EVALUATION

TAXABLE INTERESTS

PROVED RESERVES

LA PLATA COUNTY, COLORADO

As of July 1, 2007

CAWLEY, GILLESPIE & ASSOCIATES, INC.
PETROLEUM CONSULTANTS

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October 11, 2007

Board of County Commissioners
La Plata County, Colorado
1060 East Second Avenue
Durango, CO 81301-7582

Re: Evaluation Summary
Taxable Interests
La Plata County, Colorado
Proved Reserves
As of July 1, 2007

Dear Commissioners:

As requested, we are submitting our estimates of proved reserves and our forecasts of the resulting economics attributable to the above captioned interests.

Composite reserve estimates and economic forecasts for the proved reserves are presented in the attached tables and are summarized below:

		Proved Developed Producing	Proved Undeveloped	Total Proved
Net Reserves				
Oil/Condensate	-Mbbl	204.9	0.0	204.9
Gas	-MMcf	2,920,035.0	1,269,513.0	4,189,548.0
Revenue				
Oil/Condensate	-M$	11,934.6	0.0	11,934.6
Gas	-M$	14,345,870.0	6,299,972.0	20,645,850.0
Discounted @ 10%	-M$	7,559,554.0	2,542,516.0	10,102,070.0

The discounted value shown above should not be construed to represent an estimate of the fair market value by Cawley, Gillespie & Associates, Inc.

The detailed forecasts of reserves and economics are presented in the attached tables. Tables I-Proved, I-PDP, and I-PUD are summaries of the reserves and associated economics for the total proved reserves, proved developed producing reserves and proved undeveloped reserves, respectively. Figures 1 through 3 are graphs of the historical and estimated future gross daily production volumes for these same reserve categories. Although the historical production data is only shown since 1998 on these graphs, we relied upon publicly-available monthly production volumes dating back to January 1970 in some cases. Table II-Proved is a summary of the ultimate recovery, gross and net reserves, taxable ownership, revenue, and discounted cash flows for the individual wells in Table I-Proved. The entries in this table are sorted by formation, then operator and then well name. Page 1 of the Appendix explains the type of data in these tables. A detailed discussion of the reserves methodology follows this section of the report.

As requested, a San Juan Basin gas price of $6.00 per MMBtu was applied without escalation. The price corresponds roughly to the average San Juan Basin index price for the year ending June 30, 2007 ($5.94 per MMBtu). For the minor oil/condensate volumes, a WTI Cushing price of $65.00 per barrel was applied without escalation.

Based on information supplied by the La Plata County Assessors Office for tax years 2006 and 2007, taxable ownership (excluding exempt interests), shrinkage and net prices were specified for each coalbed methane ("CBM") well and by formation for the conventional wells. Taxable ownership varies from 0% to 100%, but the average is approximately 84%. Deductions of 0% to 20% were applied to the net gas volumes to account for shrinkage resulting from items such as fuel usage, gas processing and line losses. The average value for this parameter is less than 2.5%. The gross gas production volumes shown in column 3 of the attached summary tables are gross wellhead volumes while the net gas volumes shown in column 5 are taxable sales volumes, which exclude the shrinkage and exempt interest volumes. Net gas prices were supplied by well by year based on taxable revenues (after allowable deductions) and taxable sales volumes. These annual average prices were then compared to the average San Juan Basin index prices for the same time periods. Two-year averages for the ratio of these two prices (actual vs. index) were specified by well, ranging from a low of 0.60 to a high of 1.00. Net annual average oil/condensate prices were similarly compared to annual average WTI Cushing oil prices (conventional wells only). For these minor volumes, a differential of -$6.75 per barrel was applied.

The reserves forecasts were terminated at an economic limit rate of 600 Mcf/month for the coalbed methane wells and approximately 150 Mcf/month for the conventional wells.

The proved reserve classifications conform to criteria of the Society of Petroleum Engineers. The reserves and economics are predicated on the regulatory agency classifications, rules, policies, laws, taxes and royalties in effect on the effective date except as noted herein. The possible effects of changes in legislation or other Federal or State restrictive actions have not been considered. All reserve estimates represent our best judgment based on data available at the time of preparation and assumptions as to future economic and regulatory conditions. It should be realized that the reserves actually recovered, the revenue derived therefrom and the actual cost incurred could be more or less than the estimated amounts.

The reserve estimates were based on interpretations of factual data furnished by the La Plata County Assessors Office. Gross production volumes, sales volumes, sales prices and taxable ownership interests were supplied by well for each of the last two calendar years by the La Plata County Assessors Office and were accepted as furnished. To some extent, information from public records has been used to check and/or supplement these data. The basic engineering and geological data were utilized subject to third party reservations and qualifications. Nothing has come to our attention, however, that would cause us to believe that we are not justified in relying on such data. An on-site inspection of these properties has not been made nor have the wells been tested by Cawley, Gillespie & Associates, Inc.

This report was prepared for the exclusive use of the Board of County Commissioners of La Plata County, Colorado. Third parties should not rely on it without the written consent of the above and Cawley, Gillespie & Associates, Inc. Our work-papers and related data are available for inspection and review by authorized parties.

Yours very truly,

Cawley, Gillespie & Assoc., Inc.

CAWLEY, GILLESPIE & ASSOCIATES, INC.

