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PLS

PROSPECTS & PROPERTIES

–e&p

PLS, Inc., 909 Fannin, Suite 3850
Houston, TX 77010

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

Penn Virginia produces from eight Haynesville wells

Penn Virginia Corp. drilled 17 (14.2 net) wells in East Texas in the fourth quarter of 2008, including four Haynesville Shale horizontals and 13 (10.2 net) Cotton Valley vertical wells. East Texas volumes averaged 37.2 MMCFeD in the quarter, 28% higher than in Q4 2007, but 9% lower than Q3 2008 due to lower Cotton Valley volumes.

Of the company's 13 Haynesville Shale wells, eight are producing and five are awaiting completion. The wells have averaged 30-day restricted gross rates of 3.5 MMCFeD each, with the highest (Fogle #5-H discovery well) flowing 5.9 MMCFeD. Each well is estimated to hold gross reserves of 5.0 BCFe. PVA has two operated rigs drilling in the play and anticipates drilling up to 12 (8.4 net) such wells during 2009, one of which may be a horizontal Cotton Valley well.

PVA's 12 Granite Wash wells flowed 7.9 MMCFeD each over 30 days.

PVA also drilled 25 (11.6 net) wells in the Midcontinent region in Q4, including six (3.0 net) Granite Wash horizontals, seven (5.8 net) Hartshorne HCBM wells, nine (1.0 net) Woodford Shale horizontals, two (1.4 net) Fayetteville Shale horizontals and one (0.3 net) conventional vertical well. Midcontinent production averaged 31.8 MMCFeD in Q4, up 143% from a year ago and up 82% sequentially. PVA's 12 Granite Wash wells flowed 7.9 MMCFeD each over 30 days. Estimated gross reserves for Granite Wash PUD wells are 6.0 BCFe per well. PVA has one operated rig and two non-operated rigs drilling Granite Wash wells and anticipates drilling up to 12 (6.4 net) such wells in 2009.

In Mississippi, PVA drilled 10 (9.9 net) Selma Chalk wells in Q4, including seven (6.9 net) horizontals. Mississippi production averaged 20.4 MMCFeD, essentially flat from a year ago and sequentially.

PENN VIRGINIA *continues on page 22*

GeoResources drills fifth Austin Chalk dual lateral well

GeoResources has reaffirmed its previously announced capital budget of $30-$32 million in 2009. The company recently completed the Hurst Bay 1-H well, its fifth dual lateral well in the Austin Chalk formation in the Giddings Field, Grimes Co., Texas.

The well was drilled to a vertical depth of 14,500 ft., with an initial horizontal leg of 7,692 ft. The second leg was kicked off from a point 1,000 ft. into the first lateral and drilled another 5,253 ft. The well should be online by Q2.

The previously reported Bax 1-H dual lateral well posted an IP rate in excess of 21 MMCFD last November and is currently producing 13 MMCFD with cumulative production of 1.0 BCF in the first 60 days. GeoResources has drilled 10 such wells to date and achieved a 100% success rate. The drilling rig has moved to the dual-lateral Hoke Cole 1-H.

The most recent Austin Chalk dual lateral well posted an IPR of 21 MMCFD.

Even at present drilling costs and commodity prices, these wells are highly economic, GeoResources said in a press release. The company has more than 60,000 net acres in the play and expects 15 additional drilling locations, with plans to retain the current rig and spud a new well every 60-75 days. A second rig may be forthcoming as drilling costs decline. GeoResources is the operator of all of these wells and holds a direct 7.2% WI, with an affiliated partnership owning another 82.8% WI.

GeoResources also holds 10%-15% WI in 35,000 net Bakken Shale acres in Mountrail Co., North Dakota, through a joint venture. To date, 11 joint venture wells have been drilled by the operator, although the company has since curtailed some production and deferred completion of new wells until the spring.

The well costs to date have been $5.0 million per well, but GeoResources expects near term costs to be $4.5 million and to average under $4.0 million by the second half of the year. In Bottineau Co., North Dakota, GeoResources has unitized certain shallow oil fields for secondary water floods.

GEO RESOURCES *continues on page 8*

Photo courtesy of Larry Lee Photography – www.larrylee.com

Chevron hits Buckskin deepwater discovery

Sets $23 billion capital budget

Chevron Corp. announced a new deepwater oil discovery at the Buckskin prospect in the U.S. Gulf of Mexico. The block is 190 miles southeast of Houston, Texas, and 44 miles west of Chevron's 2004 Jack discovery, which is also in the lower tertiary.

The Buckskin #1 discovery well – in 6,900 ft. of water and drilled to 29,000 ft. TD – encountered more than 300 ft. of net pay. Additional work at the prospect, located in Keathley Canyon Block 872, is necessary to determine the extent and commercial viability of the discovery.

Repsol (12.5% WI) operated the Buckskin discovery well, but Chevron (55% WI) will become operator and conduct all future work. Other Buckskin co-owners are Maersk Oil America (20%) and Samson Offshore (12.5% WI).

Meanwhile, Chevron has set a $22.8 billion capital and exploratory budget for 2009, unchanged from 2008. About 75% of the spending is for upstream oil and gas exploration and production projects, with 20% associated with the downstream businesses. About $3.5 billion of the budget will go towards upstream spending in the U.S. ($13.9 billion internationally).

Start-ups of major projects in 2009 are expected to include the $3.5-billion Tahiti project in the Gulf of Mexico as well as Tombua-Landana offshore Angola (100,000 BOEPD) and Frade offshore Brazil (90,000 BOEPD). Chevron also anticipates production increases from last year's start-ups at Agbami offshore Nigeria and the Blind Faith project in the deepwater GOM.

Chevron began production at the 75%-owned and operated Blind Faith project last year, with volumes expected to ramp up during the first quarter to 65,000 BOPD and 55 MMCFD. Blind Faith was the third major project completed in the second half of 2008.

Blind Faith should ramp up to 65,000 BOPD and 55 MMCFD this quarter.

In last year's third quarter, crude-oil production began at the deepwater Agbami Field offshore Nigeria, and full facility expansion at Tengiz in Kazakhstan nearly doubled production capacity. In Indonesia, Chevron achieved first oil at North Duri Field Area 12, which Chevron operates with a 100% WI. Maximum total crude-oil production of 34,000 BPD is expected in 2012. In addition, Chevron has allotted $4.3 billion to its downstream segment, including $1.5 billion for improvements to refineries in Mississippi and California.

CHEVRON *continues on page 18*

Marathon makes moves offshore

Sets $5.7 billion capital budget

Marathon Oil is shelving its previously announced proposal to separate into two individual companies, citing uncertain market conditions as the reason. The plan had proposed dividing the entity into separate upstream and downstream companies.

On the upstream side, Marathon sanctioned two major deepwater Gulf of Mexico projects in 2008, the Droshky (100% WI) and Ozona (68% WI) developments. Marathon also discovered oil (550 ft. of pay) at its Gunflint prospect (Mississippi Canyon Block 948, 12.5% WI) near the end of last year.

Marathon expects volumes to rise from 372,000 BOEPD in 2008 to ~400,000 BOEPD in 2009.

The company also participated in a sidetrack to the successful Stones appraisal well on Walker Ridge Block 508, and is now determining the next steps for this Lower Tertiary discovery that extends across eight GOM blocks. Moreover, Marathon increased its offshore acreage position as well, posting high bids on an additional 15 deepwater blocks last year.

Marathon has set a $5.7 billion capital budget for 2009, which is 24% lower than 2008 capital spending of $7.6 billion (lowered from an initial budget of $8.0 billion). Still, Marathon expects volumes to rise from 372,000 BOEPD in 2008 to between 390,000 and 410,000 BOEPD in 2009, with plans to grow production to 450,000 BOEPD by 2011.

About $2.5 billion of the capex will go towards Marathon's E&P segment, including $1.1 billion on short-term return projects such as the Bakken Shale and Piceance Basin, and international projects in the U.K. and Norway.

MARATHON *continues on page 23*

PROSPECTS FOR SALE

KERN CO., CA PROSPECT
420-Acres.
WEST CARNEROS CREEK
Obj 1: Agua Formation *~4.1 MMBO*
Obj 2: Phacoides Sands
Obj 3: Point Of Rocks
2-D Seismic & GeoChemical Survey.
Field Has Cumm'd 1.4 MMBO & ~8.0 BCF.
Est Reserves: ~4.1 MMBO
Drilling Costs/Well: $417,000-$492,000
GO TO PLSX.COM FOR PACKAGE
DV 5078

DUVAL CO., TX PROSPECTS
3-Well Project. 1,641-Total Net Acres.
WILCOX TREND *~45 BCF/3D*
Prospect 1: Z-Sand - 16,400 Ft.
Prospect 2: Hoffman Creek -17,800 Ft.
Prospect 3: Rosita-Upper Wilcox 14,500 Ft.
3-D Seismic & SubSurface Geology.
100% OPERATED WI; 74.5-82.83% NRI
Near Excellent Production In Adjacent–Fault Block.
Est Well Reserves: 10-20 BCF
Est Project Reserves: ~45 BCF
CONTACT PLS PROSPECT CENTRE
DV 3980L

FORT BEND CO., TX PROSPECT
2-Possible Wells. 121-Acres.
ROSENBURG (10 PAYS)
Obj 1a: Frio Sands. 4,620-5,600 Ft.
Obj 1b: Vicksburg. 6,270 Ft.
Obj 2: Frio Sands. 5,020-5,340 Ft.
Defined By SubSurface Geology.
Some Offset Or Area 2-D Seismic.
100% OPERATED WI; 75% NRI
Wells FARO 322-2,036 MCFD
Initial Flow Rate of 750 MCFD *FRIO*
Four-Way Dip Anticline.
Est Well Reserves: 1.5+ BCF
Est Proj Reserves: ~10.6 MBC & 6.5 BCF
9-Individual Frio Sands Plus Vicksburg
Generator & Land Expect 3/16th Carry.
Drill & Complete: $1,124,000
READY TO DRILL - CALL PLS FOR INFO
DV 5208

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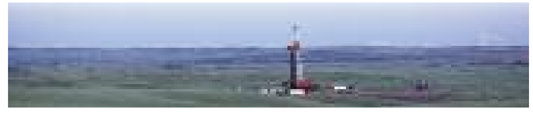

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This glossy newspaper includes the latest e&p news, exploration successes, finds and budgets while also carrying approximately 225-300 latest exploration type listings including prospects, (DV); lands, (L); and farmouts. The P&P is designed for landman, geologist and exploration executives while the A&D Transactions is designed for engineers, business development and finance executives.

Besides the Prospects & Properties, PLS also publishes the A&D Transactions. A monthly recap of recent acquisition and divestitures. In addition to news and press coverage the report also carries 80-120 listings of properties, (PP); overrides, (RR) and; midstream (G/F) assets for sale. Each of the anonymous listings are coded by an alpha-numerical code.

Members interested in accessing seller or package information on the listings need only call (or email) PLS and provide the package codes at which point PLS will process a member's request. The A&D Transactions does list some lands (L) and prospects (DV) but the emphasis is on asset sales.

PLS also publishes various Market Alerts (various themes/analysis) and DealAlerts (listings only) to supplement the monthly publications.

Houston | Calgary

909 Fannin, Suite 3850
Houston, TX 77010
Phone: (713) 650-1212
Fax: (713) 658-1922
listingmgr@plsx.com

EDITOR
Kyle Francis (kfrancis@plsx.com)

LISTINGS
Tony Motto (tony@plsx.com)
Ross Benoche (rbenoche@plsx.com)

GRAPHIC DESIGN
Kathy Clark (kclark@sbcglobal.net)

ADVERTISING
Beau Kelley (bkelley@plsx.com)

SENIOR EDITOR
Bertie Taylor (btaylor@plsx.com)

CEO, PLS Inc.
Ronyld Wise (rwise@plsx.com)

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See 200 Prospects, Farmouts, Minerals and Leases and 53 Producing Properties and Royalties Inside. Call PLS: 713-650-1212 To Learn More About These Deals. No Commissions

TEXAS

SOUTH TEXAS - RRC 1, 2 & 4

ARANSAS CO., TX PROSPECT
4-Proposed Wells. 960-Acres.
COPANO BAY — TX/DV/3D
Obj 1: Frio Sands. 9,000 Ft.
Obj 2: Anomalina. 13,000 Ft.
Area Has Prolific Deep Production.
30-50 Shallow Sands Prospective.
3-D Seismic & AVO Confirmation.
50% OPERATED WI; 73%-75% NRI
Est Reserves/Well: 25 - 50 BCF
Est Reserves/Project: 100 - 200 BCF
DHC: $2.0MM To $3.0MM; Compl: $1.0MM
CALL ENGINEER FOR MORE INFO
DV 5928

ATASCOSA CO., TX SALE PACKAGE
5-Shut-In Oil Wells. 160-Acres.
KYOTE FIELD — 12 BOPD
Obj 1: Olmos Formation. 3,500 Ft.
Obj 2: Poth Formation. 2,250 Ft.
100% OPERATED WI; 70% NRI
Gross Production: 12 BOPD
Cash Flow: ~$11,000/Mn
CALL PLS FOR API NUMBERS
PP 6496SI

BEE CO., TX PROSPECT
3 To 4-Wells. 693-Mineral Acres.
WEST ORANGEDALE FIELD — TX/DV/3D
Obj 1: Wilcox Slick Top. 9,600 Ft.
Obj 2: Wilcox Luling A. 10,020 Ft.
3-D Seismic & SubSurface Geology.
50% Working Interest; 77% NRI (Lease)
Operations Are Negotiable.
Est Well Reserves: ~5.0 BCF
Est Project Reserves: ~14.8 BCF
CALL EXPLORATIONIST FOR INFO
DV 4206M

FRIO CO., TX PROJECT
2-Wells Plus Acreage.
BIGFOOT WEST FIELD — BIGFOOT
1,104-Net Acres & 4,419-Gross Acres.
Olmos ND. 3,000 Ft.
Austin Chalk & Buda Also Possible.
Georgetown & Glenrose Opportunity.
Additional Exploration Potential.
Mineral and Royalty Interest.
Producing and NonProducing Minerals.
Some Acreage Held By Production.
Open Acreage For Possible Development
DENVER SELLER WANTS OFFERS
PP 9778RR

GOLIAD CO., TX PROJECT
12-Prospects. 1,169-Gross Acres.
WEST AUSTIN FIELD — 50 BCF
Obj 1: Middle/Lower Wilcox. 12,800 Ft.
Obj 2: Middle/Lower Wilcox. 11,600 Ft.
Obj 3: Middle/Lower Wilcox. 12,500 Ft.
75% Working Interest.
Adjacent Field Flowed >29 BCF.
Total Est Reserves: 50 BCF
Dry Hole Cost: $2,800,000
CONTACT PROSPECT GENERATOR
DV 5892

GOLIAD CO., TX PROSPECT
5 To 50-Potential Wells. 2,500-Acres.
Obj 1: Edwards Formation. 18,750 Ft.
Obj 2: Sligo Formation. 21,500 Ft. — UP TO 2.0 TCF
3-D Seismic & SubSurface Geology.
75% OPERATED WI Available.
Est Reserves/Well: 25 - 50 BCF
Est Reserves/Project: 250 BCF - 2.0 TCF
DV 5760

JEFFERSON CO., TX PROSPECT
320-Acres.
MIDDLE FRIO
Obj 1: Nodosaria A. 11,280 Ft.
Obj 2: Nodosaria B. 11,800 Ft. — FRIO
3-D Seismic. SubSurface Geology.
100% OPERATED WI; 75% NRI
Offset Well Producing From Intervals.
Est Rsrvs/Well: 142 MBO & 5.0 BCF
DHC: $1,900,000. Compl: $800,000
CALL PLS FOR INTRO TO SELLER
DV 5170

JIM HOGG CO., TX PROSPECT
3 To 5-Proposed Wells. 650-Acres.
Obj 1: Lower Reklaw. 11,700 Ft. — 30-50 BCF
Obj 2: 1st & Lower Hinnant. 13,200 Ft.
3-D Seismic, AVO, SubSurface Geology.
80% WI Available; 59.2% NRI
Operations Available To Qualified Partner.
Est Reserves/Well: 7.0 BCF
Est Reserves/Proj: 30-50 BCF
DHC: $3,647,000; Compl: $1,673,000
EXPLORATION MGR HAS MORE DATA
DV 5284

KARNES CO., TX PROSPECT
20-Potential Wells.
Targeting 2nd Reklaw. 7,000 Ft. — ~11.8 BCFE
Defined By SubSurface Geology.
75% OPERATED WI; 77% NRI (Lease)
Est Rsrvs/Well: 7.0 MBO & 550 MMCF
Est Rsrvs/Project: 140 MBO & 11 BCF
DHC: $300,000; Compl: $150,000
CALL GEOLOGIST TO LEARN MORE
DV 5732

Devon surpasses 1.0 BCFeD in Barnett Shale play

Begins developing new Cana Shale play in the Anadarko Basin

Devon drilled 2,441 wells in 2008 with a 98% success rate, including 659 wells in the Barnett Shale. Devon had 3,809 producing wells in the Barnett at year end, with production from the play reaching 1.2 BCFeD in the fourth quarter, up from 950 MMCFeD a year ago.

In East Texas, Devon increased production from its Carthage area by 10% in 2008 to more than 300 MMCFeD. The company drilled 132 wells at Carthage during the year, including 20 horizontal wells. Devon also added another 40,000 net Haynesville Shale acres in Q4, increasing its position to 570,000 net acres.

Devon took a $7.1 billion writedown in the fourth quarter.

In the Arkoma Basin in Oklahoma, Devon increased net production from the Woodford Shale to 64 MMCFeD last quarter, up 165% from a year ago. Also in 2008, Devon opened its Northridge gas processing plant, which can process up to 200 MMCFD.

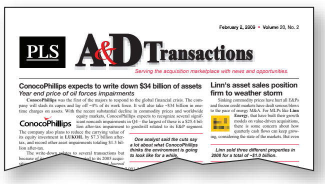
Elsewhere, the company began successful development of a new shale play in the Anadarko Basin in Oklahoma. The company has 112,000 net acres in the "Cana" play and drilled 10 operated wells last year, yielding net production of 20 MMCFeD. Devon believes its net risked resource potential in the Cana play represents nearly 4.0 TCFe.

Devon continued to advance its Lower Tertiary projects in the Gulf of Mexico in 2008. At Cascade, the company spud the first of two initial wells and continued work on the production facilities and subsea equipment. When Cascade begins producing in 2010, it will utilize the Gulf's first floating production, storage and offloading vessel (FPSO).

Devon also ramped up production from Jackfish, its 100-percent owned Canadian oil sands project, which reached volumes of 22,000 BPD in Q4. The project should reach peak production of 35,000 BPD in 2009, which it is expected to maintain for more than 20 years. Devon also sanctioned and began work on a second phase, Jackfish 2, in 2008. Jackfish 2 is also sized to produce 35,000 BPD, with first production by the end of 2011.

Financially, Devon reported a net loss of $2.1 billion for 2008 and a Q4 net loss of $6.8 billion due to a $7.1 billion writedown (See PLS' upcoming *A&D Transactions* and *CapitalMarkets* newsletters for more information).

Devon added 584 MMBOE to its proved reserves through successful drilling in 2008, investing $9.0 billion of associated drill-bit capital



during the year. Devon also acquired 66 MMBOE through purchases. Price-related revisions, however, lowered proved reserves by 473 MMBOE. More than 70% of these negative revisions resulted from lower year-end prices on heavy oil reserves at Jackfish.

In order to bolster cash flow, Devon sold its West African producing assets in 2008 for ~$3.0 billion. Production from continuing operations increased 6% from 2007 to 238 MMBOE in 2008. Estimated proved reserves at year-end 2008 were 2,428 MMBOE, 80% of which are proved developed.

El Paso capitalizing on non-proved reserves

El Paso Corp. reported year-end 2008 proved reserves of 2.5 TCFe (74% proved developed), down from 2.85 BCFe a year ago. El Paso produced 272 BCFe (~745 MMCFeD) last year, but sold 303 BCFe in proved reserves and lost another 476 BCFe to negative price revisions.

El Paso E&P's capital expenditures were $1.7 billion in 2008, which includes $50 million for producing acquisitions and $200 million for international expenditures. More than 220 BCFe of El Paso's reserves are from its 48.8% stake in Four Star Oil & Gas LLC.

El Paso does have an estimated 3.5 TCFe of net risked or 6.6 TCFe of net unrisked non-proved resource potential. These numbers are up from 2007 levels due to new opportunities in the Haynesville Shale, infill opportunities in the Altamont Field and the Raton Basin CBM program

E&P Briefs

• **American Oil & Gas'** recently completed Sims 7-25 well (69% WI) at its Fetter project (Converse Co., Wyoming) flowed 1.85 MMCFeD over a 10-day test period. The well produced 1.95 MMCFD over the last 24 hours of the test. The well was drilled to 11,958 ft. TD for costs of $2.9 million. The well produces from the Frontier formation.

• **Bald Eagle Energy** acquired the exclusive right to drill under six leases in Alaska's North Slope. The 18,000 acres include 100% WI.

• **Blugrass Energy** is forming a JV with 7921 Energy LLC to develop the New Albany Shale on over 5,000 acres in western Kentucky. Reserves on the project are estimated at 64 BCF and 695,000 BO. Potential shallower formations may include the Ft. Payne, Warsaw, Jackson, McClowsky, O'Hara and Tar Springs. Depths of the wells are anticipated to be 3000 ft.

• **BPZ Resources** and **Shell** mutually agreed to discontinue discussions over a farm-out deal in Peru. BPZ will maintain its 100% WI in Blocks Z-1, XIX, and XXIII, as well as Block XXII which was not part of the proposed transaction, all of which are in northwest Peru.

• **Coastal Energy** completed two wells in the Gulf of Thailand, where its Songkhla field is producing 9,000 BOPD. The Songkhla A-03 development well is flowing 5,000 BOPD and the Songkhla A-07 exploration well is producing 1,100 BOPD. The previously-announced Songkhal A-01, the first well in the field, started production at 4,500 BOPD last November.

• **CoCobalt International Energy LP** participated in Anadarko's Heidelberg discovery on Green Canyon block 859 in the deepwater Gulf of Mexico. The discovery well encountered more than 200 feet of net oil pay in high-quality Miocene sands. Heidelberg is immediately adjacent to four 100% Cobalt leases, which Cobalt will begin drilling on in the second half of 2009. Heidelberg is located in 5,000 feet of water and was drilled to 30,000 feet TD. (See Anadarko story for more information.)

• **Cubic Energy** is participating (2.5% WI) in the horizontal drilling of two Chesapeake-operated horizontal Haynesville wells (Mitchell 12-15-16H1 and Clingman Acres 11H) in the Johnson Branch Field, Caddo Parish. The wells will be horizontally drilled to a measured depth of 16,500 ft. Cubic currently has 12 wells producing in its Johnson Branch acreage, and 10 in its more southern Bethany Longstreet acreage in DeSoto Parish.

• **Daybreak Oil and Gas** is producing 52 BOPD from its Sunday #1 well at the East Slopes project in the San Joaquin Basin (California). Two additional wells were dry holes. Chevron has 50% WI in 19,000 acres contributed by Daybreak and its partners and is funding a 3-D seismic survey on the project in return for Daybreak's drilling four wells, one of which is yet to be drilled.

• **Doral Energy** is suspending drilling at its Eddy Co., New Mexico, properties until drilling costs decrease. The properties contain 186 producing wells on 62 leases and drilling inventory of 171 infill locations. Doral planned on investing $16 million to drill the first 21 wells, but has since delayed these plans.

• **Energas Resources** spud the Maurice Snyder #1 well in Callahan Co., Texas. This is the first well on the 1,560-acre project and Energas has an option to lease an additional 1,500 acres. This well will be drilled to ~4,400 ft. to test the Ellenberger formation and could encounter the Canyon Lime, Palo Pinto, Caddo and Mississippi formations.

Pioneer looks to lower Spraberry costs

Pioneer Natural Resources drilled 370 wells at its Spraberry field (West Texas) last year and grew volumes 13% over 2007. Pioneer will run two rigs in the field this quarter (down from 17 last year) and has identified 9,500 drilling locations across its acreage on 20-acre spacing, which the company will implement this year. In 2008, 18 wells were drilled on 20-acre spacing, and 12 were put on production with encouraging results.

Pioneer said it will have to reduce current well costs of $1.4 million at Spraberry if it hopes to generate sufficient returns at current prices. Pioneer has already booked 481 MMBOE of net proved reserves at Spraberry and estimates the play holds 1,000 MMBOE in additional reserve potential.

The situation is similar in the Wolfberry, where Pioneer is trying to lower current per well costs of $1.2 million down to $1.0 million, while in the Barnett Shale, the company hinted it would "curtail drilling" until the economic situation improves.

Pioneer has set a tentative budget of $250-$300 million in 2009, but said it only needed to spend $200 million to keep 2008 production of 41-42 MMBOE (~115,000 BOEPD) flat this year. Last year, Pioneer spent $1.23 billion on E&D activities.

Pioneer hopes to downspace to 20 acres at Spraberry.

Pioneer's year-end 2008 proved reserves were essentially flat with the year-ago figure at 960 MMBOE. Reserve adds of 110 MMBOE from the drillbit and acquisitions were offset by 42 MMBOE of production and 32 MMBOE of negative revisions.

Pioneer's drilling success in core areas (Spraberry, Raton, Edwards Trend, Midcontinent, Barnett Shale and Alaska) resulted in 96 MMBOE of organic reserve additions. Bolt on acquisitions in the Spraberry, Edwards Trend and Barnett Shale areas accounted for an additional 14 MMBOE in reserve additions.

In the Raton Basin (Colorado), Pioneer drilled 153 wells last year, including 144 CBM wells and 9 Pierre Shale wells, increasing annual volumes 16%. Pioneer's two most recent Pierre Shale horizontals flowed 3.0 MMCFD and 1.5 MMCFD.

In South Texas, Pioneer drilled 36 wells in 2008 including its first horizontal well in the Eagle Ford Shale play, which overlays the Edwards Trend on Pioneer's 310,000 acre. The well will be fraced in March.

On Alaska's North Slope, drilling results have been better than expected and Pioneer achieved its targeted 2008 net production exit rate of more than 3,000 BOPD as of year-end. Initial production from the most recent well was 7,000 gross BOPD. From all operations, Pioneer expects to average volumes of 117,000-122,000 BOEPD in Q1 2009.

Concho completes two Lower Abo horizontals

Concho Resources completed its operated Comet '22' Federal Com #4 well (44% WI) at an initial peak rate of 1,755 BOEPD, averaging 1,294 BOEPD during its first 21 days of production. The well is in Concho's Lower Abo horizontal play in New Mexico's Permian Basin, where the company holds 97 MMBOE in proved reserves.

In the same play, Concho's operated High Lonesome '26' Federal #1 well (49% WI) was completed at an initial peak rate of 1,660 BOEPD and produced an average of 685 BOEPD during its first 45 days of production.

Concho completed both these wells last December, and the company has since opted to defer drilling activity in the Lower Abo Horizontal play due to lower commodity prices, but is still expanding its position of 28,244 (22,079 net) acres. Concho has participated in 14 (eight operated) Lower Abo horizontals, 12 of which are producing with two awaiting completion.

Concho's latest Permian well flowed 1,755 BOEPD.

Also last December, Concho completed its operated Eagle Feather Fed. #2 well (50% WI) as a Strawn discovery in southern Lea Co., New Mexico. During January this well averaged over 12 MMCFeD. Concho owns 4,500 (1,600 net) acres in the project area and has identified two potential offset Strawn locations.

Concho has 1,724 drilling locations in the New Mexican Permian, 993 of which target the Blinebry and Paddock intervals of the Yeso formation, while the Texas Permian acreage holds another 1,780 drilling locations, almost all of which target the Wolfberry.

Concho has lowered its original 2009 budget from $500 million down to $300 million. Concho will reduce its operated rig count in the Wolfberry (West Texas) from eight to five; defer its deepening program on the New Mexico Shelf; and defer certain drilling activity in the Lower Abo Horizontal play. Concho now estimates its 2009 production to total 9.7 MMBOE (~26,500 BOEPD), which is within the range of previous guidance and still 40% above 2008 levels.

Concho reported total proved reserves of 137.3 MMBOE at year-end 2008, almost 100 MMBOE in the New Mexico Permian and the remainder (39 MMBOE) in the Texas Permian. At year end, 56% of Concho's reserves were proved developed compared to 54% at year-end 2007.

Production for 2008 totaled 7.1 MMBOE (~19,500 BOEPD), up 41% from 5.0 MMBOE produced in 2007. During 2008, Concho incurred $1.18 billion in acquisition, development and exploration activities, including $830 million related to the acquisition of Henry Petroleum.

Newfield targets longer Woodford laterals

Newfield Exploration lowered its 2009 capex to $1.45 billion, down from its earlier estimate of $1.65 billion and capital spending of $2.3 billion in 2008. Newfield expects its production in 2009 will be 250-260 BCFe (~700 MMCFeD), an increase of 6%-10% over 2008 production of 236 BCFe.

Newfield increased its proved reserves to 2.95 TCFe at year-end 2008, up 18% from year-end 2007. Newfield replaced nearly 300% of 2008 production with new reserves from organic drilling programs, despite 65 BCFe in negative reserve revisions due to lower commodity prices.

Proved reserves in Newfield's two largest divisions – the Midcontinent and

Newfield exited 2008 producing 250 MMCFeD in the Woodford.

Rockies – increased 21% and now represent 75% of the company's total proved reserves. The Midcontinent division grew proved reserves by more than 25% (419 BCFe) year-over-year to 1.4 TCFe.

The Woodford Shale in SE Oklahoma was Newfield's largest investment region in 2008 and will remain so in 2009. Total Woodford production in 2008 increased 65% annually and reached 250 MMCFeD at year end. Due to longer laterals and efficiency gains, Newfield expects to grow its 2009 Woodford production by 30%, despite lowering its operated rig count in the area from 14 to 12.

To date, Newfield has drilled 250 horizontal Woodford wells. This year lateral lengths will grow to 5,000 ft., compared to just 2,428 ft. in 2007 and 4,436 ft. in 2008. This should result in higher IP rates, greater recoveries per well and improved finding costs.

In the deepwater, Newfield reduced the number of planned exploratory wells from five to only two. Newfield has five deepwater developments underway that are expected to yield a 50% CAGR in Gulf of Mexico production between 2009 and 2011. In the Rockies, Newfield will run a three-rig program at Monument Butte and a single-rig program in the Williston Basin.

EOG establishes new Barnett oil play

EOG Resources stepped outside its core natural gas area of the Barnett Shale last year and moved into the Barnett crude oil play (Barnett Combo), an oil play with a liquids-rich natural gas stream in which EOG has a dominant acreage position.

During the second half of 2008, EOG completed 22 such horizontal wells with average initial production rates of 300 BOPD, 130 BPD of NGL and 940 MCFD. EOG recently commissioned its natural gas processing plant for this area, which will allow the company to move into development mode. EOG plans to drill 60 Barnett Combo wells in 2009.

In the Bakken, EOG grew volumes 15% over 2007. The company also moved outside its core Parshall field (Mountrail

EOG has completed 22 horizontal Barnet Shale oil wells.

Co., North Dakota) and drilled five successful exploratory wells in the Bakken Lite area. Results were not released. EOG has 400,000 net acres in the area.

Testing the Haynesville Shale in North Louisiana, EOG drilled two horizontal wells on its acreage during 2008. The Martin Timber #2H (100% WI) tested at 17.4 MMCFD gross and the Bedsole 27#1H (57% WI) tested at 17.5 MMCFD gross. Due to pipeline limitations, the wells are currently producing at a combined restricted rate of 17 MMCFD. EOG has estimated net reserve potential of 3-4 TCF on its 116,000 net acres and expects to drill 14 Haynesville wells in 2009.

At year-end 2008, total company reserves were 8.7 TCFe, an increase of 944 BCFe (12%) from a year ago. EOG plans a capital program of $3.1 billion in 2009, of which $2.85 billion will be allocated to E&D activities, with a goal of 3% production growth. EOG is temporarily reducing roughly half of its Bakken production due to low crude prices.

