENT FOR DETAILS
DV 9578

UTAH EXPLORATION PROJECT
30-Prospects. 165,000 Acres.
CENTRAL UTAH OVERTHRUST **DVI/UT**
10-Wells Producing.
Fee, Federal & State Lands.
Similar to Anschutz Ranch, East & Whitney
Canyon Carter Field. Gunnison Thrust.
Seller Looking For Partners/Buyer.
MISSISSIPPIAN SHALES
Contact Seller To Learn More.
DV 9269PP

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Online
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ROCKY MOUNTAINS

UTAH

UTAH EXPLORATION PROSPECTS
 EASTERN MARGIN/CENTRAL UTAH
 Obj 1: Cretaceous Ferron @ 6,000 PTD
 Obj 2: Cretaceous Dakota @ 7,400 PTD
 Obj 3: Jurassic Navajo @ 13,200 PTD
 100% OPERATED WI Available **1,000 MMBO**
 N Of Wolverine 8-Wells Prod:>4,300 BOPD
 Supported By 2-D Seismic.
 Potential Reserves: 1,000 MMBO
DV 8743

UTAH EXPLORATORY PROJECTS
 140-Potential Wells (40-Acre Spacing).
 8,694-GROSS & 7,609-NET ACRES
 Uintah, Carbon & Duchesne Counties.
 Multiple Hydrocarbon Target Formations.
 100% OPERATED WI; 80% NRI
 Offsets On Going Development. **UTAH**
 Acreage Is Easily Accessible.
 Est Reserves: 1 BCF/Well
 Theoretical Potential Rsvrs: >140 BCF
 CONTACT AGENT FOR UPDATE
DV 9120L

UTAH MINERALS & ROYALTY
 >1,880-Net Royalty Acres
 >1,015-NET MINERAL ACRES **UT/Royalty**
 CENTRAL UTAH THRUST BELT
 MINERALS & ROYALTY INTEREST
M/RR 9559

UTAH PROPERTIES & LEASEHOLD
 8-Wells. 1-SWD. 27-PUD Locations.
 269,232-GROSS & 259,836-NET ACRES
 Paradox Basin. Vertical & Horizontal Wells.
 Plus Numerous Wells w/Excellent Shows.
 Significant UpSide Potential. 3-D Seismic.
 100% OPERATED WI; 77.5% NRI **-743 BOPD/3D**
 Total Net Production: ~743 BOPD
 Net Cash Flow On 8-Wells: \$349,726/Mn
 Additional Undeveloped Potential.
 CONTACT AGENT TO LEARN MORE
PP 8270L 40,000-Acres.

UTAH PROSPECTS FOR SALE
 >27,389-Gross/Net Acres
 UINTA BASIN **>100 MBO**
 All Depths.
 Gravity Anomaly Offsets
 — GeoChemical Anomaly.
 100% OPERATED WI; 80% NRI
 Strong Evidence For Overpressured
 — Gas Beginning @ 8,000 Ft.
 Est Reserves: >100 MBO
DV 9110L

UTAH REFINERY PROJECT
 For Standard & New Fuels.
 300 Years Management Experience.
 \$20,000,000 IN CAPITAL NEEDED **REFINERY**
 Great Return On Investment!
 CONTACT UTAH AGENT
CO 9239

ROCKY MOUNTAINS

WYOMING

CROOK CO., WY WATERFLOOD
 60-Shallow Wells. Currently ShutIn.
 LAKOTA (600 FT) SANDS -Low Risk
 Surrounded By Successful Floods.
 Waterflood Project Being Installed.
 100% OPERATED WI; ~76% NRI
 — Can Increase to 80% **>40 BOPD/WF**
 Lease Will Do: >40 BOPD Current
 Expected IP: >150 BOPD Flooded
PP 5358WF

FREMONT CO., WY LEASES
 95,418-Gross Acres. 75,453-Net Acres.
 MINERAL ACREAGE **LEASE/3D**
 On Trend w/ Riverton Dome, Pavilion
 — & Muddy Ridge Gas Fields.
 3-D & 2-D Seismic Data.
 79% OPERATED WI; 65% NRI
 Seeking Joint Venture Partners.
 Gathering Facilities On Option Lands.
 ORIGINAL OFFERS DUE JULY 14, 2006
M 8281L

Fremont County: 34-Drilling Permits
 Burlington Resources (6), Encana (12),
 EOG (3), Richardson Operating (3),
 Wolverine (10)

FREMONT CO., WY PROSPECT
 720-Gross/Net Acres.
 WIND RIVER BASIN **DV/WY**
 Obj 1: Dinwoody @ 1,375 Ft.
 Obj 2: Phosphoria @ 1,410 Ft.
 100% OPERATE WI; 80% NRI
 Dry Hole: \$85,000; Compl: \$50,000
DV 9409

SUBLETTE CO., WY PROSPECT
 (55)160-Acre Blocks. 17,335-Net Acres.
 OUTSIDE THE JONAH FIELD **FARMOUT**
 Lance & Mesaverde Targets
 9-Wells Drilled Through The Lance.
 3-D Seismically Defined.
 SEEKING PARTNERS TO DRILL
 DRILL TO EARN 75/25 FARMOUT
 CONTACT AGENT FOR MORE INFO
DV 8289FO

Sublette County: 13-Drilling Permits
 BP (13), Encana (21), EOG Resources
 (3), Questar (1), Ultra Res. (19), Yates (1)

SWEETWATER CO., WY PACKAGE
 48,740-Gross/Net Acres.
 GREATER GREEN RIVER BASIN **DV/WY**
 Multiple Gas Targets.
 Potential In Lance, Fox, Lewis Shale
 & East Edge Sub-Thrust
 100% OPERATED WI; ~82% NRI
 PACKAGE STILL AVAILABLE
 CONTACT AGENT FOR UPDATE
DV 8809L

Sweetwater Co.: 26-Drilling Permits
 Anadarko (1), BP (4), Cabot (1), Devon
 (7), GMT Exploration (2), Kodiak (1),
 Pinnacle Gas (1), Questar (1), Samson (2),
 True Oil (1), Westport (1), Wexpro (1),
 Yates (3)

WYOMING COALBED METHANE **CBM**
 HANNA & KINDI BASIN
 Niobrara Target @ 1,500 Ft.
 Sand & Shale To Basement
 Shallow Coals. Significant UpSide.
 OPERATED WI For Sale
 Several Fields Have Produced:
 — From Niobrara: 889 MBO & 139 MCF
 — From Hugus: 30 MBO & 740 MCF
DV 7525 113,395-Acres.

WYOMING PRODUCTION FOR SALE
 1-Well; 1-SWD. 160-Acres.
 MINNELUSA B @ 6,000 FT
 Proved Infield Location; Rig Secured.
 Additional Probable Location **6 BOED**
 Behind Pipe/Secondary Possible Dakota.
 82.2% OPERATED WI; 65.73% NRI
 Well Makes: 9 BOPD & 35 BWPD
 Net Cash Flow: \$5,100/Mn
 Est Net PDP Reserves ~36 MBO
 Denver Engineer Has Sale Package.
PP 8893DV

WESTERN

ARIZONA

APACHE CO., AZ PROSPECTS
 10-200 Well Drilling Program.
 ST. JOHNS BASIN/FOUR CORNERS
 Ft. Apache Target.
 100% OPERATED WI; 80% NRI **DV/AZ**
 Offsetting Existing Production.
 SEEKING PARTNERS
 Est Reserves: 6.0-13 TCF
DV 4646

CALIFORNIA

GLENN CO., CA PROPERTY
 1-ShutIn Well. 700-Acres.
 LITTLE BUTTE CREEK **6.4 BCF**
 Obj 1: IONE @ 1,600 Ft.
 Obj 2: Kione @ 2,000 Ft.
 100% OPERATED WI; 80% NRI
 Has Produced: 930 MCFD
 Est Reserves: 6.4 BCF
 Note: 670 BTU Gas
DV 8790

WESTERN

CALIFORNIA

KERN CO., CA PROSPECT
 +/- 1,950-Acres.
 CALIFORNIA **>35 MMBOE**
 Obj 1: Monterey Shale @ 10,000 Ft.
 — Offsets New Production
 Obj 2: Freeman Jewett/Vedder @14,000 Ft.
 Obj 3: Eocene Sand @ 16,500 Ft.
 2-D Seismic & SubSurface Defined.
 LOOKING FOR DRILLING PARTNERS
 On Trend To Recently Completed Well.
 Est Prospect Rsvrs:>32 MMBO & >20 BCF
DV 8842

SAN BERNARDINO., CA MINERALS **PLS**
 1,680-Gross Acres. 360-Net Acres.
 5 SECTIONS IN CALIFORNIA
 MINERAL INTEREST FOR SALE **MINERALS**
 NonProducing Minerals.
M 8504

SAN LUIS OBISPO CO., CA LEASE **LEASE**
 Federal Oil & Gas Lease. ~302-Acres.
 CALIFORNIA
 Available For Assignment —
 Bonus & Reserved Overriding Royalty.
L 9799

IDAHO

BINGHAM CO., ID MINERALS FOR SALE **PLS**
 320-Gross Acres. 95-Net Acres.
 INDIANA
 MINERAL INTEREST FOR SALE **MINERALS**
 NonProducing Minerals.
M 8505

WESTERN

NEVADA

EUREKA CO., NV PROSPECT **WILDCAT**
 1-4 Proposed Wells. 3,180-Acres.
 GREAT BASIN
 Obj 1: Devonian @ 4,500 Ft.
 Obj 2: Volcanics @ 3,000 Ft.
 Excellent Reservoir Rocks/Perm In Darcies.
 100% OPERATED WI; 80% NRI
 Oil Shows DownDip In Nearby Wildcats.
 Tertiary Age AntiCline 2,000 Acre Closure.
 Est Rsvrs: 23 MMBO/Well & 97 MMBO/Proj.
 Dry Hole: \$800,000; Compl: \$200,000
DV 8598

NEVADA EXPLORATION ACREAGE **PLS**
 3-Proposed Wells. 37,000-Mineral Acres.
 WHITE RIVER VALLEY
 Shallow Basin & Range @ 5,500 Ft.
 Sevier Thrust Belt @ 12,000 Ft. **NEW INFO**
 GeoMagnetic Study Dec 2005.
 100% OPERATED WI; 75-80% NRI
 2 BILLION BARREL POTENTIAL
 >140,000 MBO Recoverable.
 Dry Hole: \$1,000,000; Compl: \$300,000
L 7088DV

NYE CO., NV PROSPECTS **NEVADA**
 10-Possible Prospects.
 WHITE RIVER VALLEY AREA
 Cambrian Limestones.
 MultiSpectral Satellite Image Analysis.
 100% OPERATED WI; 75-80% NRI
 Adjacent To High Gravity Hydrocarbons.
 Est Reserve: 140 MMBO Shallow Oil.
DV 9168

PUBLIC SHELL COMPANY **NASDAQotc:bb**
 NASDAQ OTC: BB
 NEVADA (State Of Incorporation)
 Year Of Incorporation: 1969
 Authorized Common Shares: 100 MM
 Authorized Preferred Shares: 500,000
 Issued Common Shares: 10,703,000
 >100 Shareholders. — 90% FOR SALE
 No Assets. No Liabilities.
 — SOLD BY AGENT
CO 9057PP

PLS FEATURED PACKAGE



NORTH TEXAS SWD FACILITY **SWD/DV**
 560-Acre Salt Water Disposal Facility
 BARNETT SHALE
 Serving 50 Companies/Clients.
 New Client Will Add 10,000-12,000 BWPD
 SWD Monthly Injection: 16,000 BWPD
 System Permitted For 30,000 BWPD
 Skim Oil System Generates 10-15 BOPD
 560 Acres Offers-Own Barnett Shale Sites
 Attractive Growing/Operating Business
 Expected YearEnd Cash Flow \$300,000 Mn
 NEGOTIATED SALE
SWD 9085P

WESTERN

OREGON

MALHEUR & HARNEY CO., OR **PLS**
 ~1,561-Gross Acres. ~737-Net Acres.
 MINERALS IN 28 SECTIONS **MINERALS**
 MINERAL INTEREST FOR SALE
 NonProducing Minerals.
 PLS IS PREPARING SALE PACKAGE
M 8507

WASHINGTON

ADAMS/FRANKLIN/GRANT CO., WA **DV/WA**
 74,507-Net Acres. 76,716-Gross Acres.
 COLUMBIA RIVER BASIN
 1,500-13,000 Ft. Gas Play
 SEEKING EQUITY PARTNERS
 Seismic/Magnetics/Gravity
 — Define Prospects.
 Adjacent To Gas Pipelines.
 CALL PLS FOR INTRO TO SELLER
DV 6959



MULTISTATE

MINERAL PACKAGE FOR SALE **PLS**
 >3,561-Gross Acres. >1,192-Net Acres.
 CALIFORNIA, OREGON & IDAHO
 MINERAL INTEREST FOR SALE **MINERALS**
 NonProducing Minerals.
 PLS IS PREPARING SALE PACKAGE
M 8500

TEXAS & WYOMING SALE PACKAGE **<2 MMBOE**
 111-Wells. 6,715-Gross Acres.
 TEXAS & WYOMING
 10-Producing Fields.
 Significant UpSide Potential In Texas.
 OPERATED & NonOperated WI For Sale.
 Gross Prod: 1,095 BOPD & 1,100 MCFD
 Net Cash Flow: ~\$1,000,000/Mn
 Total Net Rsvrs: 1.59 MMBO & 2.12 BCF
 Additional Cash Flow/Gathering Fees.
 CONTACT AGENT FOR DATA PACKAGE
PP 6824DV

CANADA

AB/BC

CORPORATE SALE PACKAGE
 5-Major Offices. 575-Employees.
 HEADQUARTERS IN CALGARY **340 MMCFeD**
 Regional Offices In Edson, Medicine Hat,
 — Grande Prairie & Fort St John
 Production: 340 MMCFeD (85% Gas)
 Est Proved Reserves: 1.6 TCFe
 CONTACT AGENT FOR DATA PACKAGE
CO 1049

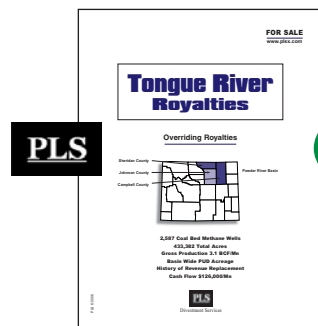
AB/SK

ALBERTA & SASKATCHEWAN PKG **216 BOED**
 38,563-Gross Acres.
 BIGSTONE, BRAZEAU, MUNDARE
 PROVOST & VIKING AREAS
 Significant UpSide Potential.
 30% NonOperated WI For Sale
 Net Production: 216 BOED (98% Gas)
 Proved Reserves (Alberta): 310.4 MBOE
 CONTACT AGENT FOR INFO
PP 8265DV

MANITOBA

MANITOBA EXPLORATION PROJECT **SHALES**
 4-Exploratory Plays. Incl 1-WellBore.
 MANITOU
 Fractured Shale Gas. 250 Meters.
 Conventional Shale Gas-Dakota/Mannville.
 Unfractured Shale. ReEnter Well.
 Conventional Oil- Devonian & Silurian.
 Previous Area Work W/ Results.
 8,425-Acres. 15-Km 2-D Seismic.
 Also Incl 16 Sq Mi of Iodine GeoChem.
 Opportunity To Lead A New Frontier Area.
DV 8407L

PLS FEATURED PACKAGE



POWDER RIVER BASIN OVERRIDES **RR**
 ~2,600-Wells. 435,000-Acres.
 SHERDIAN JOHNSON & CAMPBELL
 Continuous Drilling 10-15 Wells/Pr Mn
 Multiple Pay. Coals >20 Ft Thick
 Shallow Gas. Low Cost Production.
LARGE OVERRIDE PACKAGE OV/CBM
 Gross Production: 103,333 MCFD
 Cash Flow: \$125,000-\$150,000 Mn
 Year By Year; Revenue Increase;
 DOE Reports: 39 TCF Recoverable
 PLS HAS PREPARED DETAILED PKG
RR 8380DV

Minerals & Royalties Wanted:

Producing or Non-Producing
 Quick Closing Ability
 — Cash Offers —



Texas Land & Royalty Company, Ltd.