JZM:rkf

DISCUSSION

The total proved reserves presented in this report are a summation of the proved developed producing ("PDP") reserves associated with the existing wells and the proved undeveloped ("PUD") reserves associated with future drilling. This discussion focuses on the methodology used to forecast these two categories of reserves and also addresses additional reserves types, the quantification of which are beyond the scope of this report.

Existing Wells

The forecasts for the existing wells are based on a combination of methodologies, with different approaches for the CBM and conventional wells. A total of 1,686 separate forecasts were prepared for the PDP reserves evaluation.

With the exception of six two-well leases and the Tiffany Fruitland Unit (43 wells), all of the existing 1,730 CBM wells in the county were individually forecast. For those wells with an established production trend, the forecasts were primarily based on an extrapolation of the historical production volumes. For wells with production volumes that are currently either inclining or flat, the performance of analogous offsetting wells was reviewed. In some cases, the reserves forecasts were based on estimates of gas-in-place volumes along with appropriate recovery factors. Current production from the CBM wells is approximately 1,100 MMcf/day, which represents approximately 94% of the total current daily gas production in the county. Although there is currently a wide range of performance for the CBM wells, the long-term composite decline rate for these wells is about 12% per year. The gross and net gas reserves associated with the existing CBM wells are 3,169,425 MMcf and 2,634,291 MMcf, respectively.

Due to the relatively minor contribution of the conventional reservoirs currently, the 1,135 active conventional wells were forecast from composite production curves for each of the three major formations (Mesaverde, Dakota and Pictured Cliffs) and a single composite curve for the remaining wells. Current production from the conventional wells is approximately 70 MMcf/day, with over two-thirds of this gas coming from the Mesaverde formation. The average decline rate for these conventional wells is about 7% per year. The gross and net gas reserves associated with the existing conventional wells are 337,840 MMcf and 285,745 MMcf, respectively.

Future Wells

The reserves associated with active drilling programs in La Plata County were forecast based on the results of historical activity. This analysis was limited to the Fruitland Coal reservoir due to the relatively minor PUD reserves associated with the conventional reservoirs.

The Fruitland Coal reservoir in La Plata County was initially developed on 320-acre spacing. However, through a series of infill applications since 1996, the majority of the Ignacio Blanco (Fruitland Coal) Field has been approved for 160-acre development by the Colorado Oil and Gas Conservation Commission ("COGCC"), and a large portion has been approved for 80-acre development. The exceptions include the high-productivity fairway located primarily in T32N-R10&11W and T33N-R10&11W and the vast majority of the reservoir within 1.5 miles of the outcrop. As a result, over 900 new CBM wells have come on-line in La Plata County since the beginning of 1997, including about 65 80-acre wells.

We reviewed every 320-acre tract in La Plata County and identified 1,022 remaining Fruitland Coal proved undeveloped locations to be drilled, including 836 80-acre locations. Locations were included on undrilled 320-acre tracts, which are found primarily in ranges 6W and 7W. Potential low-productivity locations in T33N,34N-R6W were excluded from this analysis due to the lack of sub-surface control and current activity in the area. The PUD reserves were forecast by township for each of the 17 townships with remaining locations. Type curves were generated by township for three types of wells: 1) historical infill wells, 2) parent wells that have been infilled, and 3) parent wells that have not been infilled. A typical infill well forecast was developed for each township based on the actual infill well performance to date. This curve was then adjusted based on a comparison of the historical performance of the parent wells that have not been infilled to that of the parent wells that have been infilled. This adjusted typical well curve was then used as the forecast for all remaining locations within the township. For townships without 80-acre infill wells to date, the performance of actual 80-acre wells in nearby townships and the performance of the 160-acre infill wells versus the original 320-acre wells in the specific township were considered. Peak rates for the typical wells range from 200 to 1,800 Mcf/day with an average of about 750 Mcf/day. Gross gas reserves (incremental) range from 1.0 to 4.1 Bcf per well with an average of 2.4 Bcf for the remaining 160-acre locations and 1.4 Bcf for the remaining 80-acre locations.

Scheduling of the future wells was based on a review of the historical drilling levels in the county. Approximately 80 new Fruitland Coal wells have come on-line each year since 2003. We scheduled 80 total wells to come on-line during 2007, including 27 new wells that have shown up to date in public records this year (there is typically a several month delay for new wells in publicly-available databases). The remaining 160-acre locations were scheduled at a rate of 20 wells per year from 2008 until their completion in 2016. A total of 60 80-acre locations were scheduled in 2008, but the annual rate was then increased by 10 wells per year until a maximum rate of 100 wells was reached in 2012. At this rate, the remaining 80-acre locations are completed in 2016. The maximum total rate of 120 wells per year (160-acre locations + 80-acre locations) is comparable to the recent peak activity in the county in 2001 and 2002.

Additional Reserve Types

As with our previous evaluation in 2003, a number of additional categories of reserves were excluded from this analysis for various reasons, including lack of publicly-available data, higher degrees of risk, and the budget for this study. These reserve categories include proved developed non-producing, probable and possible.

Proved developed non-producing ("PDNP") reserves are additional reserves can be recovered through existing wells but require further capital expenditures or additional equipment to produce the reserves. In La Plata County, examples of PDNP reserves are those reserves associated with well workovers and compressor installations. Operators are not required to file publicly-available documents for this type of field work. Sundry notices are sometimes filed with the BLM or COGCC in conjunction with well workovers, but analysis of these documents is well beyond the scope of this study. Based on our extensive evaluation work in La Plata County for other clients, workovers and compressor installations are an important part of operators' annual budgets. Although incremental reserves associated with this type of work are typically much less than those associated with new drills, the near-term incremental volumes associated with workovers and compressor installations can be material in magnitude.