SOUTH TEXAS - RRC 1, 2 & 4

LAVACA CO., TX PROSPECT
~900-Acres.
Middle Wilcox E Sands. 11,500 Ft.
Western Flank Yoakum Gorge Trap.
3-D Seismic Data Available.
Seller Will Deliver 73% NRI. ***STX/DV/3D***
Analogous Field Cumm'd 72 BCF.
Total Est Reserves: 23 BCF
DHC: $2,500,000; Compl: $1,000,000
CONTACT ENGINEER FOR MORE INFO
DV 5117

LAVACA CO., TX PROSPECT
~950-Acres.
Wilcox Johnson & Roop Sands Targets.
Proposed Depth: 12,300 Ft.
3-D Seismic Data Available. ***24 BCF***
Seller Will Deliver 73% NRI.
Analagous Field Producing 25 MMCFD.
Total Est Reserves: 24 BCF
DHC: $2,800,000; Compl: $1,000,000
CONTACT ENGINEER FOR INFO
DV 5118

LIVE OAK CO., TX PROSPECT
~200-Acres.
Targeting Queen City Formation.
Depth: 7,000 Ft.
High Porosity & Permeability. ***~4.0 BCF***
Well Control Available.
80% OPERATED WI. 75% NRI
Estimated IP: 2.0 MMCF
Est Reserves: 1.0-4.0 BCF
SELLER LOOKING FOR OPERATOR
DV 5435

MILAM CO., TX PROSPECT
2,145-Minerals Acres.
MINERALS FOR SALE ***TX MINERALS***
Shallow Opportunity.
Prolific Cotton Valley/Hosston Trend.
Also Sligo/Edwards Potential.
Seismic Data & Geology.
Proposed Depths: 4,000-9,000 Ft.
Potential Reserves: 100 BCFE
M 5909DV

MILAM CO., TX PROSPECT
9,000-Acres.
EAST TEXAS BASIN ***ETX/DV***
Cotton Valley, Hosston, Sligo, Glenrose, & Edwards Formations. 4,000-9,000 Ft.
Initial Test: Cotton Valley. 8,000 Ft.
Deeper Development Potential.
Seller Will Deliver 75% NRI.
Est Completion Cost/Well: $1,500,000
SELLER HAS MORE INFO TO REVIEW
DV 5474

SOUTH TEXAS PROSPECT OFFERING
7-Prospects. 7,981-Net Acres.
WILLACY & KENEDY CO.
Multiple Frio Sand Gas Targets Identified.
Depths Range: 6,000-16,000 Ft.
3-D Seismic Available. ***STX GAS***
~75% Working Interest; 72% NRI
Operations Available For Majority Partner.
Total Est Reserves: 353 BCF
Drilling Costs Range: $300,000-$550,000
Completion Ranges: $150,000-$300,000
DEEPER—DHC: $3.8MM; Compl: $1.3MM
SELLER HAS PROSPECT BREAK-DOWN
DV 5544

STARR CO., TX PROSPECT
10-Potential Wells. 1,500-Acres.
Obj 1: Upper Queen City. 9,000 Ft. ***STX/DV***
Obj 2: Queen City II. 9,500 Ft.
3-D & 2-D Seismic, SubSurface Geology.
±50% OPERATED WI; 74% NRI (Lease)
Acreage Has 2 Prospects:
— 1 At 700 Acres Closure
— 1 At 400 Acres Closure
Est Rsrvs/Well: 200 MBO & 2-3 BCF
Est Rsrvs/Project: 2.8 MMBO & 62 BCF
DHC: $1,000,000; Compl: $700,000
SELLER HAS MORE DATA TO REVIEW
DV 5705

VAL VERDE CO., TX PROPERTY
27-Wells.
VINEGARONE
Multiple Upside Opportunities.
74% WI Available; 64% NRI ***3,916 MCFD***
Net Production: 3,196 MCFD
Multiple Drilling Opportunities.
Net Cash Flow: $400,000/Mn
AGENT WANTS OFFERS APRIL 2009
PP 5264

WEBB & LASALLE CO., TX PROSPECT
34,000-Acre Farmout.
EAGLEFORD SHALE PLAY ***1.5 TCFE***
Depth: 10,000 - 11,000 Ft.
Seller Is Farming Out Eagleford Rights.
Initial Area Well: 250 BCPD & 7.6 MMCFD
PetroHawk Drilling 3rd Well.
SW Of Recent PetroHawk Discoveries.
Est Reserves/Well: 4.0-5.0 BCFE
Acreage Position Could Yield 1.3-1.6 TCF
DV 5180

SOUTH TEXAS - RRC 1, 2 & 4

WEBB CO., TX PROSPECT
5 To 8-Proposed Wells. 1,011-Acres.
LOBO TREND *10 BCF*
Targeting Claiborne Sands. 7,400 Ft.
Wilcox Potential Identified.
3-D Seismic, AVO, SubSurface Geology.
80% WI Available; 59.2% NRI
Operations Available To Qualified Partner.
Est Reserves/Well: 2.0 BCF
Est Reserves/Proj: 10 BCF
DHC: $581,000; Compl: $583,000
EXPLORATION MGR HAS DETAILS
DV 5285

WEBB CO., TX PROSPECT SALE
4-Potential Wells. 1,000-Acres.
LOBO TREND *LOBO*
Lobo Targets Identified. 11,000 Ft.
3-D Seismic, AVO, SubSurface Geology.
80% WI Available; 59.2% NRI
Operations Available To Qualified Partner.
Est Reserves/Well: 2.0 BCF
Est Reserves/Proj: 11 BCF
DHC: $1,712,000; Compl: $1,015,000
EXPLORATION MGR HAS INFO
DV 5286

ZAPATA CO., TX PROSPECT
6-Potential Wells. ~665-Acres.
Charco Target Identified. 9,800 Ft. *~12 BCF*
Very Active Area.
3-D Seismic, AVO, SubSurface Geology.
80% WI Available; 59.2% NRI
Operations Available To Qualified Partner.
Est Reserves/Well: ~2.0 BCF
Est Reserves/Project: ~12 BCF
DHC: $1,800,000; Compl: $952,000
EXPLORATION MGR HAS MORE INFO
DV 5283

SOUTHEAST TEXAS - RRC 3

AUSTIN CO., TX PROSPECT
4+ Wells. 3,400-Acres.
DEEP AUSTIN CHALK TREND
Obj 1: Knowles Reef. 23,000 Ft.
Obj 2: Glen Rose. 17,000 Ft. *1.4+ TCF*
Obj 3: Austin Chalk. 15,000 Ft.
2-D Seismic, SubSurface & Well Logs.
100% OPERATED WI; 75% NRI
Est Reserves/Well: 50 BCF
Est Reserves/Project: 1.4+ TCF
DHC: $15,000,000; Compl: $5,000,000
GENERATOR HAS MORE INFO
DV 5655

BASTROP & LEE CO., TX PROPERTY
17,000-Net Acres.
UPDIP GIDDINGS FIELD
2-PDP. 4-PUD. 5-PROB. 2-PDNP.
68-Drilling Locations Identified.
Austin Chalk/Buda Play. *~15 MMBOE*
Total Depth: 7,500 Ft.
New Discovery - Production Established.
35% NonOperated WI; 76% NRI (Lease)
Gross Production: 420 BOPD & 770 MCFD
Net Cash Flow: $510,000/Mn
Est Reserves: 14.8 MMBOE
SELLER HAS MORE INFO
PP 5426DV

BRAZORIA CO., TX PROSPECT
1-Proposed Well. 400-Acres.
RATTLESNAKE MOUND
Obj 1: Big Gas Sand. 10,300 Ft. *28 BCF*
Obj 2: Grubbs Sand. 10,500 Ft.
3-D Seismic & SubSurface Geology.
Field Extension Fault Block.
35% NonOperated WI; 74% NRI (Lease)
Offset To Excellent Recent Well.
Est Reserves: 28 BCF
DHC: $5,200,000; Compl: $2,000,000
GENERATOR HAS MORE INFO
DV 5423

GALVESTON CO., TX PROPERTY
1-Oil Well. 2-ShutIn. 38-Acres.
DICKINSON - MACO *SETX/PP*
Frio Formation. 7,700 Ft.
50% OPERATED WI; 37.5% NRI
Gross Production: 23 BOPD & 10 MCFD
Net Production: ~8.6 BOPD
Re-Work Could Yield Another 20 BOPD.
GENERATOR HAS MORE INFO
PP 5486DV

GALVESTON CO., TX PROSPECT
3-Potential Wells. 1,284-Acres.
Obj 1: Big Gas Sand. 10,500 Ft. *100 BCF*
Obj 2: Grubbs Sand. 10,800 Ft.
3-D Seismic & SubSurface Geology.
75% OPERATED WI; 74% NRI (Lease)
Est Reserves/Well: 25 BCF
Est Reserves/Proj: 100 BCF
DHC: $5,000,000; Compl: $2,000,000
SELLER HAS MORE DATA AVAILABLE
DV 5424

GRIMES CO., TX PROSPECT
400-Wells. 20,500-Acres.
Obj 1: Woodbine Shale. 15,900 Ft.
Obj 2: Eagleford Shale. 15,800 Ft.
2-D Seismic & SubSurface Geology.
50% OPERATED WI; 75% NRI (Lease)
Est Reserves/Well: 4.0 BCF
Est Reserves/Project: 1.6 TCF *~1.6 TCF*
New Well Cased To 14,800 Ft —
Completion Costs: $4,000,000
GENERATOR HAS DETAILS
DV 5656

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ExxonMobil reports record profit

Avoids prevailing goodwill impairments

ExxonMobil reported full year 2008 earnings excluding special items of a record ~$44 billion, up 8% from 2007. Still, fourth quarter 2008 earnings decreased 33% from a year ago to $7.8 billion, despite an 11% increase in capital expenditures to $6.8 billion. Capital and exploration spending increased to $26.1 billion in 2008, up 25% from 2007.

Volumes in Q4 2008 fell 3% from Q4 2007. Liquids production averaged ~2.47 MMBOPD, down by 45,000 BOPD from the fourth quarter of 2007. Gas production averaged 9,849 MCFD, down 565 MCFD from Q4 2007. New production volumes from project additions in the North Sea, Qatar and Malaysia were more than offset by field decline and lower European demand.

Last quarter, ExxonMobil started up the offshore facilities for the Qatargas II Train 4 LNG project in Qatar. Commissioning activities are continuing onshore, and first LNG from the project is anticipated in the first quarter of 2009. In addition, commissioning of ExxonMobil's South Hook LNG Terminal in the United Kingdom progressed in the fourth quarter, with initial LNG receipt and processing expected in the first quarter.

ExxonMobil is investing more than $1.0 billion in three refineries in the U.S. and Europe this year to increase the supply of cleaner burning diesel by about six million gallons per day. The increased diesel production at these three sites will be equivalent to the diesel produced from four average-sized refineries.

For full year 2008, production decreased 6% from 2007. Liquids production of 2.405 MMBOPD decreased by 211,000 BOPD from 2007, while gas volumes averaged 9,095 MCFD, down by 289 MCFD from 2007. Higher volumes from the North Sea, Malaysia and Qatar projects and higher European demand were more than offset by field decline.

Petroleum product sales in 2008 averaged 6.761 MMBPD, down from 7.099 MMBPD in 2007, mainly reflecting asset sales and lower demand.

List Prospects & Properties! Call 713-650-1212!

Shell boosts organic capex to $31 billion

New projects contribute volumes of 80,000 BOEPD

Royal Dutch Shell said it will actually increase its organic capital expenditures (excluding asset sales and acquisitions) in 2009 to $31-$32 billion, compared to $30 billion in 2008, meaning the company should continue to fund almost all of its major projects.

Production in the fourth quarter 2008 was supported by new field start-ups that contributed some 80,000 BOEPD of new production, including Angel (22.3% WI) and Vincent (20.6% WI) in Australia; E11 Hub Stage 2 (50%), M3S (70%) and Saderi (37.5%) in Malaysia; Starling (28%) and Curlew C (100%) in the U.K.; and Sakhalin (27.5%) in Russia.

Shell's new projects yielded 80,000 BOEPD in incremental volumes last year.

In addition, production volumes were supported by continued growth at Stybarrow (17.1%) and Geographe & Thylacine (17.7%) in Australia; Champion West Phase 3B/C (50%) in Brunei; Duvernay (100%) in Canada; Changbei (50%) in China, Ormen Lange (17%) in Norway and West Salym (50%) in Russia.

Also last quarter first gas was delivered from the Angel field in Australia; and, in Nigeria, the AFAM Gas and Power project saw first gas supplied to the 20,000 BOEPD power plant, while Shell sold its offshore deepwater blocks (7,000 BOEPD) for $600 million.

Shell reported Q4 2008 current cost of supply (CCS) earnings of $4,785 million, 28% lower than in the same quarter a year ago. Full year 2008 CCS earnings were $31,366 million, 14% higher than in 2007.

Reported net income for Q4, however, was a loss of $2,810 million, compared to earnings of $8,467 million a year ago. Full year 2008 reported income was $26,277 million, 16% lower than in 2007.

Volumes averaged 3.415 MMBOEPD in Q4, essentially unchanged sequentially. Full year 2008 production, including oil sands, was 3.248 MMBOEPD, down slightly from 3.315 MMBOEPD in 2007.

LNG sales volumes of 3.36 million tonnes were 1% higher than in the same quarter a year ago. Full year 2008 LNG sales were 13.05 million tonnes compared to 13.18 million tonnes in 2007.

Impairment of goodwill yields $30 billion loss

ConocoPhillips set a 2009 capital budget of $11.7 billion ($12.5 billion including the EnCana JV), down from an estimated $15-$16 billion in 2008. The company designed its capex to "to continue funding significant projects, while deferring or slowing some projects and other programs." The oil major added it will reduce its workforce by about 4% this year, but will not pursue any material divestments.

The company has allotted $10.3 billion of its capex to E&P, with $5.2 billion of that total going to North America. In the U.S, this includes development in the Permian, San Juan, Williston and Fort Worth basins and the Lobo Trend in South Texas, as well as midstream projects such as the Rockies Express Pipeline.

ConocoPhillips is pegging its 2008 reserve replacement ratio at 25%-30%.

Spending in Canada will focus on development in Western Canada and the oil sands, primarily related to the EnCana venture. In Alaska, ConocoPhillips will develop existing fields in the Prudhoe Bay and Kuparuk areas, as well as the development of the Alpine satellites on the western North Slope.

Another $5.1 billion will go towards E&P spending in Europe, Asia, Africa and the Middle East, while $2.0 billion is slated for refining and marketing ($1.1 billion in the U.S).

In the fourth quarter of 2008, ConocoPhillips' E&P segment – including Syncrude and excluding LUKOIL – averaged volumes of 1.87 MMBOEPD, up from 1.75 MMBOEPD in Q3 and 1.84 MMBOEPD in Q4 2007. Full-year E&P segment production averaged 1.79 MMBOEPD, down from 1.88 MMBOEPD in 2007, which included two quarters of production from its now expropriated Venezuelan assets. Conoco's share of LUKOIL produced 451,000 BOEPD in Q4 and averaged refining throughput of 250,000 BPD.

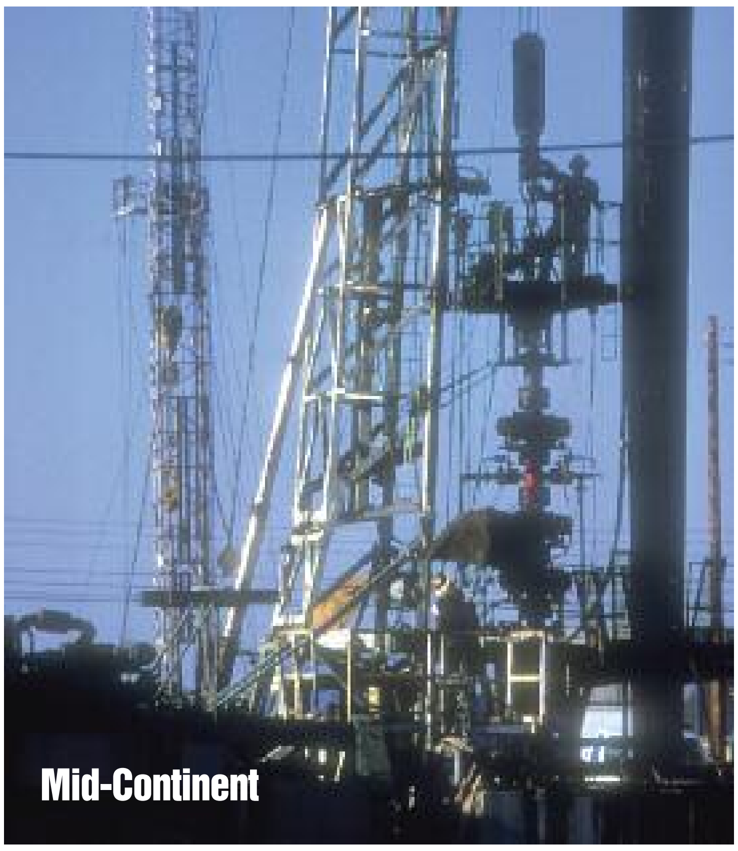
Downstream, Conoco's worldwide refining crude oil capacity utilization rate was 93% for the quarter, but it is estimated to fall to the low-80%-range early this year. ConocoPhillips ended the year with debt of $27.5 billion, a debt-to-capital ratio of 33%, and a cash balance of $0.8 billion.

ConocoPhillips reported a fourth quarter 2008 net loss of more than $31 billion on revenues of $44.5 billion, compared with net income of $4.4 billion on revenues on $52.7 billion in Q4 2007. The loss included $25 billion for "impairment of all E&P segment goodwill" and $7.4 billion impairment in the book value of the company's investment of LUKOIL. For full year 2008, the company recorded a net loss of $17 billion, compared with 2007 net income of $11.9 billion.

The Goodwill impairment is essentially the devaluing of an intangible asset ascribed to a company by virtue of its brand and reputation. Although goodwill impairments have no bearing on cash flow, write downs of this type do reduce overall book value and increase leverage rations, "a particular concern in these debt-averse times," according to *The Economist* newspaper.

Adjusted for these and other impairments, Q4 2008 earnings were $1.9 billion, still down from adjusted earnings of $4.1 billion a year ago. Full year adjusted earnings were $16.5 billion, compared to $15 billion in 2007.

The commodity price fall will also impact the company's year-end reserves, with ConocoPhillips pegging its 2008 reserve replacement ratio at 25%-30%, for an addition of 300 MMBOE last year. The company projected its year-end 2008 debt-to-capitalization rate to be 33% and is targeting a 20%-25% debt-to-cap in 2009.



PetroQuest extends Woodford laterals

PetroQuest Energy completed two operated horizontal wells in the Woodford Shale last October and has since completed three additional horizontals in the shale, flowing at 6.4, 4.1 and 1.9 MMCFeD, respectively, with laterals ranging from 4,000 to 6,600 ft.

PetroQuest is also completing its 7,057-ft. extended lateral Woodford well, the first two stages of which began producing at 3.7 MMCFD, with the remaining 16 stages slated for 2009. Current net production from the Oklahoma properties is estimated at 40 MMCFeD.

In the Fayetteville Shale play (9.0 MMCFeD net), where the company participated in 33 non-operated gross wells (3.03 net) during Q4 2008, PetroQuest is running five non-operated rigs on its 18,000 net acres. In East Texas (15 MMCFeD net), PetroQuest's sixth well at the Palmer prospect posted a gross IP rate of 3.0 MMCFeD. In the Gulf Coast Basin, the company's Bluffs prospect began producing last November and is now flowing 16 MMCFeD gross.

The Bluffs well on the Gulf Coast is flowing 16 MMCFeD.

PetroQuest increased its Q4 2008 production guidance to 102-103 MMCFeD (up from 97-102 MMCFeD). PetroQuest ended 2008 with 185 BCFe of proved reserves, a new company record. This year, net production is expected to average 90-100 MMCFeD, with an average of 100-110 MMCFeD in the first quarter. The company's capital budget for 2009 is ~$90 million.

Quicksilver increases Barnett reserves

Quicksilver Resources raised its year-end 2008 proved reserves to 2.2 TCFe (74% gas), up 42% from year-end 2007. Out of the total, 1.9 TCFe is in the Barnett Shale. Quicksilver's production averaged a record 263 MMCFeD in 2008.

Preliminary net reserve additions of 755 BCFe consisted of 456 BCFe from organic drilling and 299 BCF from acquisitions, resulting in organic production replacement of 474% and total production replacement of 785%. Organic reserve additions were negatively revised by 154 BCFe from prior estimates due to lower gas prices.

For 2009 and 2010, Quicksilver has hedged 75% and 65%, respectively, of its anticipated gas production at $8.60/MMbtu.

Carrizo brings 11 Barnett wells online

Carrizo Oil & Gas has brought 11 new Barnett Shale horizontal wells on production this year, producing at a combined rate of 31.5 (22 net) MMCFeD. Carrizo has four rigs drilling in the core of the Barnett, three in SE Tarrant Co. and one in Denton Co.

Carrizo currently has a backlog of 34 net wells drilled in the Barnett awaiting completion and connection to the gathering system, representing a collective initial production rate of 78 net MMCFeD.

Up in the Marcellus Shale, Carrizo drilled two wells last quarter and has another seven wells in the permitting stage in Pennsylvania. Fourth quarter 2008 average production was 78 MMCFeD from all areas, a new company record, and up 20% sequentially.

Teton develops Central Kansas Uplift

Teton Energy set an initial 2009 capital budget of $10.5 million, including $7.9 million for drilling 40 gross wells and (re)completing 19 additional wells.

Teton will drill 33 gross shallow oil wells and recomplete nine more in the Central Kansas Uplift. In the non-operated Piceance Basin, Teton's partner plans to complete three of 16 wells drilled in 2008 and recomplete an additional six of 14 wells.

Elsewhere, Teton will drill one Greybull Sandstone well and complete another at its operated Big Horn Basin project. Teton expects its 2009 volumes to fall to ~2.25 BCFe (~6.2 MMCFeD) from 2.9 BCFe in 2008 due to lower capital expenditures.

In the non-operated Williston Basin, Teton has 16% WI in Viall #1-30 well on the Goliath block, where Teton and its partners have hired Red Technology Alliance to drill between one and four horizontal Bakken test wells this year at no cost to Teton.

SOUTHEAST TEXAS - RRC 3

HARRIS CO., TX PROPERTY
3-Wells. 1-SWD.
DYERSDALE N. FIELD *~59 BOED*
Yegua & Cook Mountain Production.
Behind Pipe PDNP & Re-Entry Potential.
38% OPERATED WI Available.
Gross Production: 37 BOPD & 130 MCFD
Engineering Report Available w/ CA.
CALL FOR SELLER CONTACT INFO
PP 5918DV

MATAGORDA CO., TX PROSPECT
30-Potential Wells. 7,247-Acres (HBP).
MATAGORDA BAY AREA
Obj 1: Cib Hazz. 11,000 Ft. *760 BCFE*
Obj 2: Tex Miss & Anomalina. 18,000 Ft.
ReDrill Of PUD Location.
3-D Seismic & SubSurface Geology.
100% OPERATED WI; 75% NRI
Est Reserves/Well: 25 BCFE
Est Reserves/Proj: 760 BCFE
DHC: $9,000,000; Compl: $2,000,000
GENERATOR HAS MORE DETAILS
DV 5422

MATAGORDA CO., TX OFFERING
3,645-Gross Acres.
SARGENT SOUTH FIELD
Deepening Of 16,000 Ft. Cased Hole —
— Gulf No. 1 Hamill & Hamill.
High Quality 2-D Seismic Data. *SE TEXAS*
75% Working Interest Available.
Est Reserves @ 50 Ft: 187.5 BCF
Est Reserves @ 100 Ft: 375 BCF
Dry Hole Cost: $3,000,000
CONTACT PROSPECT GENERATOR
DV 5893

SOUTHEAST TEXAS ACREAGE
7-Counties. >400,000-Net Acres (HBP).
FAYETTE, BURLESON,
LEE, BRAZOS, GRIMES, *STX ACREAGE*
WASHINGTON & AUSTIN CO.
Wilcox & Yegua Formation Targets.
Other Targets Have Been Identified.
Shallow Drilling Depths. Normal Pressures.
3-D & 2-D Seismic Data Available.
SEEKING PARTNERS FOR EXPLOIT
GEOLOGIST HAS MORE DETAILS
DV 5554

SOUTHEAST TEXAS PRODUCTION PLS
2-Wells.
KARNES & MADISON CO.
MADISONVILLE & RUNGE FIELDS
Sub-Clarksville & Roeder Production.
OPERATED WI For Sale. *208 MCFED*
Gross Production: 4.0 BOPD & 246 MCFD
Net Production: 208 MCFED
CONTACT PLS FOR QUICK PACKAGE
PP 4238

SOUTHEAST TEXAS PROSPECTS
1,400-Acres.
WHARTON & COLORADO CO.
Obj 1: L. Wilcox Sands. 15,500 Ft.
Obj 2: M. Wilcox Sands. 12,000 Ft.
Upper Wilcox Potential. *165 BCF*
3-D Seismic & SubSurface Geology.
90% OPERATED WI; 74% NRI
Est Reserves/Well: 25 BCF
Est Reserves/Proj: 165 BCF
DHC: $5,200,000; Compl: $1,800,000
EXPLORATION DEPT HAS DETAILS
DV 5533

WALKER CO., TX PROSPECT
69-Potential Wells. 533-Acres.
10,631-Acre Option. *250 BCF*
Obj 1: Dexter Formation. 11,600 Ft.
Obj 2: Woodbine Formation. 11,100 Ft.
2-D Seismic. SubSurface Geology.
Option For 10,631 Acres Available.
100% OPERATED WI; 75% NRI
Est Reserves/Well: 3.5-10 BCF
Est Reserves/Project: 250 BCF
1st Re-Entry/Cost w/ Frac: $800,000
DHC: $1,200,000; Compl: $800,000
SELLER HAS MORE DETAILS
DV 5172

WALKER CO., TX PROSPECT SALE
20 To 30-Potential Wells. 1,097-Acres.
18,911-Acre Option.
Significant Horizontal Opportunity
Obj 1: Georgetown. 11,900 Ft. *98.5 BCFE*
Obj 2: Buda. 11,750 Ft.
2-D Seismic & SubSurface Geology.
Option For 18,911 Acres Available.
100% OPERATED WI; 75% NRI
Initial Test Is Re-Entry. 2 Laterals.
Est Reserves/Well: 250 MBC & 2.5 BCF
Est Reserves/Proj: 6.0 MMBC & 62.5 BCF
Completion Cost: $3,500,000
CALL PLS FOR INTRO TO SELLER
DV 5173

WALLER CO., TX PROSPECT
100-Proposed Wells. 16,032-Net Acres.
Obj 1: Wilcox Formation. 10,000 Ft.
Obj 2: Yegua Formation. 7,000 Ft.
Multiple Objectives Identified. *WILCOX*
Defined By 3-D & 2-D Seismic. G&G.
50% OPERATED WI; 36.3% NRI
Dry Hole Cost: $1,570,000
LAND DEPT HAS MORE DETAILS
DV 5836

EAST TEXAS - RRC 5 & 6

BOWIE CO., TX PROSPECT
>2,500-Acres. *DV/ETX*
Upper Smackover Objective. 9,300 Ft.
Lease Block Has Structural Features to
- Produce Several Long Lasting Prolific Wells
SubSurface, Gravity/Magnetic Maps Show
- Strike Slip Faulting/Hydrocarbon Entrap.
100% OPERATED WI; 75% NRI (Negotiable)
Estimated IP: 90 BCPD & ~3.0 MMCFD
Some Bowie Co Wells: Producing >20 Yrs
Est Reserves: 3.0 MMBC & 10.9 BCF
Prospect Includes 5-Yr Paid Up Leases.
DETAILED PACKAGE DATA AVAILABLE
— SELLER HAS ASKING PRICE
DV 3878

CALHOUN CO., TX PROSPECT
1-Project. 320-Acres.
GRASS ISLAND FIELD *~450 MBOE*
Possible MultiZone Potential.
Proposed Depth: ~4,200 Ft.
Horizontal Drilling Potential.
Proprietary 3-D Survey Available.
Seller Will Deliver 75%-80% NRI.
Analogs Have Cumm'd >364 MBO.
Est Reserves: 445 MBO & 27 MMCF
DHC: $1,200,000; Compl Costs: $600,000
DV 4073HZ

CHEROKEE CO., TX PROSPECT
2,010-Gross & 1,925-Net Acres.
COTTON VALLEY *3-6 BCF*
Haynesville Shale. 13,000 Ft.
100% Working Interest Available.
Est Reserves: 3.0-6.0 BCFG/Well
DHC: $704,500; Compl: $693,000
— Deepens Existing Well To Haynesville.
OPERATOR HAS MORE DETAILS
DV 5924

EAST TEXAS GATHERING SYSTEM
8-Mile Gas Pipeline.
MARSHALL/HARRISON AREA
Near Penn Virginia Well. *ETX PIPELINE*
MultiPay East Texas Reservoirs.
Cotton Valley, Travis Peak.
Haynesville Development Possible.
Pipeline Capacity: 10,000 MCFD
Multiple Line Right-Of-Way.
High Pressure Line.
Interconnects w/ Two Main ETX Lines.
G 1425PL

EAST TEXAS LEASES PLS
2-Counties. 1,425-Net Leasehold Acres.
HAYNESVILLE SHALE POSITION
Multiple Target Potential.
SHELBY COUNTY: *ETX LEASE*
— 746.5 Net Acres.
— 3 Years + 2 Year Option
NACOGDOCHES COUNTY:
— 680 Net Acres.
— 3 Years + 2 Year Option
100% OPERATED WI; 75% NRI
Surrounded By Large Independents.
Seller Has Set Asking Price.
CALL PLS FOR DATA PACKAGE
DV 5753L

EAST TEXAS LEASEHOLDS
~5,915-Net Mineral Acres.
SABINE & SAN AUGUSTINE CO. *ETX LEASE*
Primary Objective: Haynesville Shale
Secondary Objective: James Lime
Acreage Is Available For Lease.
CALL PLS TO LEARN MORE
L 5771

EAST TEXAS MINERAL RIGHTS
~22,000-Gross & ~17,000-Net Acres.
JASPER, SAN AUGUSTINE,
& ANGELINA CO. *DEEP RIGHTS*
Deep Rights - Below Base Austin Chalk.
Prolific Haynesville Area.
Eagle Ford Shale Potential.
MINERALS FOR SALE OR FARMOUT
Most Of Acreage Is HBP.
OPERATOR HAS DETAILS
M 5903

EAST TEXAS PROPERTY
36-Wells.
GARRISON - NACOGDOCHES
Travis Peak Production With Upside.
46% WI Available; 34% NRI
Net Production: 3.0 MMCFD *3.0 MMCFD*
Net Cash Flow: $350,000/Mn
Dozens Of Proved Drilling Opportunities.
AGENT WANTS OFFERS APRIL 2009
PP 5263

EAST TEXAS PROSPECT OFFERING
50-Potential Wells. ~8,000-Acres.
SABINE & ST. AUGUSTINE CO.
Haynesville & James Lime Targets.
Defined By SubSurface Geology. *>1.0 TCF*
50% + WI Available; ~37.5%+ NRI
Operations Available To Qualified Partner.
Est Reserves/Well: ~8.0 BCF
Est Reserves/Project: >1.0 TCF
EXPLORATIONIST HAS SHOWING
DV 5280

FREESTONE CO., TX PROSPECT
2-Potential Wells.
Cotton Valley Targets Identified.
Generated With SubSurface Geology.
100% OPERATED WI; 75% NRI
Est Reserves/Well: 1.5 BCF *3.0 BCF*
Est Reserves/Project: 3.0 BCF
LAND DEPT HAS MORE DATA
DV 5716

Listings Free for Members
No Commissions

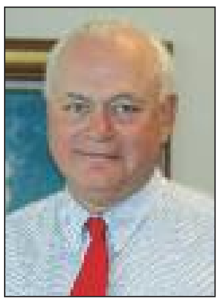
Whiting transforms from serial acquirer to expert explorer/exploiter

Denver independent banks on Bakken to bolster production

Interview by Kyle Francis

Since going public in 2003, Denver-based independent **Whiting Petroleum** has pursued an "acquire, exploit and explore" strategy. The company spent its first two years amassing high-quality acreage throughout the United States. Now, Whiting has moved to exploit this acreage; specifically, its two highest-impact plays – the Bakken Shale play in North Dakota and its CO_2 floods at North Ward Estes and Postle.

