

SENATE TAXATION
COMMITTEE NO. 17
DATE 3-28-07
BILL NO. SB-561

NORTHERN MONTANA OIL & GAS ASSOCIATION

SENATE BILL NO. 561
Sponsor: Christine Kaufmann

Senate Taxation

Jim Elliott – Chairman
Jerry Black
Jeff Essmann
Kelly Gebhardt
Kim Gillan
Dan Harrington
Christine Kaufmann
Sam Kitzenberg
Jim Peterson
Trudi Schmidt
Robert Story

Wednesday, March 28, 2007

Presented By: Patrick M. Montalban, Lobbyist
Northern Montana Oil & Gas Association
(406) 873-5580

Stripper Oil Well Economics	
5 Barrel Per Day Well:	
5 bbls x 335 days =	1675
Average Price Per Barrel:	\$43.00
Annual Revenue:	72,025.00
1675 bbls @ \$43.00/bbl:	
Less Royalty Expense:	(9,003.13)
12.5% Royalty	
Less Production Taxes (0.0926)	(5,835.83)
Less Operating Expenses:	
Electricity	(6,000.00)
Chemical	(2,400.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Net Revenue	43,986.05
Drilling & Completion Costs:	\$ 219,000.00
Payout:	4.9 Years

1st Year Prod Taxes (0.0076) 478.97
 Incentive Savings: (5,356.86)

Stripper Oil Well Economics	
10 Barrel Per Day Well:	
10 bbls x 335 days =	3350
Average Price Per Barrel:	\$43.00
Annual Revenue:	144,050.00
3350 bbls @ \$43.00/bbl:	
Less Royalty Expense:	(18,006.25)
12.5% Royalty	
Less Production Taxes (0.0926)	(11,671.65)
Less Operating Expenses:	
Electricity	(6,000.00)
Chemical	(2,400.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Net Revenue	101,172.10
Drilling & Completion Costs:	\$ 219,000.00
Payout:	2.2 Years

1st Year Prod Taxes (0.0076) 957.93
 (10,713.72)

Stripper Oil Well Economics	
20 Barrel Per Day Well:	
20 bbls x 335 days =	6700
Average Price Per Barrel:	\$43.00
Annual Revenue:	288,100.00
6700 bbls @ \$43.00/bbl:	
Less Royalty Expense:	(36,012.50)
12.5% Royalty	
Less Production Taxes (0.0926)	(23,343.30)
Less Operating Expenses:	
Electricity	(6,000.00)
Chemical	(2,400.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Net Revenue	215,544.20
Drilling & Completion Costs:	\$ 219,000.00
Payout:	1.01 Years

1st Year Prod Taxes (0.0076) 1,915.87
 (21,427.44)

Mountain View Energy Inc
Ledger Listing

10/01/2005 thru 05/01/2006

*** Only Accounts 9200 thru 9499 are Included. ***

Date	Reference	Jrnl	Description	Invoice#	Amount	Quantity
	<u>9201=TOTAL= Drilling - Footage</u>				0.00	
	9201=TOTAL= 177,475.00		YTD Total		177,475.00 *	
	<u>9202=TOTAL= Drilling - Daywork</u>				0.00	
	9202=TOTAL= 22,842.50		YTD Total		22,842.50 *	
	<u>9205=TOTAL= Drilling Overhead</u>				0.00	
	9205=TOTAL= 314.66		YTD Total		314.66 *	
	<u>9207=TOTAL= Surveys / Permits / Bonds</u>				2,025.00	
	9207=TOTAL= 2,600.00		YTD Total		4,625.00 *	
	<u>9208=TOTAL= Cementing & Services</u>				0.00	
	9208=TOTAL= 17,054.00		YTD Total		17,054.00 *	
	<u>9209=TOTAL= Mud / Chemicals / Water</u>				0.00	
	9209=TOTAL= 19,252.27		YTD Total		19,252.27 *	
	<u>9211=TOTAL= Roads & Location</u>				0.00	
	9211=TOTAL= 21,262.20		YTD Total		21,262.20 *	
	<u>9212=TOTAL= Equipment Rental</u>				0.00	
	9212=TOTAL= 315.00		YTD Total		315.00 *	
	<u>9213=TOTAL= Open Hole Logging</u>				0.00	
	9213=TOTAL= 78,885.80		YTD Total		78,885.80 *	
	<u>9215=TOTAL= Transportation</u>				0.00	
	9215=TOTAL= 6,500.00		YTD Total		6,500.00 *	
	<u>9222=TOTAL= Consulting Services</u>				1,575.00	
	9222=TOTAL= 15,867.40		YTD Total		17,442.40 *	
	<u>9223=TOTAL= Conductor/Surface Casing</u>				0.00	
	9223=TOTAL= 22,864.49		YTD Total		22,864.49 *	
	<u>9230=TOTAL= Misc Drilling Supplies</u>				0.00	
	9230=TOTAL= 3,606.09		YTD Total		3,606.09 *	
	<u>9235=TOTAL= Misc. Hauling</u>				0.00	
	9235=TOTAL= 1,260.00		YTD Total		1,260.00 *	
	<u>9301=TOTAL= Completion Costs</u>				0.00	
	9301=TOTAL= 20,516.33		YTD Total		20,516.33 *	
	<u>9304=TOTAL= Completion/Workover Rig</u>				0.00	
	9304=TOTAL= 64,782.00		YTD Total		64,782.00 *	
	<u>9308=TOTAL= Cementing & Services</u>				0.00	
	9308=TOTAL= 15,879.50		YTD Total		15,879.50 *	
	<u>9309=TOTAL= Mud / Chemicals / Water</u>				0.00	
	9309=TOTAL= 637.50		YTD Total		637.50 *	
	<u>9312=TOTAL= Equipment Rental</u>				0.00	
	9312=TOTAL= 3,044.00		YTD Total		3,044.00 *	
	<u>9314=TOTAL= Acidizing & Fracturing</u>				0.00	
	9314=TOTAL= 56,078.79		YTD Total		56,078.79 *	