Contact Person:
 Jeff Beard

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 Midland, TX 79702

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Fax:
 (432) 687-4804

E-mail:
 tlr@texaslandandroyalty.com

CANADA

SK/AB/BC

SK/AB/BC SALE PACKAGE
7-Separate Offerings.
FREEFIGHT, JENNER/BANTRY 20,000
LETHBRIDGE, HARMATTAN BOED
FENN BIG VALLEY, DEER MOUNTAIN
PLUS OTHER LOCATIONS
Mostly OPERATED WI Available.
Production: 20,000 BOED
CONTACT AGENT FOR DATA PACKAGE
AGENT WANTS OFFERS MID-SEPT 2006
PP 1020DV

ALBERTA

ATHABASCA OILSANDS PROPERTIES
374,321-Net Acres.
WABASCA N, DUNCAN, PELICAN LAKE
WOODENHOUSE & CHRISTINA LAKE
Nisku/Grosmont, Grand Rapids,
— Wabiskaw & McMurray Formations
Net Reserves: 46.7 BBO OIL SANDS
OFFERS DUE AUGUST 10, 2006
L 1040DV

CANADIAN SALE PACKAGE
6-Packages. 809,000-Net Acres.
BC NORTH, RAINBOW, BC SOUTH
KAKWA, PEMBINA & HOADLEY
Significant UpSide Opportunities.
MOSTLY OPERATED. 131 MMCFeD
High Working Interest Properties.
Recent Production: 131 MMCFeD
U.S. COMPANY EXITING CANADA
CONTACT AGENT FOR UPDATE
CO 9109PP

CANADIAN SALE PACKAGE
23-Properties/Lots. 74-Wells.
ALBERTA 316 BOED
KEHO, SKARO, VIKING, CHIGWELL
Provost, Smith, Veteran, Wood River
Operated & NonOperated Lots/Sale
OPERATED & NonOperated WI For Sale
Net Production: 316 BOED
Incl Some Land & Acreage For Sale
Net Proved/Probable PV10: \$12,002,900
— INDIVIDUAL PROPERTY LOTS
— ACCESS PROPERTY DATA THRU PLS
PP 1923DV

SHEKILIE RIVER PACKAGE
2,535-Hectares. RAW LAND
ALBERTA
Jean Marie & Slave Point Gas Potential.
LARGE BLOCK OF LAND
New Licensed Wells Offset Acreage.
100% WI To FarmOut or Sell.
ALL RIGHTS
Land Expiry October, 2006
L 1728

GIROUX LAKE SALE PACKAGE
3,520-Acres. 4-Wells. DV
T65 R21 W5M
Gething & Viking Potential.
75% OPERATED WI For Sale.
Well Tested @ 1 MMCFD
Reserves: 27 MSTB & 658 MMCF
Net PV10: \$2,150,000
DV 1036

GOLD CREEK ACREAGE
1,760-Acres. FARMOUT
T68-R6/7 W6M
Significant UpSide Potential
50%-100% WI To FarmOut or Sell.
OffSets Oil & Gas Production.
Infrastructure In Place.
Short Term Expiry: May-August,2006
DV 1415

GRANADA LEASE
8,960-Acres. LEASE
T52-54-R9-11 W5M
Seismic Available.
100% WI To FarmOut or Sell.
OffSets Oil & Gas Production
— Rock Creek & Jurassic
Long Term Expiry 2009
L 1717FO

MORINVILLE PACKAGE
6-Wells. 1-SWD. 8 BOPD/WELL
T565 R25 W4M
Leduc Reef Production.
UpSide Potential.
Small NonOperated WI For Sale.
Gross Production: 117 BOPD/Well
Net Production: 8 BOPD/Well
Net Proved PV10: \$388,000
PP 1030DV

PEMBINA AREA, AB ACREAGE
640-Acres of Crown Land. ACREAGE
T48 R06 W5M
Offset Production: Glauconite, Nordegg
— & Basal Quartz Formations
Area Offsets Well That Prod: 517 MSTB
100% OPERATED WI For Sale.
Nearest Well To North Prod 55 MSTB
Nearest Well To South Prod 157.5 MSTB
No Encumbrances Except Crown Royalty
OFFERS DUE AUGUST 17, 2006
DV 1031

SNIFE LAKE FARM OUT
8,000-Acres. DV/FO
Gething Channels Target.
2-D Seismic Available
ALL RIGHTS
100% OPERATED WI AVAILABLE
Some Infrastructure In Place.
Long Term Expiry.
DV 1777FO

CANADA

ALBERTA

WEASON LEASE
2,560-Acres. RAW LANDS
T62-R09; W5M
Infrastructure In Place.
100% WI AVAILABLE
Lease Expiry: 2007
L 3009

RAW LANDS

RED Means Property For Sale

BEAUVALLON LEASE
1-Well. 1-Standing, 2,560-Acres. FARMOUT
T55-R8/9 W4M
Potential Exists: Viking, Colony & Sparky
ALL RIGHTS
Infrastructure In Place.
100% WI To FarmOut or Sell.
Operating Statements Available.
Expiry July 2009
L 2350FO

FARMOUT

MOOSELAKE LEASE
ALBERTA
Grand Rapids & Mannville Production
Viking Potential Exists On Sections Available
Close To Existing Infrastructure.
100% OPERATE WI DF/FO
10km Trade Seismic Available.
Long Term Expiry 2010
L 2297DV 1,920-Acres.

DF/FO

ELMWORTH LEASE
10,240-Acres. DV/FO
T69-70-R7-8 W6M
Significant UpSide Potential.
50%-100% WI To FarmOut or Sell.
Offset Wells Produce Gas.
Infrastructure In Place.
Expiry May 2006 - January 2007
L 2352DV

DV/FO

CANADA

ALBERTA

SPENCER PROPERTY
2-Wells. 6,400-Acres. 46 MCFD/DV
T66-R8 W4M
Potential Exists-Grand Rapids Formation
40 Km Trade Seismic Available
Some Infrastructure In Place.
50%-100% OPERATED WI For Sale.
Gross Production: 123 MCFD
Annual Net Cash Flow: \$109,000/Yr
Seller Can Provide LOE Data.
8-Sections of Land.
Some Lands Expire August 2009
L 2276DV

46 MCFD/DV

ALBERTA CORPORATE SALE
61,130-Net Acres.
HORSESHOE CANYON & MANNVILLE
Shallow CBM Targets — CBM
Also Targeting Norris Area (Mannville)
LOW RISK
MOSTLY 100% OPERATED WI
Current Production: 1.8 MMSCFD
Scalable Drilling-Concentrated Lands.
OFFERS DUE MID SEPTEMBER 2006
CO 1039

CBM

MEDICINE HAT ACREAGE
12,800-Acres: Crown & Freehold Lands
T9-11-R5-7 W4M ACREAGE
VARIOUS RIGHTS
50%-100% WI To FarmOut or Sell.
Offsets Prod: Milk River & Bow Island
Close To Existing Infrastructure.
Expiry Nov. 2006 - Nov. 2008
DV 1711

ACREAGE

CANADA

ALBERTA

MEDICINE HAT FARMOUT
12,800-Acres Crown Land. DV
T22-R1 W4M
ALL RIGHTS
— Below Base Medicine Hat to Basement
1100% WI To FarmOut or Sell.
Offset Prod: Milk River & Medicine Hat
Close To Existing Infrastructure.
Expiry January, 2008
DV 1722

DV

HUDSON (OBO) PROPERTY LOT
1-Gas Well. Behind Pipe Potential GAS WELL
T29 R2 W4M
Bakken Formation.
Potential To Complete Bakken & Viking.
15% NonOperated WI For Sale.
Gas Well Currently ShutIn. No Production.
Est Value Proved/Probable: \$388,000M
PP 2017DV

GAS WELL

HYTHE PROSPECT
T72/73-R9 W6M LAND SALE
P&NG To Base Jurassic.
Infrastructure In Place.
100% WI To FarmOut or Sell.
OffSets Prod: Dunvegan & Nikanassin
Expiry May - November 2006
DV 1715 1,280-Acres.

LAND SALE

WEST CENTRAL AB PACKAGE
Petroleum, Gas Reserves & Facilities 12 MMCFeD
BRAZEAU RIVER & WEST PEMBINA
10-31% Working Interest For Sale.
Production: 12 MMCFeD
Individual Offers On Facilities & Reserves.
CONTACT AGENT TO LEARN MORE
PP 1032DV

12 MMCFeD

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The most advanced and comprehensive, yet easy to use Land and Lease Management software ever developed for the E&P Industry.

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HOUSTON DALLAS CALGARY

CANADA

BRITISH COLUMBIA
NE/BC ROYALTY PACKAGE
 8-Wells. 5-Shut-In Wells.
HALFWAY & FIREWEED **ROYALTY**
 T87-R25-W6M
 Significant UpSide: Long Life Reserves.
OVERRIDE & ROYALTIES FOR SALE
 2005 GORR Netted: \$82,000/Yr
 Net Revenue: \$10,000-\$11,000/Mn
RR 3601OV

INTERNATIONAL

ALGERIA
ALGERIAN BUSINESS OPPORTUNITY
 Current International Player
 — **SEEKING PARTNERS** **ALGERIA**
 Desire to Speed Up Commercialization.
 CONTACT AGENT FOR MORE INFO
DV 9126PP

AUSTRALIA

AUSTRALIAN PROSPECT
 1,550-Sq Miles. 965,000-Acres.
COOPER **AUSTRALIA**
 270 Lines of Seismic Data.
 Up To 100% OPERATED WI
 Est Production To Date: 50 MBO
 Low Development Expenditure.
 Infrastructure In Place
 Oil Pipeline Runs Through Block.
 CONTACT AUSTIN AGENT
DV 9569PP

AUSTRALIAN PROSPECTS
 6,000,000-Acres.
AUSTRALIA BASIN **AUSTRALIA**
 Seeking Seismic Partners
 — To Earn Working Interest.
 82.5% NRI Delivered.
 CONTACT AGENT TO REQUEST INFO
DV 9197

CENTRAL AUSTRALIA FARM-IN
 6-Initial Prospects. 41 Million Acres.
PEDIRKA, AMADEUS, LANDER
 — TROUGH & GEORGINA BASIN
 >200 Prospects & Leads Identified.
 Maximum 50% WI Available. **FARMIN**
 Excellent Growth Potential.
 Reserve Potential: 300 MMBO & 3.4 TCF
 OFFERS DUE SEPTEMBER 30, 2006
DV 8265FI

ONSHORE SOUTH AUSTRALIA ORRI
 2-Wells. 5,605,464-Gross Acres +/-
COOPER/EROMANGA BASIN **480 BOPD**
 3-Additional Wells Going Online In Aug.
 Current Production: 480 BOPD
 OffSet Production: 1.0 BCF/Yr
 Basin Cumm'd: ~320MMBO & 11 TCF
PP 9298

CENTRAL AMERICA

CENTRAL AMERICA OPPORTUNITY
 >1,200,000-Acre Prospect.
OFFSHORE CARIBBEAN **OFFSHORE**
 Cretaceous Carbonate
 — & Eocene Reservoirs.
 2-Year Budget. \$3.0 MM For Development
 Synergies W/ Mexico & Venezuela.
 Investment Bank Screening
 — Potential Parties.
 Confidentiality Agreement Required.
 PLS IS SCREENING BUYERS/AGENT
DV 9267

PLS Listings Marked By PLS Logo are Opportunities Being Handled By The PLS Marketing Arm.

INTERNATIONAL

GHANA
GHANA EXPLORATION PROSPECT
 1-Exploration Well (Cretaceous)
GHANA **3-D/DV**
 5-Structural Closures On The Keta Arch
 — Defined By 3-D & 2-D Seismic
 SEEKING WI PARTNERS TO DRILL
 2-Offsets Prove Hydrocarbons Present
 Est Reserves: 1,000-2,000 MMBO
DV 7850

HUNGARY

NORTHEASTERN HUNGARY
 4-Well Potential.
PANNONIAN BASIN **>180 BCF**
 Targeting 3,200-4,900 Ft.
 LOW RISK GAS PROSPECTS
 Good AVO Response. Proven Gas Pay.
 90% OPERATED WI Available.
 Total Est Reserves: >180 BCF
 UpSide Rsrvs In Excess Of 400 BCF
 CONTACT LONDON AGENT
DV 8305

IRELAND

LARGE FARMIN PROSPECT
 1,630-Sq Km (Over Three Blocks).
ONSHORE & NORTHERN IRELAND **FARMIN**
 Tight Gas Play.
 Mullaghmore & Dowra Targets.
 Significant UpSide In Basal Clastics.
 High OPERATED WI For Sale.
 Access To European Markets & Industry.
 Est Reserves: 9 TCF
 Proven Natural Gas Territories.
DV 9396FI



MALTA

MALTA FARMOUT
 4-Blocks (Area 4).
OFFSHORE **FARMOUT**
 Seeking To FarmOut Operations &
 Part Of 100% WI Of Offshore Acreage.
 — Agent Acting As Financial Advisor
 CONTACT AGENT TO LEARN MORE
DV 8295FO

NETHERLANDS

EUROPOINT TERMINALS FOR SALE
 Large Scale Terminal.
NORTH SEA CANAL **COMPANY**
 Fully Integrated & Modernized Operation.
 Accommodates Seagoing Vessels
 — Barges, Rail & Trucks
 STABLE CASH FLOW
 Interconnected Through Pipelines.
 Storage & Blending Services.
 Turn-Key Operation/Strong Management.
 Major Clients: Mid-Long Term Contracts.
 AGENT HAS PACKAGE
CO 9084

DUTCH NORTH SEA GAS PROSPECT

8-Licenses. 50 Prospects.
ONSHORE & OFFSHORE **DV**
 Equities Ranging From 30%-60%
 Gross Unrisked Volume: 70 MMBOE
 Close To Infrastructure.
 OFFERS DUE AUGUST 31, 2006
DV 8329

PERU

PERUVIAN PROSPECT
UCAYALI BASIN **PERU**
 Shallow Production (1,000 Ft.)
 Environment & Drilling Permits Approved.
 20% NonOperated WI; 18% NRI
 10% Royalty Available.
 Same Zones Producing: 17 MMBO
 CONTACT AUSTIN AGENT
DV 9417RR

