

AMERICAN AD VALOREM TAX CONSULTANTS, INC

REPRESENTED OIL & GAS LEASES, VALUES AND PROTEST RESULTS

DESCRIPTION	2003	2004	2005	2006	2007	2008
OPERATORS	54	55	62	72	72	77
PRODUCTIVE LEASES	1,250	1,365	1,344	1,642	1,768	1,559
LEASES PROTESTED AND LOWERED	533	727	778	803	862	917
% OF PROPERTY PROTESTED	42.64%	53.26%	57.89%	48.90%	48.76%	58.82%
INITIAL VALUE	411,628,422	706,771,965	740,379,111	992,441,532	1,140,357,104	1,180,306,611
NEGOTIATED VALUE	279,590,329	434,181,242	473,581,824	666,118,921	712,515,997	812,572,016
VALUE REDUCTION	132,038,113	272,589,722	266,798,287	326,322,611	427,841,107	367,734,595
PERCENT REDUCTION	32.08%	38.57%	36.04%	32.88%	37.52%	31.16%
TAX SAVINGS	\$3,238,511	\$6,687,910	\$6,665,351	\$7,598,361	\$8,742,922	\$7,238,516

SIX YEAR SUMMARY

AVG % OF PROPERTIES PROTESTED	51.71%
TOTAL VALUE REDUCTION	1,793,324,435
TOTAL TAX SAVINGS	\$40,171,571
AVERAGE % TAX SAVINGS	34.71%

AMERICAN AD VALOREM
TAX CONSULTANTS, INC.

**Negotiated Value Summary And Estimated Tax Savings
For 2008**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
058974	STATE TRACT 117 1	583	583	0	0.01403	0
110518	STATE TRACT 118 1	7,770	7,770	0	0.01403	0
167923	POLLY BROWN ET AL 1	7,290	7,290	0	0.01403	0
12863	SCHNITZ, OLIVIA	268,860	69,270	199,590	0.01403	2,799
	ARANSAS COUNTY	284,503	84,913	199,590		2,799
01768	HENDERSON 1	3,634,722	3,634,722	0	0.01813	0
14218	HENDERSON -B- 10	27,344	27,344	0	0.01813	0
01769	HURT & TARTT 2	15,056	15,056	0	0.01813	0
01772	SCHUMANN, A. O. 1	1,454,999	1,454,999	0	0.01813	0
01773	SCHUMANN, H. A. 1	350,174	350,174	0	0.01813	0
14240	SCHUMANN, H. A. -B- 6	20,714	20,714	0	0.01813	0
01776	WEIGANG, G. F. 2	1,192,445	1,192,445	0	0.01813	0
14135	BUTTS & SAWYER 1	575,987	468,254	107,733	0.01892	2,038
014716	BUTTS & SAWYER/MOSBACHER	76,787	20,472	56,315	0.01892	1,066
14067	L. S. U. BURGER 1H	62,808	51,035	11,773	0.01892	223
10733	BACAK 1	16,078	16,078	0	0.01912	0
109054	DORNAK, JOHN L. GAS UNIT 2	60,779	39,608	21,171	0.01912	405
113306	DORNAK, JOHN L. GAS UNIT 3	686,330	541,668	144,662	0.01912	2,766
220230	DORNAK, JOHN L. GAS UNIT 4	1,932,153	1,650,310	281,842	0.01912	5,389
165776	DORNAK, JOHN L. GAS UNIT 5	2,354,971	1,581,668	773,303	0.01912	14,786
219882	DORNAK, JOHN L. GAS UNIT 6R	14,854	14,854	0	0.01912	0
014704	LENERT, GEORGE E.	16,366	16,366	0	0.01912	0
00737	LENERT, GEORGE E. 1	1,131,615	961,630	169,985	0.01912	3,250
04509	MOURSUND, A. N. 2	195,814	90,329	105,485	0.01912	2,017
10255	MULLINS -C- C 1	5,892	5,892	0	0.01868	0
10519	MULLINS -D- D 1	4,436	4,436	0	0.01868	0
11372	MULLINS -G- G 1	11,347	11,347	0	0.01868	0
157543	PFEIL, O.H. 3	41,217	41,217	0	0.01912	0
057982	S.P.J.S.T. LODGE 3	14,368	14,368	0	0.01912	0
14549	S P J S T LODGE 4	4,662,887	3,985,279	677,608	0.01912	12,957
210848	S.P.J.S.T. LODGE 5	3,974,377	1,811,990	2,162,387	0.01912	41,347
128204	SANDEEN, JOHN 1	11,672	11,672	0	0.01912	0
13732	SANDEEN, JOHN 2	13,740	13,740	0	0.01912	0
014801	SCHORSCH 'A'	1,518,264	1,099,052	419,212	0.01912	8,016
00741	SCHORSCH, HENRY 1	497,986	371,658	126,328	0.01912	2,416
13470	STEINLE, LEON 2	276,315	143,557	132,758	0.01912	2,538

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For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
	ATASCOSA COUNTY	24,855,495	19,664,933	5,190,563		99,214
148822	ALEXANDER, GEORGE 1	7,770	7,770	0	0.01844	0
203733	FINKE 1	7,770	7,770	0	0.01739	0
156534	FINKE 2	4,860	4,860	0	0.01739	0
215622	HILLBOLDT 2 C	260,560	37,660	222,900	0.01739	3,875
210200	HILLBOLDT 6	66,850	27,790	39,060	0.01739	679
199834	HINTZ ESTATE 1	99,311	91,031	8,280	0.01739	144
217825	HINTZ ESTATE `A` 1	275,130	259,410	15,720	0.01739	273
201550	HINTZ ESTATE `A` 3	74,510	38,510	36,000	0.01739	626
216963	HINTZ ESTATE `A` 5	199,480	126,280	73,200	0.01739	1,273
194105	KAECHELE, C. R. 2	7,290	7,290	0	0.01739	0
210199	LIEBERMAN 1	141,920	41,200	100,720	0.01739	1,751
179497	MIKESKA, GEORGE 2	7,770	7,770	0	0.01844	0
164970	MIKESKA, JERRY 1	935,250	811,410	123,840	0.01844	2,284
203940	PHILLIPS, H. S. 1	7,770	7,770	0	0.01844	0
214501	RANCH HOMES - ROBINSON 1	97,920	59,730	38,190	0.01739	664
225927	RICHARDSON, ET AL GU 1	232,755	102,114	130,641	0.01739	2,271
203442	ROBINSON 1	453,770	238,670	215,100	0.01739	3,740
024861	SUROVIK, FRANK	20,720	20,720	0	0.01844	0
	AUSTIN COUNTY	2,901,406	1,897,755	1,003,651		17,580
003268	HICKS GAS UNIT V 1 U	138,510	138,510	0	0.01693	0
042466	HICKS GAS UNIT V 2	276,240	168,380	107,860	0.01693	1,826
200528	EBERSTADT 2	5,960	5,960	0	0.01693	0
208133	EBERSTADT 4	38,120	15,780	22,340	0.01693	378
218338	EBERSTADT 6	305,780	142,410	163,370	0.01693	2,766
221072	EBERSTADT 7	276,960	206,810	70,150	0.01693	1,188
229788	EBERSTADT 8	25,080	5,960	19,120	0.01693	324
231205	O`BRIEN 1	79,670	79,670	0	0.01693	0
223476	PUCKETT 1	458,320	458,320	0	0.01874	0
05777	WINSAUER, O.W. 1	3,890	3,890	0	0.02026	0
229827	ARC - THOMSON - BARROW 3	706,870	577,440	129,430	0.02026	2,622
229861	ARC - THOMSON - BARROW RANCH 2	4,860	4,860	0	0.02026	0
08783	CURLEE - GRIFFITH UNIT 1	40,520	40,520	0	0.02026	0
06397	POGUE 1	738,700	634,650	104,050	0.02016	2,098
00343	GREEN, A. O. 1	253,290	231,490	21,800	0.01693	369
003288	BECK, OTTAR GAS UNIT 1 L	805,340	679,050	126,290	0.01693	2,138
167216	RABE GAS UNIT 1	251,740	251,740	0	0.01693	0
08095	BEAR CREEK RANCH 1	233,450	233,450	0	0.01819	0

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219398	HUFFMAN 1	28,180	28,180	0	0.01819	0
211794	LEWIS 1	280,480	158,390	122,090	0.01819	2,221
08523	MAY 3	144,220	144,220	0	0.01819	0
08618	MAY A 5	387,010	208,330	178,680	0.01819	3,250
223497	LASCA 1	204,640	4,590	200,050	0.01824	3,649
210769	CARPENTER 1	58,350	6,880	51,470	0.01820	937
218491	CARPENTER 2	381,610	120,330	261,280	0.01820	4,755
231492	HOLZMARK 1-R	182,910	6,870	176,040	0.01824	3,210
210756	HOLZMARK A 1	862,540	755,240	107,300	0.01824	1,957
220079	MARTIN UNIT 2	905,120	791,160	113,960	0.01866	2,126
212589	ALGEA GAS UNIT 3	306,670	201,650	105,020	0.01811	1,902
112641	FOX, MICHAEL -B- 4	7,070	7,070	0	0.01819	0
08247	MCKINNEY, J. E. 1	657,790	327,060	330,730	0.01693	5,600
164068	MCKINNEY, J. E. 3	7,770	7,770	0	0.01693	0
92660	GRIFFITH & ASSOC -A-	6,140	6,140	0	0.02076	0
090958	HEARD, GEORGIE 1 C	160,870	53,600	107,270	0.02026	2,173
170980	SUGAREK	55,210	55,210	0	0.02026	0
07355	ADAMS 1	70,880	70,880	0	0.01819	0
08945	TEAGUE, J & I 1	8,760	8,760	0	0.01819	0
07983	BRIDGE UNIT 1	3,890	3,890	0	0.01693	0
214360	GRISSOM 1	697,570	457,540	240,030	0.01693	4,064
216432	GRISSOM 2	208,390	119,660	88,730	0.01824	1,619
218141	GRISSOM 3	105,250	6,870	98,380	0.01824	1,795
222043	GRISSOM 4	1,555,450	672,780	882,670	0.01693	14,946
226085	GRISSOM 5	1,134,670	314,170	820,500	0.01693	13,893
225625	GRISSOM 6	321,710	48,350	273,360	0.01693	4,629
228110	GRISSOM 7	112,830	60,240	52,590	0.01693	890
230790	GRISSOM 8	30,890	22,420	8,470	0.01693	143
195114	HOLZMARK 4	4,860	4,860	0	0.01824	0
200171	HOLZMARK 5	168,760	168,760	0	0.01824	0
080416	HOLZMARK -D- 2	14,470	4,840	9,630	0.01824	176
140098	SINCLAIR HUNT 1	77,460	40,630	36,830	0.01693	624
139163	WOLTERS 1	26,590	16,640	9,950	0.02026	202
	BEE COUNTY	13,822,310	8,782,870	5,039,440		88,472
200811	GAYLE	1,337,067	623,511	713,556	0.01964	14,016
15252	TEN BRINK 2	7,520	7,520	0	0.01964	0
024605	SKRLA UNIT 1	13,808,851	11,063,188	2,745,663	0.02057	56,475
	BRAZORIA COUNTY	15,153,438	11,694,219	3,459,218		70,491

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11253	GARCIA, A. ET AL 1	218,296	205,750	12,546	0.01561	196
12475	GARCIA, ABRAHAM	19,975	19,560	415	0.01561	6
199341	SCOTT & HOPPER #1	371,147	371,147	0	0.01561	0
208804	SCOTT & HOPPER #2	601,330	601,330	0	0.01561	0
12044	TRAD/KALIFA 2	719,342	605,287	114,055	0.01561	1,781
129785	HOPPER 1	20,510	20,510	0	0.01561	0
125814	MILLER 1	71,189	71,189	0	0.01561	0
139403	CAGE 1 T	20,292	20,292	0	0.01561	0
	BROOKS COUNTY	2,042,081	1,915,065	127,016		1,983
13356	BERKA UNIT 1	66,250	17,440	48,810	0.01832	894
15132	DUSEK 'A' 1	61,210	61,210	0	0.01832	0
21011	LIGHTSEY-LIGHTSEY UNIT 1	235,440	235,440	0	0.01832	0
13023	MORELLO, MATT EL AL 1	8,940	8,940	0	0.01832	0
12913	PAGEL 'A' 1	70,740	70,740	0	0.01832	0
13682	ROSE 1	32,820	32,820	0	0.01832	0
14930	NELSON, ARMETTA 1	3,890	3,890	0	0.01832	0
	BURLESON COUNTY	479,290	430,480	48,810		894
009058	TRAYLOR	72,634	31,987	40,647	0.01587	645
008709	BP CHEMICALS 1	886,285	494,918	391,367	0.01587	6,210
008703	P.W.L.R. 1	234,999	234,999	0	0.01587	0
227956	MAUDE B TRAYLOR 2 R	1,529,986	300,368	1,229,618	0.01591	19,559
06488	STATE LEASE 629-L SW/4 1 L	8,139	8,139	0	0.01591	0
06468	STATE TRACT 659-L NW/4 1	1,331,496	612,852	718,644	0.01591	11,431
233313	TRAYLOR, M.B. ESATE 3	6,908,266	0	6,908,266	0.01591	109,889
127387	TRAYLOR, M.B. EST. 2	2,559	0	2,559	0.01591	41
154264	TRAYLOR, M.B. ESTATE 1	172,356	172,356	0	0.01591	0
106827	TRAYLOR, MAUDE B. 1	223,892	187,968	35,924	0.01591	571
230380	TRAYLOR, MAUDE B 3	1,852,078	666,865	1,185,213	0.01591	18,853
	CALHOUN COUNTY	13,222,690	2,710,452	10,512,238		167,200
012302	OAKLAND CORP. WATERFLOOD UNIT	1,732,246	1,732,246	0	0.01997	0
	CASS COUNTY	1,732,246	1,732,246	0		0
183004	DOORNBOS, ET AL 1	620,926	620,926	0	0.01971	0
23750	WHITE, WILLIAM C. ET AL 1	971,427	510,560	460,867	0.01971	9,083
22499	B.B. ROGERS GAS UNIT 1 2	626,502	522,385	104,117	0.02598	2,705
24644	NASH, HANNAH	180,851	180,851	0	0.02598	0
02099	ROBERTS-MUELLER 1	867,746	867,746	0	0.02598	0
	CHAMBERS COUNTY	3,267,451	2,702,467	564,984		11,788

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205312	LUCKETT 1	30,561	30,561	0	0.01620	0
209334	JOHNSON 1	44,446	0	44,446	0.01861	827
19990	PLOW REALTY 6	70,902	70,902	0	0.01861	0
185814	GLASSCOCK 1	16,939	16,939	0	0.01620	0
225439	GLASSCOCK GAS UNIT 3	245,321	70,080	175,241	0.01620	2,839
233259	CAUSEY	2,734,877	1,207,591	1,527,286	0.01861	28,422
233257	HOLMES #1	182,609	3,330	179,279	0.01880	3,370
233258	HOLMES #2	496,204	357,521	138,683	0.01880	2,607
192760	BASS GAS UNIT 1	3,405	2,590	815	0.01861	15
170929	DOWELL, M. E. 1	4,250	4,250	0	0.01861	0
12756	DOWELL,M.E. 1	29,143	29,143	0	0.01861	0
200370	DOWELL, M. E. 5	14,595	14,595	0	0.01861	0
18920	DOWELL, M.E. 'A' 3	39,137	39,137	0	0.01861	0
198107	HAINES A 3	909,044	663,174	245,870	0.01860	4,573
189031	GRACEY 1	156,025	69,383	86,643	0.01861	1,612
187070	LEHRER SEC 26 1	327,374	206,279	121,095	0.01861	2,253
231765	ARABIAN 1	317,078	317,078	0	0.01861	0
232416	BAPTIST 1	2,007,576	1,078,264	929,312	0.01861	17,294
232420	GARWOOD 1	363,169	363,169	0	0.01861	0
234173	GOLD	4,226,680	4,226,680	0	0.01861	0
235122	KOEHLER	434,760	434,760	0	0.01861	0
219133	KORENEK 1	32,095	2,740	29,355	0.01861	546
224956	MCKINLEY 1	9,273,792	7,099,281	2,174,511	0.01861	40,466
086496	MCLANE TEXAS TRUST 143	12,104	12,104	0	0.01861	0
111912	MCLANE TEXAS TRUST-ENGSTROM 2016	2,273	2,273	0	0.01861	0
068144	PINCHBACK, CORRINE GAS UNIT 1	2,580	2,580	0	0.01861	0
220855	SHORTHORN 1	173,466	155,091	18,375	0.01861	342
218875	SIMMENTAL 1	345,691	345,691	0	0.01861	0
230194	THOROUGHBRED 1	529,979	499,390	30,589	0.01861	569
175082	UNION CENTRAL LIFE INSURANCE CO. 1	8,338	8,338	0	0.01861	0
071061	WHITNELL, MARJORIE 1	18,348	18,348	0	0.01861	0
632618	WILDCAT	482,650	482,650	0	0.01861	0
229083	ZEBU 1	569,106	569,106	0	0.01861	0
192670	LABAY 1	35,310	35,310	0	0.01861	0
216404	BROYLES 1	2,057,148	310,986	1,746,162	0.01861	32,495
230326	BUTLER G.U. 1	1,375,350	1,375,350	0	0.01620	0
24455	EAST HAMEL GU 4 2	29,880	29,880	0	0.01861	0
197781	EAST HAMEL GU 4 3	644,053	629,154	14,899	0.01650	246
177442	FIELDS UNIT 1H	2,803	2,803	0	0.01620	0

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190621	HERDER GAS UNIT 2 1	313,492	290,193	23,299	0.01861	434
19798	JOHNSON, B.A. 1	271,534	111,957	159,577	0.01861	2,970
175274	JOHNSON, B. A. `D` GU 1	56,765	18,275	38,490	0.01861	716
161374	JOHNSON, B. A. `E` GU 1	78,274	2,900	75,374	0.01861	1,403
055095	JOHNSTON, J. T. GAS UNIT 1	42,344	42,344	0	0.01861	0
10774	MOEBES, LEONA K. 1 U	153,720	113,723	39,997	0.01861	744
128383	PENICK, ALMA L. 1	564,789	171,194	393,595	0.01620	6,376
058664	PETERSON, JOHN ETAL UNIT 1	558,752	534,201	24,551	0.01620	398
193384	POOLE `B` 2	1,292,298	760,799	531,498	0.01861	9,891
218910	POWELL-GLAZE UNIT 1	644,914	344,424	300,490	0.01861	5,592
214235	PRIESMEYER `A` 2	1,465,289	981,640	483,649	0.01861	9,000
158691	PRIESMEYER, L. 1	108,916	104,063	4,853	0.01861	90
172796	RANCHO CULLEN 1H	14,404	14,128	276	0.01620	4
091859	ZAHRADNICK, ALFRED 1	146,188	101,837	44,352	0.01861	825
100624	ANDERSON UNIT 3	1,382,473	1,382,473	0	0.01861	0
24591	BARNES, PERRY V. 1	182,020	182,020	0	0.01620	0
178151	CHARLIE, D. Z. 1	92,637	92,637	0	0.01620	0
179739	DELTA, D. Z. 1	17,188	17,188	0	0.01620	0
	COLORADO COUNTY	35,635,059	26,052,498	9,582,561		176,921
015631	SALEWSKY, RAYMOND 1	2,436	2,436	0	0.02241	0
	CONCHO COUNTY	2,436	2,436	0		0
17092	COLEMAN-DUBOSE 1	120,170	120,170	0	0.01918	0
18470	COX, THELMA 1	254,090	254,090	0	0.01918	0
62430	GREEN 1	5,730	5,730	0	0.00878	0
62212	PITTS 1	226,290	13,600	212,690	0.00878	1,866
62213	ZANT 'A' 1	31,270	31,270	0	0.00878	0
	DAWSON COUNTY	637,550	424,860	212,690		1,866
241355	ARGYLE #2H	0	0	0	0.02001	0
223995	TRITT 1H	423,120	132,060	291,060	0.02001	5,825
	DENTON COUNTY	423,120	132,060	291,060		5,825
034489	ANGERSTEIN, E. F. UNIT #2 2 U	74,550	74,550	0	0.02205	0
160107	KESELING, FRANCIS B. 1	7,290	7,290	0	0.01797	0
08448	BOOTHE, JACK 6	25,100	25,100	0	0.02413	0
06563	BOOTHE, JACK H. 4	5,858	5,858	0	0.02413	0
211060	HUTCHISON, E.B. 1	5,960	5,960	0	0.01956	0
214494	JANSSEN, ESTELLA 1	287,970	287,970	0	0.02159	0
073189	MCCOY, HERTHA HELEN 1	15,120	15,120	0	0.02205	0
221045	MCCOY-KEY GAS UNIT 1	31,180	31,180	0	0.02205	0