Mountain View Energy Inc
 Ledger Listing

10/01/2005 thru 05/01/2006

Date	Reference	Jrnl	Description	Invoice#	Amount	Quantity
9317	=TOTAL=		Inspection / Testing		0.00	
9317	=TOTAL=		120.00		120.00 *	
			YTD Total			
9321	=TOTAL=		Roustabout Services		0.00	
9321	=TOTAL=		3,755.00		3,755.00 *	
			YTD Total			
9323	=TOTAL=		Electrical Completion Costs		0.00	
9323	=TOTAL=		29,168.60		29,168.60 *	
			YTD Total			
9324	=TOTAL=		Fuel		0.00	
9324	=TOTAL=		431.95		431.95 *	
			YTD Total			
9325	=TOTAL=		Perforating		0.00	
9325	=TOTAL=		44,381.35		44,381.35 *	
			YTD Total			
9329	=TOTAL=		Logging		0.00	
9329	=TOTAL=		7,723.60		7,723.60 *	
			YTD Total			
9330	=TOTAL=		Misc. Completion Supplies		0.00	
9330	=TOTAL=		11,008.30		11,008.30 *	
			YTD Total			
9335	=TOTAL=		Miscellaneous Hauling		0.00	
9335	=TOTAL=		2,657.50		2,657.50 *	
			YTD Total			
9338	=TOTAL=		Flowline Installation		0.00	
9338	=TOTAL=		10,584.00		10,584.00 *	
			YTD Total			
9401	=TOTAL=		Surface Casing		0.00	
9401	=TOTAL=		68,518.00		68,518.00 *	
			YTD Total			
9402	=TOTAL=		Long String Casing		0.00	
9402	=TOTAL=		28,765.89		28,765.89 *	
			YTD Total			
9403	=TOTAL=		Tubing		0.00	
9403	=TOTAL=		50,893.00		50,893.00 *	
			YTD Total			
9404	=TOTAL=		Wellhead Equipment		0.00	
9404	=TOTAL=		1,612.18		1,612.18 *	
			YTD Total			
9405	=TOTAL=		Pumping Unit		0.00	
9405	=TOTAL=		23,530.47		23,530.47 *	
			YTD Total			
9406	=TOTAL=		Bottom Hole Pump		0.00	
9406	=TOTAL=		4,954.67		4,954.67 *	
			YTD Total			
9407	=TOTAL=		Tank Battery		0.00	
9407	=TOTAL=		2,900.00		2,900.00 *	
			YTD Total			
9410	=TOTAL=		Flowlines		0.00	
9410	=TOTAL=		5,884.50		5,884.50 *	
			YTD Total			
9412	=TOTAL=		Working Barrel		0.00	
9412	=TOTAL=		3,374.67		3,374.67 *	
			YTD Total			
9415	=TOTAL=		Rods		0.00	
9415	=TOTAL=		15,815.76		15,815.76 *	
			YTD Total			
9420	=TOTAL=		Tubing Head Equipment		0.00	
9420	=TOTAL=		3,548.91		3,548.91 *	
			YTD Total			
9490	=TOTAL=		Miscellaneous		0.00	
9490	=TOTAL=		161.50		161.50 *	
			YTD Total			
Grand Total= 870,827.38 #Detail: 209					874,427.38	
Cost Per Well - \$874,427.38/4 Wells:					\$219,000.00	

The

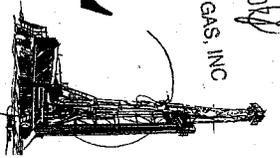
ROCKY MOUNTAIN

ALTA MOUNT OIL & GAS, INC.