INTERNATIONAL

TURKEY
ONSHORE & OFFSHORE TURKEY
 1,000,000-Acres.
MULTIPLE BASIN AREAS **WILDCAT**
 Paleocene & Cretaceous Targets.
 SubSurface, Geochemistry & Geophysics.
 100% OPERATED WI For Sale.
 Est Rsrvs: 100 MMBO & TCF Potential.
DV 8226

UNITED KINGDOM

UNITED KINGDOM NORTH SEA
 Large Tertiary Oil Prospect. Low Risk
SHETLAND BASIN **~50 MMBO**
 Heimdal & Hermod Sand Targets
 Oil Shows In High Quality Heimdal Sands.
 Direct Hydrocarbon Indications on Seismic.
 UK Company Seeking Partner
 — Company To Shoot/Study Seismic.
 OPERATORSHIP Available.
 Est Reserves: 30-90 MMBO
 4-Way Dip Closure. 2-D Seismic.
 CONTACT LONDON AGENT FOR INFO
DV 8279L

NORTH SEA FARM OUT

CLEVELAND & SOLE PIT BASINS **FARMOUT**
 SEEKING WI PARTNERS
 OPERATORSHIP Possible.
 >186 Mi 2-D Seismic Avail For Purchase.
 Est Reserves: 45 BCF/Well
 CONTACT LONDON AGENT FOR INFO
DV 9357FO

NORTH SEA PROSPECTS

5-Licenses. Up To 10-Prospects.
OFFSHORE ENGLAND & NORWAY **30 MMBOE**
 Carboniferous To Tertiary Targets.
 Exploration & Development Assets.
 Equities Ranging From 20%-100%
 Gross Unrisked Volume: 5-30 MMBOE
 Close To Infrastructure.
 OFFERS DUE AUGUST 31, 2006
DV 8325

WEST AFRICA

WEST AFRICAN OFFSHORE FARM-IN
 4,429 Sq Km (2,752 Sq Miles)-Acres.
SIERRA LEONE AREA **INTL**
 Petroleum Interests In Sierra Leone.
 6.5% Royalty In Waters >200 Meters.
 12.5% Royalty Onshore. 5.0% ORRI
 Geological Studies. Maps. 2-D Seismic.
RR 8992

YEMEN

REPUBLIC OF YEMEN EXPLORATION
 14,853-km.
AL FURT/SOUTH AL FURT **DVI/YEMEN**
 Sizeable Leads & Prospects Developed.
 Well Established Company.
 2-OnShore Blocks: 100% OPERATE WI
 Partner To FarmIn: Up To 50% WI
 90-km From Field Prod: 150,000 BOPD
DV 8288

WANTED

RIGS AVAILABLE FOR WI TRADE **PLS**
EAST TEXAS & NORTH LOUISIANA
 Rig Can Go To 11,000 Ft.
 Trade Rig Work For Working Interest
 — Includes Associated Services.
 Client Retains Operations. **RIGS**
 CALL PLS FOR MORE INFORMATION
W 9527

WANTED

WATER/CRUDE TRUCKS WANTED
PERMIAN BASIN
 Service Company Needs Assets **W/E**
 For Expanding Field Operations.
W 8406E

STRIPPER PRODUCTION WANTED
PREFERENCE: EAST TEXAS & SOUTH CENTRAL OKLAHOMA **HAVE RIGS**
 Pulling Unit Company & Investors
 Looking For Operated/NonOperated WI
 Develop Stripper/Remedial Leases
 Put Money and Rigs To Work
W 8131SP

FRAC TANKS & TRUCKS WANTED
 ANYWHERE **FRAC TANKS**
 Will Pay Top Dollar!
W 8405E

STRIPPER PRODUCTION WANTED
PREFERABLY IN TEXAS **WANTED**
W 9058

ENERGY FUND WANTS PROSPECTS
 Seek NonOperated Working Interest.
 Will Consider \$500,000-\$600,000 Per Well
 Requires 6:1 ROI
 Will Drill/Take 35-50 Wells/Year **NEED DEALS**
 Verifiable Track Record. Industry Referrals
W 8480DV

BUYERS & PARTNERS WANTED
UNCONVENTIONAL PLAYS
Barnett Shale Properties & Prospects
 New Albany Shale Projects **SHALES**
 Palo Duro Basin Opportunities
 Call and Reference Your Preferences
 Project Generators Need Capital/Partners
W 8431DV

GULF COAST PROSPECTS WANTED
 3-D Defined.
Ready To Drill. Operations Preferred. **WANTED**
 End User Has Rig and Money.
W 8326DV

MIDSTREAM ASSETS WANTED
ALL AREAS **W/ASSETS**
 Want OPERATED & NonOperated WI
W 6360G

PRODUCING PROPERTIES WANTED
OKLAHOMA HEAVY CRUDE **WANTED**
 Prefer Operations. Any Size
 Call PLS With Deal Terms & Information
 PLS SCREENING LEADS FOR BUYER
W 8421PP

PRODUCING PROPERTIES WANTED
FT WORTH BASIN, EAST TEXAS **WANTED**
GULF COAST & ANADARKO BASINS
 Prefer 50% OPERATED WI
 Leased or Held-By-Production.
 PUDs & PDNPs. Infrastructure In Place.
W 9999PP

PLS FEATURED PACKAGE

RENO CO., KS PROPERTIES
 15-Wells. ~1,760-Acres.
LANGDON FIELD **>42 BOED**
 Gas Gathering System In Place.
 Waterflood UpSide Potential.
 — Mississippi Field.
 100% OPERATED WI; ~87% NRI
 Net Production: 31 BOPD & 67 MCFD
 Net Cash Flow: ~\$50,000/Mn
 Wells Have Prod: >1 MMBO & 4.3 BCF
PP 9975DV

PLS FEATURED PACKAGE

JOHNSON CO., TX SALE PKG
 6-Producers. New Well Waiting On Tie-In
 5,000 Acres. 2-Adjacent Blocks.
 Area Approved For 20 Acre Spacing.
 8th Well Set To Spud September
EAST NEWARK/BARNETT SHALE
 10-15 Proved Undeveloped Locations **DV**
 20-25 Possible Locations
 3-D Seismic
 75-85% Operated WI Available.
 Recent Production: 6.0-8.0 MMCFD
 New Engineering Report Available
 Package Being Prepared Mid-August
 Call PLS To Get On Buyers List
PP 6013DV

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- PHDWin™ serves as a powerful tool, integrating interactive decline curve and material balance graphics with one of the best economic engines in the industry.
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PYR raises production; new well at Wilburton produces 6 MMCFeD

At the Wilburton Field in Oklahoma, **PYR Energy** reported that the Scharff #7-1 began drilling operations in June and is nearing a target depth of ~15,000 ft. The Scharff #8-1 will begin drilling operations once the #7-1 has completed drilling. The Scharff #6-1 was recently placed on sales, and due to completion and fracture stimulation problems, is currently producing ~6 MMCFeD. The Scharff #5-1, drilled and completed in 2005, had initial production rates of up to 54 MMCFeD, is currently producing at an average rate in excess of 39 MMCFeD. PYR

has 2.42% WI in these wells. The #1-30 Duck Federal well in Uinta Co., Wyoming (28.75% WI) currently produces 4.5 MMCFD with a significant decrease in water. The WI partners are studying the feasibility of re-entering and sidetracking the now-abandoned UPRC #25-1, located ~2,000 ft. north of the Duck Federal. This well encountered the Mission Canyon ~400 ft. high to the Duck Federal, but failed to penetrate the main porosity zone due to steep dips. As a result, it produced only around 587 MMCF and 5,000 BC prior to being plugged and abandoned. PYR and its partners

believe economic reserves can be found within the porosity zones, accessible via a sidetrack. At the Tortuga project in Smith Co., Texas, the Chisum #1 has been completed in the lower Rodessa section and is flowing to sales. After being tied into a high pressure system, the well progressively opened up and now produces 1.1 MMCFD and 50 BCPD. At the Madison project in Jefferson Co., Texas, the Maness Gas Unit #1 is undergoing a workover to replace production tubing damaged by corrosion and scaling. Maness was averaging 400 BOPD and 1.5 MMCFD. PYR has 12.5% WI.

Mid-Continent

PetroQuest logs pay in Caney and Woodford shales

Drilling continues in **PetroQuest Energy's** Southeast Carthage Field and in the Arkoma Basin. PetroQuest drilled its first two operated wells targeting the Caney and Woodford shales, both of which were vertical wells. Each well logged pay in the Woodford and Caney shale formations and core samples are currently being analyzed of each section.

The Pelican Point prospect was drilled and is currently being completed in the Rob L objective. The well is expected to begin producing this month at a gross rate of ~10 to 15 MMCFeD. PetroQuest has ~18% NRI in the well. Plans call to spud the second well at Pelican Point during Q3. PetroQuest increased its Q2 production guidance to 69-71 MMCFeD from previous guidance of 65-69 MMCFeD.

Brinx plans offset to Owl Creek well

Brinx Resources Ltd. (Albuquerque, New Mexico) identified several new direct offset wells to be drilled off of the Powell #2 at Owl Creek (McClain Co., Oklahoma). The first well, the Isbill #1-36 will spud this month. Seismic data indicates that the Isbill #1-36

well should be structurally very similar to the Powell #2 well. The well, which flows naturally, has sold 3,658 BO during the first 18 days of production, in addition to ~60 MCFD. Brinx Resources holds 50% WI in the 1,200-acre Owl Creek Prospect.

Mid-Continent Briefs

- **Chesapeake** completed a northern Arkansas wildcat in White Co., which flowed 800 to 900 MCFD. The 5,500 ft. well extended Fayetteville shale production in New Quitman field eastward about 25 miles from the previous easternmost producer reaching the Mississippian, Harts E&P reported. Few additional completion details were available.
- **Tengasco** produced ~552 BOPD in Kansas during June, the highest monthly total since they acquired the properties in early 1998. The company also established a \$50 million revolving

- senior credit facility. The initial loan of \$2.6 million will be used, in part, to exercise Tengasco's option to repurchase from **Hoaztin Partners** the company's obligation to drill the final six wells in a 12-well drilling program (~\$1.4 million).
- **Encore Operating** completed an exploratory test in Beaver Co., Oklahoma, which initially flowed ~4.0 MMCFD and 15 BOPD through fracture-treated perms in the Morrow, Harts E&P reported.
- **Lexington Resources** began gas production from its Peyton 1-25 (50% WI) at 225

- MCFD. The company's Arkoma Basin exploration partner **Dylan Peyton** completed its CBM gas targeted vertical Peyton 1-25 well in an alternative gas sand zone located near the CBM zone in which the well was drilled. The new well is located on Lexington's South Lamar lease in Hughes Co., Oklahoma.
- **EnDevCo** has discovered a new pay zone in Short Junction Field in Oklahoma. The #1 E. Kelly (WSJU #44) was completed in the Prue sand formation, pumping oil at a rate of 30 BOPD from ~17 ft. of pay sand.



Bankers set to frac Palo Duro wells *cont. from page 1*

from a previously tested deeper interval after a mechanical failure occurred. The company's review showed that the primary Bend Shale target was not perforated and warrants testing.

In the Woodford and Caney Shales of Oklahoma, the company is initiating an exploration drilling program in two prospective areas targeting primarily the Woodford shale, and in its upstate New York project by fracture stimulating two previous wells in the Trenton Black River Shale, which will be followed by the drilling of a further three wells in this area.

The Woodford Shales have been proven productive in the vicinity of Bankers' acreage through previous drilling. Several vertical wells have been drilled in nearby fields into what appear to be naturally fractured Woodford Shale intervals, yielding results of average cumulative production from the Woodford only completions of ~0.8 BCF per well in one field and 1.2 BCF per well in another.

In the Trenton Black River and Utica Shales (New York), Bankers will fracture two existing wells. It also plans to drill three new wells by year end. In the Black Warrior Basin in Mississippi and Alabama, three initial locations have been selected.



Unit's well at Panola producing 53 MMCFeD

Unit Corp. ramped up production at two significant properties—the Panola and Segno fields. At Panola (Arkoma Basin of SE Oklahoma), Unit completed its eighth successful gas producer, the Lively #7 (~30% WI), which produced at an initial gross rate of 42 MMCFeD in May. The well continues to produce exceptionally with current gross production at 53 MMCFeD. The current flow rate from the eight wells in this field totals 149 MMCFeD gross (28 MMCFeD net).

Recent activity at Panola includes the drilling of the Scharff #7 (12.62% WI) which reached TD and encountered a thick natural gas pay zone. The north offset to the Lively #7, the Ivey #1 (56.91% WI) is drilling at a depth of 8,000 ft. toward an anticipated TD of 15,000 ft.

Segno (Polk Co., Texas) was discovered by Unit in early 2003. Since that time, the company has completed nine successful natural gas wells, all producing from the Wilcox. The most recent completion was the BP Fee #2 (100% WI), which had first sales last month at an initial rate of 3.7 MMCFeD gross. The current flow rate from the nine wells in this field is 24.3 MMCFeD gross (16.8 MMCFeD net). Unit currently plans to drill four additional wells in the field this year.

Summer NAPE *cont. from page 1*

In addition to the two-day expo featuring more than 400 exhibit booths and 5,000 attendees, this year's Summer NAPE also hosts an E&P Forum sponsored by **IHS Energy**; an industry luncheon sponsored by **The Oil & Gas Asset Clearinghouse** and **Tristone Capital**, featuring **John Richels**, president of **Devon Energy**; an Icebreaker social sponsored by **Chesapeake Energy**; and a special Joint Operating Agreement Workshop prior to opening day.

Major financial sponsors of the 2006 Summer NAPE event include **Noble Royalties**, **The Oil and Gas Asset Clearinghouse**, **Tristone Capital**, **Reichmann Petroleum Corp.** and **Enertia Software**. Summer NAPE is presented by **NAPE Expo LP**, a limited partnership among the **American Association of Professional Landmen**, the **Independent Petroleum Association of America**, the **Society of Exploration Geophysicists** and the **American Association of Petroleum Geologists**. The four entities have combined resources and marketing capabilities to provide the industry with the most comprehensive E&P event in the world.

For online registration, exhibitor forms and our innovative and interactive floor plan, visit the new Summer NAPE Web site at www.napeonline.com.

Irvine Energy acquires interest in shale gas project

Irvine Energy plc signed agreements to acquire 75% WI in ~30,000 acres as part of a lease acquisition, exploration, and development program in respect to the Chattanooga Shale in Kansas, **Rigzone** reported.

The primary focus of the project is shale gas exploration and development of the Chattanooga Shale in a joint venture with the Metro Group, which comprises **Metro Energy Group Inc.** and **Kanco Energy Inc.** The project's exclusive AMI consists of ~7 million acres over 11 contiguous Kansas counties covering the Chattanooga Shale. The Metro Group will operate with 25% WI.

Irvine and the Metro Group seek to build a large strategic acreage position over the Chattanooga Shale, with a target acquisition of 100,000 to 200,000 acres within the AMI.