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167473	PRIDGEN 1	5,960	5,960	0	0.02205	0
214750	REIFFERT `D` 4	22,190	22,190	0	0.02205	0
208166	STRIKE 1	347,680	347,680	0	0.02159	0
220962	STRIKE 4	31,660	31,660	0	0.02159	0
081060	FOSTER, WM. C. 2	19,230	6,310	12,920	0.02205	285
085771	FOSTER, WM. C. 3	290,340	290,340	0	0.02205	0
156770	REIFFERT 1	453,140	239,460	213,680	0.02205	4,711
215231	FARRIS 1	569,490	4,860	564,630	0.02174	12,274
215071	LENTZ 1 C	2,393,990	1,807,300	586,690	0.02205	12,935
215073	LENTZ 1 T	106,830	6,310	100,520	0.02205	2,216
233874	MCCRABB RANCH #1C	87,555	87,555	0	0.02174	0
233877	MCCRABB RANCH #1T	1,494,000	1,494,000	0	0.02174	0
223865	LINDER, RAY 1	349,630	349,630	0	0.02174	0
095349	ENGLAND, HELEN 2	21,450	10,600	10,850	0.02111	229
207897	ANGERSTEIN, H O 1	6,390	6,310	80	0.01956	2
185071	FURHKEN, LOLA 2	7,770	7,770	0	0.01956	0
05446	GEARY, C. A. 6	25,990	25,990	0	0.01956	0
06169	KRUEGAR, D. R. 1	9,190	9,190	0	0.01956	0
191815	LMP INNOCENTI 1	7,770	7,770	0	0.01956	0
162204	LOLA FUHRKEN GAS UNIT 1	337,350	208,700	128,650	0.01956	2,516
00394	SCHAEFER, E. C. 1 L	237,700	97,960	139,740	0.01956	2,733
145447	SCHAEFER, E. C. 5	27,630	6,310	21,320	0.01956	417
053255	SPIES, CLIFFORD F. G. U. #1 1	88,900	40,850	48,050	0.01956	940
059225	SPIES, CLIFFORD F. G. U. #1 2	7,330	7,330	0	0.01956	0
047992	RUSCHHAUPT, W. H. JR. -A- 1	30,120	30,120	0	0.01956	0
111262	SEILER, FRIEDA 1	28,860	28,860	0	0.01956	0
164477	VAUGHN 1	22,110	22,110	0	0.02205	0
05997	FOEGELLE UNIT 1	3,890	3,890	0	0.01956	0
05522	HEYER, HAROLD 1 C	300,370	176,770	123,600	0.02205	2,725
04966	KORNFUEHRER 1	154,140	154,140	0	0.01797	0
223106	PRATHER 1	6,310	6,310	0	0.01956	0
174683	FRIAR-THOMAS G. U. #2 1	7,770	7,770	0	0.02205	0
171298	REIFFERT-THOMAS G. U. #1 1	7,330	7,330	0	0.02205	0
207625	KERLICK 2	532,230	182,620	349,610	0.01797	6,282
203122	KERLICK, ET AL GU 1	56,770	56,770	0	0.01797	0
08447	KOLODZIEJCZYK 1	10,640	10,640	0	0.01797	0
115111	MARIE DUESER GAS UNIT 1	7,770	7,770	0	0.01797	0
125785	PREWETT, MARSHALL 1	321,580	321,580	0	0.01797	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
	DEWITT COUNTY	8,892,083	6,591,743	2,300,340		48,265
216202	BRISCOE 1	57,797	57,797	0	0.01921	0
220888	BRISCOE 10	12,769	12,769	0	0.01921	0
232675	BRISCOE 28	97,902	97,902	0	0.01921	0
232719	BRISCOE 30	283,276	283,276	0	0.01921	0
232718	BRISCOE 31	57,016	57,016	0	0.01921	0
220363	BRISCOE 6	26,797	26,797	0	0.01921	0
014732	BRISCOE A	3,202,578	3,420,271	-217,693	0.01921	-4,182
221218	BRISCOE A 12	50,043	10,383	39,660	0.01921	762
630565	BRISCOE A 24	48,883	25,544	23,339	0.01921	448
232674	BRISCOE A 27	136,544	100,693	35,851	0.01921	689
641539	BRISCOE A 29	229,911	0	229,911	0.01921	4,417
220232	BRISCOE A 3	68,534	47,755	20,779	0.01921	399
220367	BRISCOE A 7	2,202,295	2,056,966	145,329	0.01921	2,792
221242	BRISCOE A 9	626,686	475,344	151,342	0.01921	2,907
224975	BRISCOE `B` 1	2,557	2,557	0	0.01921	0
232736	BRISCOE `B` 11	34,104	34,467	-363	0.01921	-7
230805	BRISCOE `B` 2	76,786	2,480	74,306	0.01921	1,427
225961	BRISCOE `B` 3	85,770	16,512	69,258	0.01921	1,330
228813	BRISCOE `B` 4	249,544	193,221	56,323	0.01921	1,082
014816	BRISCOE `B` 5	28,753	15,790	12,963	0.01921	249
228742	BRISCOE `B` 6	7,468	2,560	4,908	0.01921	94
227625	BRISCOE `B` 7	368,856	77,168	291,688	0.01921	5,603
13161	HUCK-HARRINGTON-JONES (RE) 7013H	14,270	14,270	0	0.01921	0
014662	J.B. BAGGETT-JONES (RE)	22,946	13,650	9,296	0.01921	179
05267	JONES, E. B. 218	38,819	38,819	0	0.01921	0
14532	BATY 1	683,737	308,457	375,280	0.01921	7,209
13942	BIG KAHUNA UNIT 1	163,619	123,259	40,360	0.01921	775
13274	DIMMIT WOODS 1A	132,007	90,369	41,638	0.01921	800
14079	EARDLEY 1	13,684	13,684	0	0.01921	0
014339	FROST NATIONAL BANK	144,273	144,273	0	0.01921	0
014819	HEITZ	96,981	96,981	0	0.01921	0
14035	LITTLE 179 1H	123,288	123,288	0	0.01921	0
14087	WILSON UNIT 1	13,737	10,729	3,008	0.01921	58
08707	MORO CREEK RANCH 1	143,020	143,020	0	0.02283	0
14448	DISMUKES, E. L. 47	196,656	196,656	0	0.01922	0
07143	ELAINE (5100) UNIT 49	2,473,337	2,356,744	116,594	0.01922	2,240
03356	ELAINE FIELD /SAN MIGUEL/ UNIT 1	81,420	74,997	6,423	0.01922	123

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
12944	BERDOLL 1	36,004	36,004	0	0.01921	0
12739	TOCQUIGNY, R.O. 1	114,887	114,887	0	0.01921	0
	DIMMIT COUNTY	<u>12,447,556</u>	<u>10,917,356</u>	<u>1,530,199</u>		<u>29,396</u>
01530	BISHOP CATTLE COMPANY 4	209,855	29,704	180,151	0.02648	4,771
01540	BISHOP CATTLE COMPANY -B- 1 B	4,953,180	4,214,434	738,746	0.02648	19,564
01096	DUVAL COUNTY RANCH CO. -A- 1	1,000	1,000	0	0.02648	0
01097	DUVAL COUNTY RANCH CO. -B- 3	90,694	4,796	85,898	0.02648	2,275
01098	DUVAL COUNTY RANCH CO. -D- 1	261,841	89,578	172,263	0.02648	4,562
01127	HAHL, -C- 3	2,239	2,239	0	0.02648	0
01123	HAHL, C. W. 1	8,139	1,000	7,139	0.02648	189
01559	HAHL, C. W., SEC. 67 1	88,142	12,700	75,442	0.02648	1,998
01560	HERBST, F. W. 13	4,892	1,739	3,153	0.02648	84
01537	HUBBERD, MARY C. -B- 18	24,739	24,739	0	0.02648	0
01080	HUNT, C. E. 2	347,626	142,067	205,558	0.02648	5,444
01073	LUNDELL, E. C. -D- 8	1,000	1,000	0	0.02648	0
10410	MARTIN, R. S. -D- 6	2,000	2,000	0	0.02648	0
0420	MARTIN, R. S. -D- 6	1,000	1,000	0	0.02648	0
10571	MOBIL FEE 1	140,521	32,516	108,005	0.02295	2,478
01130	MOODY, L. B. 1	45,478	3,000	42,478	0.02648	1,125
01557	VELA, M. 2	490,676	331,453	159,223	0.02648	4,217
01255	WEIL SURVEY 1 1	1,000	1,000	0	0.02295	0
169385	BENAVIDES FIELD UNIT 1	9,746	7,363	2,383	0.02295	55
174561	BENAVIDES FIELD UNIT 3	30,894	11,297	19,598	0.02295	450
10446	PARR, THELMA D. 2	4,700	4,700	0	0.02295	0
08630	WEIL 1	1,890,798	1,890,798	0	0.02295	0
08826	WEIL -C- 1	967,558	670,274	297,284	0.02295	6,822
11238	KIBBE-MOOS, ANNA 19	322,581	212,615	109,966	0.02418	2,660
11595	KIBBE-MOOS, ANNA -A- 21	330,506	195,679	134,827	0.02418	3,261
11492	KIBBE-MOOS, ANNA -B- 19	73,717	73,717	0	0.02418	0
11877	KIBBE-MOOS, ANNA -S- 24	1,000	1,000	0	0.01036	0
04018	MOOS, H. E. & H. A., -A- 2	1,000	1,000	0	0.02418	0
05137	MOOS, H. E. & H. A., -A- 9	2,000	2,000	0	0.02418	0
12634	D. C. R. C. 3207	161,441	73,043	88,398	0.02648	2,341
12955	D. C. R. C. 4207	72,834	72,834	0	0.02648	0
10583	D.C.R.C. SECTION 55 3	31,138	17,440	13,698	0.02648	363
01654	DUVAL CO. RANCH CO. -C- 19	91,913	80,197	11,716	0.02648	310
00556	DUVAL CO. RANCH CO. -D- 4W	58,628	13,018	45,610	0.02648	1,208
00557	DUVAL CO. RANCH CO.-STATE -L- 1	57,005	12,572	44,433	0.02648	1,177

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
02108	DUVAL COUNTY RANCH CO. -E- 1	1,067,207	883,614	183,592	0.02648	4,862
00438	DUVAL COUNTY RANCH CO.-STATE -F- 1	21,542	4,000	17,542	0.02648	465
01655	DUVAL COUNTY RANCH CO. STATE -P- 1	42,072	117,340	-75,268	0.02648	-1,993
03599	DUVAL COUNTY RANCH CO. -T- 1	11,854	10,518	1,335	0.02648	35
05472	DUVAL COUNTY RANCH CO. -T- 1	11,987	9,826	2,160	0.02648	57
213307	CUELLAR 1	1,000	1,000	0	0.02419	0
163143	D C R C SECTION 54 5	94,770	94,770	0	0.02648	0
222446	D.C.R.C.-STATE TENDIDO 1	15,794	15,794	0	0.02648	0
172495	DCRC SECTION 54 2	3,269	3,269	0	0.02648	0
151330	DCRC-TENDIDO GAS UNIT NO. 1 1	2,400	2,400	0	0.02648	0
151340	DCRC-TENDIDO GU #3 1 C	11,452	11,452	0	0.02648	0
08983	GOVT. WELLS, N. (1800 AW&BW)UNIT 21	10,849	10,849	0	0.02648	0
198152	GOVT. WELLS, N. 305	52,522	13,850	38,672	0.02648	1,024
202882	N. GOVT. WELLS 304	5,134	5,134	0	0.02648	0
201837	N. GOVT. WELLS 37	80,952	25,850	55,102	0.02648	1,459
01101	WIEDERKEHR, L. 1	371,171	371,171	0	0.02648	0
07754	WIEDERKEHR, L. 147	120,854	120,854	0	0.02648	0
197103	WIEDERKEHR, L. 167	1,042	1,042	0	0.02648	0
092255	WIEDERKEHR, L. 197	1,000	1,000	0	0.02648	0
196951	WIEDERKEHR, L. 200	112,809	57,804	55,005	0.02648	1,457
197514	WIEDERKEHR, L. 212	12,798	12,798	0	0.02648	0
13222	WIEDERKEHR, L. 216	1,000	1,000	0	0.02648	0
198061	WIEDERKEHR, L. 220	40,935	40,935	0	0.02648	0
196125	WIEDERKEHR L. 97	59,300	59,300	0	0.02648	0
08371	WIEDERKEHR, L. 97	182,886	139,798	43,088	0.02648	1,141
11055	DRISCOLL FOUNDATION 1	9,832	9,832	0	0.02295	0
195786	CASAS 2	27,200	27,200	0	0.02648	0
213792	HOFFMAN 116 1	446,548	316,968	129,580	0.02648	3,432
212342	HOFFMAN 116 2	921,640	835,764	85,877	0.02648	2,274
223961	HOFFMAN 116 3	1,324,341	1,131,605	192,735	0.02648	5,104
226100	HOFFMAN 116 5	759,466	665,388	94,078	0.02648	2,491
13234	BADGLEY 1	1,000	1,000	0	0.02648	0
02817	WYNN, H. D., STATE-DAVIS 1	26,758	10,840	15,918	0.02648	422
186980	GUERRA 1	41,656	41,656	0	0.02648	0
102716	WELDER HEIRS 211 1	6,750	6,750	0	0.02648	0
149648	WELDER HEIRS 212 1	8,600	8,600	0	0.02648	0
02878	DCRC -A- NCT-12 2	1,639,921	1,561,790	78,131	0.02648	2,069
00426	DCRC MF NCT-1 28	5,354	2,000	3,354	0.02648	89
05536	DCRC MF NCT-32 2D	7,857	3,000	4,857	0.02648	129

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
07931	DCRC MF NCT-64 1	278,844	227,493	51,351	0.02648	1,360
00423	DUVAL CO. RANCH CO. -A- 1	497,600	226,872	270,728	0.02648	7,170
01065	HAHL, -A- 3	364,328	361,641	2,687	0.02648	71
01570	HAHL, C. W. -A- 1	58,752	17,583	41,169	0.02648	1,090
01573	HUBBERD, MARY C. -A- 1	292,448	57,586	234,862	0.02648	6,220
00422	MARTIN, R. S. -C- 1	3,000	3,000	0	0.02648	0
01104	RIGGS, W. C. 2	1,000	1,000	0	0.02648	0
01085	TANKERSLEY, A. L. 2	17,875	16,884	991	0.02648	26
07606	WEIL, A. SEC. 1 81	39,131	1,000	38,131	0.02295	875
211514	FROST BANK 1	2,639,501	1,331,704	1,307,797	0.01964	25,683
212586	FROST BANK 2	6,072,006	5,382,716	689,290	0.01964	13,537
221497	FROST BANK 3	642,678	206,036	436,642	0.01964	8,575
222704	FROST BANK 4	332,845	65,631	267,214	0.01964	5,248
222842	FROST BANK 5	15,033	15,033	0	0.01964	0
210368	PEAL, J B 1	1,818,861	1,818,861	0	0.02295	0
201226	PEAL RANCH 1	523,291	523,291	0	0.02295	0
219648	PEAL RANCH 10	490,508	490,508	0	0.02295	0
223235	PEAL RANCH 13	488,136	488,136	0	0.02295	0
201429	PEAL RANCH 2	594,994	594,994	0	0.02295	0
201324	PEAL RANCH 3	74,419	74,419	0	0.02295	0
202605	PEAL RANCH 5	1,390,660	1,390,660	0	0.02295	0
203152	PEAL RANCH 6	4,336,435	1,780,387	2,556,048	0.02295	58,653
209771	PEAL RANCH 7	310,374	310,374	0	0.02295	0
204320	PETERS RANCH 1	66,741	66,741	0	0.02295	0
207097	PETERS RANCH 2	1,274,181	1,274,181	0	0.02295	0
227246	PEAL RANCH 12	52,015	37,594	14,421	0.02295	331
182193	READY, ROBERTS 1	43,110	43,110	0	0.01908	0
208767	HINOJOSA UNIT 2	2,400	0	2,400	0.02419	58
12922	PARR 1 ACTUALLY W 3	109,571	109,571	0	0.02419	0
13163	PARR 6	61,758	16,022	45,736	0.02419	1,106
05491	DE RODRIQUEZ, ELENA S. 1	90,192	47,935	42,257	0.02295	970
013414	DESTINO 565	194,780	194,780	0	0.02295	0
210976	MARCHBANKS-CADENA 105C	292,821	172,536	120,285	0.01964	2,362
205938	MARCHBANKS-CADENA 107	353,318	143,687	209,631	0.01964	4,117
216852	MARCHBANKS-CADENA 109	40,832	9,665	31,167	0.01964	612
212935	MARCHBANKS-CADENA 111	1,134,284	687,050	447,234	0.01964	8,783
215828	MARCHBANKS-CADENA 115	6,477,254	5,432,081	1,045,173	0.01964	20,526
215945	MARCHBANKS-CADENA 116	1,792,072	573,978	1,218,094	0.01964	23,922
233158	MARCHBANKS-CADENA GU 131 - 1	447,718	383,357	64,361	0.01964	1,264

**Negotiated Value Summary And Estimated Tax Savings
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233186	MARCHBANKS-CADENA GU 135 - 1	22,149	1,614	20,535	0.01964	403
013460	MILLER ET AL	73,925	14,511	59,414	0.01964	1,167
218182	MILLER ET AL 124	121,271	1,470	119,801	0.01964	2,353
208062	PARR, HILDA 101	44,843	27,480	17,363	0.01964	341
209800	PARR, HILDA 102	1,048,343	977,243	71,100	0.01964	1,396
208061	PARR, HILDA 104	665,088	292,130	372,958	0.01964	7,324
210933	PARR, HILDA 106	5,500	5,500	0	0.01964	0
209714	PARR, HILDA 120	1,000	1,000	0	0.01964	0
210836	PARR, HILDA 121C	611,373	513,426	97,947	0.01964	1,924
216875	PARR, HILDA 136	1,576,382	1,321,491	254,891	0.01964	5,006
190026	PARR, HILDA 5	10,927	6,750	4,177	0.01964	82
116586	PARR, HILDA 6	4,800	4,800	0	0.01964	0
215514	PARR-LAWRENCE GU 1	646,764	204,745	442,019	0.01964	8,681
13278	SALINAS, J 1	1,000	1,000	0	0.02295	0
	DUVAL COUNTY	<u>56,894,130</u>	<u>42,824,529</u>	<u>14,069,601</u>		<u>311,103</u>
165720	CARR-GORDON 1	5,240	5,240	0	0.01474	0
173173	DORRIS 2	1,750	1,750	0	0.01474	0
173570	JACOBS 3	12,740	12,740	0	0.01474	0
173569	WYLIE, H. T. 2	1,750	1,750	0	0.01474	0
	ERATH COUNTY	<u>21,480</u>	<u>21,480</u>	<u>0</u>		<u>0</u>
025060	KAISER	1,631,430	701,300	930,130	0.01474	13,708
21068	LENA 1	1,360,140	339,210	1,020,930	0.01474	15,046
	FAYETTE COUNTY	<u>2,991,570</u>	<u>1,040,510</u>	<u>1,951,060</u>		<u>28,755</u>
229277	HILL-JONES 2 1	778,130	404,560	373,570	0.02547	9,515
232840	HILL-TERRY-1E	398,120	303,760	94,360	0.02547	2,403
	FISHER COUNTY	<u>1,176,250</u>	<u>708,320</u>	<u>467,930</u>		<u>11,918</u>
232400	GORKA, JIM 1	1,417,477	1,417,477	0	0.01950	0
225929	GORKA-GEORGE GU 1	11,407,462	399,539	11,007,924	0.01950	214,655
231720	GORKA-GEORGE GU 2	7,014,141	2,571,509	4,442,632	0.01950	86,631
232503	GORKA-GEORGE GU 3				0.01950	0
208026	FOSTER FARMS, INC 1	1,879,797	1,657,150	222,647	0.01903	4,238
	FORT BEND COUNTY	<u>21,718,877</u>	<u>6,045,675</u>	<u>15,673,203</u>		<u>305,524</u>
13801	BETCO-AVANT UNIT 1	31,770	31,770	0	0.02384	0
13276	BURNS D W #3	396,970	131,059	265,911		0
000038	A.A. MANN 1	65,720	65,720	0	0.02442	0
199665	BERRY, MARTHA E. 12	223,160	223,160	0	0.02442	0
000014	BERRY, MARTHA F. 1	150,470	130,430	20,040	0.02442	489