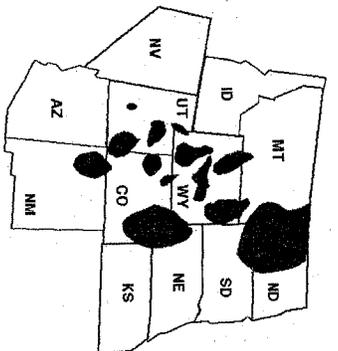
OIL JOURNAL

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Oil & Gas News from the Mountains & Great Plains



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24 Pages

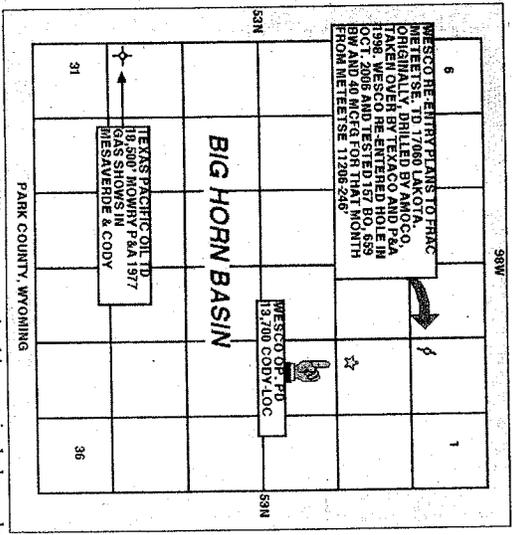
\$5.00

ISSN 1074-6803

INSIDE: ROCKY MOUNTAIN REGIONAL WELL INFORMATION PAGES 9-21 Wesco Stakes Big Horn Basin Wildcat

Park County, Wyoming
Operating (Wesco) has staked a Casper-Based Wesco 13,700' Upper Cretaceous Cody test about 11 miles southeast of Powell in the north-central portion of Wyoming's Big Horn Basin. The West Branch #1 se-sw 11-53n-98w, Park County, is in the recently formed West Branch Unit, a 24,960-acre unit that falls in 53-54n, 97-98w of Park and Big Horn counties.

A mile north of this staking, Wesco has also re-entered the #2-1 Bridger Trail sw-sw 2-53n-98w, a deep test that was originally drilled by Amoco in 1979 and re-entered by Texaco 20 years later. This test achieved a total depth of 17,060' and bottomed in the Lakota. Amoco ran liner to 17,045' and perforated the Dakota from 16,076'-16,960', the Muddy from 16,412'-442', the Mesaverde from 11,866'-11,890' and the Lance from 11,190'-11,245'. The results of these zones were negligible, and Amoco abandoned the hole. Texaco re-entered this test in 1998 and tested noncommercial amounts of gas in the Lance interval from 9,918'-9,924' prior to plugging this hole for a second time in 1998. In Oct. 2006, Wesco re-entered this hole for the third time and tested the Upper Cretaceous Meteteuse from 11,206'-11,246' and recovered 157 bo, 659 bw and 40 mcgppd for that month. Currently, Wesco has this well shut-in and plans call for the company to frac the Meteteuse with hopes of increasing production. It



Other significant drilling to occur in this area includes a dry hole four miles southwest of the West Branch #1. Operated by Texas Pacific Oil, the #1 Red Point II Unit sw-sw 30-53n-98w bottomed in the Mowry at a depth of 18,500'. A DST in the

Gas & Crude Oil Prices

Effective Date: February 21, 2007

AREA	Price/bbl, API
West Texas Intermediate	54.43
Central Montana	41.93
Northwest Montana Sour	49.00
Williston Basin Sweet	48.00
Williston Basin Sour	41.00
Wyo. General Sour	39.50
Wyoming Sweet (Powder Rv Basn)	37.70
Colorado D-J Basin	40.30
Four Corners	53.10
Nebraska	40.45
S-Eastern Colorado	51.25
Western Colorado	49.70
Kansas Sweet	48.90
Henry Hub Gas MCF	7.48
Opal WYO Gas MCF	6.37
El Paso-San Juan Gas MCF	6.76
NY Citygate MCF	8.19