Whiting's primary Bakken assets consist of its operated acreage at the Sanish field, and its interests in the adjacent EOG-operated acreage at the Parshall field, both in Mountrail Co., North Dakota. Whiting is now producing over 14,000 BOEPD net from the two fields combined, and has yet to fully tap the underlying Three Forks reservoir.



Jim Volker
President & CEO

Elsewhere, at North Ward Estes, just outside of Midland, Texas, the ompany is continuing to inject CO_2 into the field, with the goal of raising volumes above their current levels of 6,600 BOEPD. Whiting plans to install oil, gas and water processing facilities in the field in five phases through 2015, with the first three phases targeting completion by December 2009.

> *"Whiting's production and flow rates in comparison to other Bakken areas being developed are typically two-to-four times higher."*

In Oklahoma, the Postle field includes five producing units and one producing lease covering 25,600 acres. As a result of the CO_2 project Postle field net production volumes increased 22% in 2008 to average 7,100 BOEPD. Together, Whiting's two Bakken Fields and two CO_2 projects account for more than 50% of company volumes, with that ratio only expected to rise throughout 2009.

Whiting is led by Chairman, President and CEO Jim Volker. Volker joined Whiting Oil & Gas back in 1983 as VP of corporate development, and has served in his present capacity since 2002. He oversaw the company's initial public offering in 2003 and has been integral to the successful acquisition and development of the company's two core plays. Recently, PLS caught up with Volker to discuss the company's major plays and plans for 2009.

PLS: How will Whiting grow production this year while still significantly scaling back expenditures?

Whiting: We have set a base budget of $320.4 million that we expect to fund with cash flow from operating activities. This is comprised of $163 million for the Bakken play at Sanish and Parshall, $129 million for our two CO_2 projects at North Ward Estes and Postle and $28 million spread across four fields in the central Rockies, with Flatrock – the acquisition we made last year in the Uintah Basin – allotted $19 million. Production from these areas in the base $320.4 million budget is expected to produce an approximate 9% year over year production increase.

In addition, we recently conducted a stock offering of 8.45 million shares at $29 per share, which raised $234.7 million. After initially reducing our bank debt with these proceeds, $123.6 million of the newly raised capital will be used to increase our capital budget so we can further our development plans for the new zone and new or expanded prospect areas we found in Q408.

At Sanish by doubling our lateral lengths to 10,000 feet per well, and drilling two wells across 1,280-acre (two square mile) units we drill vertically only twice rather than four times. This saves us about $12 million per unit developed. In addition, in Sanish we have three rigs coming to the end of their contracts by mid-year. Therefore, capex will be declining.

PLS: Whiting reported two recent developments. It's first Bakken infill well and its first Sanish/Three Forks completion. What are the implications of these successes?

Whiting: Whiting recently placed its first Bakken infill well and placed it on production at 2,170 BOEPD in the Sanish field. The McNamara 42-26H was drilled between two existing horizontal Bakken producers. We did not see any indication of communication or interference when we drilled that development well from either of the offset wells. These results support our plan to drill two 10,000-ft. horizontals on each 1,280 acre unit and add approximately 78 drilling locations.

In addition, our first Three Forks zone well at Sanish, the Braaflat 21-11 TFH began producing at 1,005 BOEPD. We see the Three Forks as a zone that may add additional reserves from the field. We will produce this first Three Forks well for six to nine months in order to satisfy ourselves that there is no significant communication with the overlying middle Bakken. If that is the case, then we would have the opportunity to drill a Three Forks well under the two Bakken wells within each 1,280-acre unit.

PLS: Is Whiting looking to add any Bakken acreage or seek any new joint venture partners in 2009?

Whiting: We already have a dozen working interest partners in wells that we drill in Sanish. Those interests very, but are generally a few percent per well. Whiting operates 90% of its Sanish wells and averages a 78% WI in the field. At Parshall, however, it is mostly EOG and Whiting, with EOG operating and holding an approximate 80% WI and Whiting participating for an approximate 20% WI.

We also continue consolidating our ownership as we pick up un-leased interests from small mineral owners. However, we believe our current acreage position at Sanish of 125,557 gross acres and 83,606 net acres, is about as big as it's going to get.

PLS: Some companies have said the Bakken is not economic at current commodity prices. How is Whiting approaching the situation? Where does Whiting sell its oil?

Whiting: It's all about the rocks. If you look at the results of the wells that Whiting has drilled, or for that matter that EOG has drilled, in the Sanish and Parshall fields, you will see the following kind of results: for the Whiting-operated Sanish wells, the IPs over 23 wells have averaged 2,287 BOEPD. Thirty days later they were producing an average of 954 BOEPD; and 60 days later they were still producing an average of 836 BOEPD. Consequently, these production and flow rates in comparison to other Bakken areas being developed are typically two-to-four times higher. We believe the Bakken area that we have at Sanish and that EOG has at Parshall simply has better rock quality and as a result is still economic at today's oil and gas prices.

> *"Our Bakken infill well success supports our plan to drill two 10,000-ft. horizontals on each 1,280 acre unit."*

We sell our Bakken oil to seven different purchasers. Some of the oil goes into the Enbridge pipeline, located about 17 miles north of Sanish. From there it flows predominantly into the Chicago market. In addition, some of the oil is trucked to a refinery in Mandan, North Dakota, and some of it gets trucked to other pipeline interconnections going to different mid-west markets.

In addition, Whiting should have completed by early third quarter 2009 its own oil pipeline that will run from the Sanish field to the Enbridge line. Therefore we are going to start saving $2/bbl trucking costs. The pipeline is a 17-mile, eight-inch line with up to 65,000 BOPD of capacity. We also already have a six-inch gas and NGL line in the ground that connects to the WBI line and goes to numerous Midwest markets.

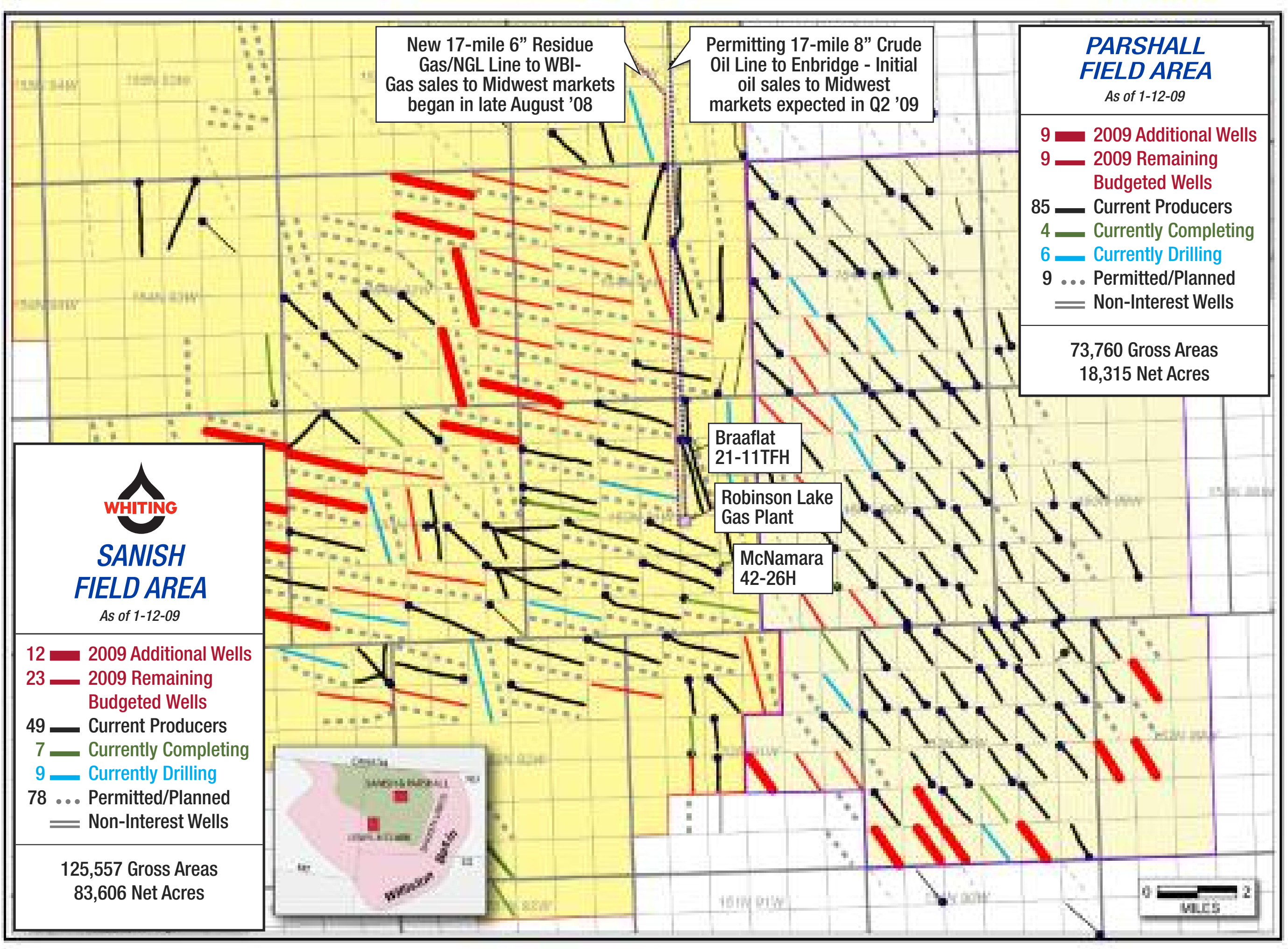
PLAYMAKERS Of The E&P Sector

PLS: Finally, regarding the CO_2 floods at North Ward Estes and Postle. How much CO_2 do those fields require, and what are the production goals in the fields?

Whiting: Our goal for North Ward Estes is to grow production from its current level of 6,600 BOEPD to over 10,000 BOEPD net within the next three to five years, based on proved reserves alone.

In addition to our proved reserves, we see roughly another 77 million barrels of probable and possible reserves. In total Postle and North Ward Estes currently represent 113.2 MMBOE of Whiting's 239.1 MMBOE of total proved reserves. Therefore, they represent 47% of reserves and 14,400 BOEPD net, or 26% of Whiting's current total net daily production of 55,100 BOEPD. Combined with our total net Bakken production of 14,000 BOEPD, these two areas represent half of our net daily production. We expect this percentage to rise during 2009.

The terms of our CO_2 contracts are confidential. However, I can say we have long term contracts covering both of those projects for sufficient volumes to fully execute our CO_2 plan for both projects and at this time are injecting over 100 MMCFD of CO_2 into each of the two projects.



Graphic from Whiting presentation

E&P Briefs

• **Frontier Energy** is forming a JV with Weekley Energy Group 1 LP. The JV will acquire four leases containing 27 well bores, of which three wells are producing. The remaining wells will be re-entered in four stages over a 120-day period. The JV entitles Frontier to receive 75% NRI BPO and 50% APO. The joint venture will also pursue additional re-entry and re-completion partners within the AMI in a 50/50 partnership.

• **Gale Force Petroleum**, **WHL Energy** and **Derby Resources** signed a farm-out agreement under which the confidential farmee may earn up to 50% WI in the 22,000-acre Kentucky Shale property, which includes nine existing wells (to be recompleted), gathering lines and two compressors in eastern Kentucky. The farmee will pay for a series of staged development programs.

• **Galloway Energy** is defining 2-D and 3-D seismic data for its gas property near Sacramento, California. Galloway is convinced that the target location offers a high probability of drilling successful and commercially viable gas wells. There is analog gas production from nearby wells in the area producing around 2.0 MMCFD.

• **Gasco Energy** reported 2008 year-end proved reserves of 53.1 BCFe (100% proved developed), down from 110.7 BCFe a year ago. All of the reserves are in Gasco's Riverbend Project area in Carbon, Duchesne, and Uintah Co., Utah. Gasco set a 2009 capex of $10 million to complete one well, drill two and recomplete 12 wells, all gross. All the wells will tap the Mancos Shale.

• **Gastar Exploration** drilled the LOR #7ST well (50% WI), a middle Bossier test, to 16,950 ft. TD and logged 71 net ft. of pay. The well was drilled after Gastar encountered thinner-than-expected middle Bossier zones in the original hole. The new location was determined based on 3-D seismic analysis.

• **GeoMet, Inc.** averaged volumes of 20.4 MMCFD in 2008, up 4.3% over 2007. Net sales volumes in 2009 are estimated to increase 10% to 12% from 2008. GeoMet's capex budget for 2009 totals $24 million, down from $57 million in 2008, with $10.1 million allocated to the Pond Creek field in Virginia and West Virginia; $7.7 million to the Gurnee field and the Chattanooga Shale (Garden City) in Alabama; and $4.8 million to the Peace River field in British Columbia.

• **Harvest Natural Resources** will spud a deep gas exploration well in the Rockies in mid-2009. To date, Harvest and its partner have acquired 40,000 net acres in the Antelope prospect area. Harvest is the operator with 50% WI and will spend $18.3 million on the project in 2009.

• **Kentucky USA Energy** flow tested its Walker #1 and Francis Grace #2 wells in western Kentucky. Walker #1 yielded an absolute open flow rate of 111 MCFD. This well was drilled to 2,430 ft. TD. Francis Grace #2 yielded an absolute open flow rate of 100 MCFD from the same depth.

• **Lucas Energy** intends to re-enter seven shut-in or abandoned Austin Chalk wells on its proved undeveloped property in Gonzales Co., Texas. This work could increase PDP reserves by 150,000 barrels. Lucas expects to complete the re-entries by the end of the first quarter of FY 2010 at a total cost of $2.0 million.

• **NGAS Resources** drilled 20 horizontal Devonian Shale wells (56% WI) at its Leatherwood field (eastern Kentucky) last year, with the first 16 posting average 30-day IP rates of 315 MCFD. NGAS plans 25 horizontals at Leatherwood and 23 horizontals at other core Appalachian fields during 2009. NGAS also plans to drill five New Albany Shale horizontals (Illinois Basin, western Kentucky) this year, despite a reduced 2009 capex of $15 million. A total of 53 gross horizontals will be drilled this year.

Callon restores offshore production

Callon Petroleum has returned its deepwater GOM Medusa (15% WI) and Habanero fields (11% - 25% WI) to pre-hurricane gross production rates of 99.6 MMCFeD and 50.4 MMCFeD, respectively.

At High Island Block 165/130, production is currently 16.4 MMCFD and 110 BOPD from two wells. The East Cameron Block 2 well (42.5% WI) commenced production last year and is producing 7.0 MMCFD and 165 BOPD, while the West Cameron Block 295 Field (20.5% WI) was expected to commence production by year-end 2008 at pre-hurricane rates of 19 MMCFD and 120 BOPD from two wells.

Callon has, however, decided to follow through with its plans to suspend development of its deepwater Entrada field (50% WI) on the Garden Banks 782 Block. Callon drilled the GB 782 # 3 well to 21,100 ft. TD and the well needs to be sidetracked back toward the original GB 782 #2 discovery well.

CEO Fred Callon cited "significantly higher than expected costs incurred to date" and declining commodity prices, adding that "under current economic conditions the company does not anticipate returning to the project."

Endeavour launches S. Texas exploration

Endeavour International Corp. drilled a successful exploration well (20% equity interest) in South Texas, marking Endeavour's first well drilled in the U.S. since the company opted to expand its operations outside its traditional North Sea operating area.

The well, known as Cochran #1, flowed 6.2 MMCFD and 96 BOPD after being drilled to 16,870 ft. and encountering three potential pay zones. Part of the reason behind Endeavour's regional expansion is to pursue opportunities with shorter cycle times and lower costs than those in the North Sea.

Endeavour is now participating in the drilling of the Armour Runnels ST #1 well (10% equity interest) on the Alligator Bayou prospect in Matagorda Co., Texas. The well has reached 23,830 ft. TD and logged over 300 ft. of sand. Flow tests are being conducted from multiple deep potential pay zones. The prospect consists of a very large four-way dip structure with multiple reservoir targets.

The company plans to drill up to eight exploration wells as part of its U.S. initiative at an average net cost of between $0.5 and $4.0 million per well.

Endeavour said it plans to expand its onshore Texas presence over the coming months. The company ended the year with approximately US$60 million in cash on its balance sheet. For 2009, the company has commodity derivatives in place for a significant portion of its oil and gas production at average prices of $81.00/bbl and $11.40/Mcf.

GeoResources from page 1

A recent production increase at the Starbuck Madison Unit (96% WI), which includes more than 6,000 net acres, is believed to be initial secondary recovery response. The project may hold as much as 1.4 MMBO in recoverable resources.

GeoResources is also drilling one well, with four more scheduled, in Roger Mills Co., Oklahoma. The Olson 1-21 (27% WI) development well is drilling towards 13,800 ft. TD. Additionally, the company is presently drilling or participating in the three Gulf Coast wells in Louisiana.

Up to the Minute News Found at www.plsx.com Energy Finance Page

Offshore

Anadarko Petroleum finds oil at Heidelberg

Anadarko Petroleum reported an oil discovery at its Heidelberg prospect in Green Canyon block 859 in the deepwater Gulf of Mexico. The discovery well encountered more than 200 ft. of net oil pay in several high-quality Miocene sands and may just help carry Anadarko through these trying times.

"The well encountered the same-age sands and reservoir characteristics similar to the previously announced Caesar/Tonga discoveries," said Anadarko SVP Bob Daniels. "Since 2005, we have drilled seven successful exploration wells in this Middle-Miocene trend, each targeting resources of more than 100 million barrels."

Heidelberg sits in 5,000 ft. of water and, to date, has been drilled to 28,500 ft. TD. Anadarko will benefit from Heidelberg's proximity to Anadarko's 100%-owned Constitution spar, giving it a variety of development options. Anadarko operates the block (44.25% WI) with partners Mariner Energy (12.5% WI), ENI (12.5% WI), StatoilHydro (12% WI), ExxonMobil (9.375% WI) and Cobalt International Energy (9.375% WI).

After drilling at Heidelberg, Anadarko will spud the Vito prospect in Mississippi Canyon block 984, which Anadarko operates with 20% WI. Vito is a 30,500-ft. test, targeting Miocene objectives in 4,000 ft. of water and is on trend with other recent discoveries at Kodiak and Freedom.

"Since 2005, Anadarko has drilled seven exploration wells in the Middle-Miocene, each targeting more than 100 million barrels."

Meanwhile, Anadarko's prior work to improve its balance sheet is paying off. Last year, the company sold half its interest in the Peregrino Field offshore Brazil to StatoilHydro, picking up $1.4 billion for its balance sheet. The goal was to exit higher risk Brazil to focus on what it perceives are lower risk assets in the GOM and Ghana. And this strategy is already paying dividends.

At Walker Ridge Block 52, Anadarko also announced a discovery at its Shenandoah prospect, with the well encountering 300 ft. of net pay in the Wilcox formation. Shenandoah sits in 5,750 feet of water and was drilled to 30,000 ft. TD. Anadarko operates (30% WI) with ConocoPhillips (40% WI), Cobalt (20% WI) and Marathon (10% WI).

For more on Anadarko see PLS' ProspectCentre.

The company next plans to spud an additional exploration well at the Samurai prospect (33% WI, operated) this quarter. Samurai is a Middle- and Lower-Miocene test located in Green Canyon block 432. So far, Anadarko is realizing more than 50% on its high impact Miocene prospects.

Internationally, the company also tested the Hyedua-2 appraisal well in the deepwater Jubilee field offshore Ghana at a stabilized rate of 16,750 BOPD and 21 MMCFD. The well is in 4,090 ft. of water on the Deepwater Tano License.

Anadarko spent $4.78 billion on E&D activities in 2008 and will likely spend around $4.0 billion in 2009. The company also avoided the pesky asset writedowns that are sapping cash flow from many of its peers. Additionally, Anadarko followed up its $2.1 billion Q3 2008 profit with another $824 million in net earnings in Q4.

Anadarko averaged sales volumes of 563,000 BOEPD in 2008, representing a 5% increase over 2007 sales volumes from retained properties. Fourth-quarter 2008 sales volumes averaged 569,000 BOEPD. In 2008, the company added 290 MMBOE of proved reserves, before the effects of price revisions. Proved reserves at year-end totaled 2.28 BBOE, but were reduced by 102 MMBOE due to price declines.

McMoRan drills sixth well at Flatrock

McMoran Exploration has now drilled six successful wells in the Flatrock field following its initial discovery on OCS 310 (South Marsh Island Block 212) back in July 2007. The four wells that are online so far are producing 200 MMCFeD (37.5 MMCFeD net). The primary Rob-L reservoir has flowed the most, with a gross production rate exceeding 100 MMCFeD at the Flatrock field.

The Flatrock #4 well, which tested at a gross rate of 124 MMCFeD (23 MMCFeD net) last October, is currently producing 60 MMCFeD with a targeted gross rate of 90 MMCFeD. The #5 development well logged 155 net feet of pay in the Rob-L and Operc sections, with first production expected in Q1, and The #6 delineation well (South Marsh Island Block 217) has logged 40 feet of net Rob-L pay. McMoRan has 25% WI in Flatrock, with PXP holding 30% WI.

McMoRan is also drilling three deep gas exploratory prospects (15,000 to 25,000 ft.) in shallow waters. On Louisiana State Lease 340, Tom Sauk (18.3% WI) is drilling below 17,700 feet and Gladstone East (33% WI) is drilling below 15,600 feet, both targeting Rob-L pay.

Ammazzo is targeting one of the largest undrilled deep structures on the shelf.

Elsewhere, The Ammazzo deep gas prospect is drilling below 7,900 feet towards 24,500 ft. TD and is targeting one of the largest undrilled deep structures on the GOM Shelf. McMoRan operates the well (25.9% WI) with partners PXP (28% WI) and Energy XXI (16%).

These partners are also designing engineering plans for the completion and production test of the South Timbalier Block 168 #1 ultra-deep exploratory well (formerly known as Blackbeard), in 70 ft. of water, 115 miles offshore New Orleans. This well was drilled to 32,997 ft. TD last October and encountered four potential pay zones. The well has been temporarily abandoned while the completion equipment is being designed for this high pressure test. Blackbeard is the deepest ever well drilled below the mud line in the GOM. McMoRan operates with 32.2% WI. The company has already invested $32.1 million in the prospect.

McMoRan continues to restore production that was shut-in as a result of the September 2008 hurricanes in the Gulf. Fourth-quarter 2008 production averaged 162 MMCFeD, down from 295 MMCFeD a year ago. Current production is 200 MMCFeD, with an additional 60 MMCFeD constrained by outages at third party facilities that should be restored by mid-year. Production is expected to average 190-200 MMCFeD in Q1 and 220-230 MMCFeD for the year.

EAST TEXAS - RRC 5 & 6

HARRISON CO., TX ACREAGE
5,200-Gross Acres.
HAYNESVILLE — *HAYNESVILLE*
Vertical Haynesville Test.
Acreage Is A Contiguous Block.
220+ Ft Of Pay.
65-Locations. 80-Acre Spacing.
Seller Will Deliver 75% NRI.
SEEKING POTENTIAL JV PARTNER
95% Of Block Is Held By Production.
Infrastructure In Place.
LAND DEPT HAS MORE DETAILS
DV 5473

JOHNSON CO., TX OFFERING
2-Wells. 288.31-Acres.
ALVARADO AREA — *NONOP*
Barnett Shale Target.
Depth: 7,900 Ft. (TVD); 11,000+ Ft. (MD)
Significant UnDeveloped Acreage.
6.67% NonOperated WI; 75% NRI (Lease)
Gross Production: >2,400 MCFD
SELLER HAS MORE INFO AVAILABLE
PP 5293DV

NACOGDOCHES & RUSK CO., TX
4,796-Acres Available. Farmout.
HAYNESVILLE SHALE PLAY — *HAYNESVILLE*
COTTON VALLEY LIME.
Formation Depth: 10,400-11,400 Ft.
100% OPERATED WI. Negotiable Farmout
Area Wells/Initial Volumes: 5-10 MMCFeD
Near Devon & Cabot Exploration Efforts.
Well Reserves: 5-7 BCFe/80 Acre Spacing
Haynesville Produces 37-45 BCFE/Section.
Total Recoverable Rsrvs: 277-337 BCFE
EXPLORATIONIST HAS MORE INFO
DV 5181

PANOLA CO., TX
HAYNESVILLE SHALE LEASEHOLD
330+ Acres. — *HAYNESVILLE*
Unit Has Offset Haynesville Production.
Acreage Is In North-South Configuration.
Cotton Valley & Travis Peak Rights HBP
— Could Be Made Available.
CALL PLS FOR SELLER CONTACT
DV 5664

PECOS CO., TX PROSPECT
Up to 6-Wells. 1-Show Well. 1,200-Acres.
CHENOT FIELD. FORT STOCKTON
Primary Zone: Granite Wash Fault Trap
Also Targeting Wichita-Albany & Wolfcamp
All Zones < 6,500 Ft. TD
25% Working Interest Available. — *25 BCF*
Well Tested at 1.0 MMCFD in 1986.
Planned Drill Date: May 2009
Est Reserves: 25 BCF
Total Well Cost: $1,703,900
CONTACT GEOLOGIST FOR DETAILS
DV 5271

REEVES CO., TX PROJECT
3-Prospects. 3,000-Net Acres.
DEEP DELAWARE BASIN — *295+ BCF*
Wolfcamp, Barnett & Woodford Shale,
Pennsylvanian, & Fractured Devonian
On-Site Salt Water Disposal System
On-Site Gas Gathering System
100% WI Available; 75% NRI
~13 BCF PDP Wolfcamp Production.
Est Reserves: 295+ BCF
Based On Decline Curve & Volumetrics
CALL PLS FOR ADDITIONAL DETAILS
DV 5268

SCURRY CO., TX PROSPECT
~400-Acres.
Active Horizontal Play In Area.
56.25% Working Interest; 77.5% NRI
Est Reserves: 900 MBO — *900 MBO*
DHC: $1,552,000; Compl: $950,500
CALL SELLER FOR MORE DETAILS
DV 5519

SHELBY CO., TX LEASEHOLD
470-Acres.
DEEP HAYNESVILLE RIGHTS — *HAYNESVILLE*
Unit Is Presently HBP.
OUTRIGHT SALE OF DEEP RIGHTS—
— OR CARRIED INTEREST IN WELL
Gathering System In Place.
Will Sell Pipeline w/ Rights Or Stand Alone.
SELLER HAS MORE DETAILS
L 5724PL

TARRANT CO., TX OVERRIDE
3-Wells. 107-Net Acres.
NEWARK EAST — *ORRI*
Barnett Shale/Conglomerate Depth.
Production from 6,526 Ft. and 7,486 Ft.
2% ORRI Available.
Gross Production: 18,662 MCFD
Net Production: 373 MCFD
Net Cash Flow: $3,753/Mn
ADDITIONAL DRILLING POTENTIAL
RR 5437

TARRANT CO., TX PROSPECT
1-Proposed Well, Possibly 2. 85-Acres.
BARNETT SHALE
Targets At 8,000 Ft. — *BARNETT*
Immediate Drilling Opportunity.
Very Active Area.
100% Working Interest Available.
Est Reserves: 3.0 - 5.0 BCF
CONTACT SELLER FOR MORE INFO
DV 5294

EAST TEXAS - RRC 5 & 6

UPSHUR CO., TX PROSPECT
5-Potential Wells. 700-Acres.
Obj 1: Bossier Sand. 11,500 Ft.
Obj 2: Cotton Valley Lime. 12,000 Ft.
Generated With GeoPhysics.
75% OPERATED WI; 78% NRI *10 BCF*
Est Reserves/Well: 1-3 BCF
Est Reserves/Project: 10 BCF
DHC: $1,400,000; Compl: $900,000
EXPLORATION MGR HAS DETAILS
DV 5722

WOOD CO., TX PROSPECT
1-Drilling Prospect.
Rodessa, Kirkland, Goyd, & Hill Gas.
Also Targeting Sub-Clarksville Oil.
Proposed Depth: 8,500 Ft. (TD) *>1.3 BCFE*
100% Working Interest For Sale.
Est Reserves: 20 MBO & 1.2 BCF
CALL AGENT TO LEARN MORE
DV 5077

WEST TEXAS - RRC 7C, 8 & 8A

ANDREWS CO., TX PROSPECT
8-Potential Wells. 160-Acres.
Western Edge - Basin Platform.
Obj 1: Devonian. 8,300 Ft. *>1.0 MMBOE*
Obj 2: Yates. 2,800 Ft.
3-D Seismic & SubSurface Geology.
75% OPERATED WI; 72% NRI
Est Rsrvs/Well: 200 MBO & 333 MMCF
Est Rsrvs/Proj: 800 MBO & 1.3 BCF
DHC: $900,000; Compl: $600,000
SELLER HAS MORE DATA
DV 5174

CROCKETT CO., TX PROSPECT
20,000-Acres.
Queen, San Andres, & Wolfcamp Targets.
Pinnacle BuildUp Multi-Pay Opportunity.
Available 3-D Seismic Data. *DV/3D*
CONTACT GENERATOR FOR DETAILS
DV 5576

ECTOR CO., TX PROPERTY
20-Active Wells. 4-ShutIn. 5-Injection.
DONNELLY SAN ANDRES
760-Gross & 740-Net Acres. *~26 BOED*
San Andres Production. 4,100 Ft.
Greyburg Production. 3,900 Ft.
Upside Potential Identified.
Net Production: 24 BOPD & 12 MCFD
Est Total Rsrvs: ~2.5 MBO & 2.0 MMCF
CALL PLS FOR INTRO TO SELLER
PP 5915DV

GLASSCOCK CO., TX PROSPECT
4+-Drillable Locations. 900-Acres.
Targeting Wolfcamp Formation.
Proposed Depth: 7,900 Ft. *WTX/DV*
Est Reserves: 600 MBOE
CONTACT GENERATOR FOR DETAILS
DV 5577

MIDLAND CO., TX LEASE SALE
80-Potential Wells. ~3,500-Net Acres.
WOLFBERRY TREND *WOLFBERRY*
Spraberry / Wolfcamp. 8,000-10,000 Ft.
Devonian Formation. 12,000 Ft.
Resource Play. Development Drilling.
Defined By SubSurface Geology.
100% OPERATED WI; 77% NRI
Leases Expire: March 2010
L 5754DV

REEVES & WARD CO., TX PROSECT
~6,000-Gross & ~10,000-Net Acres.
DELAWARE BASIN
Permo-Penn/Atoka: ~16,000 Ft.
Wolfcamp: Up To 15,000 Ft. *TX GAS*
Seller Will Deliver 75% NRI.
Obj 1: 300 BCF: 7 BCF Gas/Well
Obj 2: 50 BCF: 2 BCF Gas/Well
CONTACT PROSPECT GENERATOR
DV 5857

REEVES & WARD CO., TX PROSPECT
9,000-Gross & 4,000-Net Acres. *TX/DV*
DELAWARE BASIN
Third Bone Spring Sands. ~10,500 Ft.
Deeper Wolfcamp & Atoka Potential.
Seller Will Deliver 75% NRI.
Reservoir Has Cumm'd >10 MMBOE.
Est Reserves/Section: 2.0 MMBO
CONTACT SELLER FOR MORE INFO
DV 5860

REEVES CO., TX PROSPECT
4,585-Acres. 1-Well. 29-Anticipated.
Obj 1: 3rd Bone Spring. 10,500 Ft. (TD)
Obj 2: Delaware, Atoka, Barnett Shale.
75% Working Interest Available. *MULTIZONE*
IPF: 406 BOPD, 667 MCFGDP, 217 BWPD
Est Dry Hole Cost: $20,000,000
CALL LANDMAN FOR DETAILS
DV 5686

REEVES CO., TX ROYALTY FOR SALE
168-Royalty Acres.
Strategically Located In Prolific Area.
Two Units Established, 1 Well Drilling.
Woodford And Barnett Shale Targets.
PayZone Consists Of 800 Ft. Of Shale.
Abundant Pipeline Access. *ROYALTY*
TWO LARGE CAP OPERATORS
RR 2083

WEST TEXAS - RRC 7C, 8 & 8A

TOM GREEN CO., TX PROSPECT
750-Acres.
ABSTRACT A-8296 *WTX/DV*
Eastern Shelf
Obj 1: Ellenburger Formation. 5,400 Ft.
Obj 2: Harkey Sands. 4,400 Ft.
Ellenburger Offset Shows Harkey Potential.
2-D Seismic Data, Geology, Well Control.
100% OPERATED WI; 75% NRI
GENERATOR HAS MORE DETAILS
DV 5708

YOAKUM CO., TX PROPERTY
1-Well. 40-Acres.
WASSON FIELD *75 MBO*
Clearfork Formation. 6,500 Ft.
100% OPERATED WI; 75% NRI
Gross Production: 17 BOPD & 150 BWPD
Crude Purchaser: Navajo
Net Cash Flow: $34,000/Mn
Est Reserves: 75 MBO
AGENT HANDLING DATA ROOM
PP 4138DV

WICHITA CO., TX PROPERTY
38-Wells. 379-Acres.
3.5 Mi East Of Electra *NTX/PP/DV*
Producing Oil From 725-1,725 Ft.
18 Wells Need ReWork/Tubing/Rods.
4 Drilling Sites Established.
100% OPERATED WI; 72%-75% NRI
Net Production: 18 BOPD
Net Cash Flow: $32,000/Mn
All Equipment Included w/ Property.
SELLER HAS ADDITIONAL DETAILS
PP 4429DV

WICHITA CO., TX OFFERING
240-Acres. 8-Oil Wells. 31-ShutIn.
1-SWD. 1-Injector. *WATERFLOOD*
Significant Waterflood Candidate.
Shallow Rights Only.
Upside Potential Thru Re-Work.
100% OPERATED WI; 80% NRI
Net Production: 6.0 BOPD
SELLER WILL PROVIDE MORE INFO
PP 5434WF

WICHITA CO., TX SALE PACKAGE
3-Leases. 18-Producers. 7-Injection.
NORTH TEXAS AREA *LEASE*
Upside Potential Through Waterflooding,
Re-Entry, Workover & Shallow Zone Stim.
100% WI Available; 78.0%-87.5% NRI
Net Production: 7.5 BOPD
Incl 2 Tracts Of Surface Acreage (~614 Ac.)
Available For Storage And/Or Hunting.
IDEAL ACREAGE FOR RECREATION
PP 8558L

WISE CO., TX DEVELOPMENT
5-Development Wells. ~240-Net Mineral Ac.
BARNETT SHALE
Significant Development Opportunity.
UpHole Conglomerate Potential. *BARNETT*
Seller Will Deliver 75% NRI.
CONTACT PROSPECT GENERATOR
DV 5854

YOAKUM CO., TX PROSPECT
820-Acres.
MULTIPLE LOCATIONS *500 MBO*
5,400 Ft. San Andres Extension.
Est Reserves: 500 MBO
CONTACT GENERATOR FOR DETAILS
DV 5640

YOAKUM CO., TX OFFERING
640-Acres.
MULTIPLE LOCATIONS *250 MBO*
Targeting San Andres Extension.
Proposed Depth: 5,200 Ft.
Est Reserves: 250 MBO
CONTACT GENERATOR FOR DETAILS
DV 5578

NORTH TEXAS - RRC 7B & 9

ARCHER CO., TX PROPERTY
62-Total Wells 21-New Wells. 2-New SWD
NORTH TEXAS
OIL DEVELOPMENT. 2,000 Acres.
Gunsight, Ward Lime & Sand
Shallow Oil. (1,000-1,100 Ft.) *42 BOPD*
200-Additional Locations Available.
Significant Infield Development.
100% OPERATED WI; 75% NRI
Net Production: 42 BOPD
Net Cash Flow: $65,000/Mn
PACKAGE STILL AVAILABLE
CALL CALIFORNIA AGENT FOR INFO
PP 9253DV

BARNETT SHALE CARRIED WI
21-Immediate Wells. 2,400-Net Acres.
NEWARK EAST FIELD (JOE POOL)
East Northeast Mansfield Area. *NEW PKG*
Barnett Shale Target. 8,000 - 8,500 Ft.
47 Total Wells On 50-Acre Spacing.
Downspacing To 20-Acre Possible.
NonOp Carried & Lookback WI for Sale.
Buyer Has Right To Propose Wells.
Area IP's Range 3.0-7.0 MMCFED.
Est Gross Reserves: 3.0-5.0 BCF/Well
Net Reserves (21 Wells): 9.0 - 15.0 BCF
Net PV10 Value (21 Wells): $12,000,000
FYI: Drill & Complete $3.0MM - $3.5MM
3rd Party Engineering NSAI Report Available.
CONTACT PLS TO RECEIVE CA
DV 5160 PLS

Call To List 713-650-1212

Mariner hits pay at Bushwood and Smoothie

Mariner Energy – which participated (12.5% WI) in Anadarko's Heidelberg discovery (see related story) – has experienced success with two additional exploration wells in the Gulf of Mexico: Bushwood #1 (formerly Geauxpher #3) on Garden Banks Block 463 and Smoothie #2 on South Timbalier Block 49.