**Negotiated Value Summary And Estimated Tax Savings
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000022	BERRY, MARTHA F. 10	31,900	31,900	0	0.02442	0
033699	BERRY, MARTHA F. 11	27,650	27,650	0	0.02442	0
000017	BERRY, MARTHA F. 5	106,530	106,530	0	0.02442	0
000020	BERRY, MARTHA F. 8	159,330	159,330	0	0.02442	0
000021	BERRY, MARTHA F. 9	36,440	36,440	0	0.02442	0
000023	BIEDIEGER, FERDINAND 1	4,830	4,830	0	0.02442	0
000024	BROWN, EDGAR A. 1	59,740	59,740	0	0.00872	0
071635	CALVERT, J. H. 1	668,140	372,480	295,660	0.02384	7,050
226045	CALVERT, J.H. 2	201,060	94,690	106,370	0.02384	2,536
208914	CARNES 1	107,700	107,700	0	0.02384	0
221329	CARNES 2	173,140	173,140	0	0.02384	0
000025	CHILES, M. R., GAS UNIT #1 1	5,690	5,690	0	0.00872	0
000026	CHILES, M. R., GAS UNIT #1 2	184,070	135,350	48,720	0.00872	425
000027	CURTIS, SAM 1	114,220	114,220	0	0.00872	0
000029	CURTIS, SAM 3	80,770	47,450	33,320	0.00872	291
030975	DAVIS, LORENA H. 1	191,160	141,330	49,830	0.02442	1,217
034032	DAVIS, LORENA H. 2	3,010	3,010	0	0.02442	0
167001	ECHENROTH, ED H. 4	176,900	176,900	0	0.02442	0
000030	ECKENROTH, ED. H. 1	171,870	133,760	38,110	0.02442	931
000031	ECKENROTH, ED. H. 2	4,860	4,860	0	0.02442	0
030442	ECKENROTH, ED. H. 3	117,350	117,350	0	0.02442	0
033700	GOERING, A. E. 1	74,330	74,330	0	0.02442	0
069213	HARLAN, R. K. 1	20,040	20,040	0	0.02384	0
069792	HARLAN, R. K. 1	386,380	386,380	0	0.02442	0
232696	HARLAN, R. K. 10	1,196,020	542,960	653,060	0.02384	15,572
230132	HARLAN, R. K. 11	873,310	614,010	259,300	0.23844	61,827
071147	HARLAN, R. K. 2	121,685	64,454	57,232	0.23844	13,646
214724	HARLAN, R. K. 2	117,430	58,860	58,570	0.02384	1,397
071146	HARLAN, R. K. 3	241,890	219,420	22,470	0.02384	536
137655	HARLAN, R. K. 3	18,940	18,940	0	0.02384	0
074309	HARLAN, R. K. 4	225,850	183,540	42,310	0.02384	1,009
191822	HARLAN, R. K. 5	681,420	562,170	119,250	0.02384	2,843
194195	HARLAN, R. K. 6	426,310	397,980	28,330	0.02384	676
194191	HARLAN, R. K. 7	33,570	16,080	17,490	0.02384	417
225023	HARLAN, R. K. 8	215,000	122,760	92,240	0.02384	2,199
220856	HARLAN, R. K. 9	88,540	88,540	0	0.02442	0
058693	HERNANDEZ, ROMAN 1	4,856	4,856	0	0.00872	0
000033	HERNANDEZ, ROMAN 2	92,980	57,580	35,400	0.00872	309
000034	HOWARD, DELLA F. 1	68,070	68,070	0	0.02442	0

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
000036	LANHAM, B. C. 1	213,670	176,830	36,840	0.02442	900
000039	MANN-BIEDIGER GAS UNIT 1	4,860	4,860	0	0.02442	0
166999	O`QUINN, WEBSTER 3A	262,970	195,550	67,420	0.02442	1,646
000040	OQUINN, WEBSTER, GAS UNIT 1	10,270	10,270	0	0.02442	0
000041	OQUINN, WEBSTER, GAS UNIT 2	199,820	169,060	30,760	0.02442	751
036689	SATTLER, EUGENE 2	119,540	119,540	0	0.02442	0
167332	TATE, G. E. 8	219,970	219,970	0	0.02442	0
000046	TATE, GORDON E. 4	9,900	9,900	0	0.02442	0
000047	TATE, GORDON E. 5	19,650	19,650	0	0.02442	0
030769	TATE, GORDON E. 7	86,750	86,750	0	0.02442	0
167333	TATE, GORDON E. 9	145,770	86,390	59,380	0.02442	1,450
000048	THOMPSON, C. R., ESTATE 1	4,860	4,860	0	0.00872	0
031152	THOMPSON, C. R., ESTATE 2	3,380	3,380	0	0.00872	0
000049	USSERY, CLAUDE 1	11,740	11,740	0	0.02442	0
000050	WALDEN, R. C. 1	59,820	59,820	0	0.02442	0
199660	WALDEN, R. C. 11	46,450	20,080	26,370	0.02442	644
000051	WALDEN, R. C. 2	193,880	175,010	18,870	0.02442	461
000052	WALDEN, R. C. 3	1,943	1,943	0	0.02442	0
030770	WALDEN, R. C. 4	35,950	35,950	0	0.02442	0
030776	WALDEN, R. C. 5	95,080	95,080	0	0.02442	0
033701	WALDEN, R. C. 7	101,630	101,630	0	0.02442	0
036690	WALDEN, R. C. 9	35,950	35,950	0	0.02442	0
000054	WILLIAMS, GEO. M. 1	4,860	4,860	0	0.02442	0
000064	WILLIAMS, GEO. M. 11	293,500	187,910	105,590	0.02442	2,578
030772	WILLIAMS, GEO. M. 12	43,430	43,430	0	0.02442	0
033703	WILLIAMS, GEO. M. 14	46,480	46,480	0	0.02442	0
000055	WILLIAMS, GEO. M. 2	113,750	113,750	0	0.02442	0
167005	WILLIAMS, GEO, M. 21	36,570	36,570	0	0.02442	0
198500	WILLIAMS, GEO. M. 22	108,890	108,890	0	0.02442	0
000057	WILLIAMS, GEO. M. 4	80,409	80,409	0	0.02442	0
000060	WILLIAMS, GEO. M. 7	48,520	48,520	0	0.02442	0
000061	WILLIAMS, GEO. M. 8	383,670	383,670	0	0.02442	0
185996	WILLIAMS, GEORGE M. 3	230,170	230,170	0	0.02442	0
	FRIO COUNTY	11,655,174	9,066,331	2,588,843		121,798
214134	CHAPMAN BROTHERS 1	71,916	71,916	0	0.01757	0
164234	DAVIS 1	199,029	199,029	0	0.01757	0
169888	DAVIS 3	109,693	109,693	0	0.01757	0
08938	GOHLKE UNIT 1	607,609	439,415	168,194	0.01757	2,955

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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
203200	VERNETT MCMULLEN 1	6,298	6,298	0	0.01757	0
090975	OCONNER, M. E. A49	1,000	1,000	0	0.01757	0
218427	LUCAS 2	1,000	1,000	0	0.01652	0
220586	LUCAS 3	3,595,118	126,769	3,468,349	0.01652	57,309
182899	CASCADIA 1	36,508	36,508	0	0.01757	0
160107	KESELING, FRANCIS B. 1	2,595	0	2,595	0.01757	46
009000	REED, D. M.	21,000	8,600	12,400	0.01757	218
001092	REED, D. M. 2	17,712	8,600	9,112	0.01757	160
230383	SCHROEDER GAS UNIT 1	2,064,557	1,252,505	812,052	0.01757	14,268
190498	WHITTINGTON 2	1,116,587	803,307	313,279	0.01757	5,505
225088	POWELL 1	1,261,433	355,152	906,281	0.01648	14,937
225148	LUKER 2	56,968	30,720	26,248	0.01648	433
205331	PREWITT 3A	846,189	601,674	244,515	0.01648	4,030
150036	PREWITT, DONALD F. ET. UX. 1	97,032	97,032	0	0.01648	0
151541	FULLER-NEWTON 1	80,738	8,064	72,674	0.01648	1,198
232505	LOEHR 1B	268,956	9,335	259,621	0.01648	4,279
232508	LOEHR 1C	1,770,000	472,382	1,297,619	0.01648	21,386
212584	ROUDAN RANCH 2	229,013	184,461	44,551	0.01648	734
212495	HARPER 1	1,138,687	845,115	293,572	0.01648	4,838
223733	HARPER 2	1,668,279	1,258,709	409,571	0.01648	6,750
08954	HAMMAN 1	1,000	1,000	0	0.01648	0
192476	RIEMENSCHNEIDER 1	71,155	71,155	0	0.01648	0
119307	CROW 1	3,135	3,135	0	0.01648	0
110525	GABRIEL F G	66,864	66,864	0	0.01648	0
163802	HOLT B D	1,000	1,000	0	0.01648	0
079247	JACOB, MATILDA 2	5,347	5,347	0	0.01648	0
08820	JACOBS, MATILDA 1B	119,723	119,723	0	0.01648	0
069113	JACOBS, MATILDA ESTATE 1A	13,675	13,675	0	0.01648	0
102450	WILKINSON 1	23,064	23,064	0	0.01648	0
008306	ADAIR DAYNA C (A0500)	1,000	1,000	0	0.01648	0
082785	ALBRECHT,P.A. 1	5,500	5,500	0	0.01648	0
074282	ALBRECHT, P. A. 2B	47,483	47,483	0	0.01648	0
145726	ALTMAN 1	1,000	1,000	0	0.01648	0
111335	ALTMAN F 2	30,661	30,661	0	0.01648	0
089864	ALTMAN, WILLIAM B. 1	891,156	382,438	508,718	0.01648	8,384
04542	ALTMAN, WM. 1	5,500	5,500	0	0.01648	0
07865	ALTMAN, WM. 'A' 2	149,313	149,313	0	0.01648	0
175292	ARNOLD 1	1,000	1,000	0	0.01648	0
08245	BOYCE 1	34,931	34,931	0	0.01648	0

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195358	BOYCE, W. W. 11	233,213	72,557	160,656	0.01648	2,648
125079	CHAPMAN 1	1,000	1,000	0	0.01648	0
135869	CHAPMAN 6	1,000	1,000	0	0.01648	0
155084	CHAPMAN, M.M. ET UX 1	4,522	4,522	0	0.01648	0
140424	CHAPMAN, M. (SUN) 1	8,600	8,600	0	0.01648	0
009015	COLES-BAMMERT	1,000	1,000	0	0.01648	0
08775	CORGEY UNIT 1	1,000	1,229	-229	0.01648	-4
01617	DOHMANN, F. A. 1	298,099	298,099	0	0.01648	0
103948	DUDERSTADT-FROMME UNIT 1	26,410	16,284	10,126	0.01648	167
000980	ELS, EMIL 1	5,500	5,500	0	0.01648	0
000964	ELS, EMIL 2	5,500	5,500	0	0.01648	0
100333	ELS, EMIL 2	5,500	5,500	0	0.01648	0
175293	GEORGE, JOE H. 1	1,000	1,000	0	0.01648	0
083153	HENKE, E. 1	1,000	1,000	0	0.01648	0
008867	HILBRICH J P	241,029	241,029	0	0.01648	0
08096	KEAHEY-MEYER 1C	49,617	22,762	26,855	0.01648	443
180183	KENNE	1,000	1,000	0	0.01648	0
08440	LEGGETT, R. L. 1	170,354	170,354	0	0.01648	0
142659	MARSHALL, WILLIAM 1	1,000	1,000	0	0.01648	0
143106	MUECKE 1	4,970	4,970	0	0.01648	0
168386	POEHLER 3	283,985	283,985	0	0.01648	0
05794	REED, ADDIE BELL 2	107,021	4,514	102,507	0.01648	1,689
08714	REED, ADDIE BELL ET AL 1	10,242	10,242	0	0.01648	0
156606	ROLLER 1	11,661	11,661	0	0.01648	0
000972	TIPTON, IDA E. 2 D	5,500	5,500	0	0.01648	0
180687	TOERCK, E. D. 2	1,000	1,000	0	0.01648	0
089214	URBAN-FOERSTER UNIT 1	509,207	509,207	0	0.01648	0
096917	WRIGHT MATERIALS INC. UNIT 1	346,982	346,982	0	0.01648	0
189313	GOHLKE 4	1,835	0	1,835	0.01648	30
115111	MARIE DUESER GAS UNIT 1	1	1	0	0.01644	0
	GOLIAD COUNTY	19,079,171	9,928,070	9,151,101		152,402
212365	DANIELS 1	44,020	7,220	36,800	0.01848	680
220142	DANIELS 2	154,820	43,550	111,270	0.01848	2,056
	GREGG COUNTY	198,840	50,770	148,070		2,736
19446	ARCO FEE 1	14,324	14,324	0	0.01937	0
19428	D J UNIT A 1	330,101	330,101	0	0.01937	0
04540	DOTY-JACKSON -C- 1D	167,956	167,956	0	0.01937	0
222301	MILLS, NONA 1	29,646	29,646	0	0.01937	0

**Negotiated Value Summary And Estimated Tax Savings
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19350	D J UNIT B 7	10,430	10,430	0	0.01937	0
02500	DOTY & JACKSON 3	56,838	56,838	0	0.01937	0
	HARDIN COUNTY	<u>609,295</u>	<u>609,295</u>	<u>0</u>		<u>0</u>
24644	NASH, HANNAH	180,851	180,851	0	0.01770	0
111211	COHN, A. B. 1	36,158	36,158	0	0.02052	0
	HARRIS COUNTY	<u>217,009</u>	<u>217,009</u>	<u>0</u>		<u>0</u>
214714	BOTTOMS, TALLEY 1	734,303	544,558	189,745	0.01770	3,358
215164	BOTTOMS, TALLEY 2	680,216	560,097	120,119	0.01770	2,126
223216	BOTTOMS, TALLEY 3	853,387	517,184	336,203	0.01770	5,949
228349	CRAWFORD 1	7,880	7,880	0	0.01770	0
236145	HUDMAN #6	388,468	93,309	295,159	0.01770	5,223
221407	HUDMAN, B.J. UNIT 4	664,448	449,538	214,910	0.01770	3,803
225316	HUDMAN, B.J. UNIT 5	624,787	398,325	226,462	0.01770	4,007
	HARRISON COUNTY	<u>3,953,489</u>	<u>2,570,891</u>	<u>1,382,598</u>		<u>24,466</u>
161385	SHELL FEE 19 1	48,190	48,190	0	0.01897	0
07223	SHELL FEE 25 2	135,690	135,690	0	0.01897	0
	HEMPHILL COUNTY	<u>183,880</u>	<u>183,880</u>	<u>0</u>		<u>0</u>
195319	SLAVIK, H. C. 1	293,053	293,053	0	0.02185	0
126235	RIVERA, ISABEL 1	1,000	1,000	0	0.02045	0
170955	RIVERA, ISABEL 2	1,000	1,000	0	0.02045	0
106821	SAENZ, G.F. 1	29,482	29,482	0	0.02045	0
115132	SAENZ, G.F. 2	1,000	1,000	0	0.02045	0
212679	ARCADIO 1	1,264,726	254,736	1,009,990	0.02500	25,250
216346	ARCADIO 2	236,018	85,249	150,768	0.02500	3,769
219399	ARCADIO 3	13,382	8,600	4,782	0.02500	120
156917	BALDWIN-TOWNSEND 1	5,070	5,070	0	0.02500	0
160727	BEAURLINE, A W 2D	1,000	1,000	0	0.02500	0
181383	BEAURLINE, A. W. 6	96,938	1,000	95,938	0.02500	2,398
197744	CASA BLANCA `B` 1	132,978	93,998	38,980	0.02500	974
201782	CASA BLANCA `B` 2	8,600	8,600	0	0.02500	0
213333	CASA BLANCA `C` 1	5,500	5,500	0	0.02500	0
216327	CASA BLANCA `D` 1	9,126	8,600	526	0.02500	13
227536	CASA BLANCA `D` 2	20,563	8,600	11,963	0.02500	299
195823	COATES `B` 1	19,934	19,934	0	0.02500	0
220745	DE LOS SANTOS GAS UNIT 1	14,800	14,800	0	0.02500	0
10288	DRAWE, W. H. 1A	8,600	8,600	0	0.02500	0
230797	GUERRA BROS. 1 R	101,160	71,612	29,548	0.02500	739
212381	GUERRA GAS UNIT (SCH) 1	823,643	699,101	124,542	0.02500	3,114

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152479	H.A. HENRY UNIT 5-C	5,500	5,500	0	0.02500	0
010882	HACKNEY LAKE GAS UNIT 1 1 L	2,400	2,400	0	0.02500	0
010855	HACKNEY LAKE GAS UNIT 1 1 U	2,400	2,400	0	0.02500	0
143283	HARRIS GAS UNIT 3	182,714	36,932	145,781	0.02500	3,645
12986	HARRIS GAS UNIT 4	8,600	8,600	0	0.02500	0
175531	HARRIS GAS UNIT 5	14,800	14,800	0	0.02500	0
223514	HARRIS GAS UNIT 6	14,800	14,800	0	0.02500	0
010892	KAWAHATA UNIT 2 U	2,400	2,400	0	0.02500	0
043417	KAWAHATA UNIT 3 U	7,363	7,363	0	0.02500	0
134214	LOCKHART GAS UNIT 3	8,600	8,600	0	0.02500	0
156931	LOCKHART GAS UNIT 4	8,600	8,600	0	0.02500	0
175385	LOCKHART GAS UNIT 6	91,334	91,334	0	0.02500	0
187690	LOCKHART GAS UNIT 7	21,130	8,600	12,530	0.02500	313
216874	LUNA UNIT 1	2,400	2,400	0	0.02500	0
151537	MALONE GAS UNIT 1	11,700	11,700	0	0.02500	0
159899	MORRIS SCHOOL UNIT 1	33,521	33,521	0	0.02500	0
152436	PATE GAS UNIT 1 1	8,600	8,600	0	0.02500	0
010910	PATE GAS UNIT 1 2	1,311,630	1,311,630	0	0.02500	0
226323	RHODES UNIT 1	990,615	724,587	266,029	0.02500	6,651
043755	RIO GRANDE BIBLE INST. U 1	75,086	17,900	57,186	0.02500	1,430
231212	RIVER FARMS 6	1,000	1,000	0	0.02500	0
200691	ROBERTSON GAS UNIT 1	90,460	21,947	68,513	0.02500	1,713
215082	RUSSELL 1	172,369	142,579	29,791	0.02500	745
010899	SAVAGE -A- UNIT A 1 L	2,400	2,400	0	0.02500	0
010891	SAVAGE -A- UNIT A 2 U	5,500	5,500	0	0.02500	0
010900	SAVAGE UNIT -B- 1 L	2,400	2,400	0	0.02500	0
010874	SAVAGE UNIT -B- 1 U	2,400	2,400	0	0.02500	0
010875	THESER BROS. 1 C	2,400	2,400	0	0.02500	0
013327	VALDERAS GAS UNIT	887,375	732,151	155,224	0.02500	3,881
193927	VALDERAS GAS UNIT 1	108,949	108,949	0	0.02500	0
223689	VALDERAS GAS UNIT 4	1,318,899	1,310,300	8,599	0.02500	215
014979	WILLIAMS, D. C. 1	8,600	8,600	0	0.02500	0
226760	BLACKSTONE-SHARY 1	9,712	9,712	0	0.01962	0
223491	SOUTH WESLACO GU 35C	1,723,147	193,331	1,529,816	0.01962	30,012
227873	SOUTH WESLACO GU 36	252,035	252,035	0	0.01962	0
225143	SOUTH WESLACO GU 37	2,829,315	2,829,315	0	0.01962	0
123212	COATES ENERGY TRUST ET AL 1	8,600	8,600	0	0.01917	0
111666	GARZA, JUAN A. ET AL 1	620,123	279,892	340,232	0.01917	6,522
173434	KOTARA-ALDRIDGE ET AL G U 2	72,364	32,155	40,208	0.01917	771