Rig Count

as of 02-16-07
As reported by Hughes Christensen

	THIS WEEK	MONTH AGo	YEAR AGo
Colorado	94	95	83
Kansas	12	15	--
Montana	17	21	--
Nebraska	0	0	0
Nevada	1	0	0
New Mexico	83	83	--
North Dakota	33	33	--
South Dakota	0	0	--

CHS, Inc.

P.O. BOX 1404 McPHERSON, KS 67460-1404
1-800-662-2340 ext. 192

LEASE RUN STATEMENT

PAGE 1

877	77	00201
CODE	DIST	LEASE NO.

OPERATOR MOUNTAIN VIEW ENERGY INC
LEASE RED CREEK UNIT 77B
LOCATION GLACIER, MONTANA

MOUNTAIN VIEW ENERGY INC
PO BOX 200
CUT BANK MT 59427

BATCH	MO DAY	TICKET NO.	ENT.	TANK NO.	GRVITY	PRICE	NET BARRELS OR MCF	GROSS VALUE
98	02-21	0104411	1	000021	27.1	48.520		
98	02-19	0203869	1	000040	27.4	48.565		
98	02-15	0303945	1	000024	27.7	48.610		
98	02-24	0303953	1	000024	27.2	48.535		
98	02-06	0401013	1	000026	27.5	48.580		
98	02-08	0401018	1	000026	28.4	48.715		
98	02-17	0902207	1	000042	27.2	48.535		
98	02-10	1005012	1	000020	27.5	48.580		
98	02-13	1005016	1	000020	27.7	48.610		
98	02-02	1104051	1	000038	27.5	48.580		
98	02-28	1403835	1	000029	27.3	48.550		
98	02-26	1801700	1	000032	27.5	48.580		
98	02-05	1902484	1	000036	27.7	48.610		
MO YEAR	TOTAL TAXES	GATHERING COSTS	NET VALUE					
02-2007	.00	.00						

ENTRY CODE

1 - REGULAR TICKET
2 - ESTIMATED TICKET
3 - TRUCKING CHARGE

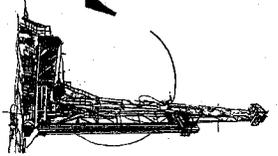
4 - DEBIT CORRECTION
5 - CREDIT CORRECTION
6 - RESERVED OR DEDUCTED

7 - MISCELLANEOUS
8 - PIPEAGE CHARGE
9 - DISTRIBUTION & HANDLING

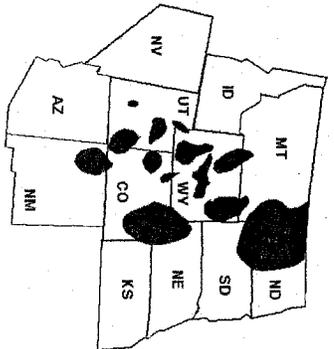
B - BARRELS
M - MCF

The MOUNTAIN OIL JOURNAL

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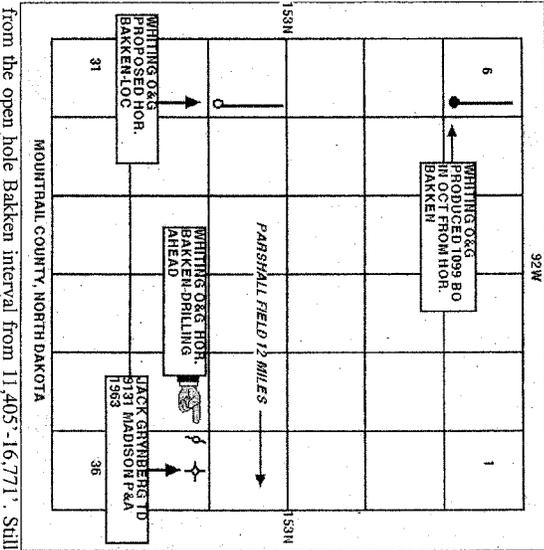
WELLS OF INTEREST FOR COLORADO, NEBRASKA, NEW MEXICO, NEVADA & UTAH PAGES 9-21