Bushwood, like Heidelberger, is a deepwater well in 2,700 ft. of water. Smoothie, a deep shelf prospect acquired with Mariner's purchase of StatoilHydro shelf assets in 2008, sits in water depths of 60 ft.

Bushwood #1 was drilled to 25,300 ft. TD, logging more than 260 ft. net gas pay in multiple sands, with more than 150 ft. of pay found in the deeper exploratory section. Mariner operates (30% WI) Bushwood with partners Energy Resource Technology (Helix sub, 35%), Apache (20%), Deep Gulf Energy II LLC (10%), and Deep Gulf Energy LP (5%).

Smoothie #2, a deep shelf prospect, was drilled to ~20,100 ft. TD, logging more than 200 feet of net gas pay in multiple zones. Mariner operates the well with 100% WI.

Saratoga licenses 3D-seismic at Vermilion

Saratoga Resources has licensed 25 square miles of 3D-seismic data from Fairfield Industries in order to better evaluate its Vermilion 16 asset in Louisiana and accelerate the development of the prospect's ~30,000 MMCF and 324 MBO of proved undeveloped reserves.

Saratoga's most recent well recompletion at Vermilion was the SL 3762 #1 back in the third quarter of 2008. The well flowed 1,207 MCFD and 45 BOPD. Saratoga sub Harvest Oil & Gas also acquired 100% WI in five new leases at a Louisiana lease sale in December, gaining 522 acres in Vermilion Blocks 5, 6 and 17, and another 55-acre tract in Main Pass Block 53.

> *Saratoga has established record company production of 3,080 BOEPD.*

At year end, Saratoga had established record company production of 3,080 BOEPD, helped by wells at the Grand Bay field (Plaquemines Parish), the first of which came online at 305 BOPD and 340 MCFD, and the second at 1,063 MCFD. Most recently, Saratoga reached 10,528 ft. TVD in the GPLD A-191 well and expected to have the well on production before year end.

In Q1 2009, Saratoga is planning seven through tubing plug backs in the Grand Bay field in order to convert 200,000 BOE from proved and probable developed non-producing reserves to PDP ones at an estimated development cost of $0.38/Boe. This project should yield 100 BOPD and 1,300 MCFD of production.

Energy XXI drills Kaplan prospect

Energy XXI has reached 18,605 ft. TD on its Kaplan prospect (100% WI) in Vermillion Parish, Louisiana. The well encountered 34 feet of net oil pay in the Marg Howei sand and will be completed and placed on production in March. The primary Camerina B target sand was deemed non-commercial.

At the South Timbalier 21 field, Energy XXI drilled the ST 21 #82 ST2 well (100% WI) to its target depth of 12,684 feet, encountering 162 ft. of net oil pay. And at East Cameron 334 (51% WI), where the B-10 well recompletion tested at 9.1 MMCFD, the company is now reworking the B-11 and B-6 wells in the HA sand.

Onshore, in Lafourche Parish, the Apache-operated LL&E #233 well (25% WI) was drilled to 14,948 ft. TD and encountered 156 ft. of pay in three sands. All these wells will be completed early in 2009.

Ecopetrol & Statoil team up in the Gulf

Columbian oil company **Ecopetrol** entered into a farm-in agreement with Norwegian giant **StatoilHydro** to drill three exploratory wells in the deep-water Gulf of Mexico in the U.S. over the next two years. Ecopetrol's interests will range from 20% to 30% in the prospects and its initial investment could exceed $160 million.

The two companies will also begin to mature several prospects during the next seven years. The agreement bolsters Ecopetrol's position in the GOM, where it already participates in exploration blocks with joint venture partners Shell, Eni and BP, and in the production of the K2 field, where Anadarko is the operator.

Last November Ecopetrol signed a participation agreement with Italian giant Eni to drill at least five deep sea prospects in the Gulf of Mexico between 2008 and 2012. Ecopetrol will hold between 20% and 25% and will invest $220 million.

Eni holds interests in 408 blocks in the Gulf of Mexico, where it produces over 100,000 BOEPD. Ecopetrol and Eni also agreed to jointly develop E&P opportunities in South America and other parts of the world.

E&P Briefs

• **Nitro Petroleum** completed two wells on the Nancy Hubbard project in Pottawatomie Co., Oklahoma, with plans to complete two more. The second well tested at 76 BOPD over 48-hours. Nitro also acquired 100% WI in 1,600 acres in Montana with options to acquire 3,200 more acres. Nitro will begin with a 10-well drilling program in the Powder River Basin. The wells will vary in depth from 4,350 to 7,700 ft and will target the Tensleep formation.

• **Northern Explorations** paid $376,692 to acquire 50% WI in two California gas projects in the Central Valley. Two wells are planned this year. The first will target seismic data that indicates 50 ft. of pay at an 8,000 ft. depth.

• **Pacific Energy & Mining** acquired 50% operating interest in 16 gas wells in New Mexico. The wells are on a 2,000-acre lease in Sandoval Co. and will be placed on line in February. Pacific also holds a direct interest in Utah's Cisco Springs (11 wells) and Cisco Township (10 wells) fields.

• **PetroHunter Energy Corp.** closed the sale of its 50% WI in eight producing wells to Robert L. Bayless, Producer LLC, for $2.3 million. The eight wells are in Garfield Co., Colorado, and are operated by EnCana. PetroHunter stated that the sale of these non-operated properties is consistent with its plan of disposing of non-strategic assets and will provide additional funds for the company's ongoing operations.

• **Plateau Mineral Development** is entering a joint operating agreement with an unnamed leaseholder in possession of twelve wells that are all twenty feet or less from Plateau's acreage line in Morgan Co., Tennessee.

• **Precision Petroleum Corp.** is purchasing from Nitro Petroleum 50% of a new venture in the Powder River Basin Project in southern Montana. The initial project will begin in early summer with the drilling of 10 exploratory wells on 1,600 acres.

• **Providence Resources** spud the Carson 10-1 exploration well on its leases in Val Verde Co., Texas. The well will be drilled to 16,000 ft. targeting the Ellenberger Formation, which was identified by 3-D seismic. The well is part of a two-well drilling program operated by Elm Ridge Exploration. Providence has identified 25 drilling targets via 3-D seismic.

• **Samson Oil & Gas** commenced sales from the Davis Bintliff #1 well in the Gulf Coast Basin at a rate of 2.2 MMCFD with a flowing tubing pressure of 9,700 psi. The well is expected to ramp up to 4.0 MMCFD. The well was previously flow tested at 6.17 MMCFD and 74 BOPD.

• **Striker Oil & Gas** connected the Catfish Creek #2 to its recently completed pipeline system in East Texas. The well was completed in the Pettit formation but has not been fraced. This prospect consists of over 12,800 gross acres with potentially 30 to 50 wells testing the Pettit and Rodessa formations. Striker has 33% WI BPO.

• **Synergy Resources** was awarded 4,400 acres in a Colorado lease auction in Nebraska and Weld Counties, including 75 well sites. Synergy's first well (Gray 25-16) in Weld Co. was drilled last November with Kerr McGee and encountered pay in the Codell and Niobrara formations. The two companies have since drilled their second such well (Zabka State 33-15). Both will be fraced in Q1.

Berry uses capex for Diatomite drilling

Berry Petroleum set a 2009 capital budget of $100 million and is targeting production of 33,500 BOEPD, up 3% over the 2008 estimated production. Berry will spend $25 - $30 million in East Texas, including two Haynesville wells and eight vertical wells. The Rockies budget will be $10 - $15 million.

The bulk of the $100 million will be spent in California on Diatomite development and other heavy oil projects. The Diatomite budget will be $30 - $35 million to drill 50 wells. The remaining California capital will be spent on South Midway Sunset drilling and the Poso Creek expansion. The capital program is based on $47.50 oil and $5.00 gas. If commodity prices rise over $75 and $7.00 the company said it would "quickly implement a $200 million capital budget." Berry is targeting discretionary cash flow of $220 - $240 million.

XTO Energy lowers its 2009 capex

XTO Energy revised its 2009 capital budget for development and exploration expenditures to $2.75 billion. An additional $450 million has been budgeted for the construction of midstream infrastructure. This compares to its earlier budget of $3.3 billion for E&D and $500 million for infrastructure. The company now plans to increase 2009 production volumes by 14% over 2008 levels while utilizing 65 drilling rigs.

XTO will allocate $875 million to its Eastern Region, $725 million to the Barnett Shale, $375 million for Arkoma Basin and other Midcontinent properties. Another $250 million will go towards the Bakken, Gulf Coast and Offshore areas, while the Permian Basin will get $275 million. The San Juan, Raton, Uinta and Piceance basins combined will be allocated $175 million.

Comstock adjusts reserve estimates

Comstock Resources reported year-end 2008 proved reserves of 582 BCFe (67% proved developed), down from 651 BCFe a year ago. Comstock produced 59.9 BCFe but divested of 58.8 BCFe in non-core proved reserves in 2008. The company also lost 52.8 BCFe to negative price revisions.

Comstock spent $426.1 million in 2008 on E&D activities, which added 102.4 BCFe to its proved reserve base. The company also spent $116 million on the acquisition of unevaluated leases in the Haynesville Shale play.

Unit raises reserves, proved volumes

Unit Corporation reported proved reserves of 569.4 BCFe (80% proved developed) at year-end 2008, up 11% from a year ago despite negative revisions of 23 BCFe resulting from lower commodity prices. The company replaced 186% of its 2008 production, with 166% through the drill bit.

Fourth quarter 2008 production was 16.8 BCFe (~185 MMCFeD), a sequential increase of 6% and an increase of 15% over Q4 2007. Total 2008 production was 63.4 BCFe (~174 MMCFeD), up 16% over 2007. During 2008, Unit spud 276 new wells, with 245 completed as producing for a success rate of 88%.

Unit has set a 2009 capex of $290 million, a decrease of 59% over estimated 2008 expenditures. Of this total, $200 million is budgeted for the oil and gas segment, $77 million for its contract drilling segment, and $13 million for its midstream segment.

Bill Barrett keeps two rigs in Piceance

Bill Barrett Corp. set a tentative capex of $400 million for 2009, down from $601 million in 2008, but is still targeting at least 10% production growth. The company ended 2008 with 818.3 BCFe in proved reserves (47% undeveloped), up from 557.5 BCFe a year ago, despite production of 77.6 BCFe last year, which works out to a 436% reserve replacement ratio. The company has an additional 2.1 TCFe in probable and possible reserves.

Last year, Bill Barrett devoted most of its capex ($251 million) to the Piceance Basin play, which holds 372 BCFe in proved reserves and produced 31.5 BCFe in 2008.

Bill Barrett is targeting 10% volumes growth.

Bill Barrett is currently operating four conventional rigs – two in the Piceance, one at West Tavaputs – where 16 wells are planned this year – and one in the Paradox Basin.

In the Paradox Basin (Colorado), the Yellow Jacket project (55% WI) is flowing 4.0 MMCFD gross from three horizontal Gothic shale wells, with the fourth currently drilling. At Green Jacket (100% WI), the company is completing its first horizontal Hovenweep shale test well. Bill Barrett expects to drill up to 175 total wells this year.

Brigham's latest Bakken well flows 1,200 BOPD

Brigham Exploration completed its Olson 10-15 #1H well (100% WI) at an initial 24-hour rate of 1,200 BOPD and 1.4 MMCFD. The Bakken well is west of the Nesson Anticline in Williams Co., North Dakota.

CEO Bud Brigham believes this high rate completion validates the transfer of completion technologies from Mountrail County to Brigham's acreage west of the Nesson Anticline. "We believe we are the first company in the Williston Basin to have both run nineteen swell packers and fracture stimulate twenty stages in a long lateral," Brigham added.

Brigham will complete the Figaro 29-32 #1H, the Strobeck 27-34 #1H and the Anderson 28-33 #1H with 20-stage fracs "as soon as pressure pumping service costs go down." Assuming the drilling of two laterals across two sections, Brigham could drill 164 net wells on its 105,000 net acres west of the Nesson Anticline, but the company recently released both its operated rigs in the Bakken play.

Brigham plans to move up to 20-stage fracs in the Bakken.

Brigham has also completed its third Red River discovery at Roosevelt Co., Montana. The Friedrich Trust 31 #1 (77% WI) was drill-stem tested with 100% oil collected in the test chamber. Brigham has now successfully drilled three consecutive Red River wells using 3-D seismic.

Elsewhere, Brigham brought on-line its Chandeleur Sound SL 19312 #1 discovery at an IP rate of 2.9 MMCFeD. Brigham retains 50% WI and 38% NRI in the well with Clayton Williams Energy retaining 50% WI.

Tri-Valley drills three Vaca Tar Sands wells

Tri-Valley Corp. production tested three of its horizontal wells into the Vaca Tar Sands at its Pleasant Valley site in Oxnard, California. The three wells posted rates "considerably above 1,000 BOPD per well."

There are four other horizontal wells on that same lease, in addition to the newly completed one at the Lenox Ranch Lease, all of which have also been completed in the same shallow Vaca zone. The company is continuing to install new infrastructure to handle greater volumes than had been originally planned.

In late 2007, Tri-Valley began applying its 40 years of experience in Canada's Athabasca Tar Sands to drilling horizontals in the Vaca Tar Sands, then steaming and cautiously producing them initially at low rates to avoid sand build up. After no evidence of sand entry into the bores, intermittent tests revealed a much higher production potential, leading Tri-Valley to re-configure its plans.

Tri-Valley is developing the Vaca Tar Sand Project with its investment partner, the TVOG Opus I Drilling Program LP, and ultimately expects to produce in excess of 10,000 BOPD after drilling more wells through 2010.

Delta Petroleum lowers capex to $85 MM

Delta Petroleum lowered its 2009 capex budget to $85 million, down from its original guidance of $150-$175 million. This budget may be reduced further depending upon price fluctuations.

The revised budget allocates 70% to the Piceance Basin with 30% devoted to completions in the Paradox Basin and the Columbia River Basin and the drilling of one Haynesville Shale well.

The company estimated 2009 capital expenditures required to maintain 2008 production levels total only $40 million, but it did not provide an anticipated production guidance. Delta expected average Q4 2008 volumes of 6.8 BCFe.

Northern participates in 10 Bakken wells

Northern Oil and Gas has participated in the drilling and completion of 10 non-operated oil wells in the North Dakota Bakken and Three Forks trend. The 10 wells began producing at an average rate of 825 BOPD.

Continental Resources operated three of these wells, **EOG Resources** operated two, **Slawson Exploration** operated two, **Hess Corp.** operated two and **Crusader Exploration** operated one.

The largest well, in Mountrail County, came online at 2,450 BOPD.

Five of the wells are in Mountrail Co., North Dakota, including the two highest-rate producers. The EOG-operated Austin 19-30H (5% WI) came online at 2,450 BOPD, while the Slawson-operated Peacemaker 1-8H well came online at 1,190 BOPD. Of the other five wells, two are in Divide Co., with one in Dunn and one in Williams Co., and the remaining one in Richland Co., Montana.

With these most-recent 10 completions, Northern Oil now holds working interest in 38 producing wells and is currently participating in an additional 21 Bakken and Three Forks wells.

NORTH TEXAS - RRC 7B & 9

EASTLAND CO., TX FARMOUT
180-Acres To FarmOut.
CrossCut Sands Target. 990-1,075 Ft.
Marble Falls Potential. 3,100-3,330 Ft.
Acreage Has Proven Geology. *NTX/FO*
SEEKING DRILLING PARTNERS
Significant Shallow Resource Play.
SELLER HAS MORE INFO AVAILABLE
FO 5740

MONTAGUE CO., TX DISPOSAL WELL
1-Operating Commercial SWD.
Strawn Formation. 3,960-4,220 Ft.
100% OPERATED WI
Complete System Includes: *TX SWD*
— Two Injection Pumps
— 4,000 Bbl Tankage
Disposal Rate: 6,500 BWPD
Net Revenue: $70,000+/Mn
ENGINEER PROVIDING DETAILS
SWD 5490

MONTAGUE CO., TX FARMOUT
~300 Acres.
NORTH TEXAS
100% OPERATED WI Available.
LOOKING FOR FARMOUT *FARMOUT*
— Never Been Drilled
FO 2718

NORTH TEXAS DISPOSAL WELLS
6-SWD Wells. 46-Acres.
PARKER, HOOD, HAMILTON CO.
Surface & Mineral Rights. *TX - SWD*
1 Location Undergoing ReWork.
1 Location Drill/Cased - No Equipment.
Other 4 SWD Sites Are Active.
OPERATIONS ARE AVAILABLE
Differing Injection Intervals.
Max Injection Vol: 25,000-35,000 BWPD
Avg Daily Injections Vary: 50-75 Loads/Well
CONTACT SELLER TO LEARN MORE
SWD 5537

PALO PINTO CO., TX PACKAGE PLS
5-Wells.
STRAWN, POSIDIAN, PALO PINTO
Marble Falls, Ellen, Gas, Bend Conglomerate.
100% OPERATED WI; 75% NRI
Gross Production: 13 BOPD & 255 MCFD
Net Production: 249 MCFED
Net Proved Reserves: 25 MBO & 4,175 MMCF
Proved PV 9 Value: $13,161,000 *249*
3rd Party Engineering Available. *MCFED*
CALL PLS FOR MORE INFORMATION
PP 4236

PALO PINTO CO., TX PROPERTY
4,600-Contiguous Acres.
PARKER BORDER *170 MCFD*
Producing Gas From Strawn Formation.
UnDeveloped Newark East Acreage.
Barnett Shale Potential - Offset Nearby.
Seller Will Deliver High NRI.
Net Production: 170 MCFD
EXPLORATION SELLER HAS DETAILS
PP 5766DV

MULTIPLE TEXAS AREAS

TEXAS PROPERTY DIVESTMENT
Corporate Sale Of Assets.
PERMIAN & SOUTH TEXAS
161-Oil & Gas Wells. *CORPORATE*
Large Proprietary 3-D Seismic Database.
SALE OF ASSETS OR WHOLE ENTITY
Net Production: 600 BOED
MORE DATA AVAILABLE IN MARCH
CO 5346PP

TEXAS PROSPECT OFFERING
8-Prospects. 5,500-Acres.
Starr, Zapata, Brooks, Matagorda Co.
Reklaw, Queen City, & Miocene Targets.
All Prospects Have 3-D Seismic.
Varying NonOperated WI Available. *TX/DV*
Reserve Potential And Costs —
—Vary By Depth & Prospect.
SELLER HAS MORE DETAILS
DV 5733

GULF COAST

SOUTH LOUISIANA

ACADIA PH., LA PROSPECT
Marg 1, Marg 7, Camerina, & Hayes.
Excellent 3-D Seismic Control.
Seller Will Deliver 74% NRI. *DV/3D*
Est Reserves: 320 MBC & 16 BCF
Dry Hole Cost: $5,329,600
DV 5568

ASSUMPTION PH., LA PROSPECT
398-Acres.
BAYOU ST. VINCENT FIELD *SLA/DV*
Planulina 1 Sand Objective.
Proposed Depths: 14,800-15,120 Ft.
Seller Will Deliver 72% NRI.
Est Reserves: 481 MBC & 7.7 BCFG
Completion: $9,671,268
DV 5638

SOUTH LOUISIANA

ASSUMPTION PH., LA PROSPECT
~558-Acres.
NORTHWEST OAKLEY FIELD *SLA/DV/3D*
Targeting Lower Miocene Of Robulus L.
Subsurface Data & 3-D Seismic Available.
Total Est Reserves: ~763 MBO & 1.41 BCF
Total Est Dryhole Cost: $3,586,500
CONTACT PROSPECT GENERATOR
DV 5666

ASSUMPTION PH., LA PROSPECT
340-Acres.
Upper To Middle Miocene (6) Sands.
Proposed Depth: 11,840 Ft.
3-D Seismic Available. *>18 BCFE*
Trap Type: Faulted Anticline
70% WI Available; 74% NRI (Lease)
LOW-RISK OPPORTUNITY
Est Well Rsrvs: 932 MBC & ~12.5 BCF
Includes PUD Reserves Of 7.25 BCFE.
Facilities Included With Prospect.
DHC: $3,100,000; Compl: $1,400,000
DV 5723

ASSUMPTION PH., LA PROSPECT
~500-Acres.
Prolific Field - Shallow Stacked Pays.
Four Shallower Secondary Targets.
Proposed Total Depth: 13,900 Ft.
4-Way Anticlinal Closure. *SLA/DV*
Defined By 3-D Seismic.
SEEKING PARTNERS TO DRILL
~125 Ft. High To 100 Ft. Thick Sand.
Est Reserves: 50 BCF Plus Condensate
GEOLOGIST HAS MORE INFO
DV 5553

BATON ROGUE PH., LA PROSPECT
2,220-Acres.
IRENE AND PORT HUDSON FIELD
5 Lower Tuscaloosa Sand Targets.
3-D Seismic Available. *>146 BCFE*
Total Reserves: 146.9 BCFE
DHC: ~$3,841,000; Compl: ~$1,994,000.
DV 5897

E. BATON ROUGE PH., LA PROSPECT
No-Pipe Frio Test. 200-Acres.
ALSEN FIELD *FRIO TEST*
Targeting 1st Frio Sand. 7,800 Ft.
Total Reserve Estimate: 3.23 BCFE
Seller Terms Upon Request.
Drilling Cost: $525,000; Compl: $345,000
DV 5176

EAST BATON ROUGE PH., LA
2-Wells. 2,090-Acres.
IRENE FIELD *>220 BCFE*
Targeting Tuscaloosa Sands A & G.
Proposed Depths: 18,300 Ft. & 20,300 Ft.
3-D Seismic Available.
Est Total Reserves:~227.2 BCFE
DHC: $1,898,000; Compl: $2,142,000
DHC: $9,011,100; Compl: $3,260,900
SELLER HAS MORE DETAILS
DV 5873

EAST BATON ROUGE PH., LA
IRENE FIELD
Upper Frio Sand Target.
Target Zone is 8,300 Feet. *5.0 BCFE*
3-D Seismic Available.
Analogous Well Produced 16.7 MBO.
Est Total Reserves: 5.0 BCFE
DHC:~$530,000; Compl:~$360,000.
DV 5872

EAST BATON ROUGE PH., LA OFFER
~10-Potential Wells. 6,480-Acres.
GULF COAST EMBAYMENT
Tuscaloosa Objective. 17,700 Ft. *480 BCFE*
Secondary Targets Upon Presentation.
Initial Test Is A Re-Entry.
2-D Seismic, SubSurface, Petrophysical.
100% Working Interest; 75% NRI
Est Reserves/Well: 30-48 BCFE
Est Reserves/Project: 300-480 BCFE
Completion Cost: $4,000,000
SELLER HAS MORE INFO TO REVIEW
DV 5606

JEFFERSON PH., LA PROSPECT
1,947-Acres.
BAY DE CHENE
Middle Miocene Targets. 18,000 Ft. (TVD)
Located On Three-Way Closure Trap.
Defined By A Proprietory 3-D PSDM.
1,500 Ft Of Structural Closing.
75% WI Available; 73.25% NRI *SLA/DV*
Potential Rsrvs: 45-200 BCFE
Prospect Holds Considerable Potential.
DHC: $10,345,000. Compl: $4,428,233
SELLER HAS MORE INFO
DV 5610

LAFOURCHE PH., LA PROSPECT
700-Acres.
Targeting Rob 43 Sand. *SLA/DV*
READY TO DRILL
100% OPERATED WI; 75% NRI
AGENT HAS MORE DATA AVAILABLE
DV 5156

LINCOLN PH., LA PROSPECT
911-Gross Acres.
Targeting Cotton Valley Davis Sands.
Proposed Depth: 9,500 Ft. *>9.0 BCFE*
Seller Will Deliver 73% NRI.
Est Total Reserves: 200 MBC & 8.0 BCF
Dry Hole Cost: $1,400,000
CONTACT SELLER TO LEARN MORE
DV 5585

SOUTH LOUISIANA

LIVINGSTON PH., LA ROYALTY
3-Wells.
SOUTH LOUISIANA *ROYALTY*
ROYALTY INTEREST FOR SALE
Total Net Production: ~5.3 BOPD
Decline Curves & Financial Info Available.
Part Of A Larger Royalty Package.
SELLER CONTACT INFO PROVIDED
RR 3791

LOUISIANA PROSPECT FOR SALE
935-Acres.
IRENE FIELD *89.5 BCFE*
9 Lower Tuscaloosa Sand Targets.
3-D Seismic Available.
Est Total Reserves: 89.5 BCFE
DHC: ~$3,692,000; Compl: ~$1,195,000
DV 5833

LOUISIANA SALE PACKAGE PLS
7-Properties. 3-Parishes. 400-Net Acres.
RUSTON, PORT ALLEN,
BAYOU PEROT, MITTENS LAKE
& SOUTH MITTENS LAKE *189 MCFED*
Producing From Multiple Zones.
Deep Potential & PUD Upside Identified.
Defined By 3-D Seismic Data.
2.0%-11% NonOp WI; 1.1%-9.1% NRI
Net Production: 8.0 BOPD & 141 MCFD
Net Cash Flow: $24,000/Mn
Proved Rsrvs: ~57 MBO & ~692 MMCF
AGENT HAS MORE DATA FOR REVIEW
PP 5561DV

POINTE COUPEE PH., LA PROSPECT
2,791-Acres.
JUDGE DIGBY FIELD
Tuscaloosa Sands Test. 22,000 Ft. (TVD)
3-D Seismic Data Available.
Additional Prospects On Acreage. *>90 BCFE*
Minority Working Interest Available.
Well Spudded January 2009.
Est Reserves: 90 BCF & 592 MBO
DHC: $19,646,000; Compl: $7,224,500
CONTACT OPERATIONS MANAGER
DV 5752

ST. CHARLES PH., LA PROSPECT
Amph B, Upper Rob L, & Lower Rob L.
3-D Seismic & SubSurface Geology.
Seller Will Deliver 72.5% NRI. *LA/DV/3D*
Est Reserves: 2,800 MBO & 29 BCF
Dry Hole Cost: $6,352,200
DV 5572

ST. CHARLES/JEFFERSON PH., LA
835-Acres.
Targeting Cib Op Sands.
Proposed Depth: 10,500 Ft. (TVD)
Defined By 3-D Seismic Data.
Stratigraphic/Structural Trap. *>30 BCFE*
100% Working Interest For Sale.
Est Reserves: ~2.7 MMBO & 25.1 BCF
DHC: $3,469,900; Compl: $1,124,500
DV 5503

ST. MARTIN PH., LA PROSPECT
Marg Tex-2 Sand, Marg Tex-4 Sand.
Seller Will Deliver 72.5% NRI. *SLA/DV*
Est Reserves: 650 MBO (Marg Tex-2 Only)
Dry Hole Cost: $2,500,000
DV 5564

ST. MARY CO., LA OFFERING
10-Wells. 50-Sq Miles.
SOUTH LOUISIANA MIOCENE *SLA/3-D*
Miocene Targets. 7,000 Ft. & 15.000 Ft.
3-D Seismic. Geology & Geophysics.
25% NonOp WI; 72.5%-80% NRI (Lease)
Est Reserves/Well: 500 MBO & 15 BCF
Est Reserves/Proj: 78 MMBO & 430 BCF
DHC: $3.0-$8.0MM; Compl: $0.75-$2.0MM
LAND MANAGER HAS DETAILS
DV 5552

ST. MARY CO., LA PROSPECT
4-Wells. 3,000-Acres.
MIOCENE *SLA/DV*
Obj 1: Middle Miocene N @ 11,500 Ft
Obj 2: Middle Miocene J @ 10,900 Ft
Surface & SubSurface Geology
75% NonOperated WI; 75% NRI
Est Reserves: 300-750 MBO/Well
Est Reserves: 2.5 MMBO; 10 BCF/Project
Dry Hole: $2,000,000; Compl: $400,000
HOUSTON LANDMAN IS CONTACT
DV 5603

ST. MARY CO., LA PROSPECT
3-Wells. ±645-Acres.
PLANULINA *>50 BCFE*
Obj 1: Planulina 68. 14,400 Ft.
Obj 2: Planulina 69. 14,700 Ft.
3-D Seismic & SubSurface Geology.
25% NonOperated WI; 72.5% NRI
Est Reserves/Well: 216 MBO & 14 BCF
Est Reserves/Proj: 750 MBO & 50 BCF
DHC: $6,330,000; Compl: $2,060,000
LAND MANAGER HAS MORE INFO
DV 5560

TERREBONNE PH., LA PROSPECT
Targeting Rob 5 Sands.
Proposed Test Depth: 13,030 Ft.
3-D Seismic & SubSurface Geology.
Seller Will Deliver 70% NRI. *>60 BCFE*
Est Reserves: 2,890 MBC & 50 BCF
Dry Hole Cost: $4,702,142
SELLER HAS OTHER LA DEALS
DV 5571

For more listings go to www.plsx.com

Petro and Approach focus on West Texas

Petro Resources and **Approach Resources** are planning to drill 48 wells and recomplete 18 more at Cinco Terry field in 2009. The Crockett Co., Texas, field is operated by Approach, which is reducing its rigs in the field from three to two.