The Metro Group has operations in Oklahoma, Louisiana, and Kansas. The group has a proven track record in shale gas development, including an operating agreement in the Woodford Shale gas play in Oklahoma with **Devon Energy**.

Quest builds reserves and production

Quest Resource Corp. had proved reserves at June 30 of 213.2 BCF, a 58% increase over year-end 2005. Also, as of June 30, Quest had 378.6 BCF of total 3P gas reserves, a 26% increase over 2005 year-end total.

The company's growth in proved and 3P gas reserves is attributable to its development activities during the first half of the year. For the first six months of 2006, Quest drilled 372 wells, connected 329 wells to its gathering system, recompleted 83 wells as multi-seam producers and installed 267 miles of gathering lines. Quest has realized a 100% success rate with respect to its developmental drilling to date in 2006.

Also during the first six months of 2006, Quest leased an additional 46,279 acres in the Cherokee Basin, adding ~289 developmental drilling locations to its inventory. Finally, as of July 1, Quest's gross production was 46 MMCFD, a 20% increase over the exit rate for 2005.

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Trenton-Black River play generating excitement

In an unlikely area for a gas boom, wells in New York are producing natural gas in record amounts. New York wells produced a state record 55.2 BCFe last year, and numbers are climbing as more operators are exploring the Trenton-Black River reservoir, and beyond.

Appalachia

The TBR formation, which stretches into Canada and West Virginia, accounted for 80% of production in New York last year, the *Associated Press* reported. **Talisman** sub **Fortuna Energy** has 51 producing TBR wells in New York state. **EOG Resources** has reportedly drilled about a dozen wells in the state, in both TBR and shallower targets.

Range Resources Corp. said its first three shallow wells in New York's Finger Lakes region went on line at a combined rate of 1.6 MMCFD of gas from TBR at 3,000 ft. The company plans two more shallow wells this

year. The company is in a JV with **Talisman** to develop TBR targets in Pennsylvania.

Talisman plans to spend \$109 million this year drilling mostly horizontal wells in the Appalachian basin.

Chesapeake Energy entered the play with its \$3 billion purchase of **Columbia Natural Resources** last November. **Chesapeake** also plans to expand the Pennsylvania drilling operations acquired last year.

Pennsylvania's gas business is heating up as well, with more than 3,600 drilling permits issued so far this year, on track to eclipse last year's record of 6,042 permits issued.

The Trenton-Black River formation in Pennsylvania tends to be deeper than in West Virginia and New York, so the drilling is riskier and far more expensive.

Operators seeking to develop the Pennsylvania lands include **Anadarko**, **Ultra Petroleum**, and **Fortuna**.

CNX program targets CBM and New Albany Shale

CNX Gas plans evaluation of two projects – its CBM acreage in central Pennsylvania (Nittany) and its New Albany Shale acreage in Western Kentucky and Southern Illinois (Cardinal). In Nittany, **CNX** controls 248,000 gross acres estimated to hold unproved reserves of 181 BCF. In Cardinal, **CNX** controls 70,000 gross acres estimated to hold unproved reserves of 358 BCF. The Cardinal acreage is expected to be developed through horizontal drilling.



CNX GAS

After an assessment of acreage unproved reserves, **CNX** said it controls the CBM estate and/or oil and gas estate on 2.4 million gross acres. **CNX** estimates that ~1.6 million of these gross acres contain ~2.0 TCF of net unproved reserves. When combined with ~1.1 TCF of proved reserves, the company estimates its total recoverable reserves to be ~3.1 TCF. Significantly, 640,000 gross acres remain unevaluated. The remaining 214,000 acres have been leased to other entities that provide **CNX** Gas with royalty income.

Ultra drills successful well in Pennsylvania

Ultra Petroleum Corp. said its Marshlands #1 exploration well in Tioga Co., Pennsylvania is currently on stream producing natural gas. Production over the last four weeks has stabilized at 3.0 MMCFD at 3,800 pounds flowing casing pressure. Consistent with this exploration success, **Ultra**



reported a significant increase in its acreage position in the play. Current gross acreage totals ~246,617 acres up from 26,868 at year-end 2005. Development plans call for up to two additional wells to be drilled later this year. The company's assets are concentrated in Wyoming and Bohai Bay, China.

Rex Energy spots 80 locations on Illinois Basin acreage

Rex Energy Operating Corp. acquired some of the Illinois basin properties of **Team Energy** and related companies for \$22.9 million. The properties are in the counties of Gibson and Posey in Indiana, and St. Lawrence Co., Illinois. The acquisition includes proved reserves of



2.9 MMBOE and 2P reserves of 4.0 MMBOE. **Rex Energy's** team has identified more than 80 drilling locations, 60 re-completions and several waterflood opportunities within the fields. **Rex Energy's** assets in the Illinois basin now produce in excess of 3,000 BOEPD and include over 200,000 gross acres with projects targeting conventional oil production, enhanced oil recovery and the New Albany shale.

BPI expects gas flow at Illinois Basin project

At its Northern Illinois Basin project, **BPI Energy** (Cleveland) has drilled nine of ten planned multi-seam vertical CBM development wells, with more than 65% of the gas-gathering

flow lines already having been installed. The company expects to see gas flowing from the wells by September. **BPI** controls the dominant CBM acreage position in the Illinois Basin.



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Southwestern's production *cont. from page 1*

Of the 54 horizontal wells, 50 were currently producing.

Seventy-three wells were in the drilling or completion phase at July 31, including 42 wells which had been drilled through the vertical section with a smaller rig and will be re-entered with a larger rig capable of drilling the horizontal section.

Fayetteville frac process redesigned

During Q2, the company moved away from completing wells using nitrogen foam fracture stimulations in favor of larger slickwater and cross-linked gel stimulations, based upon the improved well performance experienced with those treatments. Through July 31, the company had performed 29 slickwater or cross-linked gel fracture stimulation treatments on horizontal wells currently on production. The average initial production test rate for these 29 wells was 1.7 MMCFD, 20 of which had been on production for more than one month. The average rate for these 20 wells after 30 days was 1.6 MMCFD. Costs of the recently completed slickwater horizontals averaged ~\$2.1 million per well. **Southwestern** has been able to mitigate a portion of the rising service costs through the use of its surface hole drilling program and increased efficiencies from its new fit-for-purpose drilling rigs.

The company's average horizontal well has a vertical depth of 3,200 ft. and lateral length of 2,300 ft., and have taken 10 to 15 days to drill the horizontal section of the hole. However, the company has recently experienced faster drill times and mobilization times with its new fit-for-purpose rigs.

As of July 31, **Southwestern** had ten drilling rigs running in the Fayetteville, eight of which are capable of drilling horizontal wells and two smaller rigs are being used to drill the vertical section of the horizontal wells. The company expects three rigs to be delivered in August, and a total of 19 to 20 rigs drilling in the play by year-end 2006. Of those, up to 16 rigs will be able to drill horizontal wells.

In Q2, the company extended the play ~20 miles to the east with the drilling of the Hefly #1-12-H in White Co. The Hefly well logged ~360 feet of gross pay, which compares favorably to the company's previously drilled pilot areas.

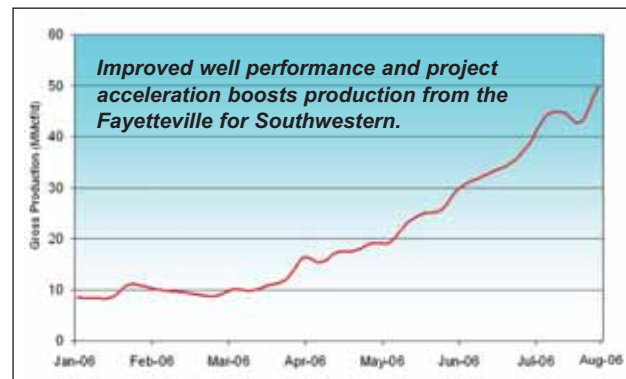
At July 31, **Southwestern** held ~883,000 net acres in the play area (including ~125,000 net acres held by conventional production). By the end of 2006, **Southwestern** expects to have effectively tested a substantial portion of its Fayetteville acreage.

Last February, **Southwestern** tested gas production from two vertical wells in the deeper Moorefield and Chattanooga Shales in the

play area. The company expects to begin drilling its first horizontal test of the Moorefield this month. **Southwestern** currently holds ~130,000 net undeveloped acres that could be prospective in the Moorefield Shale. The company is also continuing to evaluate the possible future development of the Chattanooga with horizontal wells.

Southwestern also chasing Permian Barnett

During the quarter, **Southwestern** completed its first well in the emerging Barnett Shale play in the West Texas Permian Basin, where it holds ~50,000 net acres. The State Street State #701 well in the company's Popeye Prospect is currently being tested. If results are encouraging, the company will likely drill a horizontal test well in the area. The Dela Minerals 3 State



#701, the first well in the company's deeper Coronado Prospect, is currently drilling at ~7,000 ft. toward a TD of 12,600 ft. The company expects to reach TD in the third quarter.

Outside the Shale plays


In its conventional Arkoma program, **Southwestern** invested ~\$39.5 million and spudded 34 wells in the first six months of the year. Three rigs are running in the conventional Arkoma Basin, all of which are drilling at its Ranger Anticline area (Yell and Logan Co., Arkansas). The company anticipates that

Southwestern expects to have 20 rigs running by year-end in the Fayetteville Shale.

it will have up to five rigs drilling at Ranger later this year and drill between 45 and 55 wells in 2006.

In East Texas, **Southwestern** invested ~\$113.6 million and spudded 43 wells during the first six months of 2006. Of these 43 wells, 38 were at its Overton Field and five were in the Angelina River Trend area.

The company continues to expand its leasehold position in East Texas at the Angelina River Trend (Nacogdoches Co.). The company currently has ~45,000 gross acres in the area, compared to ~14,000 gross acres at December 31. Through July 31, **Southwestern** has drilled 14 wells in the area, primarily targeting the Travis Peak interval. The company plans to drill 17 wells in the area this year.



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Storm Cat expands CBM play with Bill Barrett acquisition

Storm Cat Energy (Calgary) agreed to purchase ~25,000 gross acres (17,000 net) in the Powder River Basin CBM play in Campbell Co., Wyoming from **Bill Barrett Corp.** for ~\$30.6 million. The properties are located in and around Storm Cat's core Powder River operating. The acreage is ~81% undeveloped, over 90% of which is located on U.S. federal lands.

Storm Cat is acquiring ~10.2 BCF of proved reserves, 9.6 BCF of probable reserves and 7.8 BCF of possible reserves. The deal adds production of ~6.6 MMCFD (~3.0 MMCFD net) of natural gas from 64 producing CBM wells, 46 of which will be operated by Storm Cat.

Pro forma, Storm Cat will have ~19.8 BCF of proved reserves, net production of ~6.2 MMCFD and ~29,250 net acres in the Powder River Basin.

J. Scott Zimmerman, CEO, said the properties can be developed using the multi-seam completion technique which provides for increased recovery and reduced finding and development costs.



Rocky Mountains

Gasco finds partner for Hilliard Shale test

Gasco Energy secured an industry partner for its Daniel Anticline Prospect (Northern Green River Basin Wyoming). Dallas-based **Hunt Petroleum** will drill to earn acreage. Gasco will pay 25% to earn 25% of the first well, a Hilliard Shale test. In subsequent wells, Gasco will receive 25% carried WI and will pay 25% of the well costs until cumulative carry is \$10 million to Gasco. The agreement allows Hunt to earn 50% of Gasco's Daniel Anticline Prospect to all depths. Gasco retains operations of wells in the project. The partners have established an AMI covering the prospect.

The partners have permitted the initial well to be drilled, the Cottonwood Ranch 24-21, to test gas potential in the Lance, Mesaverde, Ericson, Rock Springs and Hilliard Shale formations to a proposed TD of 16,500 ft.

During initial completion testing, the well tested at rates approaching 3.2 MMCFD from the Ericson Formation at ~11,500 ft. The Cottonwood Ranch 24-21 is located between the Grindstone Butte 41-16 and the Ultra Cottonwood 32-33, which has cumulative production of 403.4 MMCFD from the Lower Lance since coming on line in 1998 (shut-in for three years).

Gasco also permitted the Billy Canyon 2-11 (100% WI) to test gas potential in the Lance and Mesaverde formations to a proposed TD of 9,600 ft.

Teton drills in Piceance, adds North Dakota assets

During Q2, **Teton Energy** participated in the drilling of six wells and the completion of seven wells in its Piceance Basin project. Production for the quarter is estimated at ~1.4 MMCFD, compared to 0.5 MMCFD in Q1.

Since the end of Q2, Teton Energy and its partners have initiated the drilling of one more Piceance well and brought four additional wells onto production, bringing the project totals to 20 gross wells drilled and one well drilling, 14 gross wells producing and six awaiting completion. Teton and its partners also recently changed the contract for gas gathering and transportation services from **Williams Energy** to **EnCana**.

Noble Energy, operator of Teton's 182,000 acre block in the DJ Basin, has begun the initial evaluation of the property.

During Q2, Teton acquired 25% in 58,000 net (90,000 gross) acres in a Williams Co., North Dakota horizontal oil play from **American Oil and Gas** for \$6.1 million. Plans call for **Evertson Operating Co.**, operator and 25% partner through **Evertson Energy Partners**, to drill the first Bakken well in the September-October timeframe with a tri-lateral completion.

Teton also increased its 2006 capex from \$12 million to \$17.8 million to cover an increase from 20 gross wells to 30 gross wells in the Piceance Basin and Teton's 25% interest in and partner carry of one well in the Williston Basin.



Ultra obtains additional 10-acre density drilling

Ultra Petroleum was successful in obtaining approval from the Wyoming Oil and Gas Conservation Commission for additional 10-acre down-spacing on the Pinedale Anticline. The company, in a joint application with **Shell**, gained approval for additional increased density drilling equivalent to 10-acre spacing on two areas totaling 16.3 square miles on the Pinedale Anticline. Currently the two areas covered by

the application are a mix of 40-acre, 20-acre, and 10-acre equivalent density – with 20s being the majority of the area. Approval of this application by the WOGCC will result in the ability to drill 1,043 wells within the two application areas. To date 174 wells have been drilled within these areas. Of the 1,043 wells, Ultra will own an interest in 947 and will operate 724.



Kodiak permits several wells at Green River and Williston

Permitting procedures are in process for several wells on **Kodiak Oil & Gas'** Vermillion Basin acreage in Sweetwater Co., Wyoming. Last year, **Questar Exploration** announced a proposed environmental impact study contemplating the drilling of more than 4,000 wells over 30 years. Approximately a third of Kodiak's acreage in the Vermillion Basin has been included in the EIS. Kodiak will pay its share of the EIS costs, which are not known at this time. Kodiak currently controls 49,427 gross acres (29,767 net), giving it the potential for nearly 750 locations based upon a 40-acre spacing pattern.

The North Trail-State #4-36 (~48% operated WI) is a proposed 14,625-ft. test of the Baxter Shale and Frontier and Dakota sandstones. The company is permitting four wells in its Horseshoe Basin Unit to test the Baxter Shale and Frontier and Dakota sandstones, and one well at its Chicken Ranch Unit.