Whiting O&G Continues Bakken Exploration

Mountain County, North Dakota

Although industry eyes have been watching EOG's development of Parshall Field, an excellent Bakken reservoir located in Mountain County, North Dakota, another company actively chasing the Bakken in this county is Denver-based Whiting O&G. Sealing about 12 miles west of Parshall Field, the company has recently moved in Nabors rig #556 and is drilling the Peery State #11-25H, a planned horizontal Bakken test in the nw-nw 25-153n-92w. Probable bottom hole for this sideways venture will be in the sw-sw 25-153n-92w. This active test by Whiting is about a quarter of a mile west of a dry hole drilled by Jack Grynberg 43 years ago at the Elsworth Johnsonberg #1 nw-ne 25-153n-92w. Drilled on a Cites Service farmout and never penetrating the Bakken, the #1 bottomed in the Mississippian Frobisher at a depth of 9,131'. Three drill stem tests were conducted in the Madison Group below 8,740' in which slight shows of oil were encountered. No production casing was run, and the hole was plugged and abandoned.

Whiting's interest in this area is strong. It should be recalled that about six months ago the company completed a horizontal Bakken discovery about four miles southwest of the #11-25H



from the open hole Bakken interval from 11,405' - 16,771'. Still

Gas & Crude Oil Prices

Effective Date: January 03, 2006

Price/Dbl, API

AREA	Price/Dbl, API
West Texas Intermediate	55.06
Central Montana	49.06
Northwest Montana Sour	48.50
Williston Basin Sweet	48.50
Williston Basin Sour	41.50
Wyo. General Sour	41.75
Wyoming Sweet (Powder Rv Bsm)	37.30
Colorado D-1 Basin	41.05
Four Corners	53.70
Nebraska	41.05
S-Eastern Colorado	52.20
Western Colorado	50.45
Kansas Sweet	49.80
Henry Hub Gas MCF	5.47
Opal WYO Gas MCF	4.96
El Paso-San Juan Gas MCF	5.65
NY Citygate MCF	6.13

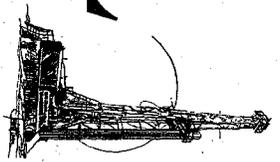
Rig Count

as of 12-26-06
As reported by Hughes Christensen

AREA	This Week Ago	Month Ago	Year Ago
Colorado	94	94	87
Kansas	12	13	11
Montana	21	21	18
Nebraska	0	0	0
Nevada	1	1	1
New Mexico	91	88	97

The ROCKY MOUNTAIN OIL JOURNAL

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Oil & Gas News from the Mountains & Great Plains

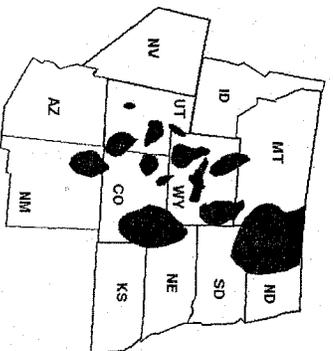
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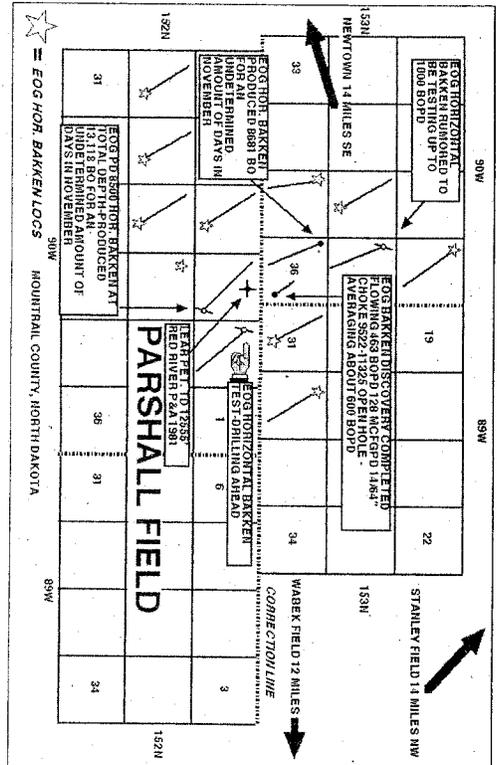
NEWS OF INTEREST FOR KANSAS, MONMONTANA, NORTH & SOUTH DAKOTA & WYOMING. PAGES 10-21

Another Excellent Well Noted in Parshall Field

Mountain County, North Dakota

According to field sources, EOG Resources (EOG) has another excellent well in Parshall Field, a horizontal Bakken reservoir located about 14 miles northeast of Newtown, North Dakota. EOG has completed drilling the Warberg #1-25H nw-nw 25-153 n-90 w, Mountain County, and after frac, it's reported that this well is currently shut-in after testing about 1,000 bopd. The surface location of the Warberg #1-25H is about a mile north of another good well

over 1,000 bopd if the choke size is increased. As no pipeline has been laid into the well, the company is burning the associated gas through the flare stack. EOG has erected seven 400-barrel tanks on location indicating a storage capacity of 2,800 bo. This oil is coming from a horizontal leg of almost a mile that terminated in the se-sw 36-153n-90w.