Both companies are lowering their previously announced capexes for 2009, with Petro Resources setting a $10.7 million budget (down from $19 MM) and Approach setting a $43.8 million budget (down from $80 MM in 2008). Over 60% of Approaches budget will go towards Cinco Terry.

Approach will also run one rig and allot 27% of its capex to Ozona Northeast in the same West Texas area in order to drill 12 wells and recomplete 13. In July, the company will also begin running one rig to drill four wells in North Bald Prairie in East Texas. Three exploratory wells are also planned for western Kentucky's New Albany Shale. In total, Approach hopes volumes to average ~9.7 MMCFeD in 2009, up 12% from 2008.

Meanwhile, Petro Resources is busy elsewhere too – at the Goodrich-operated Surprise prospect, where the fourth well is drilling. Three additional wells are awaiting completion and two wells are planned for 2009. And at East Chalkley the Pine Pasture #2 well is producing 100 BOPD. One salt water disposal well and at least one development well are slated for Chalkley in 2009.

Petro Resources is also active in the Williston Basin, North Dakota, where net volumes are 340 BOEPD. However, the company will "minimize capital expenditures there until oil prices rebound."

In total, company production is 700 BOEPD from all areas, up 75% from a year ago. Finally, Petro Resources has acquired 50% WI in a 300-acre prospect in Allen Parish, Louisiana, known as the LeBlanc prospect. The prospect is operated and is an up-dip oil play supported by 3D seismic, with drilling scheduled during H1 2009.

Forest increases 2008 volumes 27%

Forest Oil averaged sales volumes of 518 MMCFeD in 2008, up 27% from 2007. Forest now has proved reserves of 2,668 BCFe (60% proved developed), replacing 549% of production last year.

In 2008, Forest spent $1.36 billion on E&D projects and another $1.37 billion in acquisitions. This year, Forest will invest $500-$600 million on E&D, with drilling concentrated on the Haynesville Shale and Buffalo Wallow areas. The company said 33% of its capital will be spent on drilling horizontal wells. In Q4 2008, Forest employed as many as 43 third party rigs on its operated projects, but is downsizing to just one third party rig in 2009. Forest's current operated rig count is 15.

Forest expects total net sales volumes of 185 to 195 BCFe (~520 MMCFeD) in 2009.

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>375-Wells. ~17,500-Gross Acres.
PINON FIELD *3,000 MCFED*
Shallow/Deep Wolfcamp Formation.
Multiple Horizon Potential.
Defined By Extensive 3-D Seismic.
Drilling Program w/ >2,000 Locations.
<20% NonOperated WI; 75% NRI (Lease)
Net Production: 3,000 MCFED
Net Cash Flow: ~$1,000,000/Mn
Confidentiality Agreement Required.
DATA ROOMS ARE NOW OPEN
AGENT WANTS OFFERS MARCH 5
PP 5790DV

MICHIGAN OIL RESOURCE PLAY
8-Wells. 36,500-Acres.
ARENAC, BAY, CLARE, GLADWIN,
& ROSCOMMON CO. *>210 BOED*
Detroit River & Dundde Carbonates.
Enhancement Targets Identified.
Depths Range: 2,500-5,000 Ft.
Significant Amount Of PUD Locations.
100% WI Available; Avg 85% NRI
Net Production: 130 BOPD & 500 MCFD
Net Cash Flow: ~$175,000/Mn
Potential Rsrvs: 80 MBO & 500 MMCF
Infrastructure In Place.
Drill & Completion: $850,000
AGENT WANTS OFFERS FEB 25, 2009
PP 5440DV

LAFOURCHE PH., LA PROPERTIES
4-Wells. 669-Acres.
LONG LAKE FIELD *>4.0 MMCFED*
Producing Miocene Oil & Gas.
Several Behind Pipe Zones.
2-Drilling Locations Identified.
Avg 80.5% WI; Avg 60.4% NRI
Net Production: 75 BOPD & 3,693 MCFD
Net Cash Flow: $572,000/Mn
Net Proved Rsrvs: 174 MBO & 2.57 BCF
Net PV10 (Proved) Value: $18,000,000
Comprehensive Data Package Available.
AGENT WANTS OFFERS FEB 26, 2009
PP 5828DV

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Marketmakers is an Energy Outlook Forum custom designed for energy executives and industry experts in exploration, production, investment banking, capital markets, trading, M&A and downstream operations to share experiences, opportunities and positive ideas in a volatile market. Marketmakers will explore new and existing opportunities for capital formation, exploration, hedging, pricing, services and asset transactions. Featuring an all-star line-up, Marketmakers is designed to leave delegates with a new and proper perspective for these interesting times.

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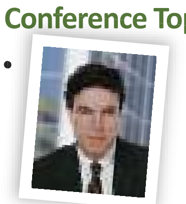
Participating Speakers Include:

- **Shannon Burchett**– CEO, Risk Limited Corp. & Co-Author of "Managing Energy Price Risk and The US Power Market"
- **Dr. Michael J. Economides**– Author of "The Color of Oil" and "From Soviet to Putin and Back: The Dominance of Energy in Today's Russia," & Prof. of Chemical Engineering, UofH
- **Michael Schaal**– Director Oil & Gas Division, Integrated Analysis & Forecasting, EIA
- **David A. Pursell**– Managing Director, Head of Macro Research, Tudor Pickering Holt & Co. Securities & Co-Founding Partner, Pickering Energy Partners, Inc.
- **Dr. Helge Hove Haldorsen**– VP Strategy & Portfolio, StatoilHydro USA E&P
- **V. Frank Pottow**– Managing Director, Greenhill Capital Partners LLC
- **Adrian H. Goodisman**– Co-Head US & Managing Director, Scotia Waterous
- **Charles Cerria**– Assoc. General Counsel-Trading, Hess Corp.
- **James P. Benson**– Founding Partner, Capital & Managing Dir., Energy Spectrum Advisors
- **In Seon Hwang**– Managing Director, Warburg Pincus, LLC
- **Richard A. Vaccari**– VP M&A, Sempra Energy
- **John Gargani**– VP Economic Planning & Acquisitions, Southwestern Energy Co.
- **Townes G. Pressler Jr.**– Managing Director, Lime Rock Partners
- **Cameron O. Smith**– Head of the Rodman Energy Group & Senior Managing Director, Rodman & Renshaw, LLC
- **Allen Gilmer**– Co-Founder, Drillinginfo
- **G. Allen Brooks**– Managing Dir., Parks, Paton, Hoepfl & Brown
- **Richard L. Burleson**– Managing Partner, Burleson Cooke LLP
- **J. Boyd Heath**– CEO, Network International, Inc.

Conference Topics Include:

- 

  Opening Key-Note– Special Perspective on Hedging and Risk Management in Current Energy Markets

  Shannon Burchett
- **E&P Executives**– StatoilHydro, Sempra Energy & Southwestern Energy– Recent Milestones, Present Plans, Future Objectives
- **Energy Markets Roundtable**– U.S. & Global perspectives on energy M&A and Capital Markets opportunities and outlook in a turbulent market
- **Service Sector Update**– How it adjusts to current capital and the credit crunch?
- **Capital Round-Up w/ Marketmakers' Moneymen**– Warburg Pincus, Energy Spectrum and Lime Rock Partners
- **Close up with EIA**– pricing forecasts and predictions for natural gas and crude
- 

  Key Note Closing Address– Geopolitics in today's Oil and Gas Markets: A Look at the influence of Politics, Pricing & Production for E&P and A&D

  Dr. Michael J. Economides

www.plsx.com/marketmakers

Conference Agenda:

7:45 am **Conference Registration Begins**

8:45 am **PLS Opening Remarks–Ronyld W. Wise**– Managing Director & Founder, PLS Inc.

9:00-9:30 am **Morning Key-Note**– Special perspective on hedging and risk management.

Shannon Burchett– CEO, Risk Limited Corp.

In a turbulent market, hedging is key– but how much risk vs. return? Burchett, a recognized expert and advisor on hedging and energy risk management provides insight on the impact of dramatic price moves.

Drawing from case studies, Burchett will provide a rundown of the back office's ripple effect on energy E&P and acquisitions and effects passed on to energy companies as a result.

About the Speaker:
Burchett, a widely recognized expert on strategic management, was former President of Ameren Energy and Sr. VP of marketing at Duke/Louis Dreyfus. He previously held management and policy-making roles at Chase Manhattan, Salomon Brothers, and PepsiCo.

9:30-10:40 am **Successful E&P Executives**– Share recent activities, present plans and near-term objectives

STATOIL

StatoilHydro– Strategic Update
Dr. Helge Hove Haldorsen– VP Strategy & Portfolio, StatoilHydro USA E&P

StatoilHydro has been an active player in the global energy market, picking up Norwegian brethren Norsk Hydro in a $30 B merger, tapping GOM reserves through its 2005 acquisition of EnCana and recently moving onshore U.S. through a JV with Chesapeake in the Marcellus Shale. Just late last year Statoil announced a new JV with Ecopetrol in the Gulf of Mexico deep water. Dr. Haldorsen will give us a strategic update.

Sempra Energy

Midstream Market Mover
Richard A. Vaccari– VP M&A, Sempra Energy

Sempra knows how to capitalize on M&A opportunities in competitive energy markets. Vaccari provides insight on how these changing economic times call for alterations in mergers, acquisitions and divestments and what Sempra is doing to stay on top.

Event Sponsors: PLS, drillinginfo (Open To Explore), Burleson Cooke L.L.P. (Attorneys & Advisors), Network International, Conquest, phd, Graves & Co., diversity petroleum

Conference Agenda: *(Continued)*

9:30-10:40 am Continued

Southwestern's transformation to King of the Fayetteville has transformed the company like no other

John Gargani– VP Economic Planning & Acquisitions, Southwestern Energy Co.

Since 2004 Southwestern established itself as a top 5 shale player. Last year they significantly trimmed their portfolio, selling over $750 MM in assets including legacy assets in the Permian and non-core Fayetteville properties. Gargani shares insight on 2008 divestments, 2009 exploration and ongoing drilling projections.

10:40-11:00 am **Morning Networking Break**

11:00-11:45 am **Energy Markets Roundtable**– Global perspectives on energy M&A and Capital Markets Opportunities in a turbulent market.

Session Moderator:
Cameron O. Smith– Sr. Managing Director, Rodman & Renshaw, LLC

Global M&A Perspective
Adrian H. Goodisman– Co-Head US & Managing Director, Scotia Waterous

Capital Market Perspective
V. Frank Pottow– Managing Dir., Greenhill Capital Partners LLC

Energy Advisory Perspective
Charles Cerria– Associate General Counsel-Trading, Hess Corp.

This power-packed roundtable, led by Cameron Smith, will look across the industry and around the patch to share their bullish strategies for a bearish economy.

11:45-12:15 pm **Services & Equipment Session**– What's the supply for service and equipment in 2009? Two leading firms provide their insight in the market.

G. Allen Brooks– Managing Dir., Parks, Paton, Hoepfl & Brown

Brooks will provide their firm's unique perspective on the service sector and how e&p and service companies are adjusting to new market conditions. Operators obviously need dependable and cost effective services, but this bear market has come on so fast that many drillers, rig companies and tool pushers are still shell shocked. Can service companies and operators bridge the gap between revenues and costs? Parks Paton takes a look at what's in store for services in 2009.

J. Boyd Heath– CEO, Network International

Network International is an online marketplace for buying and selling used and unused energy equipment through online auctions and private sales. As an online marketplace the company is able to convert surplus equipment into cash while helping buyers find equipment they need at a fair market price. Mr. Heath is able to provide insight into market conditions for 2009 due to his organization's unique history and position within the E&P sector.

12:15-1:30 pm **Networking Luncheon & Key Note Address**

1:30-2:20 pm **Resource plays & their impact on the market**

David A. Pursell– Managing Dir., Head of Macro Research, Tudor Pickering Holt & Co. Securities

Leading Tudor analyst Pursell will share insight on our industry's recent run with the bulls and now our battle with the bears.

Pursell will provide a unique take on various resource plays and the irony of the effect those plays have on both current and future price paradigms.

Allen Gilmer– Co-Founder, Drillinginfo

Drawing from DI's vast data bank, Gilmer will provide a quick overview including a look back and who made markets in '08 including conventional finds and unconventional trends in the Woodford, Barnett, Haynesville and Wolfberry.

2:20-3:00 PM **Capital Round-Up with Marketmakers Moneymen**– Nothing takes the sting out of a bear market better than bullish capital. Three leading capital commanders- Warburg Pincus, Energy Spectrum & Lime Rock- share insight on 2009.

Participating Panelists:
James P. Benson– Founding Partner, Energy Spectrum Capital and Managing Director, Energy Spectrum Advisors
In Seon Hwang– Managing Dir.- Energy, Warburg Pincus, LLC
Townes G. Pressler, Jr.– Managing Director, Lime Rock Partners
Session Moderator:
Richard L. Burleson– Managing Partner, Burleson Cooke LLP

3:00-3:20 PM **Afternoon Networking Break**

3:20-3:50 PM **Dialogue with the EIA- Price Forecasts & Predictions for Natural Gas and Crude**

Michael Schaal– Director, Oil & Gas Division, Integrated Analysis & Forecasting, EIA

This is a year that has seen it all, from record high oil prices to extreme lows. In this special session, Mr. Schaal's primary focus is on producing oil and natural gas projections to 2030 as part of the EIA's Energy Outlook, and he will informally provide his insights and perspectives for oil and gas pricing-predictions and forecasts for the next two years.

3:50-4:20 PM **Key Note Closing Address**– Geopolitics in today's Oil and Gas Markets: A Look at the influence of Politics, Pricing, & Production on E&P and A&D

Dr. Michael J. Economides– Author of "The Color of Oil" and "From Soviet to Putin and Back: The Dominance of Energy in Today's Russia," & Professor of Chemical Engineering, U of H

Dr. Economides, expert on energy geopolitics, provide insight on the current market landscape and his perspectives on the global economic and political policies that rule the price of oil.

4:20 PM **PLS Closing Remarks**

4:30-7:00 PM **Evening Cocktail & Networking Reception** Special Opportunity to Network with Conference Delegates

PHDWin Morning Workshop

(Economic Tools & MarketValue)

9:30-12:15pm PHDWin - The simple solution for valuing complex oil and gas economics

In light of the current market conditions, PHDwin will host an exclusive workshop designed to simulate a series of economic situations and demonstrate how PHDwin can effectively model them. This is the ideal workshop for buyers & sellers looking to learn about one of the industry's finest tools for evaluating properties. PHDwin is a full featured economic and decline curve analysis program written by petroleum engineers for MS Windows. PHDwin is the perfect solution for engineers, geologists and consultants who need a complete decline curve analysis & economics system. Don't miss your chance to get a tutorial of this powerful program integrating interactive curve and material graphics with one of the best engines in the industry and strategies to stay on top of market trends. **Presented by: David Pacinda P.E.– VP, TRC Consultants, LC**

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Thursday, March 5, 2009 @ Hilton Americas, Houston, TX

Conference Pass (8:00 am to 8:00 pm) ....**$595 ea. OR First Pass $595 +** (Additional Passes _____ x $495) = Amount $ __________

Special Networking pass (4:45 pm to 8:00 pm) ......**$125 ea.** Additional Passes _____ x $95 = Amount $ __________

☐ **Yes! I plan on attending the PHDWin Morning Workshop** (9:30 am to 12:15 pm)

Or Just Call 713-650-1212

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E&P Briefs

• **Treaty Energy** (aka **Alternate Energy**) acquired the VAGO #1 project, a producing lease in the Permian Basin (West Texas).The project has two to three developmental step out sites. Treaty will also undertake other EOR measures on the acreage.

• **Vantage Drilling Co.** was awarded a management agreement for one of two Sea Dragon Offshore Limited rigs. The agreement may extend to the second rig, both of which are semi-submersible drillers. The rigs are capable of drilling in water depths up to 10,000 ft. with a maximum drilling depth of 30,000 ft.

• **Vortex Resources** purchased 80% of the outstanding shares of International Treasure Finders Inc. ITFI owns mineral rights for 481 acres in Woodward Co., Oklahoma, which is being explored via a JV with Chesapeake, which is entitled to drill up to five wells.

• **West Canyon Energy** repurchased its interest back from Cobra Oil and Gas in the North Semitropic project in the San Joaquin Basin (Kern Co., California). An independent review of the project estimated the prospect's three exploration targets have potential gross reserves of 32 MMBO and 19 BCF. The company will spud the first well in the second quarter.

• **W&T Offshore** completed 18 of 24 exploration wells in 2008 for a 75% success rate which included 16 out of 19 conventional shelf wells, and two of five deep shelf wells. W&T also drilled and completed two of two development wells on the shelf. W&T exited 2008 producing 221 MMCFeD.

Denbury targets Hastings development

Denbury Resources is finally closing its Hastings field acquisition, but said it does not plan to commence flooding the field with carbon dioxide until 2011, after completion of the company's Green (CO_2) pipeline, which is currently under construction.

Denbury is paying Venoco $201 million for the Hastings complex, outside Houston. Venoco retained a 2% override and reversionary interest of 25% following payout. Hastings is currently producing 2,400 BOEPD, net to the acquired interest, with conventional proved reserves of 7.7 MMBOE.

Ark-La-Tex

CEO Gareth Roberts said all the company's tertiary projects are economic at year-end commodity prices. He added that Denbury is forecasting 25% year-over-year increase in its tertiary oil production during 2009, even with curtailed projected capital spending of $750 million.

The Green pipeline will run from Galveston Bay to the Hastings Field, with Roberts saying it will, "not only enable us to get CO_2 to our existing Texas Gulf Coast oil properties, but is expected to provide us with a significant long-term strategic advantage in this region."

Denbury is constructing the Green Pipeline to bring CO2 to Hastings.

Denbury reported proved CO_2 reserves of 5.6 TCF at year-end 2008, basically flat with year ago levels as reserves added were offset by 233 BCF of CO_2 production. Denbury added 63.3 MMBO at its tertiary oil operations last year, primarily at Tinsley (34.8 MMBOE), Heidelberg (22.4 MMBOE) and Lockhart Crossing Fields (4.0 MMBOE).

Conventional proved reserves were 250.4 MMBOE at year end, up 29% from a year ago, including 117 BCF (19.5 MMBOE) in the Barnett Shale. Denbury also sold 2.5 MMBOE of proved reserves during 2008 while exiting its Louisiana gas properties, a process it initiated late in 2007.

Denbury spent $590 million on E&D activities last year, with $460 million going towards CO_2 producing wells and infrastructure. Denbury's estimated CO_2 production capacity grew from 700 MMCFD at year-end 2007 to ~950 MMCFD at year-end 2008.

Total volumes averaged 46,340 BOEPD in 2008 and 48,235 BOEPD in the fourth quarter, a 5% sequential increase from Q3. Tertiary oil production averaged 21,870 BOPD in Q4, a 10% sequential increase.

SOUTH LOUISIANA

TERREBONNE PH., LA PROSPECT
~342-Acres
Four Sand Targets. Above 7,500 Ft.
Seller Will Deliver 71% NRI. *>1.8 MMBOE*
Est Reserves: 1,234 MBO & 3.5 BCF
Completion: $5,403,849
DV 5639

TERREBONNE PH., LA PROSPECTS
2-Potential Wells. 342-Acres.
Sandstone Targets. 6,800-7,200 Ft. *~3.6 MMBOE*
3-D Seismic & SubSurface Geology.
60% NonOperated WI; 71% NRI (Lease)
Est Rsrvs/Well: 1,234 MBO & 3.5 BCF
Est Rsrvs/Proj: 2,468 MBO & 7.0 BCF
DHC: $1,500,000; Compl: $1,500,000
LAND DEPT HAS MORE INFO
DV 5532

VERMILION PH., LA PROSPECT
Het 1, Het 2, Het 3, Cib Jeff 2,& Cib Jeff 3.
UpDip PUD Potential Identified.
3-D Seismic & SubSurface Geology.
Seller Will Deliver 73% NRI. *>12 BCFE*
Est Reserves: 550 MBC & 9.0 BCF
Dry Hole Cost: $3,694,388
SELLER HAS ADDITIONAL DATA
DV 5567

SOUTHWEST LOUISIANA

ALLEN PH., LA PROSPECT
1 To 2-Wells. ±400-Acres.
Frio Gas Targets. 4,900 Ft.
Additional Frio Prospect Available.
2-D Seismic Data For Review.
75% WI Available; 74% NRI *2.5 BCF*
Operations Negotiable.
Est Reserves/Well: 2.5 BCF
Est Reserves/Proj: 2.5 BCF
DHC: $450,000; Compl: $200,000
SELLER HAS MORE INFO AVAILABLE
DV 5712

BEAUREGARD PH., LA PROPERTY
Field For Sale. 311-Developed Acres.
GORDON FIELD
14 Reservoirs. Long Life Production.
2-Producing Wells. 1-SWD. 3-PUD.
160-Undeveloped Acres. *260 MCFED*
Significant Recompletion Potential.
100% OPERATED WI; 72%-74% NRI
Net Production: 15 BOPD & 170 MCFD
Proved Gross Reserves: ~5.73 BCFE
Est Probable Reserves: ~8.214 BCFE
Net Proved PV10 Value: $11,425,000
DENVER EXPLORATION COMPANY
PP 5987DV

BEAUREGARD PH., LA PROSPECT
Frio Sands, Austin Chalk, Wilcox Channel
76 Square Miles of 3-D Seismic Info.
15 Defined Amplitude Prospects. *6 BCF*
2 Analogous Wells: 750 MCF Per Day.
Est Total Reserves:1.5 MBO & 6.0 BCF
CALL SELLER FOR DETAILS
DV 5847

CALCASIEU PH., LA OIL PROSPECT
Up To 6 Possible Drill Sites.
Large Undrilled Yegua Structure. 15,000 Ft.
3-D Seismic Including AVO Attributes. *>14 MMBOE*
Key Acreage Under Lease/Options.
100% Working Interest Available.
Estimated Potential: 11 MMBO & 22 BCF
CALL PLS FOR INTRO TO SELLER
DV 5829

CAMERON., LA PROSPECT
2-Wells. 607-Acres.
GULF COAST ONSHORE *LA/DV*
Obj 1: Cris A - 17b. 12,500 Ft
Obj 2: Discobis B Sand. 12,700 Ft
Obj 3: Disc B - 2 And B - 3
3-D Seismic. SubSurface Geology.
100% OPERATED WI; NRI 70%.
Est Rsrvs/Well: 432 MBO & 4.2 BCF
Est Rsrvs/Project: 34.2 BCF & ~736 MBO
DHC: $1,900,000; Compl: $1,000,000
SELLER HAS OTHER PROSPECTS
DV 5188

CAMERON., LA PROSPECT
406-Acres
GULF COAST ONSHORE *LA/DV/3D*
Obj 1: Cris A-1. 10,200 Ft
Obj 2: Cris A-6. 10,600 Ft
3-D Seismic. SubSurface Geology.
100% WI Available. 71% NRI.
Operations Available.
Est Rsrvs/Well: ~77 MBC & 7.7 BCF
Est Rsrvs/Project: ~219 MBC & 21.87 BCF
DHC: $1,100,000. Compl: $700,000.
LOUISIANA SELLER HAS MORE INFO
DV 5582

SOUTHWEST LOUISIANA

JEFFERSON DAVIS PH., LA PROSPECT
~270-Acres.
Targeting Camerina Sand. 13,200 Ft.
Seller Will Deliver 72% NRI. *SWLA/DV*
Analog Well Cumm'd: ~85 MBO & 3.6 BCF
Est Reserves: 256 MBO & 11.13 BCF
Dry Hole Cost: $3,840,000
CALL LANDMAN FOR MORE INFO
DV 5863

SOUTHWEST LOUISANA PROSPECT
15,000-Acres.
BEAUREGARD & CALCASIEU PH.
Obj 1: Wilcox Formation. 15,000 Ft.
Obj 2: Cockfield, Yegua, Frio. 10,000 Ft.
3-D Seismic. SubSurface Geology.
8.5% Working Interest; 6.38% NRI *~5 BCFE*
Est Reserves/Well: 2.0-5.0 BCFE
DHC: $2.0-$4.0MM; Compl: $0.6-$1.0MM
SELLER HAS MORE INFO AVAILABLE
DV 5530

VERNON PH., LA LEASE SALE
~8,343-Net Acres. 1-Contiguous Block.
HAYNESVILLE SHALE *HAYNESVILLE*
100% OPERATED WI; 75% NRI
Leasehold Position Available For Sale.
CALL PLS FOR INTRO TO SELLER
L 5772

NORTH LOUISIANA

AVOYELLES PH., LA PROSPECTS
1 To 2-Wells. ±200-Acres.
Frio Gas Targets. 4,500 Ft.
Additional Frio Prospect Available.
Defined With 2-D Seismic.
Offset DryHole Logged Gas. *2.0 BCF*
75% WI Available, 74% NRI
Operations Negotiable.
Est Reserves/Well: 1.5 BCF
Est Reserves/Proj: 2.0 BCF
DHC: $450,000; Compl: $200,000
EXPLORATION DEPT HAS DETAILS
DV 5714

BOSSIER PH., LA PROPERTIES
5-Wells.
REDLAND FIELD
Cotton Valley Production With Upside.
100% WI Available; 77% NRI
Net Production: 654 MCFD *654 MCFD*
Net Cash Flow: $112,000/Mn
Dozens Of Proved Drilling Opportunities.
AGENT WANTS OFFERS APRIL 2009
PP 5262

CADDO PH., LA PROSPECT
480-Acres.
HAYNESVILLE TREND *39 BCF*
Obj 1: Cotton Valley Formation. 7,700 Ft.
Obj 2: Haynesville Shale. 9,850 Ft.
Obj 3: Smackover Formation. 11,300 Ft.
2-D Seismic & SubSurface Geology.
100% Working Interest; 74% NRI
100% Operations Available.
Active Area - Recent Offset Completions.
Est Well Reserves: 6.5 BCF
Est Proj Reserves: 39 BCF
CONTACT EXPLORATIONIST FOR INFO
DV 5699

SABINE PH., LA LEASE SALE
~11,533-Acres.
HAYNESVILLE SHALE *LA/ACREAGE*
All Acreage Is Contiguous.
100% OPERATED WI; 75% NRI
Leasehold Is Available For Sale.
CALL PLS TO LEARN MORE
L 5773

SABINE PH., LA PROSPECT
50-Potential. ~13,000-Acres.
Haynesville & James Lime Targets.
SubSurface Geology. *NLA/DV*
50%+ WI Available; ~37.5%+ NRI
Operations Available To Qualified Partner.
Est Reserves/Well: ~8.0 BCF
Est Reserves/Project: >1.0 TCF
EXPLORATIONIST HAS INFO
DV 5281

ALABAMA

PICKENS CO., AL PROSPECT
1-ReEntry Prospect.
UnCased Hole ReEntry. *RE-ENTRY*
Depth: 5,200 Ft.
Deepen 300 Ft. For Lewis Sands.
CONTACT SELLER FOR MORE INFO
DV 5493RE

MISSISSIPPI

HINDS CO., MS PROSPECT
1-Proposed Test Well.
WESTERN HINDS COUNTY *~50 BCF*
Obj 1: Cotton Valley Targets. ~19,000 Ft.
Obj 2: L. Cret Rodessa, Sligo, Hosston
Simple Anticline. Turtle Structure.
Est Reserves: ~50 BCF
GEOLOGIST HAS MORE DETAILS
DV 5835

MISSISSIPPI DEVELOPMENT PROJECT
1-Proposed Test Well.
SMITH STATION FIELD
HINDS & WARREN CO. *DV/2D*
Obj 1: Cotton Valley Target. ~19,500 Ft.
Obj 2: L. Cret Rodessa, Sligo, Hosston
Simple Anticline. Turtle Structure.
Defined By 2-D Seismic Data Set.
Analog Produced ~2.0 MMCFD.
Est Reserves: ~25 BCF
CALL PLS FOR GEOLOGIST INTRO
DV 5834

SIMPSON CO., MS ROYALTY
2-Wells.
GULF COAST *ROYALTY*
ROYALTY INTEREST FOR SALE
Total Net Prod: ~7.5 BOPD & 1.0 MCFD
Decline Curves & Financial Info Available.
Part Of A Larger Royalty Package.
WASHINGTON STATE SELLER
RR 3792

SMITH & PEARL RIVER CO., MS SALE
4-Wells. ~8 PUD. 3,600-Acres.
CENTER RIDGE, BLACKSTONE
& STEWART FIELDS
Sligo/Rodessa/Tuscaloosa. 12,500 Ft.
Tuscaloosa. 11,000 Ft.
5 Center Ridge PUD. *3,530 MCFED*
2-3 Stewart Field PUD.
100% OPERATED WI; 77% NRI
Gross Production: 386 BOPD & 2,300 MCFD
Net Production: 305 BOPD & 1,700 MCFD
Net Cash Flow: >$1,250,000/Mn
Net PV10: $62,000,000
SELLER HAS DETAILED PACKAGE
PP 5031DV

MID-CONTINENT

ARKANSAS

ARKANSAS ACREAGE OFFERING
2,300-Acres.
FAYETTEVILLE SHALE PLAY *FAYETTEVILLE*
Prospect Has Proven Reserves.
8 Counties w/ Established Fields.
FOR ASSIGNMENT OR JOINT VENTURE
CALL PLS FOR INTRO TO SELLER
DV 5500L

ARKANSAS PROPERTY DIVESTMENT
~38,000-Net Acres.
LOGAN, SEBASTIAN, & SCOTT CO.
Middle Atoka (Hartford) Gas.
Behind Pipe Potential In Upper Atoka—
—Mansfield & Alma Formations.
10-PUD Locations Identified. *833 MCFD*
Seller Will Deliver 80% NRI.
Net Production: 833 MCFD
Existing Infrastructure On Premisis.
AGENT WANTS OFFERS MARCH 9
PP 5336DV

ARKANSAS PROSPECT OFFERING
>1,550-Potential Wells. 125,000-Acres.
FAYETTEVILLE SHALE
Obj 1: Fayetteville/Woodford. 4,500 Ft.
Obj 2: Penters. 4,800 Ft.
2-D Seismic Plus G&G. *AR/MS/DV*
100% OPERATED WI; 82.5% NRI
Est Reserves/Well: 1.5 BCF
Est Reserves/Proh: 1.8 TCF
DHC: $1,000,000; Compl: $2,000,000
CALL FOR SELLER INFO
DV 5175

Petrohawk ramps up to 160 MMCFeD in Haynesville

Budgets $690 MM for shale play in 2009

Petrohawk Energy placed four new Haynesville wells online at an average rate exceeding 17 MMCFeD per well. In Bossier Parish, Petrohawk brought on the Mack Hogan #4 (13.4 MMCFeD), the Osborne 8 #3H (18.8 MMCFeD) and the Roos "A" #5 (15.1 MMCFeD). In DeSoto Parish, the Griffith 11 #1, a southwest step-out well, had an IP rate of 23.3 MMCFeD.