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115364	MORSE 1	640,607	640,607	0	0.01917	0
181469	PAINTER GAS UNIT 10	16,223	16,223	0	0.02095	0
179449	PAINTER GAS UNIT 11	2,400	2,400	0	0.02095	0
191931	PAINTER GAS UNIT 13	5,500	5,500	0	0.01917	0
215942	PAINTER GAS UNIT 8	8,600	8,600	0	0.01917	0
216173	PAINTER GAS UNIT 9	8,600	8,600	0	0.01917	0
207597	PAINTERS GAS UNIT 14	19,040	13,003	6,037	0.01917	116
120373	THREE CITIES 1	11,047	9,243	1,805	0.01917	35
079708	DIETRICH 1	5,500	0	5,500	0.01962	108
078725	GUERRA, A. 3	225,169	225,169	0	0.01917	0
010247	HIDALGO-WILLACY UNIT 1 L	5,500	5,500	0	0.02128	0
192176	EL TEXANO TRACT 3 1	4,923	4,923	0	0.02098	0
160628	HARTLEY GAS UNIT 1	13,974	13,974	0	0.02098	0
158053	LEPOVITZ GAS UNIT 1	5,500	5,500	0	0.02098	0
118635	LEPOVITZ GAS UNIT 4	182,672	182,672	0	0.02098	0
166954	NOSER GAS UNIT 1	2,400	2,400	0	0.02098	0
220912	SHRINER GAS UNIT 1	70,498	33,803	36,695	0.02098	770
153747	THESEER GAS UNIT 5	16,109	3,810	12,299	0.02098	258
130803	THESEER GU 3 U	2,400	2,400	0	0.02098	0
202498	MORRIS 1	112,927	10,329	102,598	0.02098	2,152
157743	CASSO ET AL GAS UNIT 2	18,730	18,730	0	0.02593	0
210293	CASSO GAS UNIT 3	17,900	17,900	0	0.02593	0
175355	EDINBURG UNIT 1	2,529,145	2,529,145	0	0.02593	0
132944	EDINBURG UNIT 10	838,683	838,683	0	0.02593	0
215992	EDINBURG UNIT 12	720,209	617,287	102,922	0.02593	2,668
186952	EDINBURG UNIT 3	249,475	249,475	0	0.02593	0
168718	EDINBURG UNIT 4	304,851	209,772	95,079	0.02593	2,465
199312	EDINBURG UNIT 5 T	3,282,786	3,169,616	113,170	0.02593	2,934
209339	EDINBURG UNIT 5C	9,554,062	1,539,557	8,014,505	0.02593	207,784
197653	EDINBURG UNIT 6	2,583,239	2,583,239	0	0.02593	0
208858	SWOLI A 2	389,442	389,442	0	0.02593	0
230905	HARGROVE HEIRS 1	206,862	139,051	67,811	0.01908	1,294
233631	HARGROVE HEIRS 2	34,962	8,000	26,962	0.01908	515
193839	OLIVAREZ-VAN DRESAR UNIT 2	14,800	14,800	0	0.01908	0
233906	OLIVAREZ-VAN DRESAR UNIT 3	844,105	844,105	0	0.02160	0
088445	CONRAD, V. L. 1	36,535	20,382	16,153	0.02644	427
204539	BLACK STONE 1	2,132,793	1,968,077	164,716	0.02077	3,420
193823	STAHL #1 1	11,700	11,700	0	0.02077	0
187865	TANNER 1	111,219	111,219	0	0.02027	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
192877	TANNER 2	568,856	568,856	0	0.02027	0
192550	TANNER 3	2,534	2,534	0	0.02027	0
198508	WIDMARK-RAY 1	13,010	11,700	1,310	0.02185	29
204939	TORRES, ET AL GAS UNIT 1A	650,108	162,237	487,871	0.02160	10,540
222530	TORRES, ET AL GAS UNIT 1ST	17,900	18,653	-753	0.02160	-16
171795	LONGORIA 3	10,737	10,737	0	0.01908	0
166094	LONGORIA 4	35,694	35,694	0	0.01908	0
145919	WERNER, C. 1	401,195	360,853	40,342	0.02409	972
011962	SHOEMAKE, E. C., ET AL 1	11,700	11,700	0	0.02737	0
	HIDALGO COUNTY	<u>40,962,637</u>	<u>27,546,667</u>	<u>13,415,970</u>		<u>329,042</u>
235559	PIPES 1H	2,017,661	1,704,077	313,584	0.01717	5,383
611173	PIPES 2H	1,968,373	1,663,475	304,898	0.01717	5,234
611174	PIPES 3H	1,658,360	1,399,076	259,284	0.01717	4,451
	HILL COUNTY	<u>5,644,394</u>	<u>4,766,628</u>	<u>877,766</u>		<u>15,068</u>
162985	E. YATES GAS UNIT 1	935,001	935,001	0	0.02052	0
170694	PLOEGER, DOROTHY 1	251,336	105,168	146,168	0.02052	2,999
226799	BENNETT 2	4,507,994	1,528,955	2,979,039	0.02420	72,084
221874	BENNETT, ET AL 1	2,393,276	353,577	2,039,699	0.02420	49,355
07475	BROOKING, G.T. 32	262,142	262,142	0	0.02167	0
08586	DUGGER/SEALE UNIT 1	125,306	125,306	0	0.02167	0
009034	G.T. BROOKING 35	0	0	0	0.02167	0
642491	G.T. BROOKING 44	769,497	769,497	0	0.02167	0
232899	OHLENDORF	5,662,516	2,097,961	3,564,555	0.02167	77,233
184359	SEALE, SAM D. 1	57,048	57,048	0	0.02167	0
165213	O`CONNOR-MILLER 1	14,753	9,590	5,163	0.01949	101
169316	O`CONNOR-MILLER 3	4,185,708	4,185,708	0	0.01949	0
169129	PETERS/SKLAR 1	660,978	479,097	181,881	0.01949	3,545
08715	SCHERER, L. P. 1	61,630	54,404	7,226	0.01949	141
224618	STAFFORD 1	966,536	44,211	922,325	0.02052	18,923
008646	BURDITT, ALLEN L. 1	618,344	496,705	121,639	0.02152	2,617
226805	DOROTIK G. U. 1R	4,747,482	3,777,361	970,121	0.02152	20,872
225469	PLOEGER `B` 3	212,064	212,064	0	0.02052	0
224928	WILLIAMS 1	786,886	430,638	356,247	0.02052	7,309
06116	MAURITZ 1	507,570	507,570	0	0.01997	0
	JACKSON COUNTY	<u>27,726,068</u>	<u>16,432,004</u>	<u>11,294,064</u>		<u>255,179</u>
188081	FRIENDSHIP 1	1,174,735	951,149	223,586	0.02030	4,539
233357	FRIENDSHIP 2	455,760	455,760	0		0
179980	HOLLOWAY UNIT 2	10,433	10,433	0	0.01779	0

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
179047	O`BRIEN 1	16,692	16,692	0	0.01779	0
23269	BROUSSARD & HEBERT 39	200,054	200,054	0	0.01752	0
22959	BROUSSARD & HEBERT 40	10,869	10,869	0	0.01752	0
201769	BROUSSARD & HEBERT `D` 1	13,356	13,356	0	0.01752	0
11360	FOLTS, W. H. ET AL 1	2,746,984	2,746,984	0	0.01752	0
19316	SPALDING, OAKLEY C. 4	388,880	388,880	0	0.01752	0
211589	APPELT ET AL UNIT 1	16,690	0	16,690	0.01950	325
209807	BB UNIT 1	5,678,181	5,628,056	50,125	0.01950	977
212156	BISHOP 1	983,381	744,661	238,719	0.02060	4,918
219265	BROUSSARD, J. E. 1	316,944	288,975	27,970	0.01950	545
210192	BROUSSARD-HEBERT 1	294,910	192,383	102,527	0.01785	1,830
212147	BROUSSARD-HEBERT 3	13,982	13,982	0	0.01948	0
024729	CASEY MINERAL TRUST 1	2,402,552	2,227,545	175,007	0.00414	725
25151	CATFISH 1	1,393,349	1,089,243	304,107	0.02000	6,082
24647	CLUBB ET AL UNIT 1	12,602	12,602	0	0.01948	0
024871	CLUBB, G. D.	4,789,433	3,762,819	1,026,614	0.01950	20,019
229608	DAVID 1	4,845,927	4,429,617	416,311	0.02057	8,563
24605	DEWITT GAS UNIT NO. 1	11,460	0	11,460	0.02057	236
207399	FIEDLER ET AL UNIT	12,505	0	12,505	0.02057	257
218080	LEVINGSTON	14,080	0	14,080	0.02057	290
206072	M HALF CIRCLE RANCH 1	20,868	0	20,868	0.01752	366
211967	M HALF CIRCLE RANCH 2	16,778	0	16,778	0.01752	294
024865	MCFADDIN	10,214,987	10,123,599	91,388	0.01849	1,690
216508	MCFADDIN TRUST 1	12,521	0	12,521	0.01948	244
226691	MCFADDIN TRUST 2	32,730,256	32,083,168	647,088	0.01948	12,604
233985	MCFADDIN TRUST 3	21,861,018	16,476,740	5,384,278	0.02000	107,686
025029	MOODY-HUTCHINGS	777,336	11,800	765,536	0.01948	14,911
226396	PIRATE 1	57,282,615	20,444,408	36,838,206	0.01750	644,669
214653	SHERRON	13,828	0	13,828	0.01849	256
229796	TYRRELL-STATE UNIT 1	7,727,609	6,837,897	889,712	0.01948	17,330
024830	WALTER CO	14,678	14,678	0	0.00610	0
024724	WALTER CO. UNIT 1	855,845	915,944	-60,098	0.00610	-367
211693	WILBER 1	552,107	289,136	262,971	0.02057	5,409
	JEFFERSON COUNTY	157,884,205	110,381,429	47,502,775		854,398
211139	RAMIREZ W #1	6,990	6,990	0		0
222582	WEIL 1	3,769,180	2,925,090	844,090	0.02256	19,041
109848	WEST COYOTE 1	7,740	7,740	0	0.02256	0
062761	HELLEN, C. W. 1	4,860	4,860	0	0.02256	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
071768	HELLEN, C.W. GAS UNIT 1	34,200	1,940	32,260	0.02256	728
	JIM HOGG COUNTY	<u>3,822,970</u>	<u>2,946,620</u>	<u>876,350</u>		<u>19,769</u>
215491	DICKSON FOUNDATION 1	1,000	1,000	0	0.01845	0
013348	SEELIGSON	7,382	7,382	0	0.01791	0
10807	GARCIA, MACLOVIO HEIRS 1	63,520	63,520	0	0.01842	0
02222	ISHAM 1	763,940	606,050	157,890	0.01791	2,829
10970	ISHAM 12	1,000	1,000	0	0.01791	0
02195	ISHAM 2	98,220	39,803	58,416	0.01791	1,047
010886	PEREZ HEIRS, ETAL 2	1,000	1,000	0	0.01791	0
10778	PEREZ-DUERKSON UNIT 1	119,064	49,838	69,226	0.01791	1,240
06522	PREMONT FIELD UNIT 5	68,925	68,925	0	0.01791	0
02196	SEELIGSON, A. A.-A- 3	1,000	1,000	0	0.01791	0
126651	SEELIGSON, A.A. -A- 6	1,687	1,687	0	0.01791	0
10221	SEELIGSON, A. A.-A- 7 A	133,540	133,540	0	0.01791	0
10334	SEELIGSON, A.A. 'A' 8	140,829	140,829	0	0.01791	0
12499	SEELIGSON UNIT 2 4	88,765	88,765	0	0.01791	0
11709	WESTERHOLM 1	36,975	36,975	0	0.01791	0
10858	DODD, LEONA 3	1,000	1,000	0	0.01845	0
111547	DODD, LEONA 5	1,000	1,000	0	0.01938	0
147743	DODD, LEONA ESTATE 2	1,000	1,000	0	0.01938	0
009751	DODD, LEONA ESTATE 4	1,000	1,000	0	0.01845	0
206657	TODD ESTATE 1	2,871	1,000	1,871	0.01845	35
206691	WOLFE 1	75,394	24,167	51,227	0.01857	951
12520	ADAMS-HOUGHTON #3	138,358	138,358	0	0.01857	0
12587	ADAMS-HOUGHTON #4	1,000	1,000	0	0.01857	0
032882	PONDROM, L. G. 1 C	108,474	5,338	103,136	0.00658	679
216016	DE YOUNG 1	1,787,630	898,807	888,823	0.01987	17,659
095075	RUPP 3	76,123	76,123	0	0.02028	0
	JIM WELLS COUNTY	<u>3,720,696</u>	<u>2,390,106</u>	<u>1,330,590</u>		<u>24,439</u>
607670	H & D 1H	1,905,733	1,569,016	336,717	0.01717	5,780
601670	MOORE UNIT A 1 1H	522,957	414,690	108,267	0.01896	2,053
602712	MOORE UNIT B 2H	993,280	791,457	201,823	0.01896	3,827
235558	PARKER-BETZEL UNIT 1H	898,430	748,505	149,925	0.01896	2,843
604069	ROBINSON	1,736,603	1,401,234	335,369	0.01610	5,399
213505	ROSS 1	804,346	804,346	0	0.01591	0
602886	WILSON HANCOCK 1H	2,979,980	2,425,570	554,410	0.01896	10,513
237788	PANNELL 1H	432,064	427,411	4,653	0.01601	75
	JOHNSON COUNTY	<u>10,273,393</u>	<u>8,582,229</u>	<u>1,691,164</u>		<u>30,490</u>

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
214494	JANSSEN, ESTELLA 1	62,514	0	62,514	0.01115	697
002286	LYONS, ANNIE LEE 1 L	1,443,545	1,114,067	329,478	0.01114	3,672
02302	LYONS, ANNIE LEE 11 C	15,635	15,635	0	0.02235	0
02287	OVERBY, C. J. 1 T	376,057	376,057	0	0.01114	0
008232	PAN AMERICAN-SPIELHAGAN 4	15,980	15,980	0	0.02235	0
004762	SPIELHAGEN 1 F	250,667	250,667	0	0.02235	0
02297	SPIELHAGEN, INEZ 3	2,053,027	2,053,027	0	0.02235	0
223076	STEED, J. E. 5	18,800	18,800	0	0.01114	0
110781	E. JOHNSON GAS UNIT 1-E 1	294,664	228,864	65,800	0.02308	1,519
144512	J. RUHMANN GAS UNIT 1-E 2	249,559	135,381	114,178	0.02308	2,635
112637	R. RUHMANN GAS UNIT 2-E 1	888,929	835,679	53,250	0.02308	1,229
213720	R. RUHMANN GAS UNIT 2-E 2	853,711	741,669	112,042	0.02235	2,505
07359	WIATREK, A. 1	23,665	0	23,665	0.02195	519
150153	WIATREK, G 1	25,392	0	25,392	0.02195	557
185071	FURHKEN, LOLA 2	5,020	0	5,020	0.02382	120
162204	LOLA FUHRKEN GAS UNIT 1	138,120	0	138,120	0.02382	3,291
05086	MOCZYGEMBA, C.W. 1	15,000	15,000	0	0.02382	0
119960	HILBRICH-SELLERS -B- 2	77,988	77,988	0	0.02154	0
08867	HILBRICH, J.P. 1	37,030	37,030	0	0.02154	0
075358	HILBRICH-SELLERS 3 U	22,821	2,716	20,105	0.02154	433
08175	OSO-SANDIA UNIT 1	278,886	225,708	53,178	0.02308	1,227
	KARNES COUNTY	7,147,011	6,144,268	1,002,743		18,403
188462	KENEDY RANCH 3	87,557	87,557	0	0.01918	0
184938	KENEDY RANCH 4	3,071,948	1,140,915	1,931,034	0.01918	37,037
187698	KENEDY RANCH 5	2,898,946	1,389,357	1,509,589	0.01918	28,954
192351	KENEDY RANCH 8	10,000	10,000	0	0.01918	0
178898	KENEDY RANCH `A` 6	308,389	218,202	90,187	0.01918	1,730
183950	BURNS, M. G. 1	101,825	101,825	0	0.01918	0
186981	BURNS, M. G. 2	31,725	31,725	0	0.01918	0
191321	BURNS, M. G. 3	32,652	31,850	802	0.01918	15
189837	BURNS, M. G. 5	561,765	441,080	120,685	0.01918	2,315
196586	BURNS, M. G. 7	437,485	403,132	34,353	0.01918	659
200426	BURNS, M. G. 8	80,489	80,489	0	0.01918	0
207116	BURNS, M. G. 9	28,271	28,271	0	0.01918	0
191722	GARCIA ET AL 2	1,566,667	1,237,693	328,974	0.01918	6,310
193847	GARCIA ET AL 4ST	297,846	262,291	35,555	0.01918	682
178369	ARMSTRONG 1	24,680	24,680	0	0.01918	0
121701	SOUTH MAY GAS UNIT #7 1	675,481	675,481	0	0.01918	0

**Negotiated Value Summary And Estimated Tax Savings
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212465	LA PALOMA RANCH 1	377,370	196,841	180,529	0.01845	3,330
221645	LA PALOMA RANCH 2	28,200	28,200	0	0.01845	0
	KENEDY COUNTY	<u>10,621,296</u>	<u>6,389,588</u>	<u>4,231,708</u>		<u>81,031</u>
209726	DUNN-PEACH 2	23,500	23,500	0	0.02109	0
332434	DUNN-PEACH #4	35,250	0	35,250	0.02109	743
32434	DUNN-PEACH 4ST	697,604	461,530	236,074	0.01686	3,981
332444	DUNN-PEACH #5	604,520	0	604,520	0.02109	12,747
640145	DUNN-PEACH #7	3,027,078	3,027,078	0	0.01686	0
234917	DUNN-PEACH ST #212 6	5,438,093	4,672,128	765,965	0.01686	12,917
207584	LAPLAYA MID FRIO UNIT 1	14,928,664	7,684,649	7,244,014	0.01686	122,163
045249	MCCAMPBELL, DUNN, -A- 4	678,616	678,616	0	0.01686	0
32493	PLAYA MID FRIO UNIT 2	8,655,901	8,655,901	0	0.01686	0
046021	SOUTH SPRINT STATE GU 1 1	30,226	30,226	0	0.02109	0
053640	SOUTH SPRINT STATE GU 2 1	482,196	383,497	98,699	0.02109	2,081
212930	ST TRACT 938 LAPLAYA 1ST	1,201,164	1,201,164	0	0.01686	0
150687	EAST, ALLEN 7	7,304	7,304	0	0.01873	0
191792	EAST, ALLEN A 3	8,225	8,225	0	0.01873	0
208797	FLATO 1	52,304	66,392	-14,088	0.01873	-264
223630	JOHNSON TRUST UNIT 1	26,986	24,909	2,077	0.02052	43
214939	LA PALOMA RANCH 1	3,045,190	2,773,057	272,133	0.01686	4,589
203946	SCHONEFELD B 1	216,924	166,296	50,628	0.01686	854
204590	SEXAUER 1	701,414	438,747	262,667	0.01873	4,920
223347	SEXAUER 2	65,034	39,154	25,880	0.01686	436
226707	YAKLIN UNIT 1	21,934	21,934	0	0.01873	0
615902	STATE TRACT 949 #1	5,564,570	1,715,804	3,848,766	0.01686	64,906
13150	BAFFIN BAY STATE TRACT 83 1	348,001	348,001	0	0.01686	0
12280	FIMBLE 7400' OIL UNIT 4 U	26,543	26,543	0	0.01686	0
11076	GOETSCH, D.L.D. UNIT 2 M	45,944	25,255	20,689	0.01686	349
032402	STATE TR. 81 2 U	0	0	0	0.01686	0
015295	STATE TRACT 81 1 U	0	0	0	0.01686	0
032721	STATE TRACT 81 2 M	0	0	0	0.01686	0
13183	STATE TRACT 82 1	47,951	22,410	25,541	0.01686	431
015281	STATE TRACT 82 3 L	1,000	1,000	0	0.01686	0
074660	STATE TRACT 84 1	0	0	0	0.01686	0
015266	STATE TRACT 84 2 U	387,068	224,975	162,093	0.01686	2,734
032444	STATE TRACT 84 3 U	0	0	0	0.01686	0
180270	STATE TRACT 84 4	62	62	0	0.01686	0
12172	WENNER - STATE TRACT 82 5	0	0	0	0.01686	0