Another great producer within this field is about two miles southeast of the Parshall #2-36H. The Bartleson 1-3H sw-se 3-152n-90w, according to state

Gas & Crude Oil Prices

Effective Date: January 24, 2007

AREA Price/bbl API

West Texas Intermediate	52.09
Central Montana	39.49
Northwest Montana Sour	45.50
Williston Basin Sweet	45.25
Williston Basin Sour	38.25
Wyo. General Sour	35.75
Wyoming Sweet (Powder Rv Basin)	34.40
Colorado D-J Basin	33.80
Four Corners	50.80
Nebraska	38.75
S. Eastern Colorado	48.75
Western Colorado	47.20
Kansas Sweet	46.40
Henry Hub Gas MCF	7.47
Opal WYO Gas MCF	6.58
El Paso-San Juan Gas MCF	6.84
NY Citygate MCF	20.59

Rig Count

as of 01-19-07

As reported by Hughes Christensen

State	This Week	Month Ago	Year Ago
Colorado	98	91	94
Kansas	14	14	13
Montana	19	18	21
Nebraska	0	0	0
Nevada	0	0	1
New Mexico	89	86	88

CHS, Inc.

P.O. BOX 1404 McPHERSON, KS 67460-1404
1-800-662-2340 ext. 192

LEASE RUN STATEMENT

PAGE 1

877	77	00201
CODE	DIST	LEASE NO

OPERATOR MOUNTAIN VIEW ENERGY INC
LEASE RED CREEK UNIT 77B
LOCATION GLACIER, MONTANA

MOUNTAIN VIEW ENERGY INC
PO BOX 200
CUT BANK MT 59427

BATCH	MO DAY	TICKET NO.	ENT.	TANK NO.	GRVITY	PRICE	NET BARRELS OR MCF	GROSS VALUE
98	01-05	0104356	1	000021	27.2	43.749		B
98	01-20	0104378	1	000021	27.5	43.794		B
98	01-24	0104384	1	000021	27.1	43.734		B
98	01-08	0303908	1	000024	27.3	43.764		B
98	01-13	0504455	1	000023	27.1	43.734		B
98	01-30	0504477	1	000023	26.8	43.689		B
98	01-11	0902176	1	000042	27.6	43.809		B
98	01-03	1004978	1	000020	27.0	43.719		B
98	01-18	1104026	1	000038	27.6	43.809		B
98	01-22	1104033	1	000038	27.4	43.779		B
98	01-15	1303027	1	000034	27.5	43.794		B
98	01-29	1303038	1	000034	27.6	43.809		B
98	01-02	1403785	1	000029	27.3	43.764		B
98	01-09	1801660	1	000032	27.7	43.824		B
98	01-26	1801677	1	000032	28.0	43.869		B
MO YEAR		TOTAL TAXES	GATHERING COSTS		NET VALUE			
01-2007		.00	.00					B

10028

ENTRY CODE

- | | | | |
|----------------------|----------------------------|-----------------------------|-------------|
| 1 - REGULAR TICKET | 4 - DEBIT CORRECTION | 7 - MISCELLANEOUS | 8 - BARRELS |
| 2 - ESTIMATED TICKET | 5 - CREDIT CORRECTION | 8 - PIPEAGE CHARGE | M - MCF |
| 3 - TRUCKING CHARGE | 6 - RECOVERED OIL DEDUCTED | 9 - DISTRIBUTION & HANDLING | |

Stripper Gas Well Economics	
20 MCF Per Day Well:	
20 MCFD x 335 days =	6700
Average Price Per MCF:	\$4.00
Annual Revenue:	26,800.00
6700 MCFs @ \$4.00/MCF:	
Less Royalty Expense:	(3,350.00)
12.5% Royalty	
Less Production Taxes: (0.0926)	(2,171.47)
Less Operating Expenses:	
Methanol & Heaters:	(1,000.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Annual Net Revenue	15,478.53
Drilling & Completion Costs:	\$ 108,000.00
Payout:	6.9 Years