On properties operated by others, Kodiak intends to participate in up to five Almond test wells (~6,000 ft. test) on its Chicken Springs Prospect (50% non-op WI) in Sweetwater Co., Wyoming. The locations will be drilled vertically and are direct offsets to the company's three producing wells in the field and are intended to develop Almond sands natural gas potential.

In the Williston Basin, Kodiak recently completed drilling the Kodiak Grizzly #13-6H (62.5% operated WI) in McKenzie Co., North Dakota. The well tested the oil-prone Bakken and was drilled to a vertical depth of 10,500 ft. with dual-laterals and TMD of 19,397 ft.

Galaxy updates Piceance Basin, sells non-core assets

In **Galaxy Energy's** Piceance Basin project, at the Biscuit Ranch 10-31D (25% WI), all completed zones in the overall interval from 7,294 ft.

to 8,462 ft. have now been commingled and fracture fluids are being recovered. Galaxy is preparing to move in a completion rig. Completion activities are also underway in the Mulvihill 15-32D (~18-25% WI). The Purkey Ranch 13-31B (25% WI) reached a TD of 9,373 ft.

The company is currently drilling the BR 03-03B Biscuit Ranch directional well (25% WI).

Galaxy engaged an advisor to assist with the sale of non-core assets – primarily undeveloped properties in the Powder River Basin and its properties in East Texas. The company is also discussing the rationalization of its asset base, incremental financings and possible business combinations.

At press time, Galaxy announced it had entered into an agreement with Exxel Energy to sell its 25% WI in the Rifle Creek project (Piceance Basin - Garfield Co.) for \$50 million. The project includes 6,000 acres an three producing wells. Upon closing, Exxel will have 100% WI.

Rocky Mountain Briefs — e&p

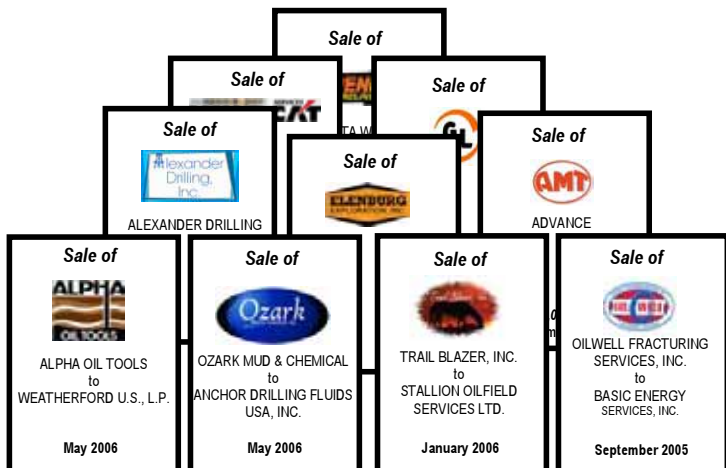
- **Burlington Resources** completed a dual-lateral horizontal producer in Richland Co., Montana on the Western edge of the Bakken play. The discovery tested at 506 BOPD and 253 MCFD. Harts E&P reported that one later extends S-SW to a bottomhole location in the same section (33). A second lateral reached N-NW to a bottomhole location in Section 28.

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Aspen reports successes at Rice Creek and West Grimes

Aspen Exploration said its Patterson #27-1 (Rice Creek Gas Field, Tehama Co.) was drilled to a TD of 5,250 ft. and encountered over 100 ft. of potential gross gas pay in several intervals in the Forbes. The well was the eighth successful gas well out of nine attempts by Aspen in the field, which the company operates with ~23% WI.

Another Rice Creek well, Ridge #1-15, was drilled to 5,755 ft. and encountered more than 100 feet of potential gross gas pay in several intervals in the Forbes formation.

The company also tested one of the Forbes intervals in the recently drilled WGU #14-8 (West Grimes Field, Colusa Co.), at a stabilized flow rate of ~400 MCFPD.

The Stoddard-Johnston #1-1 (West Grimes) was drilled to 8,700 ft. and encountered 60 ft. of potential gas pay in several intervals in the Forbes formation. This was the 11th successful gas well by Aspen on its 5,000-plus-acre lease position in this field. Aspen operates with 21%.

Also at West Grimes, the Morris #1-13 was drilled to an undisclosed depth and encountered ~80 ft. of potential net gas pay in the Forbes. After casing was run to protect the upper potential gas horizon, Aspen moved in a completion rig and drilled deeper with an underbalanced drilling system and encountered additional gas pay in another Forbes horizon. This deeper Forbes zone tested gas at a stabilized flow rate of 3.3 MMCFD. Aspen will produce the lower zone first and then perforate the upper zone in the future.

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OAG Resources to drill 30 wells in Kentucky

OAG Resources (Colorado Springs) began drilling a 30-well project on its Walbridge property in Lawrence Co., Kentucky. Target formations include the Devonian Shale, Berea and Borden Sands (Weir/Keener/Big Injun), with wells drilled to ~2,700 ft. testing all three horizons.

Appalachia

Avenue Energy and OGM in drilling pact

Avenue Energy signed an agreement with Oil & Gas Management Inc. to participate in the drilling of up to 15 gross wells in the Appalachian Basin. In most cases Avenue will hold 75% WI and OGM 25%.

OGM, located in Mt. Pleasant, Pennsylvania, holds lease interests in over

The first nine wells have reached TD and have been logged productive in both the Devonian and Berea formations. One of the most promising wells tested productive in all three formations and all nine wells are at various stages of completion.

The company said its first year in the Appalachian Basin has been very productive and it is evaluating 12 additional fields.

50,000 acres in Pennsylvania, West Virginia and Maryland. The company operates over 200 wells and associated gathering lines, compressor stations and dehydration facilities. OGM will drill and operate up to 15 new wells ranging in depths from 3,000 to 5,000 ft.

Teryl Resources in two Kentucky wells

Vancouver-based Teryl Resources Corp. said Energy Source, operator of the Ken Lee #1 in Knox Co. has been completed as a commercial gas well. The initial open flow tested 1.22 MCF of high BTU gas. The well was completed to a depth of 1,410 ft. in the Big Lime forma-

tion. The company is participating in the Elvis Farris #2 (Laurel Co.), under lease by Energy Source. In May, Teryl entered into an agreement with IAS Communications to drill up to 24 gas wells in Kentucky. Teryl will earn 40% WI by paying 50%.

Young's Farris well tests 6.9 MMCFD from Big Lime

The Young Oil Corp. drilled its 20th commercial gas well in Knox Co., Kentucky, without a dry hole. The new well, the Elvis Farris #1 (100% WI), came in flowing natural gas from the Big Lime formation at 1,212 ft.

"We were blowing so much gas that we couldn't safely pull the drill pipe out of the well," said Anthony Young, CEO.

"We tried to kill the well, so we could retrieve the drill pipe, but an attempt by a service company to pump 7,500 gallons of weighted fluid in the hole was unsuccessful. The well blew the fluid out of the hole."

"Because of safety concerns, we moved the drilling rig off the well, leaving the drill pipe in the well. We will produce the well through the drill pipe until it stabilizes," Young added.

The well will be selling gas into the Delta Pipeline system near London, Kentucky. Young said it would produce it on a choke at a rate of ~10% of its IP of 6.9 MMCFD.

In addition to developing this new Kentucky gas field, Young is developing a 3,700-acre natural gas lease in Fentress Co., Tennessee.

Tri-Valley evaluating McClure shale in three deep wells

Tri-Valley Corp. plans to apply modern technology to North America's deepest oil producer when it hydraulically fractures the McClure Shale in the Tenneco Union GBR 66X-3 well ~1,320 feet north of the company's Ekho No. 1 deep well.

Now owned by Tri-Valley, the 66X-3 was drilled to 18,880 ft. in 1975 and produced ~10,000 BO from the Vedder Sand to claim the record as North America's deepest producing oil well before down hole problems not understood at the time caused the well to be abandoned. The 66X-3, along with the Great Basins 31X-10 drilled to 21,640 ft. ~2,300 ft. to the west southwest, became the data wells for Tri-Valley's 19,085 ft. Ekho No. 1.

Comprising more than 1,000 feet of oil sat-

urated gross interval in both the Ekho No. 1 and the 66X-3, the McClure Shale is of low permeability and requires treatment that was untried in the area in the 1970s. By fracing the McClure section in the 66X-3 Tri-Valley is able to test a wider horizon faster in the Ekho Project and preserve the Ekho No. 1 for other treatments. It also allows for testing the shallower McClure from 12,880 to 14,000 ft. while testing the Santos Shale in the Ekho No. 1 from 17,500 to 18,000 ft.

Data from all three wells, including core from the Ekho No. 1, suggests all four deep formations totaling more than 2,500 ft. of gross interval of oil and gas zones could potentially contain 1.0 MMBOE in place per acre using conventional oil industry factors.

Foothills starts Grizzly Bluff drilling program

Foothills Resources began drilling of the Christiansen 3-15 in the Grizzly Bluff Field (Humboldt Co.) The well will be drilled to 4,300 ft., and is located ~800 feet south of the Foreco Christiansen 1R-15, which is the best producing well in the field to date and has produced about 400 MMCF since start of production in early 2004.

Two wells will be drilled in this initial program. The second well, Foothills Vicenus 1-3, will be drilled to 5,900 ft. and will be situated about one mile west of the Foothills Christiansen 3-15. The Vicenus well will be located ~1,000 ft. SE of a well that was drilled in 1964 and that tested 2.5 MMCFD. The Vicenus 1-3 will test the same zones as this old abandoned well (which was never produced commercially because of the lack of a gas market) plus prospective deeper zones.

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W&T Offshore drills eight successful Q2 wells

During Q2, **W&T Offshore** successfully drilled eight out of eleven wells, including one in the deep shelf. Since the beginning of the year, W&T has successfully drilled eleven out of fourteen exploration wells and five out of five development wells.



Offshore

Three wells were in the deepwater, three were in the deep shelf and thirteen were conventional shelf wells. The company has also drilled three noncommercial wells to date, of which two were on the conventional shelf with a total net cost of \$13 million and one was in the deepwater, with a net cost of \$6 million.

Wells drilled in Q2 (all 100% WI) were Eugene Island 205 C-2ST, West Delta 30 D-

3ST, Mobile Bay 823 BB-2, West Delta 30 D-6ST, East Cameron 321 A-22ST, East Cameron 321 A-12ST, and West Delta 30 D-2ST, all on the Shelf. In the Deep Shelf, the company drilled the Eugene Island 205 C-4ST.

As of June 15, the company was producing ~215 MMCFed, or ~88% of pre-Hurricane Katrina production level. W&T expects to return to pre-hurricane rates in Q3. The company also estimates 17 MMCFed of net production was shut-in, primarily due to issues with field infrastructure and product sales pipelines.

Production from **Kerr-McGee** properties is 178 MMCFed as of June 11. The KMG merger is on track to be completed in Q3.

W&T raised its Q2 guidance to 19.0 to 19.4 BCFE, from the prior 18.1 to 18.6 BCFE.

Chevron completes drilling on deepwater Big Foot sidetrack

Chevron said operations on the sidetrack well at the Big Foot discovery on Walker Ridge 29 have concluded. The block is ~225 miles south of New Orleans, located in ~5,000 ft. of water.



The Big Foot Well No. 2 Sidetrack 3 reached a total vertical depth of 24,434 ft. to a location ~one-half mile north and signifi-

cantly down dip of the discovery. This sidetrack encountered the same pay intervals as seen in the discovery with ~300 ft. of net oil pay. Further appraisal drilling will be conducted.

Chevron owns 60% WI in Big Foot. Partners are **Anadarko** (15%), **Plains E&P** (12.5%) and **Shell** (12.5%).

Devon boosts Gulf production with eight new wells

Devon Energy Corp. added eight new wells to its Gulf of Mexico inventory of producing properties in the Gulf of Mexico during the H1. The new wells increased production potential by ~8,000 BOEPD net, *NewsOK.com* reported. Devon drilled three successful wells in its Main Pass 69 lease area off Louisiana's



eastern coast. These wells are expected to produce 2,500 BOEPD.

The company also completed three wells in Eugene Island 330 off the central Louisiana coast, which are expected to produce ~4,000 BOEPD. The final two wells were drilled in Devon's West Cameron drilling program along the western Louisiana coast, which are expected to produce a combined 1,500 BOEPD.

Chesapeake sets the bar for Shale plays *continued from page 1*

drilled in the future. Expected economics for horizontal Fayetteville wells are \$2.5 million to develop 1.2 BCFe on 80 acre spacing.

In the Fort Worth Barnett Shale, the largest unconventional gas play in the country, Chesapeake believes it is the third largest producer of natural gas and the third most active driller as well as the second largest leasehold owner in Tarrant and Johnson Counties (the sweet spot of the horizontally developed "Tier 1" area). Current production is ~130 MMCFed, and the company is using 15 rigs (up to 25 by year-end) to develop its 165,000 net acres, located primarily in the Tier 1 area. Proved



most productive area of the play. Chesapeake produces ~1.0 MMCFed and is using two rigs (up to four by year-end) to develop its 385,000 net acres. The company has not yet booked proved reserves in the Delaware Basin Shales and its risked unproved reserves are ~600 BCFe after applying a 90% risk factor and assuming an additional 240 future wells. Expected economics for the Delaware Basin vertical

Barnett and Woodford Shale wells are \$4.5 million to develop 3.0 BCFe on 160-acre spacing. In the Caney and Woodford Shales (Oklahoma Arkoma Basin), Chesapeake believes it is now the third largest leasehold owner. Current production is ~7.0 MMCFed, and the company is using one rig to drill its first operated horizontal Woodford well on its 100,000 net acres. Proved undeveloped reserves are ~10 BCFe and risked unproved reserves are ~300 BCFe after applying a 70% risk factor and assuming an additional 170 net future wells. Expected economics for horizontal Woodford Shale wells are \$4.0 million to develop 2.2 BCFe on 160-acre spacing.

The company produced 279 BCFe during the first half of 2006 or 1,532 MMCFed

The company produced 279 BCFe during the first half of 2006 or 1,532 MMCFed

In the Deep Bossier play, Chesapeake believe it is one of the top three leasehold owners, where it is producing ~1.0 MMCFed. The company is using one rig (one or two by year-end) to develop its 190,000 net acres. Proved undeveloped reserves are ~6.0 BCFe, and risked unproved reserves are ~200 BCFe after applying a 90% risk factor and assuming an additional 60 future wells. Expected economics are \$10 million to develop 5.0 BCFe on 320-acre spacing.

In its core Appalachian Basin play, types range from conventional to unconventional in various Devonian Shale and other formations. Chesapeake is the largest leasehold owner in the region with 3.4 million net acres, primarily acquired from CNR in 2005. Current production is 120 MMCFed, and the company is using nine rigs (up to 11 by year-end) to further develop its extensive leasehold position. In Appalachia, the company has ~468 BCFe of proved undeveloped reserves and risked unproved reserves are ~1.8 TCFe after applying a 35% risk factor and assuming an additional 9,100 future net wells. Expected economics are \$425,000 to develop 0.3 BCFe on 160-acre spacing.

Chesapeake began the year with estimated proved reserves of ~7.5 TCFe and ended Q2 with ~8.1 TCFe, an increase of 580 BCFe, or 7.7%. During the first half of the year, Chesapeake replaced its 279 BCFe of production with ~860 BCFe of new proved reserves, for a reserve replacement rate of 308%.