**Negotiated Value Summary And Estimated Tax Savings
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12235	YAKLIN 7400' OIL UNIT 2	23,589	19,050	4,539	0.01686	77
162080	CHILDS/MIDDLE/GU 14	96,538	72,468	24,070	0.01743	420
194224	COLLINS-BEVANS 2	834,356	551,461	282,895	0.01743	4,932
191863	KAUFER 'B' UNIT 3	35,250	35,250	0	0.01743	0
011885	KAUFER, LEO -B- /BA-2/ UNIT 2	1,556,116	894,859	661,257	0.01743	11,528
159856	MAY FIELD UNIT 24	5,000	0	5,000	0.01686	84
201238	MAY FIELD UNIT 24	653,299	576,728	76,572	0.01743	1,335
206610	MAY 1	18,800	0	18,800	0.01873	352
226797	MAY 1	44,763	18,800	25,963	0.01686	438
	KLEBERG COUNTY	49,636,977	34,896,973	14,740,004		252,795
13276	BURNS 'D' 1	131,059	131,059	0	0.02036	0
13690	BURNS, 'D' 5	61,330	4,503	56,827	0.02036	1,157
13562	BURNS 'D-F-STATE UNIT 1	361,958	361,958	0	0.02036	0
014858	BURNS RANCH	1,189,093	485,436	703,657	0.02036	14,329
13713	BURNS RANCH 'D' 6	53,822	36,388	17,434	0.02036	355
125987	BURKHOLDER, ALICE W. R 1	5,421	5,421	0	0.02036	0
048677	SCHLETZ 4 M	29,401	7,920	21,481	0.02036	437
115638	SCHLETZE 1	1,651	1,651	0	0.02036	0
115637	SCHLETZE 1A	1,661	8,760	-7,099	0.02036	-145
118370	SCHLETZE 2	6,086	6,086	0	0.02036	0
120586	SCHLETZE 4	6,086	6,086	0	0.02036	0
045840	SCHLETZE, A. E. 1	6,086	6,086	0	0.02036	0
046407	SCHLETZE, A. E. 3	5,421	5,421	0	0.02036	0
123365	SCHLETZE, A. E. 5	5,421	5,421	0	0.02036	0
173843	TUCKER 1	65,455	65,455	0	0.02036	0
070702	ALDERMAN, EZRA 1	254,318	254,318	0	0.02036	0
000517	BECKMAN, M. A. 1	7,060	7,060	0	0.02036	0
133372	BECKMAN, M. A. 2	113,453	113,453	0	0.02036	0
14434	BECKMAN, M. A. 3	8,886	8,886	0	0.02036	0
145461	BECKMAN, M.A. 4	16,107	16,107	0	0.02036	0
074913	BURKHOLDER 2	84,428	84,428	0	0.02036	0
075548	BURKHOLDER 3	11,094	11,094	0	0.02036	0
128103	BURKHOLDER 4	2,620	2,620	0	0.02036	0
223623	BURKHOLDER, NELL JONES GAS UNIT 1	626,829	594,102	32,727	0.02036	666
142671	FANSLER 724 7242	2,560	2,560	0	0.02036	0
142608	FANSLER, LORRAINE 7001	8,655	8,655	0	0.02036	0
10394	FANSLER, LORRAINE 7001	801,202	801,202	0	0.02036	0
142607	FANSLER, LORRAINE 7241	2,289	2,289	0	0.02036	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
200794	FLORES/FOUKE 1	199,970	131,181	68,789	0.02036	1,401
200420	FLORES/FOUKE 2	218,890	218,890	0	0.02036	0
187445	GUTIERREZ, RAYMOND 2801	157,488	125,569	31,919	0.02036	650
10393	GUTIERREZ, ROBERT 3201	5,180	5,180	0	0.02036	0
10418	GUTIERREZ, ROBERT 7201	13,166	13,166	0	0.02036	0
14034	H. D. STOREY UNIT 10	9,453	9,453	0	0.02036	0
170313	KILLAM 1	243,079	176,713	66,366	0.02036	1,351
196027	KILLAM & GONZALEZ 299 1	42,568	42,568	0	0.02036	0
195831	KILLAM & GONZALEZ 299 2	465,816	465,816	0	0.02036	0
196260	KILLAM & GONZALEZ 299 3	315,013	315,013	0	0.02036	0
197474	KILLAM & GONZALEZ 299 4	19,577	19,577	0	0.02036	0
196290	KILLAM & GONZALEZ 299 5	142,888	142,888	0	0.02036	0
220376	KILLAM & GONZALEZ 299 7	493,826	348,484	145,341	0.02036	2,960
198518	KILLIAM & GONZALEZ 299 6	284,188	284,188	0	0.02036	0
080645	KRAUSE 2	80,898	80,898	0	0.02036	0
098796	KRAUSE 3	256,881	256,881	0	0.02036	0
112499	KRAUSE 4	3,529	3,529	0	0.02036	0
114028	KRAUSE 5	98,136	98,136	0	0.02036	0
128102	KRAUSE 6	154,302	154,302	0	0.02036	0
054570	KRAUSE, A. L. ESTATE 1	222,090	222,090	0	0.02036	0
225164	KRAUSE, A. L. ESTATE 7	433,389	433,389	0	0.02036	0
221545	KRAUSE, A. L. ESTATE 9R	446,837	378,106	68,731	0.02036	1,400
116835	KRAUSE `D` 1	217,669	217,669	0	0.02036	0
193486	NYE RANCH 1	440,449	319,191	121,258	0.02036	2,469
210113	NYE RANCH 2201	367,759	367,759	0	0.02036	0
10237	OZEMA 3101	68,055	68,055	0	0.02036	0
199880	PGE MINERAL PROPERTIES, LTD 298 1	336,360	282,852	53,508	0.02036	1,090
199913	PGE MINERAL PROPERTIES, LTD 298 2	355,327	287,847	67,480	0.02036	1,374
204359	PGE MINERAL PROPERTIES LTD 298 3	158,489	158,489	0	0.02036	0
132136	STOREY ESTATE 7	28,067	28,067	0	0.02036	0
135629	STOREY ESTATE 8	201,369	182,328	19,041	0.02036	388
12238	STOREY, H.D. 2	66,721	8,000	58,721	0.02036	1,196
04231	STOREY, H. D. 4 U	288,353	288,353	0	0.02036	0
202442	UNO MAS -A- 1	72,905	72,905	0	0.02036	0
202446	UNO MAS -A- 4	77,010	77,010	0	0.02036	0
202443	UNO MAS -A- 5	9,409	9,409	0	0.02036	0
202445	UNO MAS -A- 7	65,066	65,066	0	0.02036	0
10693	UNO MAS -B- 1724	19,157	19,157	0	0.02036	0

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
	LA SALLE COUNTY	10,948,780	9,422,597	1,526,182		31,079
226302	BIG BRUSHY UNIT 1	442,000	266,600	175,400	0.01488	2,610
232557	BIG BRUSHY UNIT 2	43,290	39,830	3,460	0.01488	51
192407	EICHHORN GAS UNIT 1	8,690	8,690	0	0.01613	0
171262	MCMANUS, C. B. ET AL 3A	19,470	6,730	12,740	0.01879	239
229728	MCMANUS UNIT 1	6,249,990	3,159,500	3,090,490	0.01879	58,076
224301	PYLE UNIT 1	180,240	180,240	0	0.01488	0
126973	TRAYLOR 1	275,170	117,390	157,780	0.01488	2,348
227772	W. B. FITZHENRY HEIRS SHALLOW UN 1	29,290	29,290	0	0.01488	0
009127	W. B. FITZHENRY HEIRS UNIT NO. 1	141,780	55,740	86,040	0.01488	1,280
009119	GORDON HEIRS	1,086,458	254,449	832,010	0.01814	15,090
105820	BORCHERS ESTATE 13	225,740	122,190	103,550	0.01477	1,529
227972	BORCHERS ESTATE 2	157,550	117,620	39,930	0.01477	590
226811	BORCHERS ESTATE 4B	162,870	139,720	23,150	0.01477	342
216372	CLARK, GARY 1	113,030	37,410	75,620	0.01488	1,125
220902	CLARK, GARY 3	50,300	4,580	45,720	0.01488	680
226312	SWAMP TURTLE 1	210,770	210,770	0	0.01488	0
220901	SWAMP TURTLE 2	152,420	152,420	0	0.01488	0
221604	BRADLEY 1	596,750	596,750	0	0.01613	0
210239	BROWNFIELD 1	4,590	4,590	0	0.01613	0
225486	MUELLER 1	684,840	684,840	0	0.01743	0
231067	DAVIDSON 1	18,090,370	10,376,130	7,714,240	0.01692	130,525
177955	EWALD 1	4,582	4,582	0	0.01613	0
225907	HARRIS-TUTTLE GAS UNIT 1	4,860	4,860	0	0.01692	0
216108	MATTERN G.U. 1	10,420	7,330	3,090	0.01682	52
224974	R. SOKOL G.U. 2	1,048,780	946,236	102,544	0.01682	1,725
224619	WEBB 2	41,340	1,840	39,500	0.01488	588
227337	BOZKA 1	1,070,720	851,030	219,690	0.01488	3,269
228588	BOZKA `A` 1	582,770	264,310	318,460	0.01488	4,738
229823	CHENEY-GUSS UNIT 1	1,116,640	1,116,640	0	0.01488	0
200796	FREEMAN 1	4,860	4,860	0	0.01488	0
215207	FREEMAN 3	504,130	455,490	48,640	0.01488	724
216084	FREEMAN 5	598,840	115,550	483,290	0.01488	7,190
225034	KLIMITCHEK 1 R	535,990	535,990	0	0.01488	0
222968	PITTS 1	263,000	182,290	80,710	0.01488	1,201
133437	BING 1	223,590	141,520	82,070	0.01488	1,221
228931	BMB INVESTMENTS 1	95,970	27,530	68,440	0.01613	1,104
217736	BORCHERS `A` 2 C	2,770	2,770	0	0.01488	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
227768	BORCHERS `B` 3	118,981	69,056	49,925	0.01488	743
219885	CHICOLETE CREEK 1	414,170	93,390	320,780	0.01613	5,174
229712	L RANCH #1(TEAL 1)	308,536	58,740	249,797	0.01613	4,029
163816	LABAY, V. C. 1	6,880	6,880	0	0.01488	0
11349	PLOW REALTY COMPANY 1	1,958,000	1,348,730	609,270	0.01488	9,066
089385	WEST 2	13,390	13,390	0	0.01488	0
003803	BONORDEN-CLARK GAS UNIT 1	33,740	33,740	0	0.01488	0
231275	BORCHERS, WILLIAM 15	234,520	115,820	118,700	0.01477	1,753
141341	BORCHERS, WILLIAM 17	21,220	170	21,050	0.01477	311
231808	BORCHERS, WILLIAM 27	25,680	16,390	9,290	0.01477	137
130922	BORCHERS, WILLIAM 30	340,830	135,920	204,910	0.01477	3,026
227333	BORCHERS, WILLIAM 31	40,840	4,590	36,250	0.01477	535
231192	BORCHERS, WILLIAM 32	194,110	148,050	46,060	0.01477	680
61353	BORCHERS, WILLIAM 6 C	4,380	1,940	2,440	0.01477	36
128511	BORCHERS, WILLIAM -B- 3	665,230	665,230	0	0.01477	0
139533	BORCHERS, WM. 5	5,130	5,130	0	0.01477	0
	LAVACA COUNTY	39,420,507	23,945,473	15,475,035		261,789
15362	HOMER JORDAN UNIT 1	39,001	39,001	0	0.01991	0
16123	SIMMANG, DOROTHY ET AL 2	382,715	382,715	0	0.01581	0
11367	SCHAUTSCHICK, ALBERT ET AL UNIT 1	79,031	58,814	20,217	0.01991	402
	LEE COUNTY	500,747	480,530	20,217		402
024916	BRUNSON, 'A', B.A.	59,217	59,217	0	0.02476	0
23407	CHAMBERS, MYRTLE 1	6,971	6,971	0	0.01916	0
07208	FISHER, CHARLES 1	80,841	80,841	0	0.02476	0
14925	O'BRIEN, C.D. 1 L	131,275	131,275	0	0.02476	0
16812	RICE INSTITUTE 1	39,432	39,432	0	0.02476	0
23146	STREETS, DAVIS 1	11,328	11,328	0	0.02476	0
12933	TRINITY RIVER 'B' ST TRACT 1	7,284	7,284	0	0.02476	0
01171	BALDWIN, R. B. -B- O/A 1	418,491	348,322	70,169	0.01780	1,249
01153	DEERING, J. A., TR. -N- O/A 1	4,760	4,760	0	0.01780	0
01173	DEERING, J. A. TR. -N- O/A 17	704,866	459,161	245,705	0.01780	4,374
23738	DEERING, J. A. TR. -N- O/A 28	74,062	64,651	9,410	0.01780	167
01177	WILLIAMS, J. D. 4	7,240	7,240	0	0.01960	0
22711	WILLIAMS, J. D. -C- 26	48,106	48,106	0	0.01960	0
23140	WILLIAMS, J. D. 'D' 29	80,684	36,736	43,948	0.01960	861
024983	GROGAN-BLACKSTONE UNIT	31,589	10,755	20,834	0.01782	371
197368	LAIDACKER UNIT 1	382,397	82,657	299,740	0.02202	6,600
18769	MAXWELL, GEORGE 1	38,389	39,863	-1,474	0.02253	-33

**Negotiated Value Summary And Estimated Tax Savings
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214543	QUINN, B. E. 1	54,162	54,162	0	0.02072	0
	LIBERTY COUNTY	2,181,093	1,492,761	688,332		13,590
178915	HERRING RANCH 67 2	8,253	8,253	0	0.01636	0
102317	HERRING RANCH 67-1 1	239,256	239,256	0	0.01636	0
163108	HERRING RANCH -A- 6704	14,653	14,653	0	0.01636	0
137952	MATULA, ROBERT 2	330,248	330,248	0	0.01582	0
221314	MATULA, ROBERT E. 1	31,285	31,285	0	0.01636	0
02352	GILLETT, H. P. 1	859,520	859,520	0	0.01582	0
08804	YORK 1	5,371,137	5,371,137	0	0.01582	0
07792	BURNS, KITTIE 2	46,621	46,621	0	0.01582	0
08378	USA-SCHWARTZ 1	154,524	154,524	0	0.01636	0
08760	YBANEZ 1	62,997	62,997	0	0.01582	0
001712	ARTHUR RICHTER GAS UNIT 1	148,385	55,144	93,241	0.01582	1,475
217553	RYAN, NOLAN 2 C	2,840,207	2,840,207	0	0.01636	0
216801	RYAN, NOLAN 2 T	1,306,380	1,306,380	0	0.01636	0
220963	RYAN, NOLAN 4	1,083,097	491,613	591,484	0.01636	9,675
233953	RYAN, NOLAN 5	79,436	16,391	63,044	0.01582	997
223792	RYAN, NOLAN 6	1,342,306	1,342,306	0	0.01636	0
07073	FREEMAN, C. N. -B- 1	119,240	119,240	0	0.01582	0
009141	MC GRIFF, CLARA	26,364	25,766	598	0.01582	9
01111	MCGRIFF -B- 3	11,409	6,367	5,042	0.01582	80
05462	MCGRIFF, CLARA -B- 8 R	6,965	6,965	0	0.01582	0
01112	ROSEBROCK 1	127,867	67,144	60,723	0.01582	961
06285	ROSEBROCK 5	26,012	17,809	8,203	0.01582	130
183154	DOLAN 2A	284,237	168,972	115,265	0.01636	1,885
232252	RAPP	18,342	17,894	448	0.01582	7
08912	BOLLAND 1	130,099	130,099	0	0.01582	0
009118	BOLLAND RANCH	322,196	322,196	0	0.01582	0
008962	DOBIE HEIRS 1	58,499	58,499	0	0.01582	0
009109	GRANBERRY	572,690	572,690	0	0.01582	0
232057	HINNANT A 3	1,072,982	767,161	305,821	0.01582	4,838
08550	LYNE 1-T	158,172	158,172	0	0.01582	0
009012	MC NEILL, E	10,701	10,701	0	0.01582	0
546700	MCNEIL 1-E	117,164	28,873	88,291	0.01582	1,397
07723	MCNEIL 2	31,719	31,719	0	0.01582	0
08951	MCNEIL M1 1	8,430	8,430	0	0.01582	0
008961	MCNEIL N 4	740,385	740,385	0	0.01582	0
643556	MCNEIL NORTH #4	386,957	319,370	67,587	0.01582	1,069

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09187	MCNEIL NORTHEAST #1-C	3,674,390	1,687,738	1,986,652	0.01582	31,427
09188	MCNEIL NORTHEAST #1-T	77,238	9,000	68,238	0.01582	1,079
008988	MCNEIL SOUTH	1,165,954	1,165,954	0	0.01582	0
650188	MCNEIL UNIT #1	814,977	0	814,977	0.01582	12,892
206511	MCNEILL 1A	597,979	573,650	24,329	0.01582	385
008989	MCNEILL D	281,271	281,271	0	0.01582	0
211789	MCNEILL D 1	2,193,122	1,454,778	738,344	0.01582	11,680
225500	MCNEILL F 2	432,380	432,380	0	0.01582	0
008990	MCNEILL NORTH	6,808,187	6,622,148	186,039	0.01582	2,943
009001	MCNEILL NORTH	2,080,991	2,080,991	0	0.01582	0
009161	MCNEILL NORTH	8,068,271	8,068,271	0	0.01582	0
009162	MCNEILL NORTH	686,270	686,270	0	0.01582	0
226426	MCNEILL, WADE `A` 1	750,395	652,109	98,286	0.01582	1,555
08895	MOORE 1	143,536	143,536	0	0.01582	0
635877	WADE MCNEIL 1-B	325,349	205,609	119,740	0.01582	1,894
08443	COLLINS -A- 4	74,273	74,273	0	0.01582	0
171598	COX 3	242,024	185,466	56,558	0.01582	895
117865	DOBIE HEIRS 1	6,456	7,100	-644	0.01582	-10
08395	FREEMAN 4	127,439	43,083	84,356	0.01582	1,334
07516	FREEMAN, C.N. 1	154,705	116,923	37,781	0.01582	598
197344	FREEMAN, C. N. 2R	39,335	39,335	0	0.01582	0
08691	GRANBERRY, D. J. 2	35,178	35,178	0	0.01582	0
227390	JACKSON 1	238,434	153,952	84,482	0.01582	1,336
198042	JONES, J. N. 3	12,812	2,610	10,202	0.01582	161
08438	LAY 2S	234,771	234,771	0	0.01582	0
07653	LAY, ROY 3	227,360	105,423	121,937	0.01582	1,929
08837	PARKER 1	85,197	85,197	0	0.01582	0
188222	SMITH, M. E. 1	20,924	20,924	0	0.01582	0
231337	MCCLELLAND	549,166	3,810	545,356	0.01582	8,627
630171	R. NEW #1	747,670	232,770	514,900	0.01582	8,145
08836	DAVIDSON, MARY 2	33,037	33,037	0	0.01582	0
07181	MCCASLIN, CHARLES 20	7,899	7,899	0	0.01582	0
08263	MCCASLIN, CHARLES L. 18 F	7,856	7,856	0	0.01582	0
158260	MCCASLIN, CHARLES L. 18-D	253,989	110,640	143,349	0.01582	2,268
04047	MCCASLIN, CHARLES L. 2	13,732	13,732	0	0.01582	0
02015	REYNOLDS, MARY A. 11 T	8,958	8,958	0	0.01582	0
159823	REYNOLDS, MARY A. 21	7,639	7,639	0	0.01582	0
182543	REYNOLDS, MARY A. 25	42,554	8,350	34,204	0.01582	541
080410	REYNOLDS, MARY A. 31 D	7,836	7,836	0	0.01582	0

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098691	REYNOLDS, MARY A. 36	8,354	8,354	0	0.01582	0
07614	REYNOLDS, MARY A. 38	10,798	10,798	0	0.01582	0
181724	REYNOLDS, MARY A. 40	22,448	22,448	0	0.01582	0
225041	SMITH GAS UNIT 1	133,626	3,070	130,556	0.01582	2,065
127436	BAKER, EARL 1A	2,562	2,562	0	0.01582	0
127572	BAKER, EARL 7AL	1,151,331	552,363	598,968	0.01582	9,475
218342	CORZINE GAS UNIT 1	13,253	2,260	10,993	0.01582	174
221008	MEIDER 101	56,238	56,238	0	0.01582	0
02398	FERRELL, ISABEL R., MRS. -C- 1	187,490	187,490	0	0.01582	0
096758	HINES, E. A. 1 L	19,663	19,663	0	0.01636	0
115247	HOUDMANN 1	174,226	42,259	131,967	0.01582	2,088
048483	LENNOX, EMMA B. -A- 2 C	153,271	153,271	0	0.01582	0
003785	RENFRO, OSCIE DOBIE	105,198	105,198	0	0.01582	0
229163	HENDERSON, J. W. 1	213,332	213,332	0	0.01582	0
628445	HENDERSON, J. W. 2	15,180	15,180	0	0.01636	0
226431	HENDERSON, J. W. 3	101,180	101,180	0	0.01582	0
08255	GRAHAM, GEORGE M. JR. 1	45,025	24,845	20,180	0.01582	319
08361	GRAHAM, GEORGE M., JR. 'A' 2	242,344	242,344	0	0.01582	0
08103	JONES 1	536,871	536,871	0	0.01582	0
08391	MITCHELL 1	194,942	194,942	0	0.01582	0
08339	WOODSON, D. 1	10,471	10,471	0	0.01582	0
08581	ENGLER 1	80,585	80,585	0	0.01582	0
08435	ROBERTSON 1	5,007	5,007	0	0.01582	0
229887	POWERS 1	865,042	74,936	790,107	0.01582	12,499
146397	RAY, T. 2A	37,185	37,185	0	0.01582	0
	LIVE OAK COUNTY	53,813,910	45,062,305	8,751,605		138,824
62431	CROCKETT 1	75,840	75,840	0	0.01830	0
62152	STOKES 1	29,810	29,810	0	0.01830	0
62249	ZANT 1	40,210	6,800	33,410	0.01830	611
	MARTIN COUNTY	145,860	112,450	33,410		611
048189	PIERCE EST. OIL & GAS INTS. 1	216,400	216,400	0	0.01471	0
224098	STATE TRACT 405-LN/2 SE/4 1	4,710,100	1,976,630	2,733,470	0.01917	52,397
19066	SANDERS 1	12,950	12,950	0	0.01645	0
232501	RUGELEY, E. F. 1	366,380	190,390	175,990	0.01516	2,668
230859	PETERSEN, SAHA GAS UNIT 1	17,497,030	17,497,030	0	0.01516	0
233756	SAHA PETERSEN GAS UNIT 2	37,854,680	19,000,000	18,854,680	0.01516	285,807
179575	COASTAL TEXAS MINERAL VENTURE 1	53,530	53,530	0	0.01516	0
	MATAGORDA COUNTY	60,711,070	38,946,930	21,764,140		340,871