Probable and possible reserves fall into the general category of unproved reserves. These reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties prevent such reserves from being classified as proved. Examples of probable/possible reserves in La Plata County are those reserves associated with further downspacing in unapproved areas in both the Fruitland Coal and the conventional formations, tertiary projects using injected nitrogen or carbon dioxide to increase recoveries in Fruitland Coal reservoirs, and potential Fruitland Coal locations in T33N,34N-R6W where sub-surface control is inadequate. Projects targeting some of these example unproved reserves types have been attempted on a limited basis in La Plata County to date, but forecasting the reserves associated with future projects would be meaningless at this point due to the uncertainty associated with the timing of the development.

Table I - Proved

Composite Reserve Estimates and Economic Forecasts
Taxable Interests
La Plata County, Colorado
Proved Reserves
As of July 1, 2007

(1) End Mo-Yr	(2) Gross Oil Production MBBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MBBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price $/BBL	(7) Avg Gas Price $/MCF	(8) Oil Revenue M$	(9) Gas Revenue M$	(10) Total Revenue M$
12-07	14.4	212,949.4	12.323	175,475.300	58.250	4.890	717.838	858,068.700	858,786.500
12-08	25.8	403,252.4	22.141	332,438.800	58.250	4.896	1,289.704	1,627,596.000	1,628,886.000
12-09	22.5	373,233.1	19.245	307,528.400	58.250	4.902	1,121.002	1,507,455.000	1,508,576.000
12-10	19.6	348,286.6	16.795	286,627.700	58.250	4.907	978.307	1,406,610.000	1,407,588.000
12-11	17.2	328,516.8	14.711	269,910.500	58.250	4.913	856.936	1,325,983.000	1,326,841.000
12-12	15.1	313,599.7	12.930	257,210.900	58.250	4.918	753.188	1,264,883.000	1,265,636.000
12-13	13.3	301,422.0	11.401	246,770.500	58.250	4.923	664.107	1,214,758.000	1,215,422.000
12-14	11.7	290,509.2	10.083	237,502.300	58.250	4.927	587.308	1,170,239.000	1,170,826.000
12-15	10.4	280,685.0	8.943	229,164.600	58.250	4.931	520.917	1,129,987.000	1,130,508.000
12-16	9.3	270,643.5	7.950	220,718.800	58.250	4.934	463.109	1,089,050.000	1,089,513.000
12-17	8.2	248,775.1	7.076	203,054.900	58.250	4.937	412.170	1,002,538.000	1,002,950.000
12-18	7.3	213,840.8	6.306	174,999.100	58.250	4.940	367.324	864,427.500	864,794.800
12-19	6.6	184,481.8	5.627	151,346.500	58.250	4.942	327.797	747,959.700	748,287.600
12-20	5.9	160,308.6	5.029	131,828.300	58.250	4.944	292.914	651,794.100	652,087.000
12-21	5.2	140,080.5	4.499	115,447.000	58.250	4.946	262.093	571,047.700	571,309.800
S Tot	192.5	4,070,585.0	165.059	3,340,024.000	58.250	4.920	9,614.714	16,432,400.000	16,442,010.000
After	46.4	1,017,468.0	39.827	849,524.500	58.250	4.960	2,319.905	4,213,454.000	4,215,774.000
Total	238.9	5,088,053.0	204.886	4,189,548.000	58.250	4.928	11,934.620	20,645,850.000	20,657,790.000
Cum	2,568.4	6,792,301.0							
Ult	2,807.3	11,880,350.0							

(11) End Mo-Yr	(12) Production Taxes M$	(13) Ad Valorem Taxes M$	(14) (15) Wells Gross Count	Net Count	(16) Operating Expense M$	(17) Other Deductions M$	(18) Investment M$	(19) Future Net Cash Flow M$	(20) Cumulative Cash Flow M$	(21) Cum.Cash Flow Disc.@ 10.0% M$
12-07	.000	.000	2830.7	2403.44	19,829.100	.000	.000	838,958.300	838,958.300	819,171.600
12-08	.000	.000	2867.8	2433.76	39,567.800	.000	.000	1,589,318.000	2,428,276.000	2,264,495.000
12-09	.000	.000	2927.0	2481.19	39,435.140	.000	.000	1,469,140.000	3,897,416.000	3,479,098.000
12-10	.000	.000	2995.9	2536.05	39,277.300	.000	.000	1,368,309.000	5,265,725.000	4,507,509.000
12-11	.000	.000	3073.5	2597.94	39,093.160	.000	.000	1,287,747.000	6,553,473.000	5,387,379.000
12-12	.000	.000	3162.6	2669.44	38,934.740	.000	.000	1,226,701.000	7,780,174.000	6,148,668.000
12-13	.000	.000	3257.1	2745.27	38,774.050	.000	.000	1,176,647.000	8,956,820.000	6,813,080.000
12-14	.000	.000	3351.2	2821.41	38,609.610	.000	.000	1,132,217.000	10,089,040.000	7,394,305.000
12-15	.000	.000	3447.8	2899.08	38,479.060	.000	.000	1,092,028.000	11,181,070.000	7,903,937.000
12-16	.000	.000	3536.9	2970.66	38,298.210	.000	.000	1,051,215.000	12,232,280.000	8,349,923.000
12-17	.000	.000	3563.8	2991.41	38,058.970	.000	.000	964,891.000	13,197,170.000	8,722,071.000
12-18	.000	.000	3534.8	2967.15	37,795.830	.000	.000	826,998.700	14,024,170.000	9,012,039.000
12-19	.000	.000	3507.2	2943.76	37,551.200	.000	.000	710,736.300	14,734,910.000	9,238,586.000
12-20	.000	.000	3475.8	2918.03	37,295.040	.000	.000	614,791.200	15,349,700.000	9,416,737.000
12-21	.000	.000	3446.7	2893.44	37,001.670	.000	.000	534,308.400	15,884,010.000	9,557,490.000
S Tot	.000	.000	3280.2	2763.47	558,000.900	.000	.000	15,884,010.000	15,884,010.000	9,557,490.000
After	.000	.000	1500.1	1280.91	639,182.600	.000	.000	3,576,591.000	19,460,600.000	10,102,070.000
Total	.000	.000	1975.9	1677.17	1,197,183.000	.000	.000	19,460,600.000	19,460,600.000	10,102,070.000