Chesapeake is producing 120 MMCFed from the Barnett and expects to have 25 rigs running by year-end.

undeveloped reserves in the Fort Worth Barnett are ~594 BCFe and its risked unproved reserves are ~3.4 TCFe after applying a 25% risk factor and assuming an additional 2,200 future net wells. Expected economics for horizontal Barnett Shale wells are \$2.7 million to develop 2.4 BCFe on 55-acre spacing.

Chesapeake has been preliminarily approved as the highest and best bidder by the Dallas/Fort Worth International Airport Board and the cities of Dallas and Fort Worth to lease 18,000 net acres of Barnett Shale leasehold for \$181 million in cash and a 25% royalty. On the acreage that underlies the D/FW International Airport, Chesapeake has identified ~250 potential drill-sites that will be developed from ~20 well pad sites on DFW land. Including an estimated \$750 million needed to fully develop an estimated 470 BCF of unproved gas reserves, Chesapeake's all-in acquisition cost to develop the D/FW leasehold will be an attractive \$1.98/mcf. See additional reporting in A&D Transactions.

The West Texas Deep Haley (Delaware Basin) is an area of increasing value. Chesapeake believes it is the second-largest leasehold owner. Current production is 30 MMCFed from the Deep Haley area, where it has four rigs working (up to eight by year-end) to further develop its 225,000 net acres. Proved undeveloped reserves are ~59 BCFe, risked unproved reserves are ~650 BCFe after applying an 80% risk factor and assuming an additional 140 future wells are drilled. Expected economics in the play are \$10.5 million to develop 7.0 BCFe on 320-acre spacing.

In the Delaware Basin Shales (primarily Barnett and Woodford formations in West Texas), Chesapeake's most significant land acquisitions during Q2 took place in the Delaware Basin Barnett and Woodford Shale plays. Chesapeake believes it has become the second largest leasehold owner in the promising play, and the largest in what it believes is the

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9-Field Areas.
TEXAS GULF COAST, GOM >3,100 BOED
LOUISIANA, ALABAMA & FLORIDA
OPERATED & NonOperated WI For Sale.
Total Net Production: >3,100 BOED
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AGENT WANTS OFFERS LATE SEPT
PP 9190DV

GULF COAST SALE PACKAGE

17-Wells.
TEXAS, LOUISIANA, MISSISSIPPI
Significant UpSide Potential.
NonOperated WI For Sale. **372 MCFed**
Gross Prod: 140 BOPD & 21 MMCFD
Net Production: 12 BOPD & 300 MCFD
Net Reserves: 48 MBO & 1.2 BCF
Total Proved PV10: \$5,000,000
AGENT WANTS OFFERS AUGUST 11
PP 9216DV

LARGE GULF COAST PACKAGE

15-Field Areas.
EAST TEXAS, TEXAS GULF COAST & LOUISIANA GULF COAST >60 BCFE
OPERATED & NonOperated Interests.
Est Total Net Proved Rsvs: >60 BCFe
+ Add'l Exploration & ReCompl Potential.
Net PV10: \$220,900,000
AGENT WANTS OFFERS AUGUST 18
PP 8290DV

TEXAS & LOUISIANA PACKAGE

34-Wells. 1-PDNP.
GULF COAST 1,288 MCFed
(NLA) Oolitic Lime (6,050 Ft.)
(ETX) Smackover (9,350 Ft.)
Significant UpSide: Behind Pipe
NonOperated WI For Sale
Gross Prod: 1,700 BOPD & 5.4 MMCFD
Net Production: 78 BOPD & 820 MCFD
Net Reserves: 238 MBO & 2.9 BCF
Total Proved PV10: \$14 MM
AGENT WANTS OFFERS AUGUST 11
PP 9215DV

WEBSTER PR., LA SALE PACKAGE

6-Wells. Plus PUD Locations.
N SHONGALOO-RED ROCK FIELD
Multiple Pay Zones. **1,187 MCFed**
Prolific Area With Low Decline Rates.
UpSide: Infill Drilling & Behind Pipe
OPERATED & NonOperated WI
Net Production: 49 BOPD & 893 MCFD
Net Cash Flow: \$189,000/Mn
Mid-Value Negotiated Sale.
AGENT WANTS OFFERS AUGUST 29
PP 8273DV

BEAUREGARD PR., PROPERTIES

4-Wells (1 Newly Compl). >5,700-Acres.
SOUTH LOUISIANA 56 BOED
Upper & Lower Wilcox Targets.
Multiple ReCompletions & OffSet Drilling.
37% NonOperated WI; 30% NRI
Net Production: 56 BOED
Net Cash Flow: \$90,000/Mn
Negotiated Sale. No CA Needed.
AGENT WANTS OFFERS AUGUST 24
PP 9568DV

GULF COAST PROSPECTS

10-Prospect Areas.
LOUISIANA 42 BCFe
Mostly OPERATED WI Available.
Est Net Proved Reserves: 42 BCFe
Net PV10: \$159,000,000
AGENT WANTS OFFERS AUGUST 18
PP 8291DV

GULF OF MEXICO SALE PACKAGE

5-Areas.
HIGH ISLAND, GREEN CANYON GOM
— PLUS MORE
OPERATED & NonOperated WI For Sale.
PART OF A LARGER PACKAGE
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PACKAGE AVAILABLE EARLY AUGUST
AGENT WANTS OFFERS LATE SEPT
PP 9201DV

NORTH & SOUTH TEXAS PROPERTIES

54-Wells. 1-SWD. 65% Oil.
WILCOX & GRAY COUNTY FIELD
Wilcox (9,600-11,600 Ft.) **2.1 MMCFed**
Pettus (3,400-4,600 Ft.) & Granite Wash.
Low Risk UpSide Reserves.
OPERATED & NonOperated WI
Total Net Prod: 110 BOPD & 1.5 MMCFD
Net Cash Flow: \$400,000/Mn
Net Proved Rsvs: 748 MBO & 2.4 BCF
Net PV15: \$15,518,000
AGENT WANTS OFFERS AUGUST 23
PP 9400DV

WOOD CO., TX PROSPECTS

HAWKINS FIELD 8 BCFe
NonOperated WI For Sale.
Est Net Proved Reserves: 8 BCFe
Net PV10: \$25,000,000
AGENT WANTS OFFERS AUGUST 18
PP 8293DV

NORTH TX SALE PACKAGE

94-Wells. 80-Acre Spacing.
JACK, WISE, YOUNG, STEPHENS MONTAGUE COUNTIES
Caddo/Strawn & Bend Conglomerate
— (4,500-5,500 Ft.) **3.6 MMCFed**
OPERATED & NonOperated WI
Net Production: 150 BOPD & 2.7 MMCFD
Conglomerate & Strawn Behind Pipe.
Proved Net Rsvs: 462 MBO & 11.9 BCF
Total Proved PV10: \$76 MM
AGENT WANTS OFFERS AUGUST 11
PP 9212DV

GRAY CO., TX SALE PACKAGE

24-Wells. 1-SWD. 8-Leases.
PANHANDLE GRAY COUNTY FIELD
Wolfcamp Granite Wash (2,400-3,100 Ft.)
High BTU Gas. **96 BOED**
100% OPERATED WI; 78%-83% NRI
Gross Prod: 100 BOPD & 93 MCFD
Net Production: 83 BOPD & 77 MCFD
Net Proved Rsvs: 699 MBO & 593 MMCF
AGENT WANTS OFFERS AUGUST 23
PP 9404DV

BEE CO., TX SALE PACKAGE

24-Wells.
MULTIPLE FIELDS 1.5 MMCFed
Wilcox (9,600-11,600 Ft.)
Pettus (3,400-4,600 Ft.)
Significant UpSide Potential.
Small NonOperated WI For Sale.
Gross Prod: 416 BOPD & 16 MMCFD
Net Production: 33 BOPD & 1.3 MMCFD
Net Proved Rsvs: >46 MBO & >1.5 BCF
AGENT WANTS OFFERS AUGUST 23
PP 9401DV

DUVAL CO., TX SALE PACKAGE

2-Wells.
DINN DEEP FIELD 30 MCFD
Wilcox (11,450-12,890 Ft.)
Small NonOperated WI
Gross Production: 1,600 MCFD
Net Production: 30 MCFD
Net Proved Rsvs: 26 MMCF
AGENT WANTS OFFERS AUGUST 23
PP 9402DV

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United Heritage boosts production at Cato

United Heritage Corp. (Midland) said that as a result of the investment by Lothian Oil, production at its Cato San Andres Unit (Chaves Co., New Mexico) has increased to ~170 BOEPD from 40 producing wells. The Cato Unit has a total of 299 wells. Since the beginning of the year, Lothian has invested more than \$3 million in infrastructure and field development at Cato.

Lothian has committed an additional investment of in excess of \$1 million for a multi-lateral horizontal pilot drilling program in two locations at the Wardlaw Field (Edwards Co.). United Heritage is in the process of merging with Lothian.

Texas & New Mexico

Triton in 12-well drilling pact, using proprietary technology

A sub of Triton American Energy Corp. completed a \$1.5 million lease acquisition agreement with Rheochem plc. Triton American Well Services will begin radial jet drilling of twelve oil wells at the Blackwell Lease in the Luling-Branyon field (Caldwell Co.).

The agreement also provides an option for Lochard Energy Inc (holding company of Rheochem) to participate in a further 100 well project with an undivided 55% WI.

Triton will use two licensed technologies to restore and enhance production from existing

well bores that are not currently producing. The technologies consist of Triton American Well Service radial jet lateral drilling system as well as a Thermal Pulse Unit.

Radial jet lateral drilling system uses high pressure fluids to cut multiple 3/4" diameter horizontal holes up to 300 ft. out from an existing vertical well bore. This provides a much larger surface area in connection to the reservoir and allows drainage of areas that may have not previously been produced from.

A Thermal Pulse Unit is a multi phase gas injection, gas lift system that also acts as a separator and can replace the traditional pump jack with its associated down-hole rods.

Wentworth buys East Texas mineral block

Wentworth Energy (Ft. Worth) acquired 27,557 gross acres of fee mineral rights in Freestone and Anderson Co. in East Texas.



The 27,557-acre mineral block was acquired from Roboco Energy

for ~\$17.7 million. The property could accommodate as many as 200 wells over the next 10 years.

Roboco VP Michael Studdard said the large block is a unique find in the region, and said the block had been held by a family trust since the 1920s and represents one of the last large contiguous mineral blocks available in the East Texas Basin.

Wentworth also acquired East Texas-based Barnico Drilling Inc. for \$5 million in cash and 2.5 million shares.

The company was also successful in the re-entry and re-stimulation of the 12,450-ft. well in Polk Co. (82.5% WI). Stabilized rates indicate an average production of 120 BOPD and 250 MCFD.

Newfield *cont. from page 1*

Since 2002, NFX has drilled 128 wells and amassed more than 115,000 net acres while continuing to look for creative ways to add or access new acreage.

NEWFIELD

In the Texas Wash play, NFX is operating seven drilling rigs – six working in its prolific Stiles Ranch Field (100% WI). In August, two of the rigs in Stiles Ranch will begin directionally drilling multiple wells on 40-acre spacing from common well site pads. Current gross operated production in the Texas Wash Play is 50 MMCFD. The company plans to drill 40 to 45 operated wells in the Texas Wash.

At the Sarita Field (South Texas), the company continues to add significant new production through its JV with ExxonMobil. The JV covers 52,000 acres in three South Texas counties with nearly half of that acreage at Sarita. Five wells produce ~35 MMCFD and 265 BCPD. A recent completion found pay in multiple zones – the first testing 10 MMCFD, and the second testing 10.5 MMCFD. The well currently produces 8 MMCFD from a single zone. Late in Q3, the zones will be commingled.

For news on Newfield's offshore activities, see Page 6

Infinity on track to drill 20 horizontal Barnett wells this year

This year, Infinity Oil and Gas of Texas has drilled 10 horizontal and one vertical Barnett Shale wells in Erath Co. and three vertical Barnett Shale wells in Comanche Co. As a result, Infinity-Texas is well ahead of its stated plan to drill 18 to 20 horizontal Barnett wells in 2006.

Given its desire at this time to keep capex within budget, the company has assigned its contracted drilling rig, which has performed

all of the company's drilling in Erath Co. thus far in 2006, to another operator to drill two horizontal Barnett Shale wells in Johnson Co. The estimated time period for the other operator to drill its two horizontal wells is 50 to 60 days and at the conclusion of that time period, Infinity-Texas plans to re-deploy the contracted rig to drill the remaining eight to 10 horizontal wells of its 2006 drilling program.

Reichmann partners with Striker in South Texas play

Reichmann Petroleum partnered with Striker Petroleum in a deal that gives Striker 37.5% WI in more than 11,500 acres in Reichmann's South Texas positions in Zapata and Starr Co. Reichmann has 70 wells planned for the acreage.



Reichmann has a total position of 34,640 acres in the Gulf Coast Basin with close to 100 wells in the Wilcox Play. Reichmann's

largest land position is in Zapata Co., the third largest county in Texas in terms of gas production. Recently, Reichmann completed the J.M. Cuellar well in Zapata County. The well is included in the transaction with Striker and is already producing 1.2 MMCFD.

In North and South Texas combined, Reichmann holds ~82,000 net acres.

Saxon to start drilling at Hudson Hills

Saxon Oil Co. (Dallas) drilled three wells its Hudson Hills prospect, and a fourth has been spud. The company has 75% WI in this shallow-depth (approx. 3,800 ft) Navarro oil prospect in South Central Texas. Saxon has leased ~2,000 contiguous acres in the area and plans to drill four wells in succession. Depending on the results of the four wells,

Saxon could develop an additional fifty wells in this prospect.

In other news, Saxon has entered into an agreement to acquire 10% WI in two wildcat prospects. The wells, to be located in Crockett Co., will target the Ellenburger limestone and Dolomite formation. Drilling will begin later this year.

Terax fracs Barnett wells

Terax Energy completed the Mitchell #3-H with a four stage fracture stimulation of the Barnett Shale. The well is flowing back frac water and production has been steadily increasing to ~650 MCFD at present.

After a five-stage frac, the Mitchell #2-H is also flowing back frac water and production has increased to 640 MCFD with current production of 350 MCFD. Chemical treatments are scheduled for the Mitchell #1-H to correct a bacteria problem.

Terax began completion of its fourth well, the Mitchell #4-H, last month with an eight-stage fracture stimulation of the Barnett Shale. The fracture stimulation for the Mitchell #5-H is schedule for the second week in August.

For the month of June, Terax produced 912 MCFE gross (743 MCFE net) from the Mitchell #1-H, #2-H and #3-H wells, with the #3-H well producing for 24 days during June, due to its completion schedule. Terax's natural gas sales for June were 20.6 MCF gross (~16.8 MMCFD net). In addition, the company sold 576 BO (469 BO net) for the month.