Two other Haynesville completions, the Sample 4 #1 and the R.E. Smith Jr. 32 #1, posted lower than expected IP rates of 5.4 and 11.1 MMCFeD due to mechanical problems.

Ark-La-Tex

Petrohawk's net Haynesville production has reached 160 MMCFeD from 16 operated wells. Eleven of these have averaged 15.2 MMCFeD each over their first 30 days online, while have averaged 13.2 MMCFeD after 60 days and four have averaged 8.8 MMCFeD over their first 90 days.

Petrohawk plans to increase its lateral lengths (~4,500 ft.) and maximize the number of frac stages (15 stages on 325-ft. spacing) to minimize the number of wells required to effectively drain the reservoir under its acreage, resulting in lower overall development costs.

During 2008, Petrohawk ran a "pre-drill" program using smaller "spudder" rigs to drill the vertical portion of the wellbore before moving in horizontal rigs to drill the lateral. Petrohawk has 11 operated horizontal rigs running in the Haynesville and the company expects spud-to-first sales to average 75 days during 2009. In total, Petrohawk has budgeted $690 million for Haynesville Shale drilling in 2009 and will operate 75-80 gross wells.

> ***Petrohawk's best Haynesville well flowed 23.3 MMCFeD.***

Elsewhere, Petrohawk has completed a second well at its Eagle Ford Shale discovery in South Texas (one rig running), formally known as the Hawkville field. The Dora Martin #1H is 14 miles west of the first Eagle Ford Shale well, and tested at 8.3 MMCFeD. The well was drilled to 11,000 ft. TVD with a 4,300-ft. lateral and completed with a 12-stage frac. Petrohawk has also reached total depth on its third well, the Donnell #1H.

In Petrohawk's other large shale play, the Fayetteville, the company drilled 44 operated and 74 non-operated wells in the fourth quarter of 2008. Gross operated production in the Fayetteville reached 145 MMCFeD at year end 2008.

Last year, Petrohawk began increasing its Fayetteville lateral lengths as well, from 2,286 ft. in Q1 to 2,655 ft. in Q4; Fayetteville frac stages increased from 6.0 to 7.6, while average IP rates increased from 1.919 MMCFeD to 2.456 MMCFeD in the same period.

During 2008, Petrohawk began constructing its own gathering systems servicing its and other party's production in the Fayetteville and Haynesville Shales. Operating under a new subsidiary, Hawk Field Services, LLC, Petrohawk constructed 100 miles of gathering lines in the Fayetteville, with another 150 miles of gathering lines in service, under construction or planned in the Haynesville Shale during 2009.

From all operations, Petrohawk drilled a total of 218 wells in Q4 2008, with a 98% success rate. On average, 32 operated rigs and 15 non-operated rigs were running during the quarter. For full year 2008 Petrohawk drilled 739 total wells, also with a success rate of 98%.

Production for Q4 averaged 361 MMCFeD, a 15% q-over-q increase and a 52% increase from a year ago. By year end volumes had ramped up to 400 MMCFeD and proved reserves had reached 1.42 TCFe (56% proved developed).

In 2009, Petrohawk expects volumes to average 380-410 MMCFeD. A full 80% of its proved reserves are in its four primary areas: Elm Grove (685 BCFe), Fayetteville Shale (173 BCFe), the Haynesville Shale (163 BCFe) and Terryville (112 BCFe).

Encore eyes four Haynesville wells

Encore Acquisition Co. revised its capital budget for 2009 to $310 million, a reduction of $150 million from its previously approved capex. Encore will devote the majority of its capex to the Haynesville ($90 MM) and Bakken/Sanish ($75 MM) Shale plays, and plans to spend a total of $215 million on drilling alone in 2009.

Encore said its Cedar Creek Anticline and Permian waterfloods will allow it to maintain current production levels. The company hopes to drill at least four Haynesville Shale wells this year; to exploit the Pegasus, Coyanosa, and Block 16 fields of its ExxonMobil joint venture; and to secure a CO_2 source for the Cedar Creek Anticline and/or Bell Creek projects.

Mainland participates in Haynesville gusher

Mainland Resources and its operator (Petrohawk Energy) have placed the Griffith 11 #1 well (40% WI) in DeSoto Parish, Louisiana, on production at an initial rate of 23.3 MMCFeD at 7,550 psi.

Mainland is also formalizing plans to drill and complete in the Hosston/Cotton Valley formations on its Louisiana property. The company received a reserve report that shows PUD of 2.143 BCF in these formations from a single future twin to the current well. This estimate is based on 40-acre well spacing. Mainland holds 100% WI in all rights above the base of the Cotton Valley formation.

Range Resources' Marcellus well flows 24.5 MMCFeD

Achieves 24th straight quarter of production growth

Range Resources Corp. has brought 10 Marcellus Shale horizontal wells online to its new gas processing plant (jointly-owned with MarkWest Energy Partners) in the last three months, including one that posted an initial rate of 24.5 MMCFeD.

The last 10 wells have averaged 24-hour IP rates of 7.3 MMCFeD (up from 4.1 MMCFeD for Range's 18 prior wells), with seven wells exceeding 3.5 MMCFeD and three exceeding 9.0 MMCFeD. Eight of the wells have now been online for more than 30 days, averaging 4.3 MMCFeD in that time, with the largest flowing 9.6 MMCFeD.

Range's current Marcellus net production is now 35 MMCFeD but the company has completed an additional 13 wells, including nine horizontals, that are awaiting additional processing capacity. Range will expand its capacity from 30 to 60 MMCFeD by April of this year, with plans to further increase capacity to 180 MMCFeD by early 2010. Range plans to drill At least 50 horizontal wells in 2009 in order to exit the year at 80-100 MMCFeD net.

Range will run six rigs in the Marcellus this year.

Range is also cutting down costs – reducing by more than 20 days and $800,000 the time and capital it takes to drill each well so that horizontal well costs should average between $3 and $4 million this year. In January, Range received its first built-for-purpose Marcellus drilling rig, with five more scheduled to arrive this year. Range has already secured water withdrawal and disposal capacity for several years of activity in the Marcellus.

"Exceptional well performance, reductions in well costs and superior regional gas prices for northeast markets all mean the Marcellus play can deliver attractive returns even at low gas prices," said CEO John Pinkerton.

Appalachia

In addition, Range has commended Pennsylvania for committing to improve its Marcellus regulatory and permitting process, including the formation of a task force charged with developing new water management strategies and treatment technologies.

The improved process also provides more predictable permitting procedures similar to other national practices. Companies will now be able to secure drilling permits and most other required approvals in 45 days by completing a basic application ensuring they adhere to Pennsylvania's guidelines.

Meanwhile, in the Nora and Widen fields of Virginia and West Virginia, Range drilled 37 CBM, tight gas sand and Huron shale wells during Q4 2008. Of the seven horizontal Huron Shale wells that are on production at Nora, the IP rates have averaged 1.1 MMCFD. For 2009, Range plans 220 coal bed, 60 tight gas sand and 20 horizontal Huron Shale wells in the Nora field.

In the Barnett Shale, Range completed what it believes to be the best well in Hill Co., Texas, to date. The initial production rate from the Ellig #1-H was 9.0 MMCFeD and the well has averaged 4.8 MMCFeD over the first 30 days.

Activity for the Midcontinent division in the fourth quarter included the drilling of 16 (6.2 net) wells with an 88% success rate. In the Texas Panhandle, Range's initial offset to its St. Louis discovery produced 2.3 (0.9 net) MMCFeD. A second offset is completing, with a third well drilling. Additionally, a deep Anadarko Basin well encountered significant Springer production and commenced sales at 10.9 (3.5 net) MMCFeD. Range plans 69 (48 net) Midcontinent wells in 2009.

In total, Range increased its fourth quarter 2008 volumes 17% over the year ago period to 403 MMCFED, also up 4% sequentially, marking Range's 24th consecutive quarter of production growth. Full year 2008 production averaged 386 MMCfeD, a 20% increase over 2007.

Range spent $210 million in Q4 to drill 129 (94 net) wells for a 97% success rate. In 2008, 533 (395 net) wells were placed on production, with another 114 (90 net) wells in various stages of completion or awaiting pipeline connection. Range has 13 drilling rigs currently running and anticipates drilling 730 (500 net) wells this year.

Range's proved reserves increased 19% to 2.7 TCFe year-over-year. The company replaced 405% of production in 2008, with 367% of that total through the drill bit, despite negative revisions of 69 BCFe from lower prices. The percentage of reserves in the proved undeveloped category at year-end 2008 was 38% versus 36% in 2007.

Range also spent $600 million last year to add 400,000 net acres ($1,500/acre), primarily in the Marcellus Shale play, where Range owns 900,000 net acres in the fairway.

ARKANSAS

MILLER CO., AR PROSPECT
Jurassic Smackover Carbonates.
Formation Depth: 7,500 - 8,500 Ft.
1,200+ Acres of Seismic Data
Seller Will Deliver 73% NRI. *AR/DV/3D*
3-D Seismic: $3,000,000 (40 Sq. Mi.)
Dry Hole Cost: $1,000,000
DV 5680

KANSAS

BARBER CO., KS PROSPECT
20-Potential Wells.
PRATT ANTICLINE *2.25 MMBOE*
Multiple Targets Identified At 4,500 Ft.
3-D Seismic Data Plus G&G.
100% OPERATED WI; 80% NRI
Est Reserves: 2.25 MMBOE
DHC: $280,000; Compl: $330,000
SELLER HAS DATA FOR REVIEW
DV 5662

GREELEY CO., KS PROSPECT
100-Potential Wells. >16,000-Acres.
STATELINE TREND *25-50 MMBO*
Obj 1: Morrow Formation. 5,300 Ft.
Obj 2: Marmaton Formation. 4,200 Ft.
Geology, Geochemistry, Satellite Imagery.
50% OPERATED WI; 81% NRI
SELLERS TO PARTICIPATE
Est Reserves/Well: 150 MBO
Est Reserves/Project: 25 - 50 MMBO
DHC: $400,000; Compl: $386,000
DV 5756

KANSAS PROSPECT OFFERING
34-Potential Wells. ±24,000-Acres.
LOGAN, LANE, ROOKS CO.
Central Kansas Uplift/K.C. Embayment
Obj 1: Lansing / K.C. 3,500 Ft.
Obj 2: Arbuckle Formation. 4,000 Ft.
Additional Targets Identified. *2.0 MMBO*
3-D Seismic & SubSurface Geology.
50% Working Interest; 80% NRI (Lease)
Operations Available To Qualified Operator.
Est Reserves/Well: 50 MBO
Est Reserves/Proj: 2.0 MMBO
DHC: $225,000; Compl Cost: $225,000
LAND DEPT HAS MORE DETAILS
DV 5513

OKLAHOMA

CENTRAL OKLAHOMA DEVELOPMENT
10-Horizontal MultiLateral Locations.
Skinner Sand & Hunton Lime Formations.
Depths Range: 6,400 - 6,700 Ft.
SEEKING JV PARTNERS TO DRILL
Seller Will Deliver 79% NRI. *HORIZONTAL*
Superb Economics, Safe Environment.
Total Est Reserves: ~3.0 MMBOE
Confidentiality Agreement Required.
CALL GENERATOR FOR DETAILS
DV 5911HZ

DEWEY CO., OK PROSPECT
640-Acres. 2-Test Wells. *2 TEST WELLS*
Oswego Limestone, Morrow Sand, & Chester Limestone. 9,000 Ft. (TD)
75% Working Interest; 78% NRI
Est Well Rsrvs: 1.0-2.0 BCFG & 20 MBO
DHC: $855,181; Compl: $600,100
DV 5594

GARVIN CO., OK PROSPECT
5-Proposed Wells. ±200-Acres.
Multiple Reservoir Potential.
Total Depth: ~4,750 Ft. *~1.6 BCFE*
Low-Risk Prospect. Pipeline Nearby.
Up To 65% WI Available; 75% NRI (Lease)
Offsets Recent 500 MCFD Completion.
Est Reserves: ~100 MBO & 1.0 BCF
GENERATOR HAS MORE DETAILS
DV 5425

JACKSON CO., OK PROSPECT
200-Acres.
HARDEMAN
Miss Mud Mound. 9,600 Ft. *500 BCF*
Low Risk Horizontal.
Excellent Porosity & Permeability.
3-D Seismic. G&G. EMT.
100% OPERATED WI; 75% NRI.
Est Reserves: 500 BO
DHC: $1,232,225; Compl: $210,000
CONTACT SELLER FOR MORE INFO
DV 5608 HZ

OKLAHOMA PROSPECT SALE
40-Wells. 3-SWD. ~24,000-Net Acres.
OKMULGEE, OKFUSKEE, HUGHES
Woodford Shale Horiztonal Activity.
3-D Seismic Data Available.
Complete Infrastructure In Place. *WOODFORD*
READY TO DRILL
Est Reserves: 413 BCF
CONTACT SELLER FOR MORE INFO
DV 5709HZ

OKLAHOMA

OKLAHOMA SALE PACKAGE PLS
30-Wells. 2-Completing.
CUSTER, HASKELL, LE FLORE, & PITTSBURG CO. *264 MCFED*
Skinner, Atoka, Cherokee, Hunton, Brazil, Red Oak, Spiro, Wapanucka Production.
3-D Seismic Available.
Small NonOperated WI For Sale.
Est Gross Prod: 129 BOPD & 6,441 MCFD
Est Net Prod: 4.0 BOPD & 255 MCFD
(2) New Wells to Add $9,600 - $16,050/Mn
Net Proved Rsrvs: 12.0 MBO & 3.8 BCF
Net Proved PV(8): $7,316,000
3rd Party Engineering Available.
CONTACT PLS FOR MORE DETAILS
PP 4231DV

PAYNE CO., OK PROSPECT
5,538-Contiguous Net Acres.
Horiz. Misener/Hunton Dewatering Project.
Targeting Hunton Zone. 5,100 Ft. (TVD)
3-D Seismic Shoot Underway. *OK/DV/3D*
Seller Will Deliver Avg 79% NRI.
Est Reserves: 1.0-20 MBO & 1.0-2.5 BCF
CALL GENERATOR FOR DETAILS
DV 5387

POTTAWATOMIE CO., OK PROSPECT
3-ShutIn.
Significant Development Opportunity.
100% Working Interest Available. *DV/OK*
Last Production: 3.0 BOPD
CONTACT AGENT TO LEARN MORE
DV 5110

ROGERS CO., OK PROPERTIES
50+ Oil & Gas Wells. 4,375-Acres.
Producing From Penn. Age Reservoirs—
—Also Rowe Coal Seam. 700-1,100 Ft.
Numerous PUD Locations Identified.
Great Development Opportunity.
100% Working Interest; 80% NRI *~650 MCFD*
Avg Net Production: ~650 MCFD
Oil Potential In Mississippian Lime.
Large Gathering System In Place.
LAND DATA AVAILABLE UPON REQUEST
PP 5498DV

WOODWARD CO., OK PROSPECT
640-Acres. 1-Test Well.
Morrow Sand, Chester Limestone.
Total Depth: 9,100 Ft. *OK/DV*
65% Working Interest; 78% NRI
Est Reserves: 2.0 - 4.0 BCF
DHC: $794,796; Compl: $572,631
DV 5593

WESTERN

NEW MEXICO

CHAVES CO., NM PROSPECT
1-Proposed Well. 2,560-Acres.
PERMIAN
Targeting Strawn Formation. 6,800 Ft.
SubSurface Geology & Geophysics.
100% OPERATED WI; 76% NRI *1.5 MMBO*
Est Reserves/Well: 200 MBO
Est Reserves/Project: 1.0-1.5 MMBO
DHC: $600,000; Compl: $350,000
LANDMAN HAS MORE DETAILS
DV 5550

LEA CO., NM LEASEHOLD
480-Acres.
TEAS AREA *LEASE*
Morrow, Atoka, & Bone Spring Potential.
Seller Will Deliver 80% NRI.
Lease Expires: September 1, 2012
PLS HAS EXACT LOCATION OF LEASE
L 5048

LEA CO., NM SALE PACKAGE
7-Wells. 1-SWD. 560-Acres.
LYNCH FIELD *PERMIAN OIL*
Yates - Seven Rivers Oil Production.
100% OPERATED WI; 80%-87.5% NRI.
Gross Production: 26 BOPD
Avg Net Cash Flow: $40,000/Mn
SELLER LAND DEPT HAS DATA
PP 5367DV

CALIFORNIA

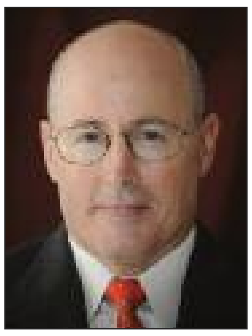
CALIFORNIA PROSPECTS FOR SALE
9-Prospects. >10,000-Acres.
SAN JOAQUIN BASIN
Antelope Valley Trend
Multi-Zone Potential. *>90 MMBOE*
Depths: 2,750-5,500 Ft.
2-D Seismic Data, Well Data, & Surface Geology.
25% Working Interest; 78% NRI (Lease)
Est Total Rsrvs: >60.9 MMBO & 185.9 BCF
LAND MANAGER HAS MORE INFO
DV 5738

Entrepreneurs form Gulf Coast start up – Coastal Plains Exploration

Company plans to add reserves through controlled-risk exploration

Interview by Deborah Ward

King Tomlinson, Jim Gilstrap and John Foester have formed **Coastal Plains Exploration** (Port Lavaca, Texas) to explore, acquire and exploit oil and gas reserves on the Gulf Coast of Texas and Louisiana. Tomlinson is President; Gilstrap is VP of Land and Business Development; and Foester is VP of Geology.



King Tomlinson, President

Each was previously with Neumin Production Co., Point Comfort, Texas, where they implemented a capital budget of $246 million, including ~$20 million in production acquisitions. In a six-year period there, the team added new proved reserves of ~111 BCFE at a finding cost of $2.22/mcfe.

King Tomlinson, who brings over 28 years of experience to the new organization, was with Neumin Production for seven years and in that time drilled and completed more than 80 operated wells along the Texas and Louisiana Gulf Coast. Tomlinson, a registered professional engineer, also conducted an aggressive workover program that was instrumental in increasing Neumin's production volumes.

Jim Gilstrap is a certified petroleum landman and has more than 30 years of industry experience, the most recent of which was with Neumin for 11 plus years. While at Neumin, Gilstrap was recognized for his business development leadership role in expanding the company's web of contacts and implementing numerous successful joint venture opportunities for the company.

John Foester was with Neumin for more than 14 years and is recognized as one of the most talented oil and gas finders in the business. During his tenure at Neumin, Foester became solely responsible for making and approving all drilling recommendations and is more than greatly responsible for Neumin having a phenomenal 76% success rate drilling mostly wildcats over the last seven years.

This talented trio sought to replicate this success with their new start-up company, Coastal Plains Exploration, formed last August. Coastal Plains has assembled some leases in Refugio, Jackson and Victoria Co., Texas, where the first wells are scheduled. The firm is also developing prospects throughout the Gulf Coast while it continues to expand its proprietary 3-D exploration seismic database.

Photo courtesy of Larry Lee Photography – www.larrylee.com

Tomlinson said the company isn't releasing any financial information to the public at this time, but he did say that Coastal Plains was currently funded by management and its joint venture partners. He also added that they have contracted with Rivington Capital Advisors to assist with securing the company's long term capital requirements.

The Gulf Coast basin is attractive to the group, largely because of the significant reward associated with a successful program as well as their vast prior experience and contacts in the area. Tomlinson said in an interview, "There are several advantages to the Gulf Coast, especially compared with the resource plays. A typical Gulf Coast well has lower drilling and completion costs, multiple geologic objectives, and the success of the well is generally known immediately after drilling and logging; whereas the typical well in a resource play must be completed and fracture stimulated before you know if it's successful. Additionally, the Gulf Coast area offers competitive services for drilling and completions, and has multiple pipeline availability that offers marketing advantages."

Tomlinson said, "Compared to resource plays, the Gulf Coast enjoys a lower F&D unit rate, where our plans are to develop reserves for less than $2.00/mcfe on average."

"The lifeblood of our company is based on our access to valuable 3-D seismic, and we've found there's an abundance of available, underutilized seismic in the area. Our experience and reputation in the area leads to excellent deal flow, and we plan to take advantage of that," Tomlinson said.

Coastal Plains specializes in controlling risk through use of a proprietary risk evaluation model which analyzes exploration risks through five independent factors. By combining seismic and sub-surface data to build prospect maps, and utilizing this risk analysis technique to evaluate reserve potential for every well it drills, the company has developed a competitive edge in controlling exploration risk over the course of a balanced drilling program.

"We think that gives us an edge in evaluating prospects that is complimentary to Gulf Coast drilling, where you have complex geology, generally new fault blocks, and mostly exploration wells. Assessing the risk of every well we drill on an objective, systematic basis, has helped us achieve such an excellent success record, which is about 76% overall, and even higher on our own in-house generated prospects" Tomlinson said. "In our new company, we plan to improve on our previous track record by shifting our focus back to our core area on the Gulf Coast and by generating more high-quality in-house prospects," Tomlinson said.

"We will also be seeking production acquisitions in our area that complement our controlled-risk drilling program. While the Gulf Coast may be out of favor with the bigger companies, we will be ready to acquire and exploit those non-core assets when the time is right," Tomlinson said.

PLAYMAKERS
Of The E&P Sector

A typical well in the Gulf Coast has higher reserves and lower land cost – but the industry is not seeing much competition from majors or the larger independents because they require more of a reoccurring program approach that is more predictable yet less rewarding on a per well basis. However, in the past at Neumin, we demonstrated that a smaller yet more experienced team approach to controlling risk is both highly predictable and more rewarding on a program basis, he said.

What does the future hold for Coastal Plains? Tomlinson said he expects the price of drilling will continue to come down, hand in hand with the softening of product prices. "We think the future is going to be pretty bright here because we have a talented, proven management team. We've been together for a long time and we've been through these business cycles before. We are highly confident in our prospects and we know we will be able to add reserves for less than $2.00/mcfe, because we've done it before. We have our niche on the Gulf Coast where we still have a good margin of profit, whereas we see other areas that will be releasing drilling rigs and slowing down expenditures – starting with the more expensive shale plays, which have a higher finding cost," he said.

Tomlinson summed up his outlook, saying, "We are very optimistic about the future of our new company and the industry as a whole. We see these times as a great opportunity to build our new company while costs and competition are down. We know the current market environment will require some patience, but we also know market conditions are certain to rebound and we expect to be in a very desirable position when it does."

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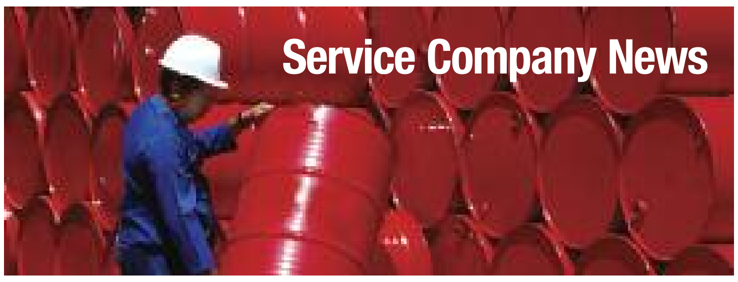

Noble commits 79% of rig operating days this year

Noble Corporation has already committed 79% of its total rig operating days this year and 40% next year. In the fourth quarter of 2008, Noble mobilized the Noble Roy Butler and Noble Carl Norberg from West Africa to Mexico under separate contracts with PEMEX.

In the Middle East, the Noble George McLeod secured a three-year bareboat contract with ONGC at a dayrate of $133,000. That unit has now been relocated to India from the Arabian Gulf. Also in the Middle East, Noble entered into short-term contracts for the Noble Cees van Diemen at a dayrate of $170,000 and the Noble Gene House at a dayrate of $162,000. And in the U.S. Gulf of Mexico, Noble secured a four month extension on the Noble Clyde Boudreaux at a dayrate of $605,000.

Noble has two rigs contracted with Mexico's PEMEX.

The company also took delivery during the fourth quarter of the Noble Hans Deul, jackup rig rated for water depths of 400 feet and drilling depths of 30,000 feet. That unit about to begin drilling in the North Sea and is the second of three such rigs being built for Noble, with the final unit, the Noble Scott Marks, expected to be delivered in the third quarter.

Noble has a fleet of 63 offshore drilling units (including five rigs currently under construction). Noble reported fourth-quarter 2008 net income of $418.6 million on revenues of $910 million, up from income of $347.4 on revenues of $831 million a year ago.

Bronco's utilization rate falls in December

Bronco Drilling Co's utilization rate for its drilling fleet was 80% for the month of December, down slightly from 81% for the previous month and 84% for the third quarter of 2008. Bronco marketed 44 drilling rigs in December down one from November, with average dayrates on operating rigs at $18,720, down slightly from $18,910 as of the end of November, but up from the third-quarter average of $17,869.

Utilization for the company's workover fleet was 38% for December, down from 50% for November and 73% for the third quarter. The company had an average of 53 marketed workover rigs in December compared to 53 in the previous month and 54 for the third quarter.

Basic's utilization rate plummets

Basic Energy Services added two newbuild rigs and retired two rigs in December, leaving its well servicing rig count at 414 at year-end 2008. Rig hours for the month of December 2008 were 52,800, producing a rig utilization rate of 51%, a decrease from 59% and 67% in November 2008 and December 2007, respectively.

Drilling rig days for the month of December 2008 were 183, producing a rig utilization of 66%, a decrease from 83% in November and 88% a year ago.

Basic CEO Ken Huseman said the December activity levels declined "even more than expected," adding that four-quarter revenue will be 11% below third-quarter levels due to the unexpected decrease in utilization. Due to week demand and ample rig availability, Basic said it is reducing rig rates.

Halliburton's net income falls despite higher revenue

Halliburton reported net income of $48 million on revenue of $4.9 billion in the fourth quarter of 2008. This compares to income of $690 million on revenue of $4.2 billion a year ago. For full year 2008, Halliburton reported net income of $1.5 billion on revenues of $18.3 billion, compared to income of $3.5 billion on revenues of $15.3 billion.

The lower net income resulted from a $559 million settlement the company reached with the U.S. over a Nigerian kickback scandal. Halliburton will likely pay $382 million to the Department of Justice and another $177 million to the SEC.

"We completed 2008 with the highest level of annual oilfield revenue and operating income achieved during the 90 year history of our company," said CEO Dave Lesar. Outside North America, revenue grew 22% year-over-year, including 35% growth in Latin America. North America operations, however, experienced flat sequential revenue in Q4 despite a 14% decline in the U.S. rig count from the beginning of the fourth quarter.

Weatherford weathers financial storm

Weatherford International reported Q4 2008 net income of $348 million on revenues of $2.6 billion, up from income of $331 million on revenues of $2.2 billion in Q4 2007. The quarterly revenues were the company's largest in its history.

For full year 2008, Weatherford reported net income of $1.4 billion on revenues of $9.6 billion, up from net income of $1.1 billion on revenues of $7.8 billion in 2007.

In North America, revenues for the fourth quarter were $1,178 million, up 12% over the same quarter in the prior year, as compared to a 7% rig count increase. Sequentially, revenues were flat as an increase in the U.S. was offset by a decrease in Canada due to the weakening of the Canadian dollar.

Chevron's deepwater discovery

continued from page 1

Chevron's 50%-owned GS Caltex affiliate is also expected to continue development work on upgrading of its Yeosu refining complex in South Korea.

For the fourth quarter of 2008, Chevron reported net income of $4.90 billion, up from $4.88 billion in the year-ago period. Full-year 2008 net income was $23.93 billion, up 28% from $18.69 billion in 2007.

Chevron added 1.34 BBOE in proved reserves in 2008, equating to 146% of production for the year. Fourth quarter 2008 production averaged 2.54 MMBOEPD, below its guidance of 2.65 MMBOEPD, and down from 2.61 MMBOEPD in the corresponding 2007 period. The decline was primarily associated with the continued hurricane-related shut-ins (50,000 BOEPD) and a lower contribution from production sharing contracts due to rising prices.

This year, Chevron now hopes to drive volumes to 2.63 MMBOEPD (including oil sands). The company added, however, that it will not achieve its previously-set target of a 3% average compound production growth rate between 2005 and 2010. The shortfall is due to deferred spending on mitigating field declines, especially in the Piceance Basin, where work has already slowed down due to permitting issues.