Flat Pricing

Year	WTI Cushing Oil $/STB	San Juan Gas $/MMBTU
2007	65.00	6.00
Thereafter	Flat	Flat
Cap	65.00	6.00

Percent	Cum. Disc.
5.00	13,374,150.000
10.00	10,102,080.000
15.00	8,108,460.000
20.00	6,785,080.000
25.00	5,850,528.000
30.00	5,159,027.000

6 Months in first year
54.250 Year Life (10/2061)

Table I - PDP

Composite Reserve Estimates and Economic Forecasts
Taxable Interests
La Plata County, Colorado
Proved Developed Producing Reserves
As of July 1, 2007

(1) End Mo-Yr	(2) Gross Oil Production MBBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MBBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price $/BBL	(7) Avg Gas Price $/MCF	(8) Oil Revenue M$	(9) Gas Revenue M$	(10) Total Revenue M$
12-07	14.4	209,604.2	12.323	172,873.600	58.250	4.889	717.838	845,208.000	845,925.900
12-08	25.8	383,399.5	22.141	316,754.000	58.250	4.893	1,289.704	1,549,951.000	1,551,241.000
12-09	22.5	335,259.7	19.245	277,312.600	58.250	4.896	1,121.002	1,357,845.000	1,358,966.000
12-10	19.6	292,908.3	16.795	242,553.300	58.250	4.899	978.307	1,188,365.000	1,189,343.000
12-11	17.2	256,486.2	14.711	212,621.900	58.250	4.902	856.936	1,042,355.000	1,043,212.000
12-12	15.1	225,169.2	12.930	186,858.900	58.250	4.905	753.188	916,587.000	917,340.200
12-13	13.3	198,205.4	11.401	164,655.700	58.250	4.908	664.107	808,134.000	808,798.000
12-14	11.7	174,928.3	10.083	145,474.400	58.250	4.911	587.308	714,383.600	714,970.900
12-15	10.4	154,783.1	8.943	128,852.900	58.250	4.913	520.917	633,096.500	633,617.500
12-16	9.3	137,259.4	7.950	114,378.900	58.250	4.916	463.109	562,288.800	562,751.900
12-17	8.2	121,966.3	7.076	101,734.100	58.250	4.919	412.170	500,399.800	500,812.000
12-18	7.3	108,585.0	6.306	90,662.690	58.250	4.921	367.324	446,178.700	446,546.000
12-19	6.6	96,872.5	5.627	80,959.220	58.250	4.924	327.797	398,615.100	398,942.900
12-20	5.9	86,575.1	5.029	72,424.190	58.250	4.926	292.914	356,754.500	357,047.400
12-21	5.2	77,503.2	4.499	64,894.280	58.250	4.928	262.093	319,807.200	320,069.300
S Tot	192.5	2,859,505.0	165.059	2,373,011.000	58.250	4.905	9,614.714	11,639,970.000	11,649,580.000
After	46.4	647,758.8	39.827	547,024.300	58.250	4.947	2,319.905	2,705,904.000	2,708,225.000
Total	238.9	3,507,264.0	204.886	2,920,035.000	58.250	4.913	11,934.620	14,345,870.000	14,357,810.000
Cum	2,568.4	6,792,294.0							
Ult	2,807.3	10,299,560.0							