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RMAG/DAPL/DGS/IPAMS/SPE

Monday, October 30, 2006 9:00am to 5:00pm

Colorado Convention Center, Denver, Colorado

Exciting news! The Independent Petroleum Association of Mountain States (IPAMS) and the Denver Section of the Society of Petroleum Engineers (SPE) have joined the Rocky Mountain Association of Geologists (RMAG), The Denver Association of Petroleum Landmen (DAPL) and the Denver Geophysical Society (DGS) as host societies for the seventh annual Denver Prospect Fair & TechnoFest. This year's event will be bigger and better than ever.

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LUNCH WILL BE SERVED IN THE EXHIBIT HALL—INCLUDED WITH ADMISSION!

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BP shuts in nation's largest oilfield, removes 8% U.S. production

BP has indefinitely shut down the nation's biggest oilfield after finding a pipeline leak, removing ~8% of U.S. oil production. BP Exploration Alaska began a phased shutdown of the Prudhoe Bay oil field following the discovery of unexpectedly severe corrosion and a small spill from a Prudhoe Bay oil transit line.

Alaska

Shutting down the field will take days to complete. Over time, these actions will reduce Alaska North Slope oil production by ~400,000 BOPD. BP has a 26% stake in Prudhoe Bay.

The decision follows data received from a smart pig run completed in late July. Analysis of the data revealed 16 anomalies in 12 locations in an oil transit line on the eastern side of the oil field. BP conducted follow up inspections of anomalies where corrosion-related wall thinning appeared to exceed the company's criteria for continued operation. It was during these follow up inspections that BP personnel discovered a leak and small spill estimated at 4 to 5 barrels. The spill has been contained and

the clean up effort is underway.

BP is identifying and mobilizing additional resources from across Alaska and North America in order to speed inspection of remaining Prudhoe Bay oil transit lines. BP operates 22 miles of oil transit pipeline at Prudhoe Bay. Smart pigging inspection has been completed over about 40 percent of that length.

The company previously announced plans to replace a three-mile segment of pipeline following inspections conducted after a large spill discovered last March.

Last month, the Alaska Oil and Gas Conservation Commission began an investigation of BP-operated wells on the North Slope following allegations that petroleum-based fluids had leaked onto the Arctic tundra. The allegations were first reported by *The Financial Times*, which cited an unnamed "veteran BP employee" in reporting that some BP wells had allowed gas and hydrocarbon fluids to the surface.

ConocoPhillips and Anadarko report discovery near Alpine

ConocoPhillips and Anadarko reported a discovery and test production from the Qannik accumulation, a satellite oil field overlying the



Alpine oil field on the North Slope. The Qannik accumulation was tested for 19 days in June by the CD2-404 well, which recorded an average rate of 1,200 BOPD of 30-degree API gravity oil from a 25-ft. thick sandstone at 4,000 ft. sub sea.

The Qannik accumulation would be the third

satellite field to be developed near Alpine. The Fiord and Nanuq satellites are being drilled with first production scheduled for later this year. Plans for further delineation and development of the Qannik field are under way. The current plan is to develop Qannik from the Alpine CD2 drill site. Project planning will proceed throughout the remainder of this year, and the CD2 gravel pad will be extended during the coming winter. First production may occur by late 2008.

ConocoPhillips operates the Alpine field and its satellites with 78%; Anadarko holds 22%.

Marathon increases Alaska production by up to 30 MMCFD

Marathon plans to bring three new southern Alaska natural gas projects into production this year, *Platts* reported. Total new production is expected to range between 20 and 30 MMCFD from five new wells, boosting Marathon's Alaska production by ~12%. Last



year, Marathon produced ~184 MMCFD in Alaska. New production will come from wells drilled in the Ninilchik field (60% MRO, 40% CVX); Kasilof field (100% MRO), as well as from an old well pad redeveloped in the Cannery Loop field.

XTO seeks to double Barnett production *cont. from page 1*

XTO made a rare acquisition last June with the purchase of a privately-held Barnett producer, **Peak Energy Resources**, for ~\$105 million in stock. Production from the acquisition is expected to reach 10 MMCFD by the end of the year and more than 25 MMCFD in 2007. Peak's proved reserves are ~64 BCF.

XTO set quarterly production records, reaching 1.516 BCFed, up 16% from Q2 last year. Drilling success in the Barnett grew pro-

duction to 171 MMCFD from 149 MMCFD in this area, up 15% quarter-over-quarter. As a result, Barnett net production has already exceeded XTO's 2006 production goal of 160 MMCFD by year end. With 70 drilling rigs currently working companywide, XTO raised its 2006 development budget to \$2.1 billion to accommodate higher Barnett working interests and additional fracturing costs, 50 additional development wells and our high-impact leasing efforts.

XTO reported a quarterly profit of \$597 million, up from the \$220 million last year.

Carrizo expands shale plays to 200,000 net acres *cont. from page 3*

Year to date, the company has drilled 29 Barnett horizontal wells with 29 apparent successes and is currently drilling four gross horizontal wells.

Production during Q2 was ~27 MMCFed, up 3% from Q2 last year. The increase was primarily due to the increase in Barnett Shale production, which currently averages ~13.5 MMCFed.

In recent Barnett activity, production tests on the Fraser Ranch 1H, the first Carrizo-oper-

ated downspacing pilot well in the Tier 1 area reached 2.5 MMCFed. The Fraser Ranch 2H, spaced 1,000 ft. away, is still flowing back frac water and gas. These two wells are at ~100 acre spacing in SW Tarrant Co. Both wells should be selling gas this month. The test is significant since previous Carrizo horizontal wells have been drilled on 120-acre spacing.

In the Barnett project, there are 17 wells drilled and waiting on frac and/or pipeline, with estimated additional net initial production totaling 18 MMCFed.

BidWatch

Pertinent Packages From Select Agents

JACKSON CO., TX SALE PACKAGE

11-Wells. 19-Drilling Locations.
BRUSHY CREEK FIELD 30 MMCFed
15 Wilcox Sands Have Mudlog Shows.
>25 Commingled Behind Pipes Possible.
Defined By 3-D Seismic & SubSurface.
OPERATED & NonOperated WI
Net Production: 30 MMCFed (90% Gas)
Net Cash Flow: \$6,700,000/Mn
AGENT WANTS OFFERS MID AUGUST
PP 8284DV

KARNES CO., TX SALE PACKAGE

4-Wells. 2-PUDs.
CALIENTE FIELD 66 MCFed
Wilcox Hackney, Socorro & M-3 Zones
— (10,600-11,600 Ft.)
2-Proved Behind Pipe Opportunities.
Small NonOperated WI
Gross Prod: >33 BOPD & 3,000 MCFD
Net Production: 1 BOPD & 60 MCFD
Total Net Proved Reserves: 329 MMCFe
AGENT WANTS OFFERS AUGUST 23
PP 9403DV

GALVESTON CO., TX PROPERTY

**MALO DOMINGO, TORO GRANDE
NE HITCHCOCK & COLUMBUS**
Mostly OPERATED WI For Sale. **11 BCFe**
Est Net Proved Reserves: 11 BCFe
Net PV10: \$37,000,000
AGENT WANTS OFFERS AUGUST 18
PP 8292DV

WEST TEXAS SALE PACKAGE

1-Field Area. 3-Exploration Prospects.
PAKENHAM FIELD 3,139 MBOED
Significant UpSide Potential.
100% OPERATED WI AVAILABLE
Net Production: 3,139 MBOED (2% Oil)
Net Cash Flow: \$2,500,000/Mn
Net Proved Reserves: 10.9 MMBOE
Probable & Possible: 5.9 MMBOE
AGENT WANTS OFFERS SEPT 11
PP 9513DV

CROCKETT & DAWSON CO., TX

206-Wells
PERMIAN BASIN 1,789 BOED
Dean (~8,700 Ft.) & Grayburg (4,500 Ft.)
Both Units Producing @ 2.7% Oil Cut.
Significant UpSide: 5-PDNP
OPERATED & NonOperated WI
Est Net Production: 1,789 BOED
Projected 12/Mn Cash Flow: \$29.9 MM
Net Proved Reserves: 12.4 MMBOE
Total Proved PV10: \$194 MM
AGENT WANTS OFFERS AUGUST 11
PP 9211DV

WEST TEXAS LEASES

7-Wells Drilled. 560,000-Net Acres.
DELAWARE BASIN LEASES
Barnett & Woodford Shale Fairway.
2-Multi TCF Resource Play Opportunities.
25-35% WI In Joint Venture To Earn.
AGENT WANTS OFFERS SEPT 1, 2006
PP 8298L

COLUMBIA CO., AR WATERFLOOD

3-Wells. 5,120-Acres. Horizontal PUDs.
ARKANSAS 182 BOPD
Kerlin Pettet A (4,250 Ft.)
Significant UpSide Potential.
>87% OPERATED WI; >74% NRI
Gross Prod: 182 BOPD & 245 BWPD
Net Prod: 135 BOPD & 182 BWPD
Net Cash Flow: \$287,000/Mn
Mid-Value Negotiated Sale.
AGENT WANTS OFFERS AUGUST 30
PP 8274WF

MIDCONTINENT SALE PACKAGE

118-Wells.
CADDO & PONTOTOC COUNTIES 2.8 MMCFed
Medrano (4,500-6,250 Ft.)
Including Various Commingled Sands
NonOperated WI Available.
Net Production: 150 BOPD & 1.9 MMCFD
Projected 12/Mn PDP Cash Flow:>\$6 MM
Net Proved Rsvrs: 1.1 MMBO & 8.6 BCF
Total Proved PV10: \$38 MM
AGENT WANTS OFFERS AUGUST 11
PP 9213DV

KIT CARSON & YUMA CO., CO

6-8 Possible Wells. 88,000-Net Acres.
DENVER BASIN. SHALLOW GAS. NIOBRARA
Niobrara Gas Play @ 1,400 Ft.
Over 500 Potential Locations.
Extensive Gas-Saturated Reservoir.
100% OPERATED WI; 79.5% NRI
Acreage Close Proximity To Pipeline.
Est Rsvrs: 0.5-1.0 BCF/Well; 6.0 BCF/Proj
Long Life Reserves.
AGENT WANTS OFFERS AUGUST 15
DV 8308

NORTH DAKOTA & MONTANA

Williams, Divide & McKenzie Counties.
WILLISTON BASIN. 105,000-Net Acres. 225 BOPD
3-Wells. Middle Bakken Production.
Significant UpSide Potential.
OPERATED & NonOperated WI
Net Production: ~225 BOPD
Net Cash Flow: ~\$230,000/Mn
Middle Bakken Horizontal Proposed.
AGENT WANTS OFFERS AUGUST 31
PP 8285HZ

ROCKY MOUNTAIN SALE PKG

30-Wells.
MONTANA & NORTH DAKOTA 1,290 MCFed
Minnelusa (7,600 Ft.)
Excellent Waterflood Potential
NonOperated WI For Sale.
Gross Prod: 700 BOPD & 1.0 MMCFD
Net Production: 190 BOPD & 150 MCFD
Net Reserves: 1.2 MMBO & 826 MMCF
Total Proved PV10: \$19,000,000
AGENT WANTS OFFERS AUGUST 11
PP 9214WF

BURKE CO., ND SALE PACKAGE

33,160-Gross Acres. 23,400-Net Acres.
WILLISTON BASIN. 7-WELLS. 386 BOED
Obj 1: Nesson Limestone (Horizontals)
Obj 2: Midale (Plus Deeper Zones)
Significant UpSide: 50-PUDs
OPERATED & NonOperated WI
Net Production: 320 BOPD & 395 MCFD
Fee Leases Paid Up/Cover All Depths.
Total Net Rsvrs: 3.1 MMBO&10,125 MMCF
Total Proved PV10: \$56 MM
AGENT WANTS OFFERS AUGUST 16
PP 8283L

UTAH EXPLORATORY PROJECTS

>380-PUDs. 15,382-Contiguous Acres.
UINTAH BASIN UINTAH
Mesaverde & Wasatch Targets.
Also Deeper Lower Mesaverde
— Castlegate & Mancos
SEEKING PARTNERS TO DRILL
Participants Earn Interest Position
— In Acreage & Associated Reserves.
Est Reserves: >500 BCF(40-Ac Sp)
OffSet By Wells Avg EUR 1.5 BCF/Well
AGENT WANTS OFFERS AUGUST 24
DV 9369

As part of its service, PLS regularly aggregates listings in the marketplace for review by our members.



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Pertinent Packages From Select Agents

LOS ANGELES CA., SALE PKG

6-Field Areas.
VENTURA BASIN **1,162 MBOED**
 Shallow Decline Reservoirs
 — With Medium Gravity Crude Oil
 Significant UpSide Potential.
 100% OPERATED WI AVAILABLE
 Net Production: 1,162 MBOED (88% Oil)
 Net Cash Flow: \$1,200,000/Mn
 Net Proved Reserves: 13.5 MMBOE
 Probable & Possible: 7.9 MMBOE
 AGENT WANTS OFFERS SEPT 11
PP 9512DV

SAN JOAQUIN VALLEY CA PKG

13-Field Areas.
ASPHALTO, BUENA VISTA, MT POSO **4,171 MBOED**
 Long Life Crude Oil Position.
 Significant UpSide Potential.
 80% OPERATED WI AVAILABLE
 Net Production: 4,171 MBOED (58% Oil)
 Net Cash Flow: \$5,100,000/Mn
 Net Proved Reserves: 33.4 MMBOE
 Probable & Possible: 19.3 MMBOE
 AGENT WANTS OFFERS SEPT 11
PP 9511DV

CALIFORNIA & WEST TEXAS

20-Field Areas. 3-Exploratory Prospects.
SAN JOAQUIN VALLEY **8,472 BOED**
LAVENTURA BASINS & WEST TEXAS
 Three Offering Groups
 Significant UpSide Potential.
 MOSTLY OPERATE WI Available.
 Net Production: 8,472 BOED
 Net Cash Flow: \$8,800,000/Mn
 Total Net Proved Rsrvs: 57.8 MMBOE
 Probable & Possible: 33.1 MMBOE
 AGENT WANTS OFFERS SEPT 11
PP 9510DV

TENNESSEE-MISSISSIPPI-ALABAMA

90,400-Net Acres (Mineral Fee Holding)
BLACK WARRIOR BASIN **STOCK**
 Geologic Trends With Potential:
 — Floyd/Chattanooga, Mabon/Knox
 — Mississippian & Coal Bed Methane
 53.4% Stock Ownership In Corporation.
 — Coal Royalty (No Mining Currently)
 — Oil & Gas Lease Bonuses.
 — Oil & Gas Production Royalties
 AGENT WANTS OFFERS SEPT 28
PP 9198CO

LARGE SALE PACKAGE

502-Wells. 6-Geographic Areas.
GULF COAST, NORTH TEXAS, **3,400 BOED**
EAST TEXAS & LOUISIANA
PERMIAN, MIDCONTINENT, ROCKIES
 Negotiated Sale. Long Lived. Low Risk.
 OPERATED & NonOperated WI
 Net Prod: 1,900 BOPD & 8.7 MMCFD
 Total Proved Reserves: 41.4 MMBOE
 Total Proved PV10: \$655 MM
 AGENT WANTS OFFERS AUGUST 11
PP 9210DV