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
111684	COOPER, J. L. 1061	2,400	2,400	0	0.01715	0
147923	CPL 1	2,400	2,400	0	0.01715	0
171076	LEDDY 1	8,600	8,600	0	0.01715	0
075783	MAVERICK COUNTY 3	111,493	8,654	102,839	0.01715	1,764
075785	MAVERICK COUNTY 5	12,306	5,500	6,806	0.01715	117
075507	MAVERICK COUNTY WATER BOARD 1	18,312	18,312	0	0.01715	0
081133	RITCHIE, J. W.	2,400	2,400	0	0.01715	0
080425	TURNER-WINN EXPLORATION CO., INC 5	5,500	5,500	0	0.01715	0
076702	TURNEY-WINN EXPLORATION CO., INC 1	5,500	5,500	0	0.01715	0
079021	TURNEY-WINN EXPLORATION CO., INC 4	2,400	2,400	0	0.01715	0
	MAVERICK COUNTY	171,311	61,666	109,645		1,880
12935	HENRY, E.M. 'C' 3	164,471	164,471	0	0.01574	0
002584	HENRY, J. B. 1	983,323	778,954	204,369	0.01574	3,217
12277	HENRY, J.B. 2	574,047	574,047	0	0.01574	0
220302	DUSEK 1R	1,585	1,585	0	0.01574	0
119260	WHEELER, CLIFTON 1	14,800	14,800	0	0.01574	0
119258	WHEELER, CLIFTON 2	77,975	62,283	15,692	0.01574	247
119257	WHEELER, CLIFTON 3	34,215	28,047	6,169	0.01574	97
119259	WHEELER, CLIFTON 5B	17,282	17,282	0	0.01574	0
126711	WHEELER, CLIFTON 9B	49,756	49,756	0	0.01574	0
14308	STORM 1	34,000	34,000	0	0.01574	0
14375	WRK 1	76,377	76,377	0	0.01574	0
14323	COUNTISS 1	929,934	929,934	0	0.01574	0
14533	COUNTISS 3	114,655	114,655	0	0.01574	0
14424	HARRIS, MARTIN 1	2,000	2,000	0	0.01574	0
200487	HARRIS, MARTIN 9	5,789	5,789	0	0.01574	0
201319	HARRIS, MARTIN R. 10	1,000	1,000	0	0.01574	0
14546	MARCUS 1	8,545	8,545	0	0.01574	0
14540	PEELER C 1	1,304,977	849,141	455,836	0.01574	7,175
014735	TYLER	246,282	246,282	0	0.01574	0
14435	TYLER 'B' 10	488,288	372,250	116,039	0.01574	1,826
193349	NOLAN RYAN 2	1,000	1,000	0	0.01574	0
014636	PEELER	59,702	50,298	9,404	0.01574	148
014678	PEELER	2,674,430	688,733	1,985,697	0.01574	31,255
014638	POENISCH	2,400	2,400	0	0.01574	0
08641	MCCLAUGHERTY 1	45,390	25,906	19,484	0.01574	307
10077	TUCKER 1				0.01574	0
066892	ALAMO NATIONAL BANK TRUSTEE 3	45,799	45,799	0	0.01574	0

**Negotiated Value Summary And Estimated Tax Savings
For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
11914	ACKER 1A	949,557	949,557	0	0.01574	0
014709	VICKNAIR	82,608	82,608	0	0.01574	0
	MCMULLEN COUNTY	8,990,188	6,177,498	2,812,690		44,272
09894	KING, HOWARD L. 1	2,970	2,970	0	0.01983	0
03045	MULLINS -A- 1	1,490	1,490	0	0.01983	0
	MEDINA COUNTY	4,460	4,460	0		0
090771	GARLAND WESTBROOK 2	1,920	1,920	0	0.01850	0
04263	WESTBROOK, W. G. ET AL 1	3,046	3,046	0	0.01850	0
	MILAM COUNTY	4,966	4,966	0		0
182576	KEYSTONE MILLS GAS UNIT 2W	220,130	137,640	82,490	0.02021	1,667
	MONTGOMERY COUNTY	220,130	137,640	82,490		1,667
206308	GARRISON GAS UNIT 3 1	5,160	5,160	0	0.01490	0
096111	GARRISON GAS UNIT 7 1	5,850	5,850	0	0.01490	0
221083	GARRISON GAS UNIT 7 2	225,410	225,410	0	0.01490	0
062952	GARRISON GAS UNIT NO. 1 1	7,680	7,680	0	0.01490	0
218014	GARRISON GAS UNIT NO. 1 3	2,045,950	1,675,330	370,620	0.01490	5,521
222320	GARRISON GAS UNIT NO. 1 4	212,140	212,140	0	0.01490	0
223664	GARRISON GAS UNIT NO. 1 5	198,710	198,710	0	0.01490	0
222670	GARRISON GAS UNIT NO. 1 6	1,038,170	823,050	215,120	0.01490	3,205
222241	GARRISON GAS UNIT NO. 7 4	255,300	255,300	0	0.01490	0
	NACOGDOCHES COUNTY	3,994,370	3,408,630	585,740		8,725
197544	GRANTHAM HEIRS 2	31,661	31,661	0	0.02117	0
187419	IRVINE, CHARLES 1	205,721	205,721	0	0.02117	0
211217	IRVINE, CHARLES 2	211,948	211,948	0	0.02117	0
	NAVARRO COUNTY	449,330	449,330	0		0
24576	INMAN 1A	92,200	62,090	30,110	0.01856	559
23710	KUHNERT 1	98,530	98,530	0	0.01856	0
23255	MEL K. 1	78,750	78,750	0	0.01856	0
203389	SUMNER 1	24,730	24,730	0	0.01856	0
	NEWTON COUNTY	294,210	264,100	30,110		559
029636	HILL-HICKMAN 1	99,017	89,240	9,777	0.01690	165
029637	HILL-JORDAN B-4 1	84,570	73,750	10,820	0.01690	183
029635	HILL-JORDAN 'C' 1	88,820	59,970	28,850	0.01690	487
029853	HILL-WHITESIDE-5	214,220	218,860	-4,640	0.01690	-78
029867	HILL-WHITESIDE-66-1	549,990	334,030	215,960	0.01690	3,649
	NOLAN COUNTY	1,036,617	775,850	260,767		4,406

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
226890	GRAHAM CATTLE CO. 1	361,022	288,115	72,907	0.02436	1,776
233973	GRAHAM CATTLE CO. 2	572,066	450,777	121,289	0.02436	2,955
003892	HOTING, J. L. 1	532,157	255,995	276,162	0.02436	6,728
013319	LEHMAN	67,595	3,731	63,864	0.02436	1,556
227252	STATE TRACT 786 W10	1,714,253	1,082,556	631,697	0.02482	15,680
203406	STATE TRACT 786 W3	165,660	71,530	94,130	0.02482	2,336
013411	STATE TRACT 786 WS 6, 8, 9	4,689,675	929,156	3,760,519	0.02482	93,341
195573	BEVLY 7	120,481	106,356	14,124	0.01983	280
12935	BEVLY 'B'GAS UNIT 2	390,699	354,030	36,669	0.01983	727
048006	BLISS, FRANK E. 22	8,600	8,600	0	0.01983	0
13033	ERIGAN-QUIROZ 4	116,177	100,633	15,544	0.02664	414
12849	MCMURRY, A. T. 1	242,529	90,729	151,800	0.02664	4,043
13280	SMITH, F.J. 1	143,590	129,001	14,589	0.02664	389
10631	MARTIN, JOE 3	1,000	1,000	0	0.02094	0
013410	CHAPMAN	622,730	463,050	159,679	0.01630	2,604
213311	BALLARD 1	6,309,419	1,211,899	5,097,520	0.01918	97,747
11325	FLINN, F.E. 1	170,376	170,376	0	0.01905	0
033129	FLINN GAS UNIT 1 M	4,300	4,300	0	0.02094	0
033128	FLINN GAS UNIT 1 U	15,808	7,464	8,344	0.02094	175
013442	HEDRICK UNIT	264,749	211,552	53,197	0.01903	1,012
10495	RACKLEY-RUTLAND 2	19,508	19,508	0	0.01918	0
180484	RICHARDSON, C. R. 9	42,502	22,805	19,696	0.02094	413
228996	LONDON 1	87,949	69,395	18,554	0.02166	402
225123	MCCRACKEN 1	1,000	1,000	0	0.02166	0
224496	WEIL `C` 3	430,539	74,168	356,371	0.02546	9,075
224931	WEIL `C` 7	328,623	121,363	207,260	0.02546	5,278
035470	WEIL -C- 8	65,178	11,246	53,932	0.02546	1,373
09778	GUARANTY TITLE & TRUST CO. UNIT 1	249,478	249,478	0	0.02546	0
13171	CHAPMAN 432	2,400	0	2,400	0.01630	39
12700	CHAPMAN 434	188,696	188,696	0	0.01630	0
210034	CHAPMAN 441	1,000	0	1,000	0.01630	16
04350	KELLY, ELEANOR 1	304,503	304,503	0	0.02546	0
216702	CHAPMAN RANCH 1	17,900	17,900	0	0.01689	0
214144	CHAPMAN UNIT 1	94,407	94,407	0	0.01689	0
201730	CRAWFORD 1 C	83,345	32,365	50,980	0.01630	831
124926	MUSTANG ISLAND STATE PARK TR. 2 2 L	12,729	12,729	0	0.01559	0
214035	MUSTANG ISLAND STATE PARK TRACT2	208,025	208,025	0	0.01559	0
139492	GEE, H. W. 6	77,831	24,291	53,540	0.01837	984
147849	GEE, H. W. 9R	52,449	52,449	0	0.01837	0

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
090062	STATE TRACT 691 1	5,270	5,270	0	0.02589	0
142434	REDFISH BAY PROPERTIES 2	549,882	504,186	45,696	0.00500	229
142269	REDFISH BAY PROPERTIES, LTD. 1	36,319	16,123	20,195	0.00500	101
013355	SCARBOROUGH	5,500	5,500	0	0.02166	0
12360	STATE TRACT 750-A 1	67,790	33,437	34,352	0.01899	652
078747	CHICAGO LAND BANK 1	119,933	45,280	74,653	0.02166	1,617
189504	ST 749-L GAS UNIT 1	2,415,825	825,629	1,590,195	0.01559	24,789
12485	COWELS 1	5,500	5,500	0	0.01630	0
12516	COWELS 2	51,063	51,063	0	0.01630	0
219267	STATE TRACT 898-S 1	18,858,442	18,764,981	93,462	0.01559	1,457
221570	ST 49 PERMANENT UNIT 6	4,276,873	3,963,410	313,463	0.02809	8,804
221667	ST 49 PERMANENT UNIT 8	647,405	602,453	44,952	0.02809	1,263
207092	ST 49 PERMANENT UNIT 9	9,102,879	8,632,768	470,111	0.02809	13,204
185577	STATE TRACT 61 TEMPORARY UNIT 1	5,544,853	3,187,674	2,357,179	0.02462	58,044
224433	TSL 32973/TR 55/ 5	38,493,596	16,829,313	21,664,283	0.02809	608,502
221704	TSL 33099/TR 54/ 4	4,857,083	4,005,795	851,288	0.02462	20,963
180005	TSL 33100/TR 48/ 7-L	10,565,709	5,802,553	4,763,155	0.02462	117,290
040070	TSL 33105 /TR 53/ 3 U	1,128,586	1,055,738	72,848	0.02462	1,794
041577	TSL 33105 /TR 53/ 5 M	4,682,402	2,805,419	1,876,983	0.02462	46,220
187460	TSL 33105/ TR 53/ 7 U	150,051	84,916	65,135	0.02462	1,604
195078	TSL 33105/TR 53/ 11	4,870	4,870	0	0.02462	0
210173	TSL 33105/TR 53/ 12	2,479,661	1,382,233	1,097,428	0.02462	27,024
175246	TSL 33105/TR 53/ 6	1,389,877	189,461	1,200,416	0.02462	29,560
194843	TSL 33105/TR 53/ 8	1,008,333	735,824	272,509	0.02462	6,710
217015	TSL 41338 F 1	20,523,109	14,442,052	6,081,057	0.01559	94,794
213638	TSL M-098041/TR 52/ 6	1,110,588	610,358	500,230	0.02462	12,318
193540	BLOSSMAN, ET AL GAS UNIT 1	195,206	61,968	133,238	0.01918	2,555
198754	BLOSSMAN ET AL GAS UNIT 2	59,244	18,985	40,259	0.01918	772
178026	GILLESPIE GAS UNIT 1	1,671,509	1,101,155	570,354	0.02166	12,353
225567	GILLESPIE GAS UNIT 2	2,256,602	1,600,867	655,735	0.02166	14,202
227793	GILLESPIE GAS UNIT 3	2,315,405	50,863	2,264,543	0.02166	49,045
173093	RIVERS/PERRY, ET AL UNIT 1	196,255	170,506	25,749	0.01855	478
193614	RIVERS/PERRY, ET AL UNIT 2	312,898	296,857	16,040	0.01798	288
002527	WALTON, W. W. 2	117,866	22,915	94,951	0.02100	1,994
999100	WALTON	1,000	1,000	0	0.02100	0
	NUECES COUNTY	153,988,333	95,362,105	58,626,228		1,408,799
150985	ROOKE, P. H. 16	29,970	6,170	23,800	0.02152	512
02433	ROOKE, P. H. 24	174,150	5,830	168,320	0.02152	3,622

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02435	ROOKE, P. H. 30 U	5,830	5,830	0	0.02152	0
02500	ROOKE, P. H. 42	529,810	262,950	266,860	0.02152	5,743
221412	ROOKE, P. H. 48	202,370	131,170	71,200	0.02152	1,532
009144	HEARD	62,240	5,500	56,740	0.01854	1,052
229847	HEARD 2	177,700	62,850	114,850	0.01854	2,130
03994	HEARD, F. V. W. 1	958,510	958,510	0	0.01854	0
08731	HEARD, F. V. W. 7	739,350	739,350	0	0.01854	0
218347	HEARD, J. F. B. 3	965,290	808,020	157,270	0.01854	2,916
03996	HEARD, J. F. B.- TEX 1	1,198,710	1,198,710	0	0.01854	0
214405	JM OBRIEN `A` 9	191,560	191,560	0	0.01854	0
063176	KELLY, D. M. 1	317,200	102,340	214,860	0.01854	3,984
008991	MIGUELITA SCANIO	1,652,730	1,652,730	0	0.01854	0
009169	MIGUELITA SCANIO	4,665,920	1,751,740	2,914,180	0.01854	54,038
009060	MIGUELITA SCANIO 14	806,060	806,060	0	0.01854	0
009074	MIGUELITA SCANIO 15	585,170	585,170	0	0.01854	0
233636	MIGUELITA SCANIO 16	4,509,850	3,060,830	1,449,020	0.01854	26,869
234584	MIGUELITA SCANIO 18	4,761,600	4,761,600	0	0.01854	0
147922	O`BRIEN, J. J. A 2	15,260	15,260	0	0.01854	0
141804	O`BRIEN, J.M. A-2 2	371,700	371,700	0	0.01854	0
154152	O`BRIEN, J.M. B 6-T	2,914	2,914	0	0.01854	0
141944	O`BRIEN, J.M. C 1	112,730	112,730	0	0.01854	0
231786	O`BRIEN, J. M. `E` 6	15,390	15,390	0	0.01854	0
133722	O`BRIEN `J&L`, J. M. 1J	74,510	74,510	0	0.01854	0
05130	O`CONNOR, M. E. 1	2,905,900	2,774,310	131,590	0.01854	2,440
06867	O`CONNOR, M. E. 1B	1,278,520	1,150,440	128,080	0.01854	2,375
135280	O`CONNOR, THOMAS 1	321,710	321,710	0	0.01854	0
189316	O`CONNOR, THOMAS 10	75,220	8,780	66,440	0.01854	1,232
08827	O`CONNOR, THOMAS 14	480,020	480,020	0	0.01854	0
04011	O`CONNOR, THOMAS 7 F	30,980	30,980	0	0.01854	0
205584	O`CONNOR, THOMAS (AMOCO) 2	38,240	38,240	0	0.01854	0
03990	O`CONNOR, THOS. 1	145,280	145,280	0	0.01854	0
149039	O`CONNOR, TOM 11	14,700	14,700	0	0.01854	0
147972	O`CONNOR, TOM 13	58,810	58,810	0	0.01854	0
144641	O`CONNOR, TOM 2	1,840	1,840	0	0.01854	0
03959	OBRIEN, J. J., -A- 1	643,020	643,020	0	0.01854	0
03970	OBRIEN, J. J., -A- 1	698,010	633,970	64,040	0.01854	1,187
03960	OBRIEN, J. J., -B- 1	766,490	766,490	0	0.01854	0
052766	OBRIEN, J. M. -D- 3 H	29,120	29,120	0	0.01854	0
037001	RYALS ESTATE -P- 5	108,130	55,240	52,890	0.01854	981

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08889	SCANIO, M. 1	406,500	406,500	0	0.01854	0
207964	SCANIO, M. 10	23,440	23,440	0	0.01854	0
08611	SCANIO, M. 3	568,520	455,370	113,150	0.01854	2,098
200166	SCANIO, M 8	207,770	48,290	159,480	0.01854	2,957
009062	SCANIO, MIGUELITA	773,700	672,140	101,560	0.01854	1,883
08937	SCANIO SHELTON 3	331,090	111,810	219,280	0.01854	4,066
222184	SCANIO SHELTON 5	7,540	7,540	0	0.01854	0
224805	SCANIO SHELTON 6	34,700	34,700	0	0.01854	0
230611	SCANIO SHELTON 7	663,070	346,620	316,450	0.01854	5,868
205677	SCANIO-SHELTON 2	10,400	10,400	0	0.01854	0
208522	SCANIO/SHELTON 1	47,370	47,370	0	0.01854	0
212390	SCANIO/SHELTON 4	99,990	61,640	38,350	0.01854	711
221898	SHAY 1	8,110	8,110	0	0.01854	0
08558	SHELTON, BEN 1	726,300	686,200	40,100	0.01854	744
06733	SHELTON, F. BEN ET AL 1	180,390	180,390	0	0.01854	0
02211	ST. JOHN HEIRS 3	119,620	119,620	0	0.01854	0
051442	FAGAN EST. -M- 2	10,430	10,430	0	0.02196	0
054618	FAGAN -L- 6	59,350	59,350	0	0.02196	0
123551	FAGAN -M- 6	125,650	125,650	0	0.02196	0
090951	FAGAN -N- 2	90,590	90,590	0	0.02196	0
003898	FOX, W. J. 1	10,180	5,960	4,220	0.02191	92
008909	KENTUCKY-FAGAN 12	34,970	11,000	23,970	0.02191	525
008910	KENTUCKY-FAGAN 5R	18,200	8,770	9,430	0.02191	207
234231	HEARD HEIRS #1	3,141,990	3,141,990	0	0.02026	0
08024	DEMMER 1	69,390	69,390	0	0.02077	0
009138	F.V.W. HEARD 'B' 22	5,830	5,830	0	0.02077	0
01349	HEARD, A. W. J. 1	349,730	176,190	173,540	0.02077	3,604
063576	HEARD, A. W. J. 2	4,860	4,860	0	0.02077	0
054357	HEARD, A. W. J. 5	4,582	4,582	0	0.02077	0
068457	HEARD, A. W. J. 8	5,960	5,960	0	0.02077	0
08226	HEARD, F.V.W. 'B' 21	94,690	31,990	62,700	0.02077	1,302
08627	BARBER UNIT 3	405,370	232,260	173,110	0.01854	3,210
222635	O`BRIEN-HARKINS 2	33,060	33,060	0	0.01854	0
200495	O`CONNOR, M V EST 4	65,060	65,060	0	0.01854	0
132936	SCANIO, M 2	91,170	91,170	0	0.01854	0
114263	SCANIO, M `B` 1	96,820	96,820	0	0.01854	0
08890	WOOD, L. EST. 2	254,960	254,960	0	0.01854	0
08650	WOOD, L. EST. 8	123,900	123,900	0	0.02152	0
175296	O`BRIEN, J. M. `A` G 3	411,910	359,040	52,870	0.01854	980