(11) End Mo-Yr	(12) Production Taxes M$	(13) Ad Valorem Taxes M$	(14) (15) Wells Gross	Net	(16) Operating Expense M$	(17) Other Deductions M$	(18) Investment M$	(19) Future Net Cash Flow M$	(20) Cumulative Cash Flow M$	(21) Cum.Cash Flow Disc.@ 10.0% M$
			Count							
12-07	.000	.000	2795.4	2374.62	19,829.100	.000	.000	826,097.700	826,097.700	806,712.700
12-08	.000	.000	2775.3	2358.16	39,567.790	.000	.000	1,511,674.000	2,337,772.000	2,181,482.000
12-09	.000	.000	2749.5	2336.05	39,435.140	.000	.000	1,319,530.000	3,657,302.000	3,272,418.000
12-10	.000	.000	2722.9	2313.30	39,277.300	.000	.000	1,150,064.000	4,807,366.000	4,136,805.000
12-11	.000	.000	2695.5	2289.84	39,093.140	.000	.000	1,004,119.000	5,811,484.000	4,822,891.000
12-12	.000	.000	2669.6	2267.84	38,934.720	.000	.000	878,406.900	6,689,891.000	5,368,519.000
12-13	.000	.000	2644.1	2246.11	38,774.040	.000	.000	770,023.600	7,459,915.000	5,803,341.000
12-14	.000	.000	2618.2	2224.60	38,609.590	.000	.000	676,360.600	8,136,275.000	6,150,553.000
12-15	.000	.000	2594.8	2204.85	38,479.050	.000	.000	595,138.300	8,731,414.000	6,428,295.000
12-16	.000	.000	2569.4	2183.35	38,298.190	.000	.000	524,453.300	9,255,866.000	6,650,799.000
12-17	.000	.000	2541.8	2159.76	38,058.960	.000	.000	462,752.900	9,718,619.000	6,829,277.000
12-18	.000	.000	2512.8	2135.49	37,795.810	.000	.000	408,750.400	10,127,370.000	6,972,596.000
12-19	.000	.000	2485.4	2112.32	37,551.180	.000	.000	361,392.100	10,488,760.000	7,087,790.000
12-20	.000	.000	2456.8	2088.99	37,295.020	.000	.000	319,752.600	10,808,510.000	7,180,446.000
12-21	.000	.000	2427.7	2064.40	37,001.640	.000	.000	283,067.800	11,091,580.000	7,255,015.000
S Tot	.000	.000	2611.1	2218.78	558,000.600	.000	.000	11,091,580.000	11,091,580.000	7,255,015.000
After	.000	.000	1141.6	983.03	639,182.500	.000	.000	2,069,042.000	13,160,620.000	7,559,554.000
Total	.000	.000	1534.3	1313.32	1,197,183.000	.000	.000	13,160,620.000	13,160,620.000	7,559,554.000

Flat Pricing

Year	WTI Cushing Oil $/STB	San Juan Gas $/MMBTU
2007	65.00	6.00
Thereafter	Flat	Flat
Cap	65.00	6.00

Percent	Cum. Disc.
5.00	9,546,662.000
10.00	7,559,546.000
15.00	6,307,373.000
20.00	5,445,631.000
25.00	4,815,593.000
30.00	4,334,309.000

6 Months in first year
54.250 Year Life (10/2061)

Table I - PUD

Composite Reserve Estimates and Economic Forecasts
Taxable Interests
La Plata County, Colorado
Proved Undeveloped Reserves
As of July 1, 2007

(1) End Mo-Yr	(2) Gross Oil Production MBBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MBBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price $/BBL	(7) Avg Gas Price $/MCF	(8) Oil Revenue M$	(9) Gas Revenue M$	(10) Total Revenue M$
12-07	.0	3,345.3	.000	2,601.765	.000	4.943	.000	12,860.910	12,860.910
12-08	.0	19,852.9	.000	15,684.840	.000	4.950	.000	77,644.140	77,644.140
12-09	.0	37,973.5	.000	30,215.890	.000	4.951	.000	149,609.200	149,609.200
12-10	.0	55,378.5	.000	44,074.380	.000	4.952	.000	218,244.900	218,244.900
12-11	.0	72,030.6	.000	57,288.520	.000	4.951	.000	283,629.500	283,629.500
12-12	.0	88,430.9	.000	70,351.980	.000	4.951	.000	348,294.700	348,294.700
12-13	.0	103,216.5	.000	82,114.780	.000	4.952	.000	406,623.600	406,623.600
12-14	.0	115,580.8	.000	92,028.090	.000	4.953	.000	455,855.400	455,855.400
12-15	.0	125,902.0	.000	100,311.700	.000	4.953	.000	496,889.700	496,889.700
12-16	.0	133,384.1	.000	106,339.500	.000	4.954	.000	526,760.600	526,760.600
12-17	.0	126,808.7	.000	101,320.600	.000	4.956	.000	502,137.700	502,137.700
12-18	.0	105,255.6	.000	84,336.370	.000	4.959	.000	418,249.000	418,249.000
12-19	.0	87,609.1	.000	70,387.310	.000	4.963	.000	349,344.200	349,344.200
12-20	.0	73,733.5	.000	59,404.130	.000	4.967	.000	295,038.800	295,038.800
12-21	.0	62,577.3	.000	50,552.810	.000	4.970	.000	251,240.600	251,240.600
S Tot	.0	1,211,079.0	.000	967,012.700	.000	4.956	.000	4,792,422.000	4,792,422.000
After	.0	369,709.9	.000	302,500.300	.000	4.984	.000	1,507,550.000	1,507,550.000
Total	.0	1,580,789.0	.000	1,269,513.000	.000	4.963	.000	6,299,972.000	6,299,972.000
Cum	.0	.0							
Ult	.0	1,580,789.0							

