

EVALUATION

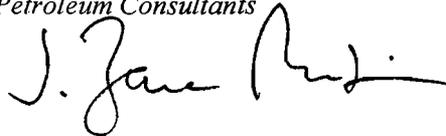
TAXABLE INTERESTS

PROVED RESERVES

LA PLATA COUNTY, COLORADO

As of July 1, 2003

CAWLEY, GILLESPIE & ASSOCIATES, INC.
Petroleum Consultants

A handwritten signature in black ink, appearing to read "J. Zane Meekins". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

J. ZANE MEEKINS, P.E.
SENIOR VICE PRESIDENT

CAWLEY, GILLESPIE & ASSOCIATES, INC.
 PETROLEUM CONSULTANTS

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September 11, 2003

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

Re: Evaluation Summary
 Taxable Interests
 La Plata County, Colorado
 Proved Reserves
As of July 1, 2003

Dear Commissioners:

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

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

		Proved Developed <u>Producing</u>	Proved <u>Undeveloped</u>	Total <u>Proved</u>
Net Reserves				
Oil/Condensate	-Mbbbl	193.5	0.0	193.5
Gas	-MMcf	3,785,406.0	1,090,227.0	4,875,634.0
Revenue				
Oil/Condensate	-M\$	4,062.6	31.0	4,062.6
Gas	-M\$	11,944,900.0	3,502,252.0	15,447,150.0
Discounted @ 10%	-M\$	6,272,158.0	1,529,383.0	7,801,543.0

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

The detailed forecasts of reserves and economics are presented in the attached tables. Tables I-Proved, I-PDP, and I-PUD are summaries of the reserves and associated economics for the total proved reserves, proved developed producing reserves and proved undeveloped reserves, respectively. Figures 1 through 3 are graphs of the historical and estimated future gross daily production volumes for these same reserve categories. Although the historical production data is only shown since 1992 on these graphs, we relied upon publicly-available monthly production volumes dating back to January 1970 in some cases. Table II-Proved is a summary of the ultimate recovery, gross and net reserves, taxable ownership, revenue, and discounted cash flows for the individual wells in Table I-Proved. The entries in this table are sorted by formation, then location and then well name. Page 1 of the Appendix explains the type of data in these tables. A detailed discussion of the reserves methodology follows this section of the report.

As requested, a San Juan Basin gas price of \$3.75 per MMBtu was applied without escalation. The price corresponds roughly to the average San Juan Basin index price for the year ending June 30, 2003 (\$3.71 per MMBtu). For the minor oil/condensate volumes, a San Juan Basin price of \$21.00 per barrel was applied without escalation. For the subject properties, the actual weighted-average price received during 2002 was \$20.96 per barrel.

Based on information supplied by the La Plata County Assessors Office for tax years 2000, 2001 and 2002, taxable ownership (excluding exempt interests), shrinkage and net gas prices were specified for each coalbed methane ("CBM") well and by formation for the conventional wells. Due to the variation from year to year for taxable ownership, the calendar year 2002 values were used in this evaluation. Taxable ownership varies from 0% to 100%, but the average is approximately 89%. Deductions of 0% to 20% were applied to the net gas volumes to account for shrinkage resulting from items such as fuel usage, gas processing and line losses. The average value for this parameter is less than 2.5%. The gross gas production volumes shown in column 3 of the attached summary tables are gross wellhead volumes while the net gas volumes shown in column 5 are taxable sales volumes, which exclude the shrinkage and exempt interest volumes. Net gas prices were calculated by well by year based on taxable revenues (after allowable deductions) and taxable sales volumes. These annual average prices were then compared to the average San Juan Basin index price for the same time periods. Three-year averages for the ratio of these two prices (actual vs. index) were specified by well, ranging from a low of 0.650 to a high of 1.00.

The reserves forecasts were terminated at an economic limit rate of 750 Mcf/month for the coalbed methane wells and approximately 200 Mcf/month for the conventional wells.

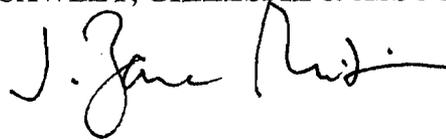
The proved reserve classifications conform to criteria of the Society of Petroleum Engineers. The reserves and economics are predicated on the regulatory agency classifications, rules, policies, laws, taxes and royalties in effect on the effective date except as noted herein. The possible effects of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

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

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

Yours very truly,

CAWLEY, GILLESPIE & ASSOCIATES, INC.



J. Zane Meekins, P.E.
Senior Vice President

DISCUSSION

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

Existing Wells

The forecasts for the existing wells are based on a combination of methodologies, with different approaches for the CBM and conventional wells. A total of 1,367 separate forecasts were prepared for the PDP reserves evaluation.

With the exception of seven two-well leases and the Tiffany Fruitland Unit (34 wells), all of the existing 1,401 CBM wells in the county were individually forecast. For those wells with an established production trend, the forecasts were primarily based on an extrapolation of the historical production volumes. For wells with production volumes that are currently either inclining or flat, the performance of analogous offsetting wells was reviewed. In some cases, the reserves forecasts were based on estimates of gas-in-place volumes along with appropriate recovery factors. Current production from the CBM wells is approximately 1,225 MMcf/day, which represents over 94% of the total current daily gas production in the county. Although there is currently a wide range of performance for the CBM wells, the long-term composite decline rate for these wells is about 11% per year. The gross and net gas reserves associated with the CBM wells are 3,999,094 MMcf and 3,500,735 MMcf, respectively.

Due to the relatively minor contribution of the conventional reservoirs currently, the 955 active conventional wells were forecast from composite production curves for each of the three major formations (Mesaverde, Dakota and Pictured Cliffs) and a single composite curve for the remaining wells. Current production from the conventional wells is approximately 70