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For 2007**

RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
161080	O`BRIEN, J. M. `B` 2	184,500	148,500	36,000	0.01854	668
074461	OBRIEN, J. M. -B- B 4 G	24,630	25,230	-600	0.01854	-11
08774	SCHIRMER 1	9,920	9,920	0	0.02152	0
192706	LA ROSA UNIT 48	7,930	0	7,930	0.02152	171
08672	ROOKE 5A	7,720	7,720	0	0.02152	0
	REFUGIO COUNTY	<u>40,674,376</u>	<u>33,262,696</u>	<u>7,411,680</u>		<u>139,689</u>
225197	ANDERSON, J.G. 1	560,580	458,680	101,900	0.01575	1,605
228348	ANDERSON, J.G. 2	606,430	229,240	377,190	0.01575	5,942
221973	BRASWELL 1	761,320	419,990	341,330	0.01575	5,377
223823	BRASWELL 2	1,187,630	692,880	494,750	0.01575	7,794
225315	BRASWELL 3	943,000	845,470	97,530	0.01575	1,536
225330	BRASWELL 4	1,297,430	1,297,430	0	0.01575	0
216619	BROOKS 1	335,410	93,290	242,120	0.01575	3,814
221446	BROOKS 2	791,870	585,020	206,850	0.01575	3,259
228352	CHOICE 1	412,240	324,980	87,260	0.01575	1,375
223219	FROST 1	399,050	13,230	385,820	0.01575	6,078
225329	FROST-WATKINS 1	733,600	262,140	471,460	0.01575	7,427
209762	GRAMLING 1	181,620	74,270	107,350	0.01575	1,691
220584	GRAMLING 2	495,390	351,010	144,380	0.01575	2,274
223260	GRIMES 1	280,000	25,350	254,650	0.01575	4,012
228353	RIO 1	1,077,550	877,380	200,170	0.01575	3,153
225253	BARTON, BOB J. 1	1,464,100	424,390	1,039,710	0.01442	14,997
223520	BARTON, BOB J-RIDER GAS UNIT 1	55,400	5,515	49,885	0.01442	720
083343	GARRISON GAS UNIT 6-1	5,850	5,850	0	0.01442	0
225471	GARRISON GAS UNIT 6-2	58,260	44,840	13,420	0.01442	194
228281	GARRISON GAS UNIT 6-3	3,460	3,460	0	0.01442	0
	RUSK COUNTY	<u>11,650,190</u>	<u>7,034,415</u>	<u>4,615,775</u>		<u>71,247</u>
172018	MERCY GAS UNIT 1	2,407,392	1,291,193	1,116,199	0.01819	20,300
083242	DOLIVE, EDWARD G.U. 1 1	36,467	29,744	6,723	0.01819	122
115744	DOLIVE, MAURICE G. U. 1 1	1,470,347	590,040	880,307	0.01819	16,010
	SAN JACINTO COUNTY	<u>3,914,207</u>	<u>1,910,977</u>	<u>2,003,229</u>		<u>36,433</u>
13200	SOLAR 1	31,940	5,500	26,440	0.02083	551
013362	SOLAR 2	45,110	5,500	39,610	0.02083	825
08568	DIMMICK 1D	1,478,730	1,478,730	0	0.01747	0
223058	HUNTER 10	10,500	6,310	4,190	0.01902	80
06167	KEETON FRIO UNIT 2	285,440	285,440	0	0.02056	0
07832	BROWN, C. S. 1	115,020	115,020	0	0.01935	0
12119	ROOTS-DEEP 1	213,280	213,280	0	0.01747	0

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
162303	SCULL 1	326,850	294,120	32,730	0.01902	623
144654	BALDWIN 11	1,943	1,943	0	0.01747	0
060594	BALDWIN 5	700	700	0	0.01747	0
138218	BALDWIN 9	700	700	0	0.01747	0
053959	BALDWIN -A- 1	27,300	27,300	0	0.01747	0
051924	BALDWIN, A 2	20,090	20,090	0	0.01747	0
056888	BALDWIN -A- 7	1,943	1,943	0	0.01747	0
144350	HUNTSINGER 3	40,300	40,300	0	0.01935	0
148787	SCHNEIDER-KRONKE 1	16,670	4,860	11,810	0.01935	229
009199	ROOTS, W. L. 2	19,160	19,160	0	0.01747	0
013353	MARYLAND TRUST	2,311,306	2,311,306	0	0.02079	0
013179	MARYLAND TRUST W#1	12,491	0	12,491	0.02079	260
155203	BARTOSH GAS UNIT 4	1,889,480	1,090,520	798,960	0.01969	15,735
10563	DALEY, IRENE 1	28,630	11,120	17,510	0.01842	323
167295	FLOERKE, MAX M., JR. 2	14,450	7,990	6,460	0.01969	127
12696	HAMON-HARVEY 1A	155,190	149,190	6,000	0.01969	118
216966	HARVEY, J.H. UNIT 1 T	1,574,810	1,521,730	53,080	0.01969	1,045
13114	J. H. HARVEY UNIT 2	81,090	0	81,090	0.01969	1,597
054242	MCKAMEY 2	337,860	337,860	0	0.01969	0
10325	MILLER, C.A. 1	440,270	378,340	61,930	0.01842	1,141
216299	VANECEK G.U. 3	5,560	5,560	0	0.01969	0
092660	GRIFFITH & ASSOC. -A- 2	6,540	6,540	0	0.01842	0
12705	BAKER, KATHERINE K. 2	5,187	5,187	0	0.01902	0
201784	JOSTES 1	43,080	43,080	0	0.01935	0
205684	CABLE GAS UNIT 2	7,770	7,770	0	0.02458	0
193950	CABLE-GARRETT 1	2,021,000	1,450,200	570,800	0.02458	14,028
062307	LONDON 3	2,262,060	1,262,710	999,350	0.02458	24,560
10299	BALDWIN, J. C. 2	394,805	157,570	237,235		0
141557	BALDWIN, J.C. 6	285,785	95,500	190,285		0
02128	CHILTIPIIN STATE TRACT #3 1	155,820	44,530	111,290		0
013416	TAFT PROP.	1,156,040	530,700	625,340		0
191515	WELDER HEIRS 5	7,608,680	2,587,600	5,021,080	0.01902	95,520
	SAN PATRICIO COUNTY	23,433,580	14,525,899	8,907,681		156,759
08657	TISDALE, JOSEPHINE 3	80,666	80,666	0	0.02153	0
	SCHLEICHER COUNTY	80,666	80,666	0		0
164403	GONZALEZ, OSBELIA SAENZ ET AL 1	20,170	20,170	0	0.02160	0
13050	PEREZ 1	5,500	5,500	0	0.02160	0
168228	SAENZ 2	7,850	7,850	0	0.02160	0

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13253	SAENZ 3	7,770	7,770	0	0.02160	0
115132	SAENZ, G.F.	10,400	10,400	0	0.02468	0
106821	SAENZ, G.F. 1	12,480	12,480	0	0.02468	0
010913	BENTSEN 2	566,456	566,456	0	0.02649	0
199684	HEARD 2	7,290	7,290	0	0.02649	0
155243	LMB CORP - STATE 'A' 1	7,060	7,060	0	0.02649	0
192378	SLICK ESTATE '527' 1	1,588,401	1,026,341	562,060	0.02649	14,891
13149	SLICK ESTATE '527' 2	3,890	3,890	0	0.02649	0
188128	STATE LMB PARTNERSHIP 1	7,290	7,290	0	0.02649	0
162690	AL-MARTINEZ STATE #1 1	24,960	24,960	0	0.02160	0
160388	AL-SW BTLT 1	152,980	152,980	0	0.02468	0
182806	ESCOBAR 2	11,120	11,120	0	0.02284	0
181294	ESCOBAR 3	6,870	6,870	0	0.02284	0
160489	ESCOBAR UNIT 1 T	7,200	7,200	0	0.02284	0
182163	GUERRA 2	294,490	294,490	0	0.02284	0
125458	GUERRA, H.P. JR ET AL 1	42,720	42,720	0	0.02284	0
165078	GUTIERREZ 1	20,740	20,740	0	0.02284	0
173247	JMK #1 1	29,070	29,070	0	0.02468	0
093833	REILLY GAS UNIT 4	4,590	4,590	0	0.02468	0
109604	REILLY GAS UNIT 5	106,310	106,310	0	0.02284	0
100204	SLICK ESTATE 1 U	73,760	73,760	0	0.02468	0
170042	STATE OF TEXAS SLICK #1 1	88,640	88,640	0	0.02468	0
194673	STATE OF TEXAS-SLICK #4 1	72,650	72,650	0	0.02468	0
193839	OLIVAREZ-VAN DRESAR UNIT 2	7,290	0	7,290	0.02160	157
	STARR COUNTY	<u>3,187,947</u>	<u>2,618,597</u>	<u>569,350</u>		<u>15,048</u>
11113	LIVELY-KNIGHT '74' 2	74,640	74,640	0	0.01705	0
07529	SUPERIOR-KNIGHT 1	19,650	19,650	0	0.01705	0
	STERLING COUNTY	<u>94,290</u>	<u>94,290</u>	<u>0</u>		<u>0</u>
207886	HENDERSON & PICKERING UNIT 1	7,290	7,290	0	0.02058	0
190671	MCFADDIN 4	6,313	6,313	0	0.02058	0
205465	MCFADDIN 5	99,750	11,020	88,730	0.02058	1,826
201224	MCFADDIN 6	17,310	6,310	11,000	0.02058	226
08934	SHELTON HEIRS 1	7,770	7,770	0	0.02058	0
217369	SHELTON HEIRS 3	6,313	6,313	0	0.02058	0
009005	SHELTON/HEIRS	5,830	5,830	0	0.02058	0
192156	VANDENBERG & HILL 29	9,860	9,860	0	0.02058	0
205532	VANDENBERG & HILL 34	196,200	196,200	0	0.02058	0
08784	VANDENBERG & HILL 35	24,900	24,900	0	0.02058	0

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211328	VANDENBERG & HILL 37	222,500	222,500	0	0.02058	0
08933	VANDENBERG & HILL 38	328,660	328,660	0	0.02058	0
008999	VANDENBERG & HILL 39	2,975,970	2,975,960	10	0.02058	0
205508	VANDENBERG & HILL 40	399,410	399,410	0	0.02058	0
008965	VANDENBERG & HILL 41	548,040	548,040	0	0.02058	0
220687	VANDENBERG & HILL 42	109,250	109,250	0	0.02058	0
07296	VANDENBERGE & HILL 11	148,470	148,470	0	0.02058	0
01915	VANDENBERGE & HILL 7	7,770	7,770	0	0.02058	0
08152	WEHLMAN 5	5,830	5,830	0	0.02058	0
214819	WEBER 1	4,860	0	4,860	0.01818	88
213450	WEBER 6	78,660	22,580	56,080	0.01818	1,020
230757	WEBER 7	29,850	11,320	18,530	0.01818	337
230265	WEBER 8	96,490	12,340	84,150	0.01818	1,530
163014	BRANDL 1	7,840	6,310	1,530	0.01838	28
228777	FRIEDRICH GAS UNIT 1	871,070	871,070	0	0.01908	0
142816	O.M. LANDER UNIT 2L	541,050	541,050	0	0.01908	0
07453	GRAHMANN, LEROY J. 1	118,440	77,650	40,790	0.01819	742
195126	DHB 4R	681,450	482,070	199,380	0.01819	3,626
219348	DHB 7	2,270,010	2,180,100	89,910	0.01819	1,635
208147	WELDER, M S EST 14	6,313	6,313	0	0.01819	0
223541	WELDER, M.S. ESTATE 24	4,860	4,860	0	0.01819	0
221031	WELDER, MINNIE EST 15	437,310	187,230	250,080	0.01819	4,548
174973	WELDER, MINNIE S. EST 6	156,720	156,720	0	0.01819	0
226305	WELDER, MINNIE S. EST. 9	6,313	6,313	0	0.01819	0
02396	WELDER, MINNIE S., ESTATE 5G	492,600	238,390	254,210	0.01819	4,623
08568	WELDER, MINNIE S. ESTATE -F- 1	216,960	216,960	0	0.01819	0
03864	SKLAR, CHARLES 1	178,840	178,840	0	0.01908	0
187320	WOFFORD GAS UNIT 1	7,830	7,770	60	0.01818	1
009054	BENNETT, W. H.	949,970	333,120	616,850	0.01908	11,769
159365	BENNETT, W. H. 17	230,350	77,470	152,880	0.01908	2,917
08478	COFFEY, W. V. 10	949,970	735,410	214,560	0.01908	4,094
06371	COFFEY, W. V. 11	1,050,900	805,040	245,860	0.01908	4,691
009155	COFFEY, W. V. 6	784,690	240,590	544,100	0.01908	10,381
009025	WOOD FAMILY MEMORIAL TRUST	76,970	10,930	66,040	0.01865	1,231
003970	ATKINSON, MARY E. 1	44,740	44,740	0	0.01741	0
088600	COOLEY, M. E. 9	1,940	1,940	0	0.00585	0
066509	COOLEY, M. E. ET AL 2	16,240	16,240	0	0.00585	0
003171	MORITZ, WILLIE H. GAS UNIT 1	460,940	460,940	0	0.00585	0
07995	CRABTREE 2	31,850	31,850	0	0.01908	0

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184593	CHARLEY JACOBS GAS UNIT 2	4,756,010	4,756,010	0	0.01818	0
187539	JACOBS BRUMUND GAS UNIT 2	361,710	361,710	0	0.01818	0
210032	KUESTER 3011	7,520	0	7,520	0.01818	137
205691	KUESTER 5	28,010	0	28,010	0.01818	509
193169	MCNEILL 1A	186,130	14,660	171,470	0.01818	3,118
	VICTORIA COUNTY	<u>21,272,842</u>	<u>18,126,232</u>	<u>3,146,610</u>		<u>59,078</u>
179226	JULIE 'A'	2,159	2,159	0	0.02250	0
24311	MICHELLE 1	2,804	2,804	0	0.02250	0
179468	MINNS	3,208	3,208	0	0.02250	0
183693	MINNS	2,848	2,848	0	0.02250	0
23866	MINNS 1	47,611	47,611	0	0.02250	0
	WALLER COUNTY	<u>58,630</u>	<u>58,630</u>	<u>0</u>		<u>0</u>
116757	POWELL 1	29,957	21,460	8,497	0.01598	136
	WASHINGTON COUNTY	<u>29,957</u>	<u>21,460</u>	<u>8,497</u>		<u>136</u>
09089	DE BENAVIDES, ROSA V., ET AL 1	5,461	5,461	0	0.01268	0
08817	BENAVIDES, ROSA -A- 1	330,220	330,220	0	0.01268	0
155449	LONGORIA 1	5,000	5,000	0	0.01268	0
140384	EL GATO `A` 1	9,000	2,000	7,000	0.01268	89
140274	EL GATO `A` 2	9,000	2,000	7,000	0.01268	89
140647	EL GATO `A` 3	9,000	2,000	7,000	0.01268	89
142248	EL GATO `A` 6	147,162	130,194	16,968	0.01268	215
142884	EL GATO `A` 7	18,760	18,010	750	0.01268	10
143354	EL GATO `A` 8	9,000	2,000	7,000	0.01268	89
083467	FLORES, DANIEL 1	32,643	32,643	0	0.01605	0
084021	FLORES, DANIEL 2	65,216	65,216	0	0.01605	0
125170	FLORES, DANIEL 4	46,556	46,556	0	0.01605	0
111473	FLORES, DANIEL 6	37,990	37,990	0	0.01605	0
112905	FLORES, DANIEL 7	22,301	22,301	0	0.01605	0
086324	PALAFIX `21` 1	41,982	41,982	0	0.01605	0
208786	JAMES TRUST 14	68,666	60,966	7,700	0.01605	124
216034	JAMES TRUST 15	129,604	119,979	9,625	0.01605	154
217212	JAMES TRUST 16	220,286	176,416	43,870	0.01605	704
217037	JAMES TRUST 17	429,227	334,166	95,061	0.01605	1,526
217038	JAMES TRUST 18	185,719	166,217	19,502	0.01605	313
051765	JAMES TRUST 2	295,398	286,858	8,540	0.01605	137
053169	JAMES TRUST 3	355,175	310,592	44,583	0.01605	716
058602	JAMES TRUST 6	185,384	154,474	30,910	0.01605	496
062015	JAMES TRUST 7	70,437	55,367	15,071	0.01605	242

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086971	JAMES TRUST 8	251,886	243,374	8,512	0.01605	137
098532	JAMES TRUST 9	91,924	76,376	15,548	0.01605	250
051602	WEBB COUNTY SCH LAND 1	26,596	17,911	8,685	0.01605	139
215075	WEBB COUNTY SCH LAND 10	619,322	361,232	258,090	0.01605	4,142
216352	WEBB COUNTY SCH LAND 11	934,529	580,703	353,826	0.01605	5,679
215948	WEBB COUNTY SCH LAND 12	219,266	106,326	112,940	0.01605	1,813
219469	WEBB COUNTY SCH LAND 13	67,969	58,081	9,888	0.01605	159
219654	WEBB COUNTY SCH LAND 14	349,400	232,532	116,869	0.01605	1,876
220463	WEBB COUNTY SCH LAND 16	45,798	35,916	9,882	0.01605	159
219505	WEBB COUNTY SCH LAND 17	142,770	131,627	11,143	0.01605	179
052545	WEBB COUNTY SCH LAND 2	16,779	6,889	9,890	0.01605	159
222730	WEBB COUNTY SCH LAND 22	371,469	360,785	10,684	0.01605	171
219493	WEBB COUNTY SCH LAND 23	222,202	174,000	48,202	0.01605	774
220465	WEBB COUNTY SCH LAND 25	167,845	157,616	10,229	0.01605	164
220310	WEBB COUNTY SCH LAND 26	149,067	92,675	56,392	0.01605	905
052627	WEBB COUNTY SCH LAND 3	61,121	24,764	36,357	0.01605	584
053061	WEBB COUNTY SCH LAND 4	127,854	121,563	6,291	0.01605	101
131975	WEBB COUNTY SCH LAND 5	124,604	69,861	54,743	0.01605	879
069979	WEBB COUNTY SCH LAND 5 A	412,576	395,660	16,916	0.01605	271
131784	WEBB COUNTY SCH LAND 6	44,544	28,670	15,874	0.01605	255
202640	WEBB COUNTY SCH LAND 7	386,817	349,692	37,125	0.01605	596
202641	WEBB COUNTY SCH LAND 8	401,565	391,060	10,505	0.01605	169
202642	WEBB COUNTY SCH LAND 9	141,299	131,643	9,656	0.01605	155
054541	WEBB COUNTY SCH LAND A 5	20,231	11,099	9,132	0.01605	147
054808	WEBB COUNTY SCH LAND A 6	29,951	21,002	8,949	0.01605	144
215181	CH RAMIREZ MINERALS, L. 1	410,896	373,345	37,552	0.01605	603
222207	CH RAMIREZ MINERALS, L 2	868,549	772,791	95,758	0.01605	1,537
232488	RAMIREZ, C.H. MINERALS, B1	18,798,380	14,367,377	4,431,003	0.01605	71,114
212812	AUSTIN-STATE OF TEXAS A 1	191,583	178,633	12,950	0.01605	208
054571	AUSTIN-STATE (ROUSE) 1	124,331	111,174	13,157	0.01605	211
202196	AUSTIN-STATE (ROUSE) 2	131,770	92,104	39,665	0.01605	637
066336	BENAVIDES 1	45,212	26,712	18,500	0.01605	297
067259	BENAVIDES 10	112,064	103,558	8,506	0.01605	137
072714	BENAVIDES 11	55,149	36,649	18,500	0.01605	297
074761	BENAVIDES 13	230,155	211,655	18,500	0.01605	297
067986	BENAVIDES 2	122,778	114,066	8,712	0.01605	140
067261	BENAVIDES 3	118,035	78,092	39,943	0.01605	641
077926	BENAVIDES 4	71,839	47,160	24,679	0.01605	396
067260	BENAVIDES 5	135,690	104,012	31,678	0.01605	508