(11) End Mo-Yr	(12) Production Taxes M$	(13) Ad Valorem Taxes M$	(14) Wells Gross Count	(15) Wells Net Count	(16) Operating Expense M$	(17) Other Deductions M$	(18) Investment M$	(19) Future Net Cash Flow M$	(20) Cumulative Cash Flow M$	(21) Cum.Cash Flow Disc.@ 10.0% M$
12-07	.000	.000	35.3	28.82	.000	.000	.000	12,860.910	12,860.910	12,459.260
12-08	.000	.000	92.5	75.60	.000	.000	.000	77,644.140	90,505.050	83,012.900
12-09	.000	.000	177.5	145.14	.000	.000	.000	149,609.200	240,114.200	206,679.200
12-10	.000	.000	273.0	222.75	.000	.000	.000	218,244.900	458,359.100	370,703.100
12-11	.000	.000	378.0	308.10	.000	.000	.000	283,629.500	741,988.600	564,487.200
12-12	.000	.000	493.0	401.60	.000	.000	.000	348,294.700	1,090,283.000	780,148.800
12-13	.000	.000	613.0	499.16	.000	.000	.000	406,623.600	1,496,907.000	1,009,738.000
12-14	.000	.000	733.0	596.81	.000	.000	.000	455,855.400	1,952,762.000	1,243,753.000
12-15	.000	.000	853.0	694.23	.000	.000	.000	496,889.700	2,449,652.000	1,475,643.000
12-16	.000	.000	967.5	787.32	.000	.000	.000	526,760.600	2,976,412.000	1,699,126.000
12-17	.000	.000	1022.0	831.66	.000	.000	.000	502,137.700	3,478,550.000	1,892,795.000
12-18	.000	.000	1022.0	831.66	.000	.000	.000	418,249.000	3,896,799.000	2,039,444.000
12-19	.000	.000	1021.8	831.44	.000	.000	.000	349,344.200	4,246,143.000	2,150,798.000
12-20	.000	.000	1019.0	829.05	.000	.000	.000	295,038.800	4,541,182.000	2,236,292.000
12-21	.000	.000	1019.0	829.05	.000	.000	.000	251,240.600	4,792,422.000	2,302,477.000
S Tot	.000	.000	669.1	544.69	.000	.000	.000	4,792,422.000	4,792,422.000	2,302,477.000
After	.000	.000	479.0	398.01	.000	.000	.000	1,507,550.000	6,299,972.000	2,542,516.000
Total	.000	.000	541.3	446.08	.000	.000	.000	6,299,972.000	6,299,972.000	2,542,516.000

Flat Pricing

Year	WTI Cushing Oil $/STB	San Juan Gas $/MMBTU
2007	65.00	6.00
Thereafter	Flat	Flat
Cap	65.00	6.00

Percent	Cum. Disc.
5.00	3,827,502.000
10.00	2,542,516.000
15.00	1,801,093.000
20.00	1,339,452.000
25.00	1,034,934.000
30.00	824,715.600

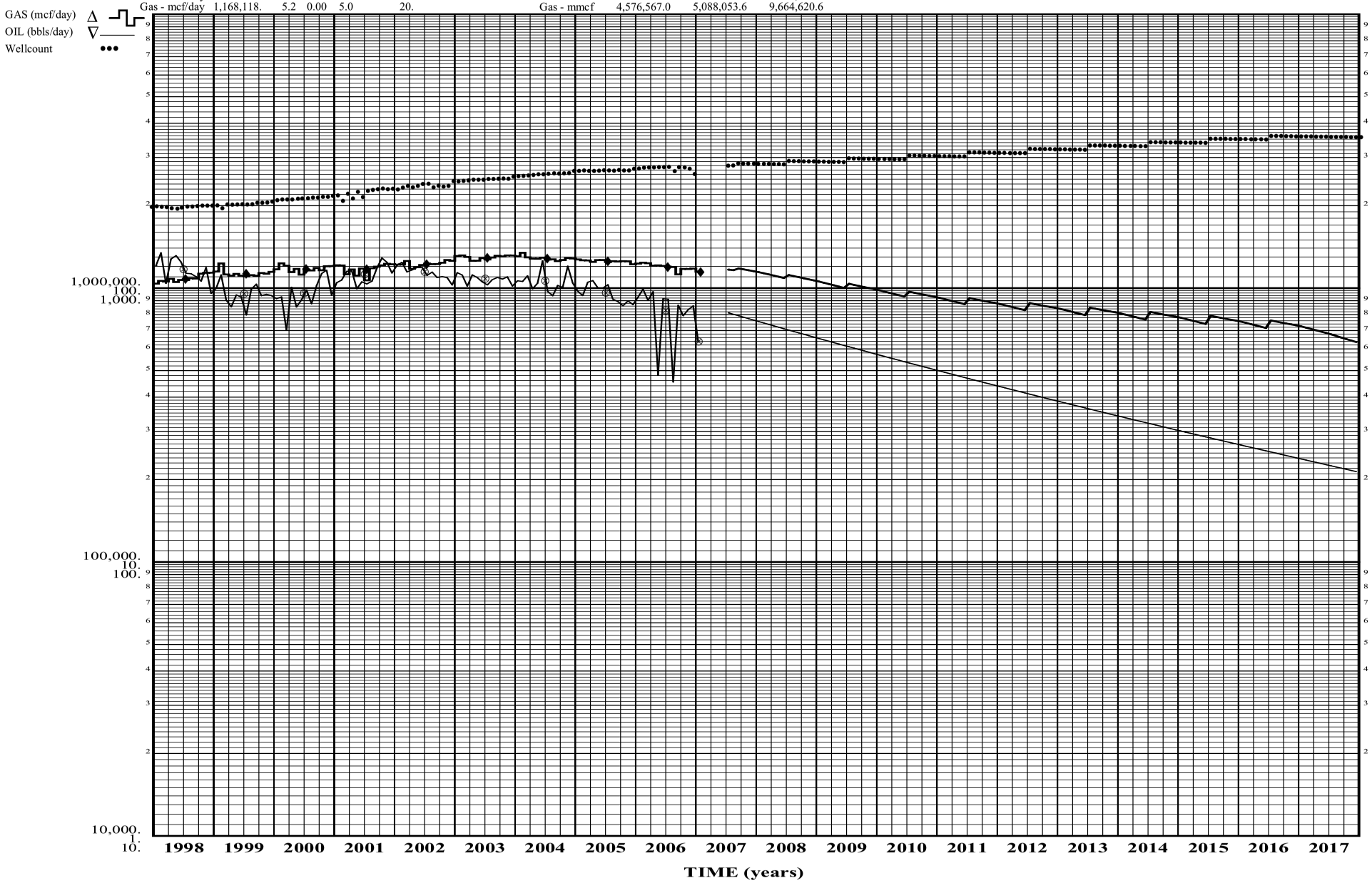
6 Months in first year
44.250 Year Life (10/2051)