OFFSHORE SW FRANCE FARM IN

299,200-Acres. Water Depth:164-656 Ft.
AQUITAINE & PARENTIS BASINS **238 MMBO**
 Stacked Pay Horiz in Lower Cretaceous.
 Also: Upper Jurassic, Upper Cretaceous
 & Lower Tertiary Targets.
 >299-Square Miles Of 3-D Seismic.
 SEEKING WI PARTNERS
 287-Miles of 2-D Seismic.
 Unrisked Reserves: 238 MMBO
 Estimate Value PV10: \$1.7 Billion
 AGENT WANTS OFFERS SEPT 22, 2006
PP 8272FI

OFFSHORE MOROCCO FARMIN

2-Prospect Areas. 3,632,449-Acres.
TARFAYA BASIN **MOROCCO**
 Middle To Upper Jurassic Targets.
 Water Depth: Up To 200 Meters.
 Operatorship Is Negotiable.
 Good Oil Shows In Area.
 AGENT WANTS OFFERS SEPT 15, 2006
DV 8321FI

OFFSHORE EAST AFRICA FARM-IN

3-Prospect Areas. >20 Mapped Structures.
SEYCHELLES. >4,942,000-ACRES
 35-Offshore Blocks. Shallow Water.
 Testing Cretaceous & Jurassic Targets.
 Oil Shows in Jurassic Source Rock.
 Up To 55% WI For FarmOut **FARMOUT**
 Pronounced Gas Chimney.
 Giant Strat Play. FourWay Closure.
 Stable Government & Legal System.
 Modern Infrastruc/Attractive Fiscal Regime.
 AGENT WANTS OFFERS DECEMBER 31
DV 8297FO

OFFSHORE SURINAME FARMIN

Multiple Prospects. 3,424,633-Acres.
GUYANA BASIN **SURINAME**
 Multiple Hydrocarbon Plays.
 Water Depth: 20-130 Meters.
 Significant Upside.
 Working Interest For FarmOut.
 Operatorship Is Negotiable.
 Reserves: Up To 400 MMBO
 AGENT WANTS OFFERS SEPT 15, 2006
DV 8316FI

OFFSHORE TURKMENISTAN

2-Prospects. 1,399,357-Acres.
CASPIAN SEA **TURKMENISTAN**
 Four-Way Dip Closure.
 Stratigraphic Pinch-Out.
 Significant UpSide Potential.
 A Minimum Of 30% WI For FarmOut.
 Hydrocarbon Shows In Test Well.
 AGENT WANTS OFFERS SEPT 15, 2006
DV 8322FO

NORTH SEA FARMIN OPPORTUNITY

1-Appraisal Well. Shallow Water.
NORTH SEA CENTRAL GRABEN
 Eocene Upper Tay Sandstone Target.
 Horizontal Wells Probable.
 SEEKING WI PARTNERS **FARMIN**
 2-D Seismic.
 Reserve Potential: 500 MMBO
 — Material Heavy Oil Reserve
 AGENT WANTS OFFERS SEPT 6, 2006
DV 8294FI/HZ

People

- W&T Offshore promoted **Stephen L. Schroeder**, formerly VP of Production, to COO.
- CNX Gas promoted **Richard L. Toothman** to VP of Engineering and Technical Services, and also promoted **Roland J. Campanelli** to VP of Marketing.
- Ultra Petroleum named **Stuart E. Nance** as VP of Marketing.
- **Kevin Neeley** has joined The Yuma Companies Inc. as VP of Acquisitions. Previously, Neeley was Managing Director at Wells Fargo Energy Advisors. He was also previously Director of the Banc One Capital Markets E&P Mergers and Acquisitions practice and Business Development Manager at Unocal.
- In an effort to reinforce the level of efficiency in South Texas which represents 90% of Reichmann Petroleum's producing assets, the company has promoted **Brent Mulliniks** to VP of North Texas/Barnett Shale Operations so that **Dan Peters**, SVP of Operations, can focus 100% of his time to drilling and development efforts to the South Texas assets. Prior to this, Mr. Peters oversaw both South Texas and Barnett Shale operations.
- Westside Energy hired **Brian Gross** as its Operations Manager. Most recently, Gross was responsible for completion and stimulation



design for Barnett Shale wells drilled in Hill, Johnson, Denton, Parker and Wise Counties by Chief Oil & Gas.

- Fellows Energy added two former Questar execs to its exploration and development staff – **Gary L. Nordloh** as Chief Operations Advisor and **Ronald E. Hogan** as Chief of Development.
- Pilgrim Petroleum Corp. hired **Jeffrey Fanning** as VP of Operations.
- Texas Crude Energy appointed **Michael A. Huhnke** as VP of operations.
- Pryme Oil and Gas established an advisory board consisting of **Donald R. Ellison** (petroleum engineering) and **James R. Stewart** (geology, land and environmental studies).
- Oceaneering International promoted **Kevin Kerins** to VP and GM, Remotely Operated Vehicles.
- **Brett Hall** and **Hal Irwin** have been named corporate account representatives for Knight Oil Tools.

McMoRan tests three discoveries

McMoRan Exploration reported three successful exploratory wells during Q2 – at Liberty Canal, Pecos and Point Chevreuil.

Gulf Coast

The Liberty Canal well (16,594 ft.) found two intervals totaling 199 gross ft. with 125 net ft. of pay. The well production-tested at a gross flow rate of ~26 MMCFD and 1,700 BCPD. Liberty Canal is onshore Vermilion Parish, Louisiana.

Also at Vermilion Parish, the Pecos exploratory well was drilled to a TVD of 18,795 ft. (19,625 ft. MD) and encountered two pay intervals. The deeper zone encoun-

tered 31 net ft. of hydrocarbon bearing sands over a 172 ft. gross interval; the upper zone encountered 12 net ft. of hydrocarbon bearing sands over a 14 ft. gross interval. A drill stem test resulted in a gross rate of ~15.5 MMCFD and 600 BCPD.

The Point Chevreuil exploratory well was drilled to a TVD of 17,011 ft. (17,274 ft. MD). The well encountered 96 net ft. of hydrocarbon bearing sands over a 112 ft. gross interval. A production test indicated a gross rate of 9 MMCFD and 470 BCPD.

The King of the Hill No. 2 discovery well at High Island Block 131 was tested at a gross rate of 11.5 MMCFD and 60 BCPD.

Goodrich well at Squaw Creek produces 830 BOPD

Goodrich Petroleum's initial well on its Squaw Creek Prospect, the LL&E No. 202 (Lafitte Field, Jefferson Parish, Louisiana), logged ~100 ft. of net pay in four separate sands. The well was deepened to test the 8,900' sand, where it encountered addi-



tional pay, increasing the total net pay in five sands to ~110 ft. The well has been dually completed in two of the five sands, placed on production and is currently producing at a combined rate of ~830 BOPD and 375 MCFD. Goodrich owns ~49% WI.

Unicorp to drill Mississippi well

Unicorp entered into an agreement to drill a ~6,800 ft. well to test the Upper Tuscaloosa in Greene Co., Mississippi. Unicorp will operate with 60% WI. The well is located ~75 ft. from the Lee Walley No. 1, which was P&A'd in 1983. Logs indicated an apparent oil pay at the top of the Tuscaloosa formation which was confirmed by sidewall cores which

indicated a good show of oil. The well lies between the North Sand Hill field to the north and the Flat Branch Field to the south.

Based upon cumulative production figures of similar wells in the North Sand Hill Field and the Flat Branch Field, Unicorp estimates the well could have 130,000 BO of reserves.

Gulf Coast Briefs

- **Gryphon Exploration** completed the third successful well on High Island 52, according to partner **Pan Andean**. The well is expected to begin production at 20 MMCFD, Hart's E&P reported.
- **Azimuth Energy** (Denver) completed a discovery in western St. Bernard Parish, which flowed 6.4 MMCFD. The well was drilled to a TD of 10,785 ft., Hart's E&P reported.
- **TransAmerican Energy** tested the Rogers 10-4 at Morton Field (Scott Co., Mississippi). The company re-entered and cleaned out the well originally drilled by **Ashland Petroleum** in 1977 to an additional depth of 15,017 ft. In collaboration with the onsite logging company, the company's geologist and engineers interpreted a cased hole evaluation log revealing over 300 ft. of unproduced oil and/or gas. A swab test indicated that the well could flow at least 100 BOPD.
- **Morgan Creek Energy Corp.** (Henderson, Nevada) entered into a letter of intent to acquire 25% WI in the Bayou Choctaw project in Iberville Parish, Louisiana. Proved undeveloped reserves have been identified in the "Bolmex" and "Nonion struma" geological zones at ~11,500 ft. An independent reserve report attributes ~49,000 BO and 269 MMCF of net proved undevel-

Southeast Oil Review reported the following news:

- **EOG Resources** completed a Sligo producer at South Williamsburg Field in Covington Co., Mississippi. The well, the No. 1 Freeman 26-8, flowed 5.4 MMCFd. On completion, the well flowed 5.1 MMCFD with 183 BCPD. TD is 15,300 ft.
- **David H. Arrington Oil & Gas** scheduled a horizontal wildcat in Mississippi's Lowndes Co. to test the Floyd Shale at 6,000 ft. Arrington also scheduled a Paleozoic wildcat in Pickens Co., Alabama. The #1 Black River 2-7 will be drilled to a proposed depth of 9,600 ft.
- **Midroc Operating Co.** completed a Smackover well (11,918 ft.) in the Little Cedar Creek Field of Conecuh Co., Alabama. The well, the No. 21-10 Cedar Creek Land & Timber, flowed 141 BOPD and 111 MCFD. Also in Conecuh Co. Midroc's Smackover wildcat completion in the Little Cedar Creek Field, the No. 18-6 McCreary, flowed 418 BOPD and 406 MCFD.
- **Roundtree & Associates** completed two Frio wildcats in Wilkinson Co., Mississippi. The wells flowed 155 MCFD and 150 MCFD.

oped reserves. Other potential targets have been identified through 2-D and 3-D seismic.

- In February, **Black Dragon Resource Co.** acquired 70 wells in the Hosston Field in Caddo Parish and began re-equipping, reworking and providing necessary infrastructure to bring these wells on line. At the end of June, 52 of the 70 wells are producing a total of 56 BOPD. The remaining 28 wells are expected to be online next month. The company has also completed the maintenance necessary to restore immediate production to the 19 oil wells on Caddo Lake. These wells were

pulled; pumps redressed where necessary and chemically treated and are now producing at the combined rate of ~67 BOPD as expected.

- **Cubic Energy** plans its sixth well in the Bethany Longstreet area (Desoto Parish, Louisiana). The S.E. Johnson No. 1 is expected to be drilled to a TD of ~10,500 ft., with the objectives being the Hosston and Cotton Valley formations. Cubic has 25% WI. According to an independent engineering evaluation, Cubic's proved reserves at its North Louisiana leasehold totaled 28,000 BO and 10.0 BCF.



Let's Drill



ILLINOIS PROSPECTS

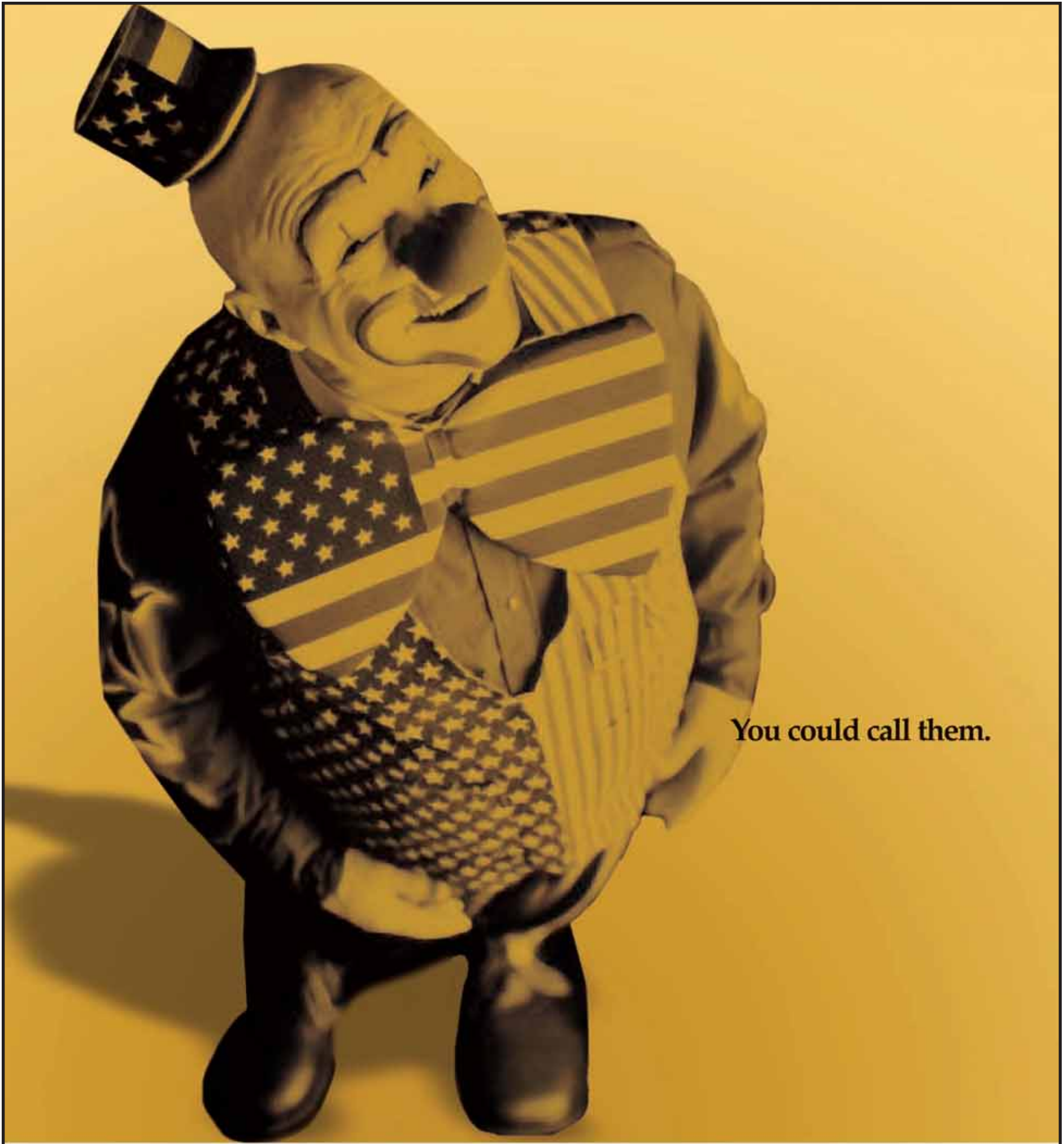
- Defined by 21 Miles of 2-D Seismic Data
- Potential For 3 Silurian Reef Prospects at 4,000 Ft.
- MultiPay Potential
- Close To Reefs Producing Up To 15 MBO
- Large Oil Fields In Close Proximity
- Seller Motivated & Offering 75% NRI



SOUTH TEXAS PROSPECTS

- Unleased Ground Floor Prospect
- HOUSTON SALT DOME
- Frio Targets at 8,000-11,000 Ft.
- 100% OPERATED WI; 75% NRI
- Non-Pressured Test
- Est Reserves: 1-2 MMBO & 10-20 BCF

Contact Glen Grishkowsky: 480-248-6446



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