1st Year Prod Taxes (0.0076) 178.22
 Incentive Savings: (1,993.25)

Stripper Gas Well Economics	
50 MCF Per Day Well:	
50 MCFD x 335 days =	16750
Average Price Per MCF:	\$4.00
Annual Revenue:	67,000.00
16750 MCFs @ \$4.00/MCF:	
Less Royalty Expense:	(8,375.00)
12.5% Royalty	
Less Production Taxes: (0.0926)	(5,428.68)
Less Operating Expenses:	
Methanol & Heaters:	(1,000.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Annual Net Revenue	47,396.33
Drilling & Completion Costs:	\$ 108,000.00
Payout:	2.2 Years

1st Year Prod Taxes (0.0076) 445.55
 Incentive Savings: (4,983.13)

Stripper Gas Well Economics	
100 MCF Per Day Well:	
100 MCFD x 335 days =	33500
Average Price Per MCF:	\$4.00
Annual Revenue:	134,000.00
33500 MCFs @ \$4.00/mcf:	
Less Royalty Expense:	(16,750.00)
12.5% Royalty	
Less Production Taxes: (0.0926)	(10,857.35)
Less Operating Expenses:	
Methanol & Heaters:	(1,000.00)
Field Labor	(3,600.00)
"Rope, Dope & Soap"	(1,200.00)
Annual Net Revenue	100,592.65
Drilling & Completion Costs:	\$ 108,000.00
Payout:	1.2 Years

1st Year Prod Taxes (0.0076) 891.10
 Incentive Savings: (9,966.25)

ALTAMONT OIL & GAS INC.
 Ledger Listing

01/01/2005 thru 12/31/2007

*** Only Accounts 9201 thru 9490 are Included. ***

*** Only Sub-Accounts PO28-2 thru PO28-2 are Included. ***

List Account Detail: Override Acct Sw - Print None

Date	Reference	Jrnl	Description	Invoice#	Amount	Quantity
	<u>9201=TOTAL= Drilling - Footage</u>				0.00	
	9201=TOTAL=		36,162.50	YTD Total	36,162.50 *	
	<u>9205=TOTAL= Drilling Overhead</u>				0.00	
	9205=TOTAL=		708.58	YTD Total	708.58 *	
	<u>9207=TOTAL= Surveys / Permits / Bonds</u>				0.00	
	9207=TOTAL=		750.00	YTD Total	750.00 *	
	<u>9208=TOTAL= Cementing & Services</u>				0.00	
	9208=TOTAL=		5,826.25	YTD Total	5,826.25 *	
	<u>9211=TOTAL= Roads & Location</u>				0.00	
	9211=TOTAL=		7,461.50	YTD Total	7,461.50 *	
	<u>9213=TOTAL= Open Hole Logging</u>				0.00	
	9213=TOTAL=		3,741.00	YTD Total	3,741.00 *	
	<u>9215=TOTAL= Transportation</u>				0.00	
	9215=TOTAL=		45.43	YTD Total	45.43 *	
	<u>9218=TOTAL= Casing - Surface & Pipe</u>				0.00	
	9218=TOTAL=		22,357.03	YTD Total	22,357.03 *	
	<u>9222=TOTAL= Consulting Services</u>				0.00	
	9222=TOTAL=		4,151.60	YTD Total	4,151.60 *	
	<u>9232=TOTAL= Drilling Bit</u>				0.00	
	9232=TOTAL=		827.57	YTD Total	827.57 *	
	<u>9301=TOTAL= Completion/part & supplies</u>				0.00	
	9301=TOTAL=		10,171.12	YTD Total	10,171.12 *	
	<u>9302=TOTAL= Completion Rig</u>				0.00	
	9302=TOTAL=		2,468.00	YTD Total	2,468.00 *	
	<u>9305=TOTAL= Completion Overhead</u>				0.00	
	9305=TOTAL=		157.04	YTD Total	157.04 *	
	<u>9307=TOTAL= Surveys / Permits / Bonds</u>				0.00	
	9307=TOTAL=		5,000.00	YTD Total	5,000.00 *	
	<u>9309=TOTAL= Mud / Chemicals / Water</u>				0.00	
	9309=TOTAL=		52.00	YTD Total	52.00 *	
	<u>9311=TOTAL= Roads & Location</u>				0.00	
	9311=TOTAL=		250.00	YTD Total	250.00 *	
	<u>9315=TOTAL= Transportation</u>				0.00	
	9315=TOTAL=		160.00	YTD Total	160.00 *	
	<u>9319=TOTAL= Completion Supplies & Material</u>				0.00	
	9319=TOTAL=		28.79	YTD Total	28.79 *	
	<u>9322=TOTAL= Consulting Services</u>				0.00	
	9322=TOTAL=		528.80	YTD Total	528.80 *	
	<u>9403=TOTAL= Tubing</u>				0.00	
	9403=TOTAL=		6,629.57	YTD Total	6,629.57 *	