Summary Plot- Proved
Taxable Interests
La Plata County, Colorado
Proved Reserves

Gross Production

	As of 07/2007				
	Q_i	D_{ei}	n	D_{ef}	Q_{ab}
Oil - bbls/day	81.	13.7	0.23	0.0	0.
Gas - mcf/day	1,168,118.	5.2	0.00	5.0	20.

	01/2007 Cumulatives	54.2 Year Life (09/2061) Remaining Reserves	Ultimate Recovery
Oil - mbbls	852.3	238.9	1,091.2
Gas - mmcf	4,576,567.0	5,088,053.6	9,664,620.6



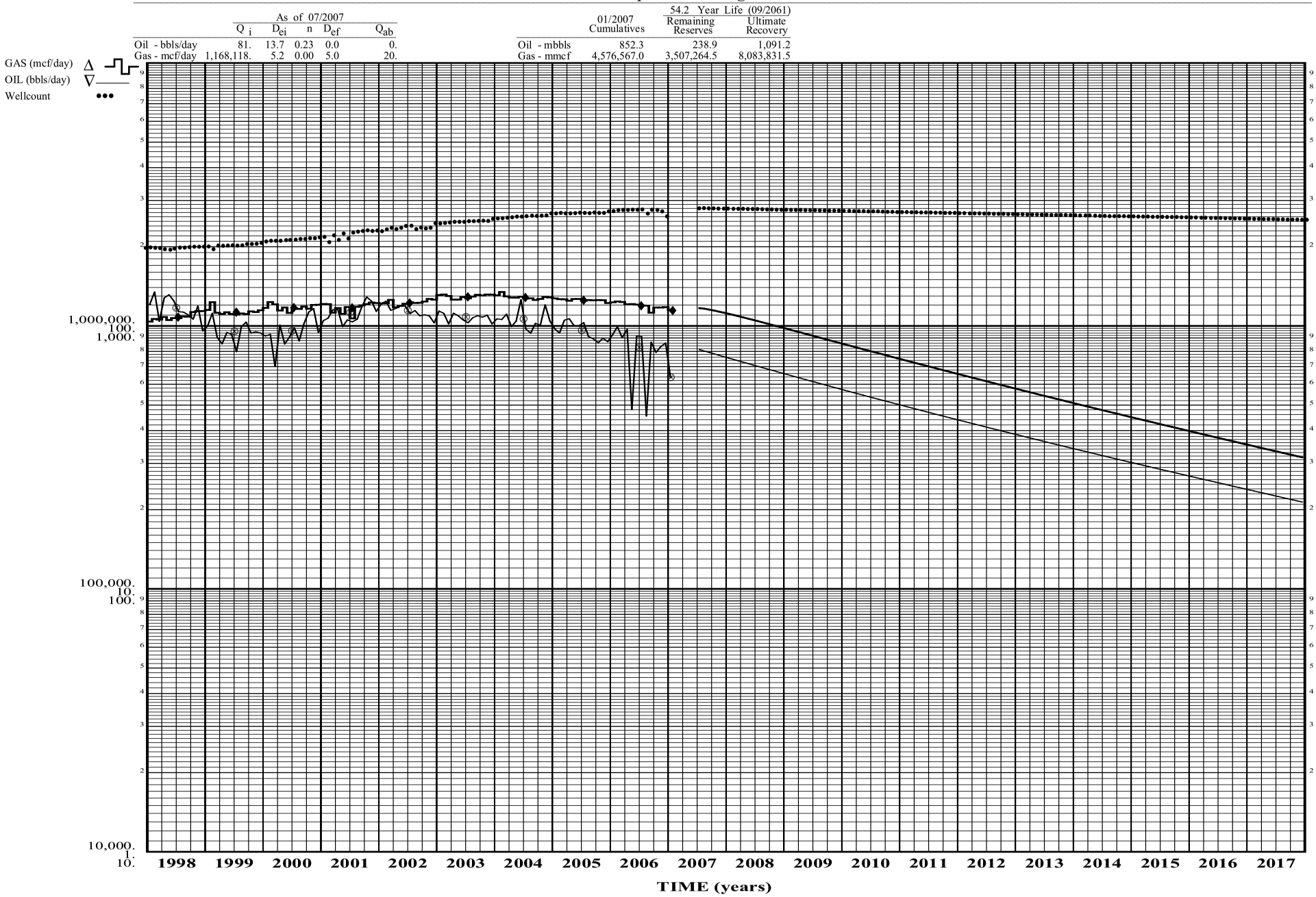
♦ ⊗ ✻ -- Annual Averages Perfs: 0 - 0 Status:
First Production 00/ 0 First Data 01/1970 Last Data 01/2007
10 / 10 / 2007 16 : 29 : 37 21 API:

Cawley, Gillespie & Associates, Inc.