CALIFORNIA

CALIFORNIA PROSPECT SALE
1-Prospect.
NW MCKITTRICK FIELD *>13 MMBO*
Targeting Main Area, Upper Zone, & Steven Sands. Depth: 3,500 Ft.
Well Data, Surface Geology, & Well To Well Correlations.
50% Working Interest; 77% NRI (Lease)
Horizontal Potential.
Est Recoverable Reserves: 13.7 MMBO
SELLER LAND DEPT HAS INFO
DV 5734HZ

KERN CO., CA PROSPECT
4-Potential Wells. 40-Acres.
SAN JOAQUIN BASIN *>1.0 MMBOE*
Monument Junction Field
Targeting Antelope Shale. 6,300 Ft.
Upper Monterey Shale Potential.
2-D Seismic & SubSurface Geology.
80% Working Interest; 77% NRI
Analog Well Cumm'd 260 MBO.
Est Rsrvs/Well: 250 MBO & 375 MMCF
Est Rsrvs/Project: 1.0 MMBO & 1.5 BCF
DHC: $745,000; Compl: $817,000
SELLER HAS MORE INFO AVAILABLE
DV 5120

STANISLAUS CO., CA PROSPECT
1-Proposed Test Well.
SAN JOAQUIN
Near McMullin Ranch & Vernalis *>39 BCF*
Targeting Upper Cret. Winters.
Test Depth: 7,500 Ft.
Defined By Seismic & Well Control.
100% WI Available; 76% NRI
Est Reserves: >39 BCF
Est Drill Cost: $700,000
SELLER HAS MORE INFO AVAILABLE
DV 5730

NEVADA

NEVADA PROSPECT FOR SALE
~100,000-Acres.
Guilmette, Joana, Scotty Wash, Chainman & Pilot Reservoir Targets. *20-100 MMBO*
Recent Oil Discoveries In Area.
25% Working Interest; 80% NRI (Lease)
Est Reserves: 20-100 MMBO
LAND MANAGER HAS MORE INFO
DV 5739

ALASKA

ALASKAN OPPORTUNITIES
50-Leases.
COOK INLET BASIN *>6.0 TCFE*
Multiple Prospects Areas In Basin.
Obj 1: Hemlock, Tyonek & Beluga Fms
Obj 2: Sterling Formation
100% WI Available.
Potential Industry Alliances Possible.
Est Rsrvs/Prospect: 300 MMBO & 1.0 TCF
Cooperative Industry Effort.
New Government Tax Benefits.
New Tax Benefits - WORTH THE LOOK
CALL GEOLOGIST TO LEARN MORE
DV 5840L

NORTH SLOPE & BEAUFORT SEA
10-Leases.
STINSON FIELD *NORTH SLOPE*
East Of Point Thomson Field
Tertiary, PreTertiary, PreCambrian Horizons.
— Drillable From Onshore North Slope.
PROVEN PRODUCTION
Leases Exceptionally Researched.
100% WI Available.
Potential Industry Alliances Possible.
Analog Field Has 300 MMBO & 4.0-7.0 TCF.
Cooperative Industry Effort.
New Government Tax Benefits.
RARE OPPORTUNITY - GIANT RESERVES
COMPANY MAKER OPPORTUNITY
CALL GEOLOGIST FOR MORE INFO
DV 5480L

NORTH SLOPE., AK OFFERING
135,000-Acres.
PRUDHOE BAY
KUPARUK RIVER *250 MMBO*
Obj 1: Lisburne Carbonates
Obj 2: Kuparuk C Sand Play
Defined By Seismic Data.
Infrastructure Near Prospect.
100% OPERATED WI Available.
Analogs Yield Giant Oil Accumulations.
Under-Explored On Block.
Potential Reserves: 250 MMBO
Expirations from 2011 - 2012.
Sunk Land Costs: $3,800,000
CONTACT SELLER FOR MORE INFO
DV 5482

NORTH SLOPE., AK PROSPECT
600,000-Acres.
Target Multiple Reservoir & Source Rocks
Extensive 3-D Seismic Coverage. *AK/DV*
20-30% WI Available. 12.5%-16.6% RI.
Oil And Gas Potential
Potential Rsrvs: 450 MMBO & ~4.0 TCF
Leases Expire In 2014.
SELLER HAS MORE INFORMATION
DV 5570

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

ROCKIES

COLORADO

LARIMER CO., CO PROSPECT
10-Potential Wells. 2,560-Acres.
DJ BASIN *~2.0 MMBO*
Muddy Formation. 4,500 Ft.
2-D Seismic & SubSurface Geology.
Low-Risk PUDs In Producing Field—
— Horizontal Wells.
50% OPERATED WI; 85% NRI (Lease)
Est Reserves/Well: 250 MBO
Est Reserves/Project: 2.0 MMBO
DHC: $830,000; Compl: $700,000
SELLER HAS DATA TO REVIEW
DV 5747

LOGAN CO., CO PROSPECT
2+ Wells. 200-Acres.
DJ BASIN *>500 MBO*
O.1 Sands Target. 5,300 Ft.
Defined By SubSurface Geology.
Horizontal Offset - Heavy Oil Discovery.
37% OPERATED WI; 83% NRI (Lease)
Est Reserves/Well: 250 MBO
Est Reserves/Project: >500 MBO
DHC: $700,000; Compl: $160,000
SELLER HAS MORE INFO AVAILABLE
DV 5745

MOFFAT CO., CO PROSPECT
80-Potential Wells. 19,620-Gross Acres.
SAND WASH BASIN
Obj 1: Mancos Shale. 18,000 Ft. *250 BCF*
Obj 2: Frontier / Dakota. 18,000 Ft.
Large Structure UnTested At Depth.
2-D Seismic & SubSurface Geology.
100% OPERATED WI; 80% NRI
Est Reserves/Well: 3.0 BCF
Est Reserves/Proj: 250 BCF
DHC: $3,000,000; Compl: $2,000,000
LAND MANAGER HAS MORE INFO
DV 5792

RIO BLANCO CO., CO PROSPECTS
3-Drilling Locations. 800-Gross/Net Acres.
WHITE RIVER DOME
SEEKING JVs For Deep Offset Test.
100% OPERATED WI; 83.3% NRI
Flexible Farmout Terms. *FARMOUT*
Prospects UpDip From Weber Production.
Shallower Shows in Mancos & Dakota.
Commercial Wasatch & MesaVerde.
FO 6136

ROUTT CO., CO PROSPECT
16-Potential Wells. 2,902-Gross Acres.
SAND WASH BASIN *>7.0 MMBOE*
Obj 1: Mancos/Niobrara. 6,000-10,000 Ft.
Obj 2: Frontier/Dakota. 10,000-11,500 Ft.
2-D Seismic & SubSurface Geology.
100% OPERATED WI; 80% NRI
Analogs Have Cumm'd >1.5 MMBO Each.
Est Rsrvs/Well: 100 MBO - 1.5 MMBO
— PLUS 500-900 MMCF
Est Rsrvs/Proj: 3.0-5.0 MMBO & 25 BCF
DHC: $2,500,000; Compl: $3,500,000
LAND MANAGER HAS DETAILS
DV 5793

MONTANA

DANIELS CO., MT PROSPECT
108-Potential Wells. 138,000-Acres.
WILLISTON BASIN
Obj 1: Bakken. 7,600 Ft. *151 MMBO*
Obj 2: Charles. 6,500 Ft.
Mission Canyon Potential Identified.
Generated With SubSurface Geology.
100% OPERATED WI; 80% NRI
Est Reserves/Well: ~1.4 MMBO
Est Reserves/Project: 151 MMBO
DHC: $4,500,000; Compl: $1,000,000
DV 5622

MONTANA PROSPECT OFFERING
71,694-Gross & 42,245-Net Acres.
SHERIDAN & DANIELS CO.
Williston Basin *~5 MMBOE*
Horizontal Bakken Shale Opportunity.
MultiZone Potential Identified.
Avg 7,500 Ft. Deep w/ 9,500 Ft. Horiz Leg.
SubSurface Geology. Gravity & Magnetics.
75% WI Available; 80% NRI (Lease)
Est Reserves: ~4.5 MMBO & 2.5 BCF
Drill & Completion: $5,500,000
CALL PROSPECT GENERATOR
DV 5673HZ

NORTHERN MONTANA PROJECT
90,000-Net Acres.
KEVIN-SUNBURST DOME
Prolific & Mature Region. *MT PROJECT*
MultiZone Potential. 500 - 3,300 Ft.
Surrounded By Shallow Production.
3-D Seismic Data Available.
EXPERIENCED PARTNERS
50% Working Interest Available.
Infrastructure Has Been Established.
Est Reserves: 25 MMBO & 100 BCF
LOW WELL COSTS
CALL PLS TO LEARN MORE
DV 5763

MONTANA

ROOSEVELT CO., MT PROSPECT
100-Potential Wells.
110,000-Acres.
WILLISTON BASIN
Obj 1: Bakken. 8,900 Ft. *>53 MMBO*
Obj 2: Red River. 11,000 Ft.
Multiple Targets Identified.
3-D & 2-D Seismic Data, G&G.
90%-100% OPERATED WI; 80% NRI
Est Reserves/Well: 536 MBO
Est Reserves/Proj: 53.6 MMBO
DHC: $4,500,000; Compl: $1,000,000
DV 5623

SHERIDAN CO., MT FARMOUT
45,000-Net Acres.
BAKKEN OPPORTUNITY *BAKKEN FO*
Near Old Vertical Bakken Production.
Recent Bakken DST w/ Oil Recovery.
3-D Seismic Coverage Available.
GEOLOGIST HAS MORE DETAILS
FO 5870

SHERIDAN CO., MT PROSPECT
35,000-Acres.
BAKKEN SHALE *BAKKEN*
Obj 1: Bakken Horizontal.
Obj 2: Three Forks, Nisku. 8,000 Ft.
Defined By SubSurface Geology.
75% OPERATED WI; 75% NRI
Est Reserves/Well: 400 - 800 MBO
— PLUS 1.0 BCF Per Well
DHC: $3,000,000; Compl: $2,000,000
GENERATOR HAS MORE DETAILS
DV 5744

TOOLE CO., MT PROSPECT
1-Well. 40-Acres.
Western Canadian Sedimentary Basin
Obj 1: Bakken Shale. 3,500 Ft.
Obj 2: Cretaceous Sands *~14 MMBO*
SubSurface & Surface Geology.
49% NonOperated WI; 80% NRI (Lease)
Est Reserves/Well: 200-500 MBO
Est Reserves/Project: 7.0-14 MMBO
DHC: $900,000; Compl: $1,700,000
CALL MICHIGAN GENERATOR
DV 5852

NORTH DAKOTA

DUNN CO., ND PACKAGE
138,000-Gross & ~5,880-Net Acres.
WILLISTON BASIN *PP/BAKKEN*
Producing Wells w/ Additional Acreage.
Horizontal Bakken Shale.
Sanish/Three Forks Potential.
Avg 9,500 Ft. Deep w/ 9,500 Ft. Horiz Leg.
Several Wells Currently Being Completed.
100% WI Available; 80% NRI
Cumm'd To Date: ~771 MBO & 390 MMCF
YOUNG PLAY - ~200 Days Old.
SIGNIFICANT PUD LOCATIONS
Additional Well D&C: $6,500,000
PROSPECT GENERATOR HAS DATA
PP 5672DV/HZ

UTAH

CARBON CO., UTAH PROSPECT
40-Potential Wells. 8,065-Acres.
Obj 1: Emery Target
Obj 2: Forron Potential *100 BCF*
100% OPERATED WI; 80% NRI
Est Reserves/Well: 3.0-4.0 BCF
Est Reserves/Project: 100 BCF
DHC: $1,000,000; Compl: $1,000,000
SELLER HAS MORE DETAILS
DV 5134

CENTRAL UTAH PROSPECT
~108,612-Gross & 66,700-Net Acres.
SEVIER THRUST & HINGELINE PLAY
Dakota, Feron, & Navajo Sand Targets.
Twin Creek Limestone Potential. *1.0 BBOE*
Est Reserves: 1.0 BBOE
CALL UTAH PROSPECT GENERATOR
DV 5555

EMERY CO., UT PROSPECT
2-Phase Project. 240-Acres.
UINTA BASIN *>390 MBO*
2 Re-Entry Wells, Then 4 Step-Out Wells.
Targeting Triassic Moenkopi Formation.
Proposed Depths: 3,400 - 4,000 Ft.
Sinbad Lime Potential. 3,600-3,800 Ft.
75% Working Interest; 87.5% NRI
Significant Development Opportunity.
Est Reserves/Well: 65.2 MBO
Est Reserves/Project: 391.2 MBO
DHC: $75,000 Re-Entry, $190,000 New
Compl: $65,000 Re-Entry, $175,000 New
SELLER HAS MORE DETAILS
DV 5501RE

TOOELE CO., UTAH PROSPECT
9,355-Gross & Net Acres.
SEVIER THRUST & FOLD BELT
Twin Creek Limestone.
Depth: 9,500 Ft. *500 MBOE*
Navajo & Diamond Creek Sandstone.
100% Working Interest Available.
Analogs Producing 10,000 BOPD.
Est Reserves: 500 MBOE
CALL UTAH PROSPECT GENERATOR
DV 5910

Trae Ellerbe & Associates, Inc.
Trae@TraeEllerbe.com

Apache drills three wells in Egypt

Apache Corp. drilled three new field discoveries in Egypt's Western Desert that tested a total of 80 MMCFD and 5,909 BOPD – all from Jurassic formations.

The Sultan-3x well is a new oil field discovery in the Khalda Offset concession (100% WI, operator). The well test-flowed 5,021 BOPD and 11 MMCFD from three commingled intervals in the Safa formation. Meanwhile, the Adam-1x and Maggie-1x wells discovered new gas-condensate fields on the Matruh lease. The Adam well tested an interval in the Lower Safa at a rate of 28.5 MMCFD, while the Maggie well tested at 40 MMCFD and 884 BOPD.

Apache is targeting as much as 14% annual production growth.

Apache entered 2009 in a strong position, with nearly $2.0 billion of cash, a debt-to-cap ratio of less than 20%, and an 'A' credit rating that allows it to access the credit markets. This year, Apache expects to begin producing from the Van Gogh oil development in Australia, two new processing trains at the Salam gas plant in Egypt, and the Geauxpher development in the Gulf of Mexico, targeting annual production growth of 6% to 14%.

Hess spends $4.8 billion in 2008

Hess Corporation reported a net loss of $74 million for the fourth quarter of 2008 compared with net income of $510 million for Q4 2007. The E&P segment generated a loss of $125 million, compared with earnings of $583 million in the same period.

Production also fell slightly to 379,000 BOEPD from the Q4 2007 average of 390,000 BOEPD. Hess increased its proved reserve base to 1,432 MMBOE at year-end 2008, up from 1,330 MMBOE at the end of 2007, with Hess adding 244 MMBOE throughout the year and replacing 171% of its 2008 production.

The Marketing and refining segment posted positive earnings due to lower commodity prices, with net income of $152 million in Q4 2008, compared with $31 million a year ago.

Net cash provided by all operating activities was $4,567 million for the year 2008 compared with $3,507 million for the year 2007. Hess reported 2008 capex spending of $4.83 billion.

Dune seeks partner at Garden Island Bay

Dune Energy averaged production of 30 MMCFeD in Q4 2008, slightly below its prior guidance due to the deferral of drilling a fourth well and temporary suspending of operations at Garden Island Bay at Plaquemines Parish, Louisiana.

Dune is targeting a $38 million capital budget for 2009 and is resuming non-operated Garden Island activity, having agreed with a private company to market 75% WI in a 3D-seismic-defined, 20,000-ft., exploratory prospect. Dune can participate with 15% WI in the prospect, which could contain over 300 BCFe of gross reserve potential.

Dune retains 100% WI on all the shallow rights, currently estimated at 130 BCFe covering 15 prospects. Dune intends to drill three to five of these prospects during the year.

At Bayou Couba (St. Charles Parish), Dune is seeking an industry partner to participate in a 13,400-foot prospect on the south flank of the dome. The prospect could contain 280 BCFe on a gross unrisked basis. Dune has 25-40% WI in the prospect, which is expected to spud in H1 2009. Further work is planned on the depth migration of the 3-D data set to further define a subsalt exploratory prospect slated for drilling in late 2009.

Dune is targeting volumes of 30 MMCFeD this year.

Dune also hopes to drill five to seven wells in its Leeville field (Lafourche Parish) and the Chocolate Bayou field (Brazoria Co., Texas). Dune is targeting annual production of 13-14 BCFe (~38 MMCFeD), up from 11 BCF in 2008. About 10-11 BCFe of 2009 production will come from existing operated wells, with 1-2 BCFe from operated new development drilling in existing fields and 1-2 BCFe from operated and non-operated exploratory wells.

Drilling Permits – *Total Permits By County*

From December 10 To February 10, 2009.

Louisiana

Acadia	2
Beauregard	1
Bienville	5
Bossier	11
Caddo	18
Calcasieu	2
Cameron	2
Claiborne	1
De Soto	33
Iberville	1
Jefferson	1
La Fourche	1
Plaquemines	8
Pointe Coupee	1
Red River	9
Sabine	1
Terrebonne	1
Webster	3
West Baton Rouge	3

Oklahoma

Alfalfa	2
Blaine	3
Bryan	2
Canadian	12
Carter	4
Cleveland	2
Coal	17
Ellis	12
Garfield	2
Grady	3
Grant	1
Harper	1
Haskell	2
Hughes	17
Johnston	1
Kingfisher	1
Latimer	16
Le Flore	9
Lincoln	7
Marshall	4
McClain	2
Okfuskee	1
Oklahoma	3
Payne	1
Pittsburg	17
Pottawatomie	3
Roger Mills	1
Seminole	2
Stephens	1
Texas	1
Washita	9
Woods	2

New Mexico

Chaves	4
Eddy	38
Lea	3
Rio Arriba	12
San Juan	8

Texas

Anderson	3
Andrews	37
Angelina	9
Aransas	3
Archer	41
Atascosa	6
Austin	3
Bastrop	1
Baylor	2
Bee	14
Borden	1
Bexar	2
Brazoria	3
Brazos	4
Brooks	4
Brown	10
Burleson	4
Caldwell	1
Calhoun	6
Callahan	4
Carson	2
Cass	3
Chambers	3
Cherokee	23
Clay	3
Cochran	1
Coke	2
Coleman	5
Colorado	5
Concho	8
Cooke	8
Coryell	1
Crane	23
Crockett	53
Crosby	1
Culberson	1
Dallas	13
Dawson	3
Denton	68
Dewitt	16
Dickens	6
Dimmitt	6
Duval	7
Eastland	5
Ector	68
Edwards	11
Ellis	9
Erath	6
Fayette	1
Fisher	8
Foard	1
Fort Bend	11
Freestone	49
Frio	4
Gaines	19
Garza	2
Glasscock	23
Goliad	5
Gonzales	1
Gregg	11
Grimes	5
Guadalupe	2
Hale	1
Hansford	14
Hardeman	1
Hardin	5
Harrison	51
Haskell	11
Hemphill	42
Henderson	3
Hidalgo	14
Hill	20
Hockley	15
Hood	30
Houston	2
Howard	12
Hudspeth	2
Hutchinson	8
Irion	5
Jack	9
Jackson	7
Jasper	8
Jefferson	8
Jim Hogg	2
Jim Wells	4
Johnson	129
Jones	9
Karnes	10
Kenedy	9
Kent	5
King	5
Kleberg	1
Knox	4
La Salle	3
Lampasas	2
Lavaca	15
Lee	3
Leon	9
Liberty	1
Limestone	17
Lipscomb	40
Live Oak	7
Loving	7
Lubbock	2
Madison	5
Marion	3
Martin	67
Matagorda	7
Matagorda IS-LB	1
Maverick	57
McMullen	7
Medina	5
Midland	41
Milam	3
Mitchell	14
Moore	4
Mustang IS-SB	1
Nacogdoches	48
Navarro	8
Newton	2
Nolan	6
Nueces	11
Ochiltree	12
Orange	1
Palo Pinto	27
Panola	46
Parker	53
Pecos	49
Polk	7
Reagan	20
Red River	1
Reeves	10
Refugio	7
Roberts	22
Robertson	41
Runnels	2
Rusk	42
Sabine	1
San Augustine	8
San Jacinto	7
San Patricio	3
Schleicher	11
Scurry	13
Shackelford	7
Shelby	39
Sherman	2
Smith	3
Somervell	5
Starr	36
Stephens	10
Sterling	11
Stonewall	1
Sutton	38
Tarrant	250
Taylor	6
Terrell	7
Terry	10
Throckmorton	3
Tom Green	13
Travis	1
Tyler	7
Upshur	2
Upton	44
Val Verde	1
Van Zandt	2
Victoria	11
Walker	1
Waller	2
Ward	9
Webb	52
Wharton	14
Wheeler	32
Wichita	56
Wilbarger	9
Willacy	3
Wise	44
Yoakum	10
Young	20
Zapata	43
Zavala	2

Wyoming

Big Horn	1
Campbell	149
Carbon	90
Converse	3
Fremont	6
Johnson	143
Lincoln	15
Natrona	19
Niobrara	1
Sheridan	42
Sublette	250
Sweetwater	91
Uinta	1

CNX drills first Marcellus horizontal

CNX Gas produced a company record 241.8 MMCFD in Q4 2008, up 53% from the year-ago quarter. Annual production in 2008 was a record 76.6 BCF, or 32% higher than 57.9 BCF in 2007.

Appalachia

In the Marcellus Shale, CNX achieved a peak flow rate of 6.5 MMCFD from its first horizontal well. The company's second and third horizontal wells were drilled to total depth in December. The second well has since been fraced, while the third well will be fraced soon.

Also during the quarter, CNX drilled 73 vertical frac wells in its Virginia CBM operations, raising the yearly total to a record 315 vertical frac wells. The Mountaineer CBM play in Northern Appalachia saw 29 horizontal wells drilled during the quarter, and 114 during all of 2008.

In Nittany – the company's vertical CBM play in central Pennsylvania – 31 wells were drilled during the quarter, and 106 during all of 2008. In eastern Ohio, where CNX holds 80,000 net acres, the company drilled its first four shallow conventional wells last quarter.

CNX maintained its 2009 and 2010 production guidance of 85 BCF and 100 BCF, respectively, while also declaring a 2011 production guidance of 115 BCF.

St. Mary enters Marcellus Shale play

St. Mary Land & Exploration has entered into the Marcellus Shale play, agreeing to test portions of 43,000 net acres in McKean and Potter Co., Pennsylvania. The company is, however, dropping six drilling rigs in 2009, but will retain nine rigs to meet existing contractual or leasehold obligations.

St. Mary set a 2009 exploration and development budget of $350 million, with drilling focused in the Haynesville, Eagleford and Marcellus shales. The company said it plans to defer much of its development activity until the second half of the year.

The 2009 budget is down 54% from $758 million in 2008, but St. Mary is still targeting annual volumes of between 105 and 109 BCFe. Out of the total budget, $46 million will go towards Woodford Shale development activity, $52 million to Cotton Valley and James Lime drilling and $28 million to the Wolfberry play.

St. Mary is still targeting annual volumes of between 105 and 109 BCFe.

In other news, St. Mary sold its interests including 2.0 BCFe in the non-operated Judge Digby field (Pointe coupee Parish) in exchange for increased NRI in its operated Wolfberry tight oil assets at Sweetie Peck in West Texas and $18 million. Sweetie Peck's tight oil program has a multi-year drilling inventory, with potential for increased density drilling.

Stone sets $300 million capex

Stone Energy set a 2009 capital budget of $300 million, with $280 million slated for the Gulf of Mexico and $20 million for Appalachia. Stone is targeting volumes of 225-250 MMCFeD in 2009, up from 180-195 MMCFeD in Q4 2008.

Stone projects its year end 2009 proved reserves will be slightly under 600 BCFe, up from 403 BCFe at year-end 2007 due to its acquisition of Bois d'Arc in 2008. Many of Stone's off-shore operations are still shut-in due to pipeline damage sustained by hurricanes Ike and Gustav and are not expected to come online in the first quarter. Stone expects to significantly decrease drilling activity next year.

Rex exits Permian to ramp up Marcellus

Rex Energy is selling its (non-core) Permian Basin assets to Adventure Exploration Partners of Midland, Texas, for $18 million. The 10,000 net acres are in Texas and New Mexico, with proved reserves of 10.7 BCFe and volumes of 1.6 MMCFeD.

In 2009, Rex will spend $49 million, with 70% slated for the Marcellus Shale and the rest for the Lawrence Field ASP flood project in the Illinois Basin. Although technical setbacks in the ASP project and a slow down in development plans will hinder production growth in 2009, REX still plans to drill at least five horizontal Marcellus wells this year. The first will spud in February in Butler Co., Pennsylvania, with the next two in Westmoreland Co., where REX's first two vertical wells had peak rates of 400 and 1,200 MCFD. Each well has since stabilized at 300 - 500 MCFD, with high operating pressures suggesting increased production is likely with production facility optimization. The company's third well is being completed.

Rex plans at least five Marcellus horizontals in 2009.

In Clearfield Co., Pennsylvania, Rex drilled its first vertical test well, encountering ~150 feet of Marcellus pay. In Butler Co., Rex has participated in two additional vertical wells with its partner, both of which will be completed in Q1 2009 following installation of Rex's gas processing facility.

Unbridled shelves Appalachia joint ventures

Due to dramatic changes in both the oil and gas industry and the national economy, combined with the extremely tight capital markets, **Unbridled Energy** has revised its strategic plan for 2009.

At this time, Unbridled will not proceed with the two previously announced joint venture opportunities in Pennsylvania. These include the farm-in on a tight sand oil play in southern Pennsylvania and the 8,000-acre Marcellus shale joint venture. Unbridled officials say the company likes the potential of the operations and will hold onto the acreage until the market improves.

Further, Unbridled has finished production testing in its three horizontal wells in Ohio and, due to low gas prices and well productivity results, the company does not plan to proceed with the development of this play. The company intends to farm out or sell the acreage.

Unbridled will now focus its capital expenditures in Q1 and Q2 on cash flow and reserve building operations within its New York and Alberta properties. These operations include fracturing a new shale formation and drilling a deep test well in New York, as well as fracturing a new shale formation and acidizing a carbonate formation in Alberta.

UTAH

UINTAH & GRAND CO., UT PKG PLS

25-Wells. 6-SI. 3-Compl. 1-Well Location.
UINTA BASIN (16,802-Net Acres)
FLAT ROCK FIELD (3-Areas) *1,426 MCFED*
10 Commercially Productive Zones.
Wingate, Entrada, Morrison, Dakota
Cedar Mnt, Mancos, Mesaverde, Wasatch.
Significant Resource Play Potential.
Operated & NonOperated WI For Sale.
Gross Production: 22 BOPD & 8,963 MCFD
Net Production: 1,426 MCFED
Est Proved Net Rsrvs: 40.3 BCFe
118 Sq Mi Of 3-D Seismic Available.
All Properties Have Existing Gas Contracts.
3rd Party Engineering Report Available.
PLSX.COM FOR ONLINE SALE PACKAGE
PP 4214DV

UTAH PROSPECT FOR SALE

275,000-Acres.
SOUTH CENTRAL AREA *1.0 BBO*
Obj 1: Twincreek. 6,000-10,000 Ft.
Obj 2: Navajo. 6,000-10,000 Ft.
Defined By Geophysics & Geochemistry.
Numerous Potential Wells.
100% OPERATED WI; 80% NRI
Est Reserves/Well: 1.0-4.0 MMBO
Est Reserves/Proj: 1.0 BBO
DHC: $1,000,000; Compl: $500,000
SELLER HAS MORE NOTES
DV 5136

UTAH PROSPECT OFFERING

150-Potential Wells. 27,389-Acres.
UINTA BASIN
Obj 1: Green River. 2,600-8,000 Ft.
Obj 2: Wasatch. 8,000-12,000 Ft. *UINTA*
2-D Seismic & Geochemistry.
100% OPERATED WI; 80% NRI
Est Reserves/Well: 100 MBO & 5.0 BCF
Est Reserves/Proj: 5.0 MMBO & 4.0 TCF
DHC: $1,000,000; Compl: $600,000
SELLER HAS LEGAL LOCATIONS
DV 5133

WYOMING

CAMPBELL CO., WY PROPERTIES

119-Total Wells. 4-PUD Locations.
POWDER RIVER *WY/CBM*
Producing CBM From Multiple Zones.
Avg 25.5% WI Available; 80% NRI (Lease)
Operations Available On 77 Wells.
Net Production: 207 MCFD
Gas Rates Increasing From De-Watering.
Est Remaining Rsrvs: 7.0 BCF
Electrical & Gathering In Place.
GENERATOR HAS MORE INFO
PP 5674DV

CARBON CO., WY DEVELOPMENT

4-Proposed Wells. 1,700-Acres.
ROCK RIVER FIELD
Frontier & Wall Creek Formations. *WY/DV*
Proposed Depth: ~1,800 Ft.
Niobrara Potential - Needs Frac Job.
Significant Low-Risk Drilling Opportunity.
100% Working Interest Available.
Seller Will Remain Operator.
SEEKING PARTNER TO DRILL
Terms Are Negotiable.
Current Net Production: ~6.0 BOED
Total DHC/Completion Cost: ~$1,750,000
SEASONED PROSPECT GENERATOR
DV 5769PP

CONVERSE CO., WY PROSPECT

5,798-Acres.
READY TO DRILL *WY/DV*
100% OPERATED WI; 75% NRI
C.A. REQUIRED FOR MORE DATA
DV 5157

LARAMIE CO., WY PROSPECT

150,000-Acres.
DJ BASIN
Niobrara Formation. 7,500 Ft.
High Potential Well Count. *WY/DV/HZ*
Defined By SubSurface Geology.
Horizontal Completion Opportunity.
100% OPERATED WI; 85% NRI
Est Reserves/Well: ~160 MBO
Est Reserves/Project: ~10 MMBO
DHC: $930,000; Compl: $231,000
CONTACT SELLER TO LEARN MORE
DV 5748

NATORONA CO., WY OFFERING

640-Acres.
WIND RIVER BASIN *WY/DV*
Obj 1: Lance & Fort Union. ~10,000 Ft.
Obj 2: Muddy Formation. ~19,000 Ft.
Obj 3: Lakota Formation. ~19,500 Ft.
100% Working Interest; ~81% NRI (Lease)
Total Est Reserves: 756 MBO & 205 BCF
SELLER HAS MORE INFO
DV 5462

NATRONA CO., WY PROSPECT

20-Proposed Wells. 2,322-Acres.
Tensleep Formation. 4,000 Ft.
SubSurface Geology Available. *20 MMBO*
100% OPERATED WI; 80% NRI
Est Reserves/Well: 1.0 MMBO
Est Reserves/Project: 20 MMBO
DHC: $500,000; Compl $300,000
SELLER HAS MORE INFO
DV 5135

WYOMING

SWEETWATER CO., WY PROPERTY
2-Gas Wells. 1-ShutIn. 2,040-Acres.
EAST-CENTRAL WASHAKIE BASIN
Mesaverde Trend *188 MCFD*
Producing From Upper & Lower Almond.
Depths: 11,556-12,576 Ft.
Drilling Potential - Behind Pipe Reserves.
ReWork Potential On ShutIn Well.
100% OPERATED WI; ~75% NRI
Gross Production: 250 MCFD
Net Production: 188 MCFD
Net Cash Flow: ~$72,000/Mn
Total Proved Reserves: ~2.5 BCF
AFFORDABLE UPSIDE OPTION
PP 5725DV

WASHAKIE CO., WY PROSPECT
15-Proposed Wells. 9,078-Acres.
BLUE MESA *~132 BCFE*
Cretaceous Sand/Mowry Shale Target.
Paleozoic MulitPay Potential.
Contiguous Acreage With 8-10 Year Terms.
2-D Available; Seeking To Acquire 3-D.
100% Working Interest For Sale; 80% NRI
Operations Are Available.
SELLER HAS DETAILED GEOLOGY
Oil & Gas Shows In Offset Wells.
Est Recoverable Rsrvs: 10 MMBO & 72 BCF
DV 2127

WESTON CO., WY PROSPECT
320-Acres.
POWDER RIVER BASIN *720 MBO*
Newcastle (Muddy) Sand Target. 2,950 Ft.
Acreage Allows 5-Infill & 4-StepOut Wells.
75% Working Interest; 87.5% NRI (Lease)
Operations Are Negotiable.
Est Reserves/Well: 90 MBO
Est Reserves/Project: 720 MBO
DHC: $165,000; Compl: $135,000
SELLER HAS MORE DATA AVAILABLE
DV 5475

WYOMING PROSPECT FOR SALE
16,564-Gross Acres & 10,682-Net Acres.
NORTHERN GREEN RIVER BASIN
Merna-Daniel Anticline Exploration.
Over-Pressured Gas To Mid-Lance.
Proposed Depth: 16,600 Ft. *WYOMING*
LAND MANAGER HAS MORE INFO
DV 5736

WYOMING PROSPECT OFFERING
17,793-Gross Acres. 7,770-Net Acres
NORTHERN GREEN RIVER BASIN
Lance-Mesaverde Fairway *WY/DV*
Cretaceous Hilliard Target. 14,500 Ft.
Seismic Data Is Available.
LAND MANAGER HAS MORE INFO
DV 5735

EASTERN

ILLINOIS

ILLINOIS GAS STORAGE PROJECT
11-Supply Wells. Development Project.
GAS STORAGE CAPACITY: 50 -100 BCF
St. Peter Formation.
KEY LEASES SECURED *STORAGE*
Near 2 Existing Pipelines.
Half Of 80% NRI Available.
Value: $175MM - $350MM per 50 BCF
260-Page Engineering Report Available —
— From 19+ Wells.
SELLER HAS SET ASKING PRICE
G 5479S

KENTUCKY

CLAY/LESLIE CO., KY PROSPECTS
26,000+-Acres. Development Play.
Multiple Pay Zones Identified. <3,200 Ft.
600+- UnDrilled Development Locations.
Excellent Horizontal Candidate.
Complete Pipeline Infrastructure.
147-Wells Currently Producing. *DEVELOPMENT*
Production Can Increase w/ Treatment.
SELLER HAS MORE DETAILS
DV 5295

KENTUCKY LEASES FOR SALE
~35,134-Gross & ~21,254-Net Acres.
MCCLEAN, OHIO, WEBSTER, *KY/ACREAGE*
MUHLENBERG & HOPKINS CO.
100% OPERATED WI; 82.5% NRI
Leasehold Is Available For Sale.
PLS HAS MORE INFO AVAILABLE
L 5775

MICHIGAN

ANTRIM SHALE PROJECT
50,000+ Acres.
CLINTON, GRATIOT, SHIAWASSEE CO.
Antrim Shale Target. 1,500-2,00 Ft. (TVD)
Additional Upside Zones Identified.
Unconventional Mixed Biogenic Gas—
— And Thermogenic Gas
Est Rsrvs/Well: 1.5 BCF On 320-Acre
Est Rsrvs/Project: 460 BCF
Vertical Well Cost: $300,000 *460 BCF*
Horizontal Well Cost: $1,000,000
LAND DEPT HAS MORE DETAILS
DV 5515

MICHIGAN

MANISTEE CO., MI OFFERING
NIAGARAN REEF TREND
Total Vertical Depth: 5,060 Ft. *MI/DV*
Pipeline Within 2,000 Ft.
Seller Will Deliver 80% NRI.
Initial Production: 25 BOPD & 500 MCFD
Est Reserves: 250 MBO & 1.0 BCF
DHC: $550,000; Compl: $250,000
CALL OPERATOR FOR MORE INFO
DV 5316

MANISTEE CO., MI PROSPECT
160-Acre Unit.
NIAGARAN REEF TREND *MI/DV*
Pipeline Found Nearby.
Average NRI: 80%
Est IP: 150 BCPD & 1,500 MCFD
Est Total Reserves: 700 MBC & 4.0 BCF
CALL OPERATOR FOR MORE INFO
DV 5797

NEW YORK

STEUBEN/TIOGA CO., NY PROSPECT
2,600-Acres.
1-Trenton Black River Development.
Also Prospective: Onadago Reef,
Utica Shale, & Marcellus Shale *DV/NY*
Proposed Depths: 3,700-10,000 Ft.
SEEKING PARTNERS TO DRILL
& BUY MORE ACREAGE
Trenton Black River Well Costs: $5.0 MM
CALL PLS FOR INTRO TO SELLER
DV 5798

PENNSYLVANIA

BRADFORD CO., PA MINERALS
1,054-Mineral Acres.
MARCELLUS SHALE *MARCELLUS*
Monroe & Overton Districts
Located On 3 Adjacent Parcels.
State Game Land On Two Boundaries.
Minerals For Sale.
Lease Expires: December 2012
— Cancellation Optional If Interested
CALL PLS FOR INTRO TO SELLER
M 5365

CLINTON & CENTRE CO., PA LEASE
~9,164-Acres.
APPALACHIAN BASIN *PA LEASE*
Significant Marcellus Shale Position.
Acreage Is Available For Lease.
CALL PLS FOR CONTACT INFO
L 5774

MARCELLUS SHALE LEASE
414-Acres.
ARMSTRONG CO. *MARCELLUS*
Right In The Heart Of The Play.
Lease Available Due To Pugh Clause.
Surrounded By Producing Wells.
Lease HBP To Only 6,000 Ft—
— Ground Floor Investment Opportunity
ACREAGE COSTS WAY BELOW MARKET
Terms Are Negotiable.
Serious Inquiries Only.
CALL PLS FOR INTRO TO SELLER
L 5472

NEW YORK

PENNSYLVANIA OFFERING
Acreage Deal.
LYCOMING & SULLIVAN CO. *MARCELLUS*
Prime Marcellus Shale Position.
CONTACT AGENT FOR DETAILS
DV 5093

POTTER CO, PROSPECT FOR SALE
3-Contiguous Blocks. ~9,000-Acres.
APPALACHIAN BASIN
Targeting Marcellus Shale. *MARCELLUS*
Excellent Pipeline Access.
Leases Held By Production.
50% WI Available; 83%-84.5% NRI
CONTACT EXPLORATIONIST FOR INFO
DV 5074

WEST VIRGINIA

PRESTON CO., WV PROSPECT
~2,200-Gross & 2,000-Net Acres.
APPALACHIAN BASIN *APPALACHIA*
Obj 1: Marcellus Shale. ~7,900 Ft.
Obj 2: Huntersville Chert. ~8,000 Ft.
Significant Horizontal Opportunity.
Seller Will Deliver 75% NRI.
Analogs Producing Up To 5.0 MMCFD.
Est Reserves/Well: 3.0 - 4.0 BCF
CONTACT PROSPECT GENERATOR
DV 5855HZ

WEST VIRGINIA PROSPECT SALE
100+ Potential Wells. >10,000-Acres.
PRESTON & TUCKER CO.
Marcellus Shale Opportunity. *MARCELLUS*
Defined By SubSurface Geology.
50%+ WI Available; ~37.5%+ NRI
Operations Available To Qualified Partner.
Est Reserves/Well: 5.0 BCF
EXPLORATIONIST HAS DETAILS
DV 5282

Featured Prospects & Properties For Sale

PLS is much more than a listing service and publishing firm. Our company and various affiliates market working interest for sellers. Here are a few of our current engagements.