01/01/2005 thru 12/31/2007

Date	Reference	Jrnl	Description	Invoice#	Amount	Quantity
<u>9301-PO28-2 Completion/part & supplies - Roy Powers #28-2 <Continued></u>						
02/24/2006	2681	20	Liquid Gold Well Service	Deck:PO28-2	1,184.73	Bd 02/28/2006
03/01/2006	2694	20	Oilfield Lumber Co.	Deck:PO28-2	46.59	Bd 03/31/2006
9301-PO28-2	10,171.12		YTD Total		10,171.12 *	
<u>9302-PO28-2 Completion Rig - Roy Powers #28-2</u>						
02/24/2006	2676	20	General Well Service Inc.	Deck:PO28-2	2,468.00	Bd 02/28/2006
9302-PO28-2	2,468.00		YTD Total		2,468.00 *	
<u>9305-PO28-2 Completion Overhead - Roy Powers #28-2</u>						
02/09/2006	2633	20	MBNA America - Denver Broncos 8963	Deck:PO28-2	157.04	Bd 02/28/2006
9305-PO28-2	157.04		YTD Total		157.04 *	
<u>9307-PO28-2 Surveys / Permits / Bonds - Roy Powers #28-2</u>						
08/31/2006	CHARGE	1	Drilling Bond	Deck:PO28-2	5,000.00	Bd 08/31/2006
9307-PO28-2	5,000.00		YTD Total		5,000.00 *	
<u>9309-PO28-2 Mud / Chemicals / Water - Roy Powers #28-2</u>						
03/06/2006	2724	20	Simons Petroleum Inc.	Deck:PO28-2	52.00	Bd 03/31/2006
9309-PO28-2	52.00		YTD Total		52.00 *	
<u>9311-PO28-2 Roads & Location - Roy Powers #28-2</u>						
06/30/2006	3107	20	Pack Construction, LLC	Deck:PO28-2	250.00	Bd 06/30/2006
9311-PO28-2	250.00		YTD Total		250.00 *	
<u>9315-PO28-2 Transportation - Roy Powers #28-2</u>						
02/20/2006	2650	20	Pack Construction, LLC	Deck:PO28-2	160.00	Bd 02/28/2006
9315-PO28-2	160.00		YTD Total		160.00 *	
<u>9319-PO28-2 Completion Supplies & Material - Roy Powers #28-2</u>						
02/15/2006	2640	20	Century Graphics & Signs	Deck:PO28-2	28.79	Bd 02/28/2006
9319-PO28-2	28.79		YTD Total		28.79 *	
<u>9322-PO28-2 Consulting Services - Roy Powers #28-2</u>						
04/07/2006	COMPLET	1	Completion consulting chgs	Deck:PO28-2	528.80	Bd 04/30/2006
9322-PO28-2	528.80		YTD Total		528.80 *	
<u>9403-PO28-2 Tubing - Roy Powers #28-2</u>						
09/29/2006	CHARGE	1	charge for tubing	Deck:PO28-2	6,629.57	Bd 09/30/2006
9403-PO28-2	6,629.57		YTD Total		6,629.57 *	
<u>9404-PO28-2 Wellhead Equipment - Roy Powers #28-2</u>						
01/24/2006	2547	20	American Pipe & Supply Co.	Deck:PO28-2	503.60	Bd 02/28/2006
9404-PO28-2	503.60		YTD Total		503.60 *	
Grand Total=	107,980.38	#Detail: 41			107,980.38	

2005 - 2006 Natural Gas Price Comparison				
		Price Per MCF		
		At the Wellhead		
		2005		2006
January		4.75		9.00
February		4.00		5.80
March		4.10		4.60
April		4.75		3.75
May		4.85		4.00
June		4.15		3.15
July		4.65		3.20
August		4.85		3.33
September		6.60		3.35
October		8.32		2.25
November		9.00		3.13
December		7.45		4.12
Annual Average				
Price:		5.62		4.14