FIGURE 1

Summary Plot- PDP
Taxable Interests
La Plata County, Colorado
Proved Developed Producing Reserves

Gross Production



♦ ⊗ ✻ -- Annual Averages Perfs: 0 - 0 Status:
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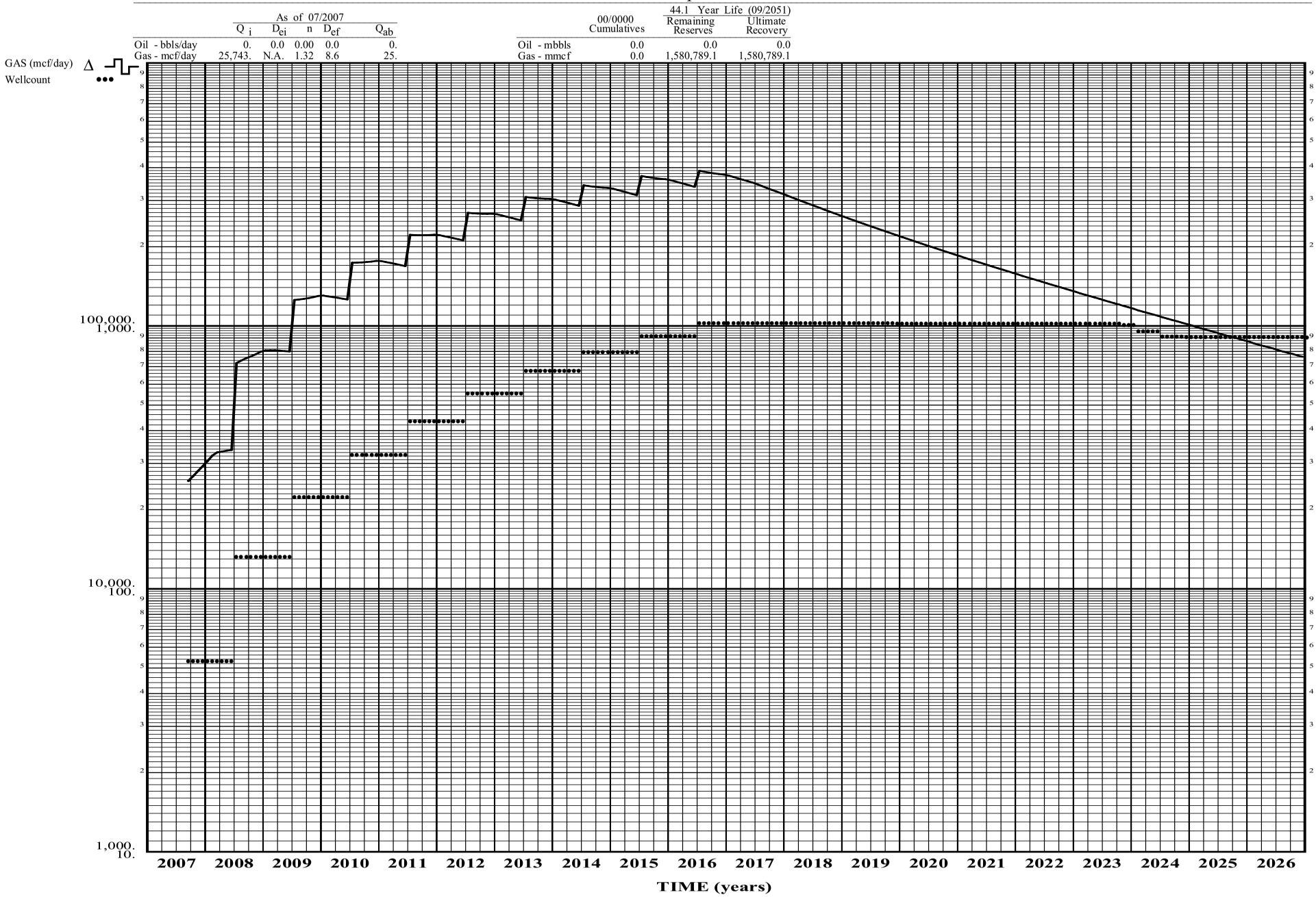
10 / 10 / 2007 16 : 30 : 36 21 API:

Cawley, Gillespie & Associates, Inc.

FIGURE 2

Summary Plot- PUD
Taxable Interests
La Plata County, Colorado
Proved Undeveloped Reserves

Gross Production



♦ ⊗ ✻ -- Annual Averages Perfs: 0 - 0 Status:
First Production 00/ 0 First Data 00/ 0 Last Data 00/ 0
10 / 10 / 2007 16 : 30 : 38 21 API:

Cawley, Gillespie & Associates, Inc.

FIGURE 3