LARGE UTAH GAS PROJECT
5-Well Pilot. ~75,000-Lease Acres.
50% WI Available In 3-Phase Project.
Est Total Reserves: 250-750 BCF
DV 4339L

ERATH CO., TX PROPERTIES
3-Wells. 5-Permits. 8,130-Acres.
Gross Prod: 2.0 BOPD & 352 MCFD
PP 4039DV

DELTA CO., CO PROJECT
40-Well Drilling Program. ~13,500-Acres.
SOUTH PICEANCE BASIN
DV 3992

NORTHEAST KANSAS PROJECT
7-Key Areas. 2-Wells. ~45,000-Acres.
100% OPERATED WI For Sale.
Net Production: 30-40 BOPD
DV 5690PP

SE TEXAS PRODUCTION
2-Wells. 100% OPERATED WI; 75% NRI
Gross Production: 4.0 BOPD & 246 MCFD
Net Production: 204 MCFED
PP 4238

SOUTH LOUISIANA SALE PKG
5-Well. 2-PDBP. 2-PUD Locations.
Operated & NonOperated WI For Sale.
Total Net Prod: 17 BOPD & 2,595 MCFD
PP 8606DV

LOUISIANA SALE PACKAGE
7-Properties. 3-Parishes. 400-Net Acres.
Net Production: 8.0 BOPD & 141 MCFD
NonOperated Working Interest.
PP 5561DV

OKLAHOMA SALE PACKAGE
30-Wells. 2-Completing. 1-Drilling.
Small NonOperated WI For Sale.
PP 4231DV

EAST TEXAS LEASEHOLD
2-Counties. 1,425-Net Leasehold Acres.
HAYNESVILLE SHALE POSITION
100% OPERATED WI; 75% NRI
DV 5753L

GALVESTON BAY ORRI SALE PKG
119-PDNP. 37-PSI. 14-PUD.
5.00%-8.00% ORRI For Sale.
Net Proved Rsrvs: 126 MBO & 2.4 BCF
RR 4239

For more information call PLS
U.S. **713-650-1212** | Canada **403-294-1906**
Visit the PLS website at: www.plsx.com

Contango approaches 100 MMCFeD at Mary Rose

Contango Oil & Gas said three of its four Mary Rose wells are producing 94 MMCFD (34.6 MMCFD net) and its recently completed Eloise North well is producing 6.0 MMCFeD (1.6 MMCFeD net). These wells flow to the company's production platform at Eugene Island 11 (EI-11H).

Offshore

The Mary Rose #1 well was shut-in for a workover last December and should be back online by the end of February. Additionally, Contango has chosen not to drill the previously announced Mary Rose #5 well.

Elsewhere, Contango's three Dutch wells have ramped up to 110 MMCFeD (42 MMCFeD net) after Hurricane Ike related repairs were completed on the downstream gas plant. Contango's recently drilled Dutch #4 well is expected to begin producing in February at 35 MMCFeD and will flow to the same Eugene Island platform. The company said once Mary Rose #1 and Dutch #4 begin producing it expects to have net volumes of 100 MMCFeD.

Contango's three Dutch wells have ramped up to 110 MMCFeD.

Contango plans to spud its next wildcat exploration well, Eugene Island 56 – West (High Country West) in February, with an estimated net dry hole cost of $12 million. If successful, the company will pay $4.1 million to complete the well, and will drill a second, geologically unrelated, exploratory prospect on that block, Eugene Island 56 – East, (High Country East) at the same cost.

Contango also plans to spud its Ship Shoal 263 (Nautilus) wildcat exploration well prior to the end of Q2 2009 ($20 MM dry hole cost, $4.9 MM completion cost).

EPL drills Raton deepwater well

Energy Partners, Ltd. began production at its deepwater Raton gas well (33% WI) in Mississippi Canyon 248 in the Gulf of Mexico. Raton is EPL's first deepwater well since it began offshore operations in 2007, and the well is now flowing 32 MMCFD and 44 BOPD gross.

EPL is still ramping up volumes following Hurricane Ike and is now producing 12,500 BOEPD, still only 76% of pre-storm production levels. EPL expects to restore an additional 1,600 BOEPD flowing into the Bluewater pipeline system and another 2,500 BOEPD into the Discovery pipeline system in the first quarter. These connections should bring EPL's production slightly above pre-storm levels to 16,600 BOEPD. Additionally, EPL has 1,750 BOEPD of non-operated shut-in production which should ramp up in H1 2009.

Oxy increases volumes at Dolphin Project

Occidental Petroleum averaged production of 620,000 BOED in Q4 2008, compared with 590,000 BOEPD a year ago. The increase includes 22,000 BOEPD from the Dolphin Project, "the premier transborder natural gas project in the Middle East."

Oxy has 24.5% undivided interest at Dolphin, which delivers gas from Qatar's North Field – one of the world's largest gas reservoirs – to customers in the United Arab Emirates and Oman.

In the fourth quarter, Oxy also acquired the remainder of PXP's interests in the Permian and Piceance Basins; agreed to develop the Jarn Yaphour and Ramhan fields in Abu Dhabi; and agreed to develop existing gas fields in Northern Oman. Earlier this month Oxy was selected from several international companies to develop reserves in Bahrain.

For full-year 2008, volumes were 601,000 BOEPD, up from 570,000 BOEPD in 2007. Oxy has set a 2009 capex budget of $3.5 billion.

CFOs weigh in on global production rate

Forty-eight percent of CFOs at U.S. E&P companies agree that the world has reached its peak petroleum production rate or will reach it within the next few years, according to a survey by New York-based BDO Seidman, an accounting and consulting organization.

There are also differing opinions regarding when the world's demand for petroleum will peak. Thirty-one percent believe it will be in less than 10 years, 43% believe it will be in 10 to 20 years, 14% believe it will be 20 to 30 years and 8% think it will reach peak more than 30 years from now.

"I think perspectives have likely shifted dramatically in recent months on whether the world is nearing a peak level of petroleum production. If you had gathered opinions only six months ago on this issue, most were worried that existing sources were drying up. Now, people are hedging their bets," said Charles Dewhurst, a partner and National Energy Industry Practice Leader at BDO Seidman.

Perspectives have shifted dramatically on whether the world is nearing peak oil.

These findings are from the BDO Seidman Natural Resources 2009 Outlook Survey which examined the opinions of 100 energy CFOs during Q4 2008.

Also, about 64% respondents believe renewable energy sources will comprise 8% to 12% of the market in the next five years; currently, these sources make up 7% of the U.S. energy supply, according to the U.S. Energy Information Administration.

"With oil prices and demand down, the profit incentive for alternative energy has also dropped," said Dewhurst. "However, once we come out of the recession, those companies who were able to plan or even begin to implement green initiatives will be well-positioned for the renewed boost in demand."

PVA produces from Haynesville continued from page 1

Selma Chalk horizontals are flowing 800 MCFD each. PVA anticipates drilling up to 22 (21.4 net) such wells in 2009 using one rig.

In Appalachia, PVA drilled 55 (21.9 net) wells in Q4, including three (1.2 net) multi-lateral HCBM wells, 51 (19.6 net) non-operated vertical CBM wells and one (1.0 net) Lower Huron Shale horizontal. Appalachian production averaged 31.8 MMCFeD in Q4, down 3% from a year ago, but up 3% sequentially. PVA hopes to drill two Marcellus Shale exploratory wells in 2009.

The company also hopes to drill one exploratory well this year in south Louisiana, where production averaged 22.6 MMCFeD in Q4.

From all operations, Penn Virginia reported record year-end proved reserves (916 BCFe) and annual volumes (128.1 MMCFeD). Proved Reserves are in East Texas (419 BCFe), Appalachia (170 BCFe), Mississippi (155 BCFe), the Midcontinent (141 BCFe) and Gulf Coast.

The company spent $642 million last year in order to drill 282 (176.4 net) wells, with a 97% success rate. Fourth quarter volumes grew 25% from a year ago to average 143.8 MMCFeD.

For 2009, PVA hopes to produce ~140-145 MMCFeD – up 9-13% over 2008 – using capital spending of $225-$250 million. The company replaced 604% of its 2008 production entirely through the drillbit by adding 283 BCFe of proved reserves, despite negative revisions of 51 BCFe due to lower commodity prices.

MULTISTATE

APPALACHIA BASIN PROJECT
3-Wells. 41,000-Contiguous Acres.
WASHINGTON CO., PA
OHIO CO., WV *CBM*
Significant UnDeveloped CBM Acreage.
Large Upside & Development Potential.
Pittsburgh Seam (CBM) Producers.
Kittanning Seam Also Identified.
50% Working Interest; 41.25% NRI
Processing Plant Included.
CONTACT PROJECT OWNER
DV 5599

ARIZONA & NEW MEXICO GAS DEAL
Prolific CO2 & Helium Field.
ST. JOHNS FIELD
Largest Undeveloped Helium/CO2 Field — — In North America. *CO2/HELIUM*
Huge Development Project.
Gas Markets In Permian Basin Area.
SEEKING JOINT VENTURE PARTNERS
Est CO2 Reserves: 15 TCF
MORE DETAILS COMING SOON
DV 5364

ARKANSAS / LOUISIANA PROSPECT
937-Gross Acres.
BOSSIER PH., LA - LAFAYETTE CO., AR
Targeting Haynesville & Cotton Valley.
Proposed Depth: 11,000 Ft. *AR/LA/DV*
Seller Will Deliver 73% NRI.
Analogue Prod: 500 MCFD & 20 BOPD
Est Well Reserves: 2.5 BCF & 108 MBO
Dry Hole Cose: $1,500,000
DV 5586

CORPORATE ASSETS FOR SALE
75-Gas Wells. 40-Oil Wells.
CALIFORNIA & MONTANA *CORPORATE*
Currently Focused In Sacramento Valley.
Several Drilling Prospects Identified.
Uses 3-D Seismic, Well Data, & Geology.
Successful Wells w/ High Cumm's.
OPERATED & NonOperated WI.
Will Sell Assets Or Company Shares.
CALL GENERATOR FOR DATA
CO 5388PP/DV

LOUISIANA & MISSISSIPPI ROYALTY
2-Counties(Parish). 5-Wells.
LIVINGSTON PH., LA - SIMPSON CO., MS
Varying Net Royalty Interests. *ROYALTY*
Total Net Prod: ~13 BOPD & 1.0 MCFD
Package Offered Individually Or Whole.
Decline Curves & Financial Info Available.
CONTACT SELLER FOR MORE INFO
RR 3790

MULTISTATE SALE PACKAGE
5-States. 100+ Wells.
OKLAHOMA, KANSAS, TEXAS
ALABAMA, & WYOMING *5-STATES*
MultiZone Oil & Gas Production.
NonOperated WI; ORRI; RI Available
Gross Prod: 413 BOPD & 5,724 MCFD
Net Cash Flow: $72,933/Mn
AUCTION ENDS FEBRUARY 24, 2009
PP 4237RR/AU

NIOBRARA BIOGENIC GAS PLAY
Colorado, Kansas & Nebraska.
300+ POTENTIAL DRILLING SITES
3-D Seismic Survey Available.
Seller Will Deliver 80% NRI. *ROCKIES GAS*
Est Rsrvs/40 Acres: 250-500 MMCF
CALL OPERATOR FOR MORE INFO
DV 5205

TEXAS/LOUISIANA PROSPECT
~41,000-Total Acres.
HOUSTON CO., TX - JACKSON PH., LA
Prolific Bossier/Haynesville Area.
Multiple Potential Objectives. *TX/LA/DV*
CALL GENERATOR FOR DETAILS
DV 5671

Featured Packages

COLORADO CO., TX PROPERTY
2-Wells.
Gross Production: 576 MCFD
PP 5949

WYOMING FRONTAL THRUST
47,895-Gross/Net Acres For Sale.
— All Federal Leases.
DV 9965L

Call PLS to learn more:
713-650-1212

OFFSHORE

OFFSHORE ACQUISITION/DEVELOPMENT
2-Wells Producing. 5-Well Drilling Program.
GALVESTON COUNTY, HIGH ISLAND
1,920-State Acres (1,200 HBP)
~221 Federal Lease Acres.
Siph Davisi C. ~9,000 Ft. *UPDATED/3D*
3-D Seismic Available.
Operatorship & Interest In Wells, Leasehold
— and Production Platform.
Well 98-L#10 Prod: 155 BOPD & 1,750 MCFD
Plus 660 BWPD & 1,200#FTP
Well 98-L#1 Production: 369 MCFD
Plus BWPD & 690#FTP
Total Unrisked Rsrvs: 663 MBO & >20 BCF
SELLER HAS MAPS & DATA PACKAGE
PP 1157DV

OFFSHORE CALIFORNIA PROSPECT
26-PDNP Reactivations. 11-PUD Infills.
PUDs From Waterflood Improvements.
100% OPERATED WI Available.
Net Production: 2,875 BOPD *OFFSHORE CA*
Est Proved Reserves: 44.8 MMBO
Total Proved PV12: $409,000,000
MORE DETAILS COMING SOON
PP 5270DV

OFFSHORE LOUISIANA FARMOUT
5,000-Gross/Net Acres. Water Depth-90 Ft.
EXPLORATION - SOUTH TIMBALIER
Targeting B-15 & B-20, E-3, K-1, L-1 Sands
(L. Pliocene). 15,250 Ft. TVD/17,920 Ft. MD
Seismic: WesternGeco Pre Stack Time
GeoPressure, Amplitude Support, Analogs.
Net Ownership Interest— *FARMOUT*
100% OPERATED WI; 83.33% NRI
Well Earns Assignment-100% OPERATING
Rights-SE/4 of Lease Down To 100 Ft. Below-
Deepest Depth Compl for Production.
Est Reserves: 16.3 BCFE (Pmean)
— 35.1 BCFE (P10)
Deeper Targets - ST143 & ST 164
Lease Expires June 30, 2009
FO 2659L

OFFSHORE PROSPECT FOR SALE
5,760-Acres.
VIOSCA KNOLL
Targeting Miocene Gas. 3,000 Ft. (TVD)
Drill From An Existing Platform.
3-D Seismic Data. *OFFSHORE LA*
Horizontal Opportunity Available.
Seller Will Deliver 79% NRI.
Est Reserves: 20-27 BCF
All Facilities In Place.
CONTACT LANDMAN FOR INFO
DV 5105

TEXAS/LOUISIANA PROSPECT
~41,000-Total Acres.
OFFSHORE - STATE WATERS *TX/LA/DV*
HOUSTON CO., TX - JACKSON PH., LA
Prolific Bossier/Haynesville Area.
Multiple Potential Objectives.
CALL GENERATOR FOR DETAILS
DV 5671

TEXAS OFFSHORE PROSPECTS
5,613-Acres. 9-Oil & Gas Prospects.
MUSTANG ISLAND 725 & 743
Obj 1: Lower Cris A; 5,000 Ft.
Obj 2: Siph D; 6,000 Ft. *OFFSHORE*
Three-Way Closures. Structural Plays.
100% Working Interest Available.
Est Reserves: 19 MMBO & 19 BCF
CALL LAND DEPT FOR DATA
DV 5849

OFFSHORE LOUISIANA PROSPECT
5,000-Acres.
ALL OF BLOCK 523
WEST CAMERON. SOUTH ADDITION.
OCS Leasing MAP. *OFFSHORE*
Louisiana Map Number 1B.
100% Working Interest Available.
CONTACT SELLER TO LEARN MORE
DV 2047L

OFFSHORE LOUISIANA OFFERING
5,000-Acres.
EAST CAMERON 25
Marg A Sands (5-7,10-11) *>91 BCFE*
Proposed Depth: 16,800 Ft.
100% WI Available; 83.3% NRI
Analogs Produce 14-68 BCFE.
Est Reserves: 699 MBO & 90.8 BCF
CALL PLS FOR PROJECT DESCRIPTION
DV 5710

OFFSHORE MISSISSIPPI SALE
1-Test Well.
SHIP SHOAL. Upper Miocene Big A Sands.
Proposed Depth: 17,500 ft.
33.33% WI Available; 25.77% NRI *70 BCF*
Est Reserves: 70 BCF
Upside Potential: 147 BCF
DHC: $27,100,000, Compl: $7,500,000
CALL LANDMAN FOR MORE INFO
DV 5588

FOR SALE

EQUIPMENT

CENTRAL TEXAS RIG FOR SALE
80-Foot Rig.
STEWART RIG
MAST RATED 550 HP
Will Drill 6,500 Ft.
3 Duplex Pumps. *EQUIPMENT*
170,000 Lb Static Hook Load.
3 1/2 Drill Pipe - 6,500 Ft.
All Other Extras Included.
Fair Market Appraisal: $1,300,000
Looking For Liquidation Value.
SELLER CONTACT INFO PROVIDED
E 4056R

DRILL PIPE FOR SALE
3.5 Drill Pipe.
11,222 Ft. 13.30 S-135. *DRILL PIPE*
3.5 IF Hardband, Plastic Coated.
USA Manufactured.
Test Certificate Is Available.
SELLER INFO PROVIDED ON REQUEST
E 5047

DRILLING RIG FOR SALE
Drill Rig For Sale.
NATIONAL 370 MECHANICAL *RIG*
Can Drill Down To 10,000 Ft.
2-630 HP 440 KW Marathon Generators.
2-CAT 3406C Engines.
Compound 280,000 Lbs w/ 8 Lines.
AGENT HAS ADDITIONAL DATA
E 5415RIG

DRILLING RIG FOR SALE
1-Drilling Rig (Mechanical).
GARDNER DENVER 500 *DRILL RIG*
Can Drill Down 9,000-10,000 Ft.
600 HP Engine - Series 60 Detroit.
400 KW Marathon Generator.
4-Speed Allison Transmission.
National P-200 Swivel.
AGENT CONTACT INFO PROVIDED
E 5416RIG

MECHANICAL/WORKOVER DRILL RIG
1-Mechanical Drill Rig For Sale.
LOADCRAFT LCI 750 DOUBLE DRUM
1,000 HP Engine. Seven Axel Carrier.
2- CAT C-15 540 HP. *RIG*
2- Allison S 6061 RB Six Speed.
100% BRAND NEW CONDITION
AGENT CONTACT INFO PROVIDED
E 5417RIG

SURFACE PUMPING UNIT FOR SALE
SALZGITTER 320
29.3:1 Ratio *PUMPING UNIT*
Designed As Per API Standard
— Specification for Pumping Unit
C320-305-100
Crank Guards.
Made In Germany.
CURRENTLY IN USE IN WYOMING
E 9833

INFRASTRUCTURE

NORM DISPOSAL SPACE
UTILIZE CAVERN SPACE
Permitted & Operating- *NORM*
For Your Major Remediation Needs.
Will Remediate For Participation;
Reserve Cavern Space; All Oilfield Needs
Reasonable Disposal Rates.
CONTACT OPERATOR TO LEARN MORE
E 9805

TECHNOLOGY

SEISMIC TECHNOLOGY FOR SALE
1-StandAlone License.
Seismic Micro Technology Software
SMT 2d/3dPak PC Workstation.
Interpretation Software. *TECH/SEISMIC*
Sale Includes Maintenance & Transfer Fee.
Sale Price: $21,000
Price Represents $2,200 Discount —
— From Buying Directly From SMT.
TECH 5796

TECHNOLOGY LICENSE FOR SALE
1-Network License.
Seismic Micro Technology Software
SMT 3dPak PC Workstation. *TECHNOLOGY*
Interpretation Software.
Sale Includes Maintenance & Transfer Fee.
Sale Price: $16,000
Price Represents $2,125 Discount—
— From Buying Directly From SMT.
TECH 5795

WANTED

ACTIVE CENTRAL TEXAS OPERATOR
Seeks Opportunities: RRC #7B, 7C, 8 & 8A
Fully Operational Company w/ Experienced
Personnel, Drilling Rigs (2,500-5,500 Ft),
Completion Units, Dozers, & All Other
Associated Equipment To Take
From Prospect To Production.
Participations - Prospects - Farmouts
W 5826PP/DV

APPALACHIA BASIN OPERATOR
WEST VIRGINIA / PENNSYLVANIA
15 Years Business Experience.
Chasing Upper Devonian Objectives.
SEEKS JOINT VENTURE PARTNERS
CONTACT PLS FOR MORE INFO
W 4509JV

BUYER OF ROYALTIES
Needs Royalties, Overrides & Minerals.
PAYS TOP VALUE - MOTIVATED BUYER
CALL PLS FOR CONTACT INFO
W 4134RR

BUYERS & PARTNERS WANTED
MidContinent Prospect Generators.
SEEKING CAPITAL/PARTNERS
OPERATED & NonOperated Options.
Organic Growth Opportunities.
Experienced Management Team.
Long Life/Low-Risk Projects: <10,000 Ft.
CONTACT PLS FOR BUYER INFO
W 5379

BUYERS SEEKING INTERESTS
Mainly Wants NonOperated Interests.
Will Also Consider Operated Deals.
Interested In All Major U.S. Basins.
Production OR Low-Risk Development.
CALL PLS FOR MORE DETAILS
W 5469

NONOPERATED BUYER NEEDS DEALS
ROCKY MOUNTAIN & WEST CANADA
Will Also Consider Other Areas.
Also Looking At Low-Risk Developmen t—
— Or Resource Plays.
NonOperated WI Is Required.
Seeking 75 MMCFeD In New Volumes.
Strong Preference For Gas Reserves.
CONTACT PLS FOR BUYER INFO
W 5229PP

PROPERTIES WANTED IMMEDIATELY
Stripper Gas Wells.
PREFER TEXAS
MARGINAL GAS WELLS
Wells Must Currently Use TEG Units.
HOUSTON BUYER WITH CASH
W 3953

SEEKING OPERATED PROPERTIES
Gas And/Or Oil. Cash Transactions.
BUYER CAN CLOSE QUICKLY
Price Range: $15 MM - $25 MM
Wants Permian Basin Properties.
Wants E. Texas, Texas Panhandle.
Wants Oklahoma Properties.
~50% PDP, 50% PUDs & Probs Desired.
Prefers >/= 60% WI; >/= 80% NRI
Wants OPERATED Properties.
PLS HAS COLORADO BUYER INFO
W 5777PP/DV

WANT NORTH TEXAS PRODUCTION
STEPHENS CO., TX
BRECKENRIDGE AREA
Solid Midland Buyer Looking For Deals.
May Look At Prospects With Operations.
Price Range $100,000-$10,000,000
OPERATIONS MUST BE INCLUDED
W 9450PP

WANT TO PUT RIG TO WORK
7,500 Ft. Ready To Go.
EAST TEXAS & SOUTH TEXAS
Can Drill Depths 3,500-7,500 Ft.
Flexible Rig Crew & Owner.
W 5927RIG

WANTED: PRODUCING PROPERTIES
Permian, D-J Basin, Appalachia Basin
& Anadarko Basin.
Will Look At Other Areas.
PREFER OPERATED WI
— Balanced Oil & Gas
Can Handle Packages: $2.5 MM Range
Seeking PDP With Upside Potential.
ESTABLISHED DALLAS BUYER
W 2123PP

WANTED: PRODUCING PROPERTIES
Colorado Oil & Gas Company.
WEST, CENTRAL & SOUTH TEXAS
PERMIAN BASIN
WILL ALSO LOOK AT KANSAS
Seeks Operated Properties.
Price Range: $25 MM - $100 MM
CALL PLS FOR BUYER CONTACT INFO
W 5600PP

WANTED: SOUTH TEXAS PROPERTIES
Very Mature Or Abandoned Fields.
Fields Must Have Cumm'd >2.0 MMBO.
Must Have Blanket Sand.
Must Be Favorable To EOR.
Seeking 75% NRI Or More.
CALL PLS FOR BUYER INFO
W 5989PP

WANTED: CAPITAL PARTNER
TO PURCHASE PROVEN
IN-THE-GROUND RESERVES
Active Acquisition Company Seeks
Capital Partner to Acquire PDP Reserves-
With Proven Secondary Waterflood
Recovery Potential.
W 4348PP

People In The News

CEO/Presidents

• **Lucas Energy** promoted ***William Sawyer*** to president and CEO. Sawyer was previously COO and is a co-founder of Lucas Energy.

• **Plains All American Pipeline LP** appointed ***C.S. Dean Liollio*** as president of PAA Natural Gas Storage, LLC, formerly known as Energy Center Investments. Liollio most recently served as president and CEO of EnergySouth prior to its acquisition by Sempra Energy in October 2008.

CFO/COO

• **Atmos Energy** promoted ***Fred Meisenheimer*** from VP and controller to SVP and CFO. Meisenheimer joined Atmos in June 2000.

• **Bonanza Creek Energy Co.** appointed ***Ralph Goehring*** as CFO and EVP. Goehring previously served as CFO at Berry Petroleum.

• **CDX Gas, LLC**, promoted ***Michael McCown*** to COO and EVP. McCown previously served as SVP of operations.

• **Gran Tierra Energy** appointed ***Shane P. O'Leary*** as COO. Prior to joining Gran Tierra, O'Leary was president and CEO of First Calgary Petroleums Ltd.

• **Panhandle Oil & Gas** named ***Paul Blanchard, Jr.*** as VP and COO. Prior to this appointment Blanchard served as VP of the Midcontinent at Range Resources.

• **Pioneer Drilling Company** selected ***Lorne E. Phillips*** to be CFO and EVP and appointed ***Carlos R. Pena*** as VP, general counsel, secretary and compliance officer. Phillips was most recently VP and treasurer of Cameron International Corp., while Pena is a lawyer well versed in M&A activity.

Vice Presidents

• **Atlas Energy Resources, LLC** appointed ***Tommy Thompson*** to the position of VP, horizontal drilling. Thompson joins from Atlas Wagner & Brown, where he managed the vertical and horizontal drilling operations in the Woodford Shale in eastern Oklahoma.

• **Baker Hughes** appointed ***Russell Cancilla*** VP of HS&E and security. Cancilla has served as chief security officer for Baker Hughes since June 2006.

• **Goodrich Petroleum** hired ***Michael J. Killelea*** as SVP, general counsel and corporate secretary. Killelea most recently served in the same capacity at Pogo Producing Co.

• **Kerogen Resources** hired ***Thomas Hardisty*** as VP of business development and land. Hardisty joins from Particle Drilling Technologies, where he served as SVP.

• **SandRidge Energy** named ***Rodney Johnson*** EVP, reservoir engineering, and ***Wayne Chang*** SVP, midstream. Both were formerly VPs with the company. Additionally, Trent Richey was named VP and treasurer and Joy LaBar VP, internal audit.

• ***Tri-Valley Corp.*** appointed former **Occidental Petroleum** executive, ***Maston Cunningham***, as VP of corporate development.

Professionals

• **Sunoco** hired ***Dennis Zeleny*** as SVO and chief human resources officer. Zeleny has led human resources at E. I. du Pont de Nemours and Company, and Honeywell International.

Openings/Updates

• **EPiC Energy Resources** subsidiary **Pearl Development Co.** opened an engineering office in Durango, Colorado, to serve the San Juan Basin. Clients include M2 Midstream (Momentum), Red Cedar Gathering Company and BP. The Durango operations will be lead by ***Laura Gue***, technical manager, and ***Brenda Fulkrod***, operations manager.

• **IDGLOBAL Corp.** is looking to acquire oil and gas assets in the Permian Basin, and has opened a West Texas operational office in Midland. IDGC is currently deliberating on several JV opportunities. IGDC holds 10% WI alongside Force Energy and Midland-based G2 Petroleum in the Diamond Springs Prospect in Fremont Co., Wyoming.

• **PACO Oil & Gas** changed its name to **PACO Integrated Energy Inc.** after acquiring of **WW Oil & Gas Inc.**

• **Mullins & White Exploration** changed its name to Guardian Oil & Gas, Inc. Rick Mullins remains the President and CEO. The partnerships it manages continue unchanged and unaffected by this shift in company name. Guardian is a privately held non-operating oil and gas exploration and development company that generates its own prospects and ventures with operating companies.

Marathon makes moves offshore continued from page 1

Another $850 million will be spent on projects that provide mid-term production growth, such as Droshky and Ozona in the deepwater Gulf of Mexico, as well as the Marcellus and Woodford Shales. Finally, $480 million will be spent on long-term projects in Angola and Norway.

Marathon has also budgeted $887 million for its Athabasca Oil Sands Project (AOSP, 20% WI) in 2009, compared to 2008 spending of almost $1.0 billion. Net bitumen production from the oil sands is expected to be between 25,000 and 30,000 BPD in 2009 before royalties.

Sales volumes averaged 417,000 BOEPD in Q4 2008, up 18% over 354,000 BOEPD in Q4 2007. Production benefited from a full year of sales to the Equatorial Guinea LNG facility and, beginning midyear, from both the Alvheim/Vilje development (85,000 BOEPD) offshore Norway and the Neptune development (9,400 BOEPD) in the Gulf of Mexico.

Marathon estimates 2009 production available for sale will be ~400,000 BOEPD. Marathon also increased its year-over-year Bakken production by 215%, with a December 2008 production rate of 8,200 net BOEPD.

During 2008, Marathon added net proved reserves of 110 MMBOE, excluding dispositions of 3.0 MMBOE, while producing 137 MMBOE, resulting in a reserve replacement ratio of 80%. Year-end 2008 net proved reserves totaled 1,195 MMBOE, excluding proved bitumen reserves of 388 MMB at AOSP in Alberta.