

**Package: KATY**

<i>CATEGORY</i>	<i>Jan - 2006</i>	<i>Feb - 2006</i>	<i>Mar - 2006</i>	<i>Apr - 2006</i>	<i>May - 2006</i>	<i>Jun - 2006</i>	<i>Six Month</i>	<i>YTD Actual</i>
<b>Net Revenue</b>								
GAS SALES	-124,071.00	-52,870.00	-40,900.00	8,458.00	3,143.00	5,266.00	-200,974.00	-200,973.00
LIQUID SALES	45.00	505.00	628.00	642.00	464.00	519.00	2,803.00	2,804.00
OTHER REVENUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS : SEVERANCE TAXES	-9,305.00	-4,459.00	-3,083.00	627.00	168.00	330.00	-15,722.00	-15,723.00
LESS : TRANSPORTATION	-414.00	-181.00	-189.00	29.00	-19.00	-8.00	-782.00	-784.00
Subtotal Net Revenue	-114,305.00	-47,725.00	-36,999.00	8,443.00	3,459.00	5,463.00	-181,664.00	-181,664.00
<b>Gross Operating Expense</b>								
AFE WELL REPAIRS/WORKOVERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMPRESSOR FUEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Gross Operating Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Operating Expense</b>								
JIB REBILLS - OTHER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PARTNER OPERATED LOE	582.00	0.00	1,232.00	0.00	0.00	0.00	1,814.00	1,814.00
Subtotal Net Operating Expenses	582.00	0.00	1,232.00	0.00	0.00	0.00	1,814.00	1,814.00
<b>Net Lifting Cost</b>								
ALLOCATED OVERHEAD	143.00	0.00	301.00	0.00	0.00	0.00	444.00	444.00
JIB REBILLS - OVERHEAD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROPERTY TAXES	0.00	0.00	1,633.00	0.00	0.00	0.00	1,633.00	1,633.00
JIB REBILLS - PROPERTY TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Net Lifting Costs	725.00	0.00	3,166.00	0.00	0.00	0.00	3,891.00	3,890.00
<b>Net Operating Income</b>								
DDA EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Net Operating Income	-115,030.00	-47,725.00	-40,165.00	8,443.00	3,459.00	5,463.00	-185,555.00	-185,554.00
<b>Other Information</b>								
Gas Volumes (MCF)	-13,301.00	-4,876.00	-5,677.00	1,414.00	508.00	852.00	-21,080.00	-21,080.00
Liquid Volumes (BBLs)	1.00	8.00	11.00	10.00	6.00	7.00	43.00	43.00
Fuel Volumes (MCF)	238.00	42.00	43.00	42.00	36.00	35.00	436.00	436.00
MCFE	-13,295.00	-4,828.00	-5,611.00	1,474.00	544.00	894.00	-20,822.00	-20,822.00
Gas Price	9.32	10.84	7.20	5.98	6.18	6.18	9.53	9.53
Liquid Price	45.00	63.12	57.09	64.20	77.33	74.14	65.18	65.20
CONTROLLABLE LIFTING COST/MCFE	-0.04	0.00	-0.21	0.00	0.00	0.00	-0.08	-0.08
<b>SEC Lifting Cost</b>								
PLUS : TRANSPORTATION	-414.00	-181.00	-189.00	29.00	-19.00	-8.00	-782.00	-784.00
PLUS : SEVERANCE TAXES	-9,305.00	-4,459.00	-3,083.00	627.00	168.00	330.00	-15,722.00	-15,723.00
LESS : JIB REBILLS - OVERHEAD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS : ALLOCATED OVERHEAD	143.00	0.00	301.00	0.00	0.00	0.00	444.00	444.00
Subtotal Sec Lifting Costs	-9,137.00	-4,640.00	-408.00	656.00	149.00	322.00	-13,058.00	-13,060.00

**Friday, July 28, 2006**