

You will see many respondents did not provide new data. A number of people complained that, after receiving payments for several months, the company stopped paying in order to correct errors. This was not unique to any one company. I was surprised at how many of you report that the company has to go back and correct for past errors. No one ever says the corrections are in their favor.

The first page of data shows only information from leases that have “cost-free royalties.” Therefore you will see only one number reported. This is the price received before severance tax. I think I have verified that all of these respondents do, indeed, have cost-free royalties. If any other respondents do, and I’ve missed that, please inform me and help me get the information correct.

Note: To know for sure if you have cost-free royalties, look at your lease. You will have to have a separate addendum, which says words to the effect: “Royalties shall not be subject to any deduction of post-production costs, including transportation, dehydration, compression, treating and marketing costs. “

The second page of data shows information for those who do **not** have cost-free royalties. For Chesapeake leaseholders, all I can show is the net value received, because Chesapeake does not itemized deductions on the monthly statement. For the others, I’ve tried to show the gross and net price, as reflected on their statements. Again, I do not show any deductions for severance tax.

The third page of data shows information for UMOs and people with working interests. If I show only one number, I believe it to be the net value received by the respondent. Otherwise, I show gross and net. Again, I am not showing deductions for severance tax.

I recognize that I am possibly being a bit inaccurate by possibly mixing the price for gas paid by mcfe vs. BTU. This should only represent a few percent difference.

Finally, if you think I’ve included your information incorrectly, please let me know so I can fix it. Also, please continue to update me monthly, as your checks roll in.

Thanks for all of your help.

COST-FREE ROYALTIES

Name	Location	Leased to / Operator	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Ybarbo survey	EOG	\$4.05	\$4.49	\$4.60	4.14	
2	Elm Grove	Petrohawk	\$3.98	\$3.89	\$4.52	4.4	3.53
3	Elm Grove	CHK / HK	\$3.98	\$3.90			
4	RR Bull Bayou	hk	\$3.95	\$3.87			
5	RR Bull Bayou	HK	\$3.96	\$3.87			
6	grogan	CHK/SWEPI	\$4.01				
7	grogan	CHK/ECA	3.88				
8		EnCana	\$4.13	\$4.02			
9	Holly	EnCana				4.45	
10	Woodardville	QEP			\$4.59	4.64	3.58
11	Woodardville	Indigo					3.47
12	Woodardville	Batchelor					3.46
13	Caspiana	CHK	\$4.08	\$4.15	\$4.50	4.44	
14		CHK	\$3.94	\$4.02	\$4.41		

Name	Location	Leased to / Operator	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Minden CV Field	Sandridge	3.88 / 3.76	3.77 / 3.66	4.35 / 4.22		
2	Caspiana	J-W	3.71 / 3.28	3.75 / 3.32			
3	Caspiana	J-W	4.02 / 3.56	4.05 / 3.58			
4	Trenton	EOG	4.20 / 3.76				
5	Mora Survey	HK	3.98 / 3.73	3.94 / 3.69	4.47 / 4.22	4.52 / 4.27	3.43 / 3.18
6	B, Odell Survey	xto	3.84 / 3.63	3.94 / 3.73	4.29 / 4.08	4.24 / 4.05	3.35 / 3.14
7	Caspiana	Camterra	4.05 / 3.25	4.09 / 3.38			
8	Bienville Parish	Petrohawk	4.14 / 3.66	4.10 / 3.62			
9	stockman field	xto	3.72 / 3.16	3.63 / 3.16	4.25 / 3.79		
10	stockman field	devon	4.53 / 4.06	3.99 / 3.69			
11	Holly	PXP			4.56 / 4.38		
12	Johnson Branch	CHK	3.50	3.58	3.97	3.96	
13	Johnson Branch	CHK					
14	Spider	CHK	3.08				
15	Caspiana	CHK				4.14	
16	Bethany-Longstreet	sendero / CHK	3.49	3.57			
17	Oneal survey A-527	CHK	2.87	4.18			
18	Caspiana	CHK	3.38				
19	Caspiana	CHK	3.39				
20	Green-Waskom	HK / CHK	3.89	3.47			
21	Caspiana	CHK			3.63		
22	Spider	CHK	3.08	3.10	3.49		
23	Metcalf	CHK	3.42	3.50	3.89		
24	Logansport	CHK	3.06	3.10	3.48	3.44	
25	Benson	CHK	3.42	3.21	3.69		
26	Logansport	CHK	3.05	3.08	3.36	3.38	
27	RR Bull Bayou	CHK		3.68	3.97	3.82	
28	Spider	CHK			2.19	3.42	
29	Spider	CHK			3.49	3.46	
30	Logansport	CHK			3.50	3.46	
31	Logansport	CHK			3.46	3.44	

This page is for people without cost-free royalties.

This is for Working Interest and UMOs. Note what great prices our UMO is getting. Awesome.

			5/1/2010	6/1/2010	7/1/2010	8/1/2010	9/1/2010
WI - 1	Kingston	EXCO	\$3.86	\$4.25	4.31	4.16	
WI - 2	Caspiana	Chesapeake	\$3.25	\$3.32	3.69	3.69	
WI - 3	Johnson Branch	Chesapeake	\$3.25	\$3.32	3.69	3.69	
WI - 4	Caspiana	Chesapeake	\$3.27	\$3.34	3.72	3.72	
WI - 5	Greenwood Waskom	Chesapeake	\$3.41	\$3.49	3.87	3.84	
WI - 6	N. Grand Cane	Chesapeake	\$3.35	\$3.61	3.90	3.72	
WI - 7	Caspiana	Chesapeake				3.70	
UMO 1	Pleasant Hill	SWEPI	4.05 / 3.62	4.31	4.55	4.48	