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077924	BENAVIDES 6	31,937	13,006	18,931	0.01605	304
077925	BENAVIDES 7	36,148	17,288	18,860	0.01605	303
093695	BENAVIDES-CNR 21	33,765	9,974	23,791	0.01605	382
093417	BENAVIDES-CNR 22	73,183	43,718	29,465	0.01605	473
056300	BURKHOLDER, A. W. ESTATE 1	70,006	36,695	33,311	0.01605	535
063541	CUMMINS & SLAUGHTER 2	70,080	47,299	22,782	0.01605	366
071802	CUMMINS & SLAUGHTER 3	35,805	17,305	18,500	0.01605	297
071981	CUMMINS & SLAUGHTER 4	72,821	41,268	31,553	0.01605	506
080632	CUMMINS & SLAUGHTER `A` 6	52,422	39,061	13,361	0.01605	214
202833	DAWSON 10	412,455	395,302	17,153	0.01605	275
214087	DAWSON 11	113,122	99,304	13,818	0.01605	222
075547	DAWSON 2	212,338	177,338	35,000	0.01605	562
074859	DAWSON 3	250,278	232,818	17,460	0.01605	280
080646	DAWSON 4	89,714	69,550	20,164	0.01605	324
080644	DAWSON 5	309,528	286,158	23,370	0.01605	375
097531	DAWSON 6	313,928	211,845	102,083	0.01605	1,638
125190	DAWSON 7	428,138	399,396	28,742	0.01605	461
163033	DAWSON 8	206,242	189,942	16,300	0.01605	262
163035	DAWSON 9	200,749	187,413	13,336	0.01605	214
053887	DAWSON, MAMIE BROWN 1	203,818	188,131	15,687	0.01605	252
064334	DE BENAVIDES, ROSA 1 C	134,496	119,196	15,300	0.01605	246
037520	DE BENAVIDES, ROSA V. 1	22,917	4,876	18,041	0.01605	290
224733	FASKEN L. & M. ST OF TX 53-A 1	185,065	185,056	8	0.01605	0
226794	FASKEN L. & M. ST OF TX 53-A 2	200,506	175,727	24,779	0.01605	398
224305	FASKEN, L.& M. ST OF TX 68-B 1	35,442	7,692	27,750	0.01605	445
224684	FASKEN L. & M. ST OF TX 70-B 1	58,066	49,421	8,645	0.01605	139
222732	FASKEN LAND & MINERAL ST OF TX 5901	46,739	33,789	12,950	0.01605	208
220948	FASKEN LAND & MINERAL ST OF TX 5902	121,788	110,505	11,283	0.01605	181
221167	FASKEN LAND & MINERAL ST OF TX 6001	99,422	75,965	23,457	0.01605	376
220753	FASKEN LAND & MINERAL ST OF TX 6201	149,370	140,941	8,429	0.01605	135
219761	FASKEN LAND & MINERAL ST OF TX 6202	196,201	196,116	85	0.01605	1
216339	FASKEN LAND & MINERAL ST OF TX 6301	97,076	94,949	2,127	0.01605	34
056151	FLYNN, ERMINE GASS 1	167,050	138,734	28,316	0.01605	454
161919	GARNER 10	360,070	341,877	18,194	0.01605	292
162753	GARNER 11	354,086	340,841	13,245	0.01605	213
199122	GARNER 12	269,636	247,571	22,065	0.01605	354
199251	GARNER 13	144,975	128,137	16,838	0.01605	270
202537	GARNER 14	371,402	306,910	64,492	0.01605	1,035
202513	GARNER 15	258,912	240,360	18,552	0.01605	298

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
213784	GARNER 16	520,119	374,418	145,701	0.01605	2,338
053085	GARNER 2	451,453	431,811	19,643	0.01605	315
162752	GARNER 3	181,164	166,076	15,088	0.01605	242
053368	GARNER 5	96,586	87,025	9,561	0.01605	153
074911	GARNER 8	98,447	83,211	15,235	0.01605	245
120953	HUNTER, LARRY T. ET AL 3	295,038	281,077	13,961	0.01605	224
121809	HUNTER, LARRY T. ETAL 1	214,895	201,911	12,984	0.01605	208
218750	J. MARTIN ST OF TEXAS 6601	656,889	479,498	177,392	0.01605	2,847
226007	J. MARTIN STATE OF TEXAS 6602	337,082	312,454	24,628	0.01605	395
225797	J. MARTIN STATE OF TEXAS 7901	364,664	313,111	51,553	0.01605	827
070642	JAMES 10	269,424	245,394	24,030	0.01605	386
095612	JAMES 12	107,746	76,814	30,932	0.01605	496
074861	JAMES 14	140,532	112,488	28,044	0.01605	450
098535	JAMES 15	491,401	470,798	20,603	0.01605	331
098537	JAMES 16	107,124	80,270	26,854	0.01605	431
098666	JAMES 17	18,271	5,203	13,068	0.01605	210
129238	JAMES 18	202,587	166,950	35,637	0.01605	572
162776	JAMES 19	434,046	401,831	32,215	0.01605	517
197023	JAMES 20	360,960	309,033	51,927	0.01605	833
202514	JAMES 21	83,339	65,926	17,413	0.01605	279
202287	JAMES 22	326,155	273,822	52,333	0.01605	840
203079	JAMES 23	157,789	130,850	26,939	0.01605	432
203571	JAMES 24	564,230	408,813	155,417	0.01605	2,494
204676	JAMES 25	340,667	229,815	110,852	0.01605	1,779
212816	JAMES 27	427,378	388,094	39,284	0.01605	630
070472	JAMES 8	198,133	162,505	35,628	0.01605	572
069741	JAMES 9	151,857	109,840	42,017	0.01605	674
055057	JAMES, S. A. ESTATE 2	54,665	15,250	39,415	0.01605	633
209942	JAMES, S.A. ESTATE 26	296,103	244,300	51,803	0.01605	831
223416	JAMES, S. A. ESTATE 28	191,497	172,997	18,500	0.01605	297
229979	JAMES, S.A. ESTATE 29	44,361	30,519	13,842	0.01605	222
056286	JAMES, S. A. ESTATE 4	99,421	79,273	20,148	0.01605	323
193612	JAMES TRUST 1355 1	618,360	495,642	122,719	0.01605	1,970
195404	JAMES TRUST 1355 2	248,519	206,426	42,094	0.01605	676
202014	JAMES TRUST 1355 3	193,577	157,235	36,342	0.01605	583
053509	JAMES TRUST 1355 4	168,269	105,364	62,905	0.01605	1,010
204132	JAMES TRUST 1355 4	583,758	252,245	331,513	0.01605	5,321
211549	JAMES TRUST 1355 5	183,356	144,422	38,935	0.01605	625
203558	JAMES TRUST 1355 6	247,724	208,870	38,854	0.01605	624

**Negotiated Value Summary And Estimated Tax Savings
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205954	JAMES TRUST 1355 7	156,165	123,579	32,587	0.01605	523
058770	JOHNS, E. S. 7	198,831	104,164	94,667	0.01605	1,519
056153	JOHNS, E. S. ESTATE 2	263,963	215,314	48,648	0.01605	781
13465	JOHNS, E. S. ESTATE 9	75,798	75,798	0	0.01605	0
054964	JOHNS-STOKES UNIT 1	168,687	119,424	49,264	0.01605	791
056152	JOHNS-STOKES UNIT 3	233,932	188,631	45,301	0.01605	727
212658	JOHNS-STOKES UNIT 5	305,698	253,136	52,562	0.01605	844
100339	LUNDELL MINERALS 1	320,188	301,961	18,227	0.01605	293
222814	LUNDELL MINERALS 3	1,205,443	1,071,142	134,302	0.01605	2,155
222749	M.C. DAMMIER ST. OF TX. 5001	204,360	191,410	12,950	0.01605	208
221528	M. MARTIN ST OF TX 4901	90,741	76,271	14,470	0.01605	232
223556	M. MARTIN-ST. OF TX. 4902	115,700	97,175	18,525	0.01605	297
226804	MANRY 2292 1	112,811	80,547	32,264	0.01605	518
230549	MANRY 2292 10	136,384	109,072	27,312	0.01605	438
231017	MANRY 2292 11	741,129	656,650	84,479	0.01605	1,356
231959	MANRY 2292 12	299,819	271,840	27,979	0.01605	449
648591	MANRY 2292 15	621,046	190,650	430,396	0.01605	6,908
650227	MANRY 2292 17	978,952	324,952	654,000	0.01605	10,496
226874	MANRY 2292 2	114,206	70,467	43,739	0.01605	702
227872	MANRY 2292 3	199,887	186,444	13,443	0.01605	216
226246	MANRY 2292 4	577,042	548,121	28,921	0.01605	464
229001	MANRY 2292 5	614,807	537,175	77,632	0.01605	1,246
230356	MANRY 2292 6	320,881	307,571	13,310	0.01605	214
229036	MANRY 2292 7	95,763	76,500	19,263	0.01605	309
228133	MANRY 2292 8	214,126	184,556	29,570	0.01605	475
230030	MANRY 2292 9	427,076	413,808	13,268	0.01605	213
226872	MANRY ST OF TX 1138 1	70,935	57,464	13,471	0.01605	216
223567	MARTIN TRUST`S- ST. OF TX. 6601	40,720	24,618	16,102	0.01605	258
225842	MARTIN TRUST`S ST OF TX 6602	387,407	364,135	23,272	0.01605	373
081546	PALAFX EXPLORATION CO 1501	199,074	195,086	3,988	0.01605	64
078596	PALAFX EXPLORATION CO. `A` 1	32,013	13,513	18,500	0.01605	297
081550	PALAFX EXPLORATION CO. `A` 2	27,257	15,165	12,092	0.01605	194
080429	PALAFX EXPLORATION CO. `A` 3	150,197	145,127	5,070	0.01605	81
081040	PALAFX EXPLORATION CO. `A` 4	15,482	3,324	12,158	0.01605	195
081538	PALAFX EXPLORATION CO. `A` 5	35,461	22,954	12,507	0.01605	201
082021	PALAFX EXPLORATION CO. `A` 6	23,462	10,870	12,592	0.01605	202
214148	PALAFX EXPLORATION CO -A- 8	264,172	258,050	6,122	0.01605	98
221243	PALAFX EXPLORATION CO `A` 9	37,674	24,724	12,950	0.01605	208
217329	RAMIREZ 1	360,797	316,522	44,276	0.01605	711

**Negotiated Value Summary And Estimated Tax Savings
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RRC#	Lease Name & Well No.	Initial WI Value	Negotiated WI Value	Value Reduction	Notified Tax Rate	Estimated Savings
219333	RAMIREZ 2	85,501	68,076	17,425	0.01605	280
206924	SLAUGHTER-WALKER 10	51,630	38,364	13,266	0.01605	213
207011	SLAUGHTER-WALKER 11	79,279	57,675	21,604	0.01605	347
193376	SLAUGHTER-WALKER 2	104,337	91,495	12,842	0.01605	206
195185	SLAUGHTER-WALKER 3	91,644	78,826	12,818	0.01605	206
195187	SLAUGHTER-WALKER 4	62,938	47,166	15,771	0.01605	253
200118	SLAUGHTER-WALKER 5	113,089	100,121	12,968	0.01605	208
202011	SLAUGHTER-WALKER 6	79,718	66,657	13,061	0.01605	210
206828	SLAUGHTER-WALKER 7	56,042	42,951	13,091	0.01605	210
207815	SLAUGHTER-WALKER 8	19,526	6,151	13,375	0.01605	215
206444	SLAUGHTER-WALKER 9	16,874	3,751	13,123	0.01605	211
059368	STOKES, I.C. 3	65,958	47,458	18,500	0.01605	297
220752	STOKES-MILLER G.U. 1	288,944	245,769	43,175	0.01605	693
221694	T MARTIN ST OF TX 8001	245,157	223,913	21,244	0.01605	341
057449	TRIPHENE MIDDLETON ET AL -B- 1	32,158	13,254	18,903	0.01605	303
195206	TRIPHENE MIDDLETON `9` 1	834,289	720,132	114,157	0.01605	1,832
202348	TRIPHENE MIDDLETON `A` 2	22,181	9,470	12,711	0.01605	204
207631	TRIPHENE MIDDLETON `B` 805	297,158	290,762	6,396	0.01605	103
069913	TRIPHENE MIDDLETON ET AL -A- 1	90,543	77,830	12,713	0.01605	204
069908	TRIPHENE MIDDLETON ET AL -B- 2 T	15,674	3,335	12,339	0.01605	198
	WEBB COUNTY	<u>59,681,001</u>	<u>47,791,105</u>	<u>11,889,896</u>		<u>190,670</u>
182499	CORBETT 3	11,015	11,015	0	0.01895	0
008390	CORBETT, NANCY D. 1	9,028	9,028	0	0.01895	0
023917	DABOVAL, C. J. W A 3	14,694	14,694	0	0.02067	0
210913	GERTSON 1	905,447	269,418	636,029	0.01887	12,004
203753	GERTSON 2	261,151	101,442	159,709	0.01887	3,014
234337	OUTLAR	0	0	0	0.01887	0
202539	RUST 1	22,600	11,300	11,300	0.01887	213
229607	RUST ESTATE 1	1,188,744	571,775	616,969	0.01887	11,644
172621	WEISE BROS. 1	115,627	80,643	34,984	0.01887	660
09638	DUFFY -A- 2	1,141,581	482,239	659,342	0.02025	13,350
215628	DUFFY, G. A. 12	58,967	5,680	53,287	0.02025	1,079
122703	DUFFY, G. A. 14	11,372	11,372	0	0.02025	0
202765	DUFFY, G. A. 26	14,024	14,024	0	0.02025	0
202776	DUFFY, G. A. 28	475,568	25,784	449,784	0.02025	9,107
193973	LEHRER SEC. 18 2	200,878	65,450	135,428	0.02025	2,742
212240	LEHRER SEC. 3 2	1,695,403	799,646	895,757	0.02025	18,136
193085	MORRISON 1	102,064	16,426	85,638	0.01895	1,623

**Negotiated Value Summary And Estimated Tax Savings
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227588	CADDO 1	15,020	15,020	0	0.02025	0
226858	CROW 1	3,508,073	961,068	2,547,005	0.02025	51,569
227587	MOHAWK 1	635,468	534,263	101,205	0.02025	2,049
220855	SHORTHORN 1	717,541	84,058	633,483	0.02025	12,826
117217	HUDGINS ESTATE UNIT 1	401,850	161,059	240,791	0.01908	4,594
128757	RAUN, N. 3	924,410	319,715	604,695	0.01908	11,537
215083	RAUN 1	2,034,567	10,000	2,024,567	0.02067	41,842
160307	DUNCAN, G. C. 1	1,432,151	479,283	952,868	0.02025	19,293
223951	RASMUSSEN 2	189,877	67,324	122,553	0.02025	2,481
179674	RASMUSSEN 5	20,168	15,508	4,660	0.02025	94
137544	BAYLOR UNIVERSITY ET AL 1	123,460	110,763	12,698	0.02025	257
080694	JANIK ET AL 1 T	61,051	58,923	2,128	0.01887	40
081704	O'HARE ET AL 1	21,640	21,640	0	0.01887	0
133846	RASMUSSEN ET AL 4	308,891	246,581	62,310	0.02025	1,262
177491	BEMIS 1	49,167	6,510	42,657	0.01960	836
180260	COCKBURN 3	20,226	20,226	0	0.01960	0
170592	COCKBURN OIL CORP. UNIT 2	12,300	12,300	0	0.02090	0
23609	COCKBURN OIL UNIT 1	442,705	249,763	192,942	0.01960	3,781
119428	MERTA, FRANK J ET AL 4	228,404	18,620	209,784	0.02067	4,336
053712	MERTA, MARY 2	10,731	10,731	0	0.02067	0
22507	WILBECK, ET AL 1	113,968	113,968	0	0.02025	0
214597	WILBECK 2A	21,431	21,431	0	0.02025	0
208229	WILBECK 3	1,081,538	981,669	99,869	0.02025	2,022
	WHARTON COUNTY	18,602,803	7,010,358	11,592,445		232,391
205725	STONE-ENTERPRISE 1	2,849,149	1,907,485	941,664	0.02389	22,492
209356	STONE-MAGNOLIA 1	135,046	37,906	97,140	0.02389	2,320
223510	THOMAS UNIT 1	3,248,973	919,208	2,329,764	0.02389	55,648
230934	THOMAS UNIT 2	22,333	22,333	0	0.02389	0
222562	AMES ET AL GU 2	20,769,512	14,557,320	6,212,192	0.02079	129,126
220917	AMES G.U. 1	12,229,167	11,704,983	524,184	0.02079	10,896
226742	BONDY GU 1	1,096,209	870,703	225,506	0.02079	4,687
226136	GRIMES 1	17,900	17,900	0	0.02079	0
187544	HENDERSON, J.W. ET AL GU 1	2,394,673	2,056,388	338,285	0.02079	7,032
216710	HENDERSON, J.W. ET AL GU4	1,656,502	1,066,899	589,602	0.02079	12,255
216288	KIRSCH, ET AL GU 1	403,993	302,249	101,745	0.02079	2,115
227188	LEFNER, ET AL GU 1	3,118,000	1,471,114	1,646,885	0.02079	34,232
230701	LEFNER ET AL GU 2	9,096,181	9,096,181	0	0.02079	0
233177	LEFNER, ET AL GU 3	21,740,767	12,186,711	9,554,056	0.02079	198,589

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	WILLACY COUNTY	78,778,404	56,217,381	22,561,023		479,392
006619	BUTLER, MILTON C. 1	564,670	510,171	54,499	0.02117	1,153
14414	CHANDLER, FRED H. 1 & 2	60,164	16,271	43,893	0.01691	742
012814	FRED H. CHANDLER 3	98,940	58,133	40,807	0.01691	690
010634	LABUS 1	62,525	62,525	0	0.01697	0
	WILSON COUNTY	786,299	647,100	139,198		2,586
214655	SALINAS 1A	38,928	38,928	0	0.01896	0
226128	SALINAS 2	418,617	274,968	143,649	0.01896	2,724
170339	PALMYRA 3	19,336	19,336	0	0.01896	0
166579	PALMYRA MINERALS LTD 1	90,926	75,327	15,600	0.01896	296
129646	DE LOS SANTOS GAS UNIT 1 3	170,301	170,301	0	0.02096	0
069143	FLORES, R.G. ET AL 1	374,238	236,549	137,689	0.02096	2,886
181451	GARZA, LAURO A 2	34,592	34,592	0	0.02096	0
080657	GUTIERREZ `B` 2 D	72,198	72,198	0	0.02096	0
076737	GUTIERREZ `B` 2 H	8,138	8,138	0	0.02096	0
143037	GUTIERREZ, J.M. `B` 2 F	60,875	14,544	46,331	0.02096	971
066150	RAMIREZ, ABEL 1	19,265	18,590	675	0.02096	14
221232	J.M. CUELLAR NE 1	40,750	40,750	0	0.01835	0
211541	LA DUQUESA 1	29,884	25,789	4,095	0.01835	75
215740	MARTINEZ 1	383,225	316,755	66,470	0.01835	1,220
215741	MARTINEZ 2	54,331	53,019	1,312	0.01835	24
216039	MARTINEZ 3	169,212	169,212	0	0.01835	0
210373	RESENDEZ 1	487,980	418,966	69,014	0.01835	1,266
208251	VELA 1	23,500	23,500	0	0.01896	0
	ZAPATA COUNTY	2,496,297	2,011,462	484,834		9,476
05267	JONES, E. B. 218	38,819	38,819	0	0.02264	0
014744	BEELER	14,761	14,761	0	0.02264	0
014819	HEITZ	96,981	96,981	0	0.01921	0
14247	HEITZ, B. M. 1	3,174,110	2,173,569	1,000,540	0.02264	22,654
14248	LASITER, HUBERT -A- 1	408,840	408,840	0	0.02264	0
12785	LITTLE 162 1H	19,083	12,355	6,728	0.02264	152
13647	PICKENS RANCH 1H	167,304	167,304	0	0.02264	0
014627	TORTUGA RANCH	230,585	201,641	28,944	0.02264	655
007143	ELAINE (5100) UNIT 49	2,473,337	2,356,744	116,594	0.01899	2,214
03356	ELAINE FIELD /SAN MIGUEL/ UNIT 1	81,420	74,997	6,423		0
173709	WEST 1	6,820	5,095	1,725	0.02260	39
06462	PRYOR-PICKENS 3	39,656	20,724	18,932	0.02190	415
	ZAVALA COUNTY	6,751,716	5,571,831	1,179,886		26,129

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		1,180,306,611	812,572,016	367,734,596		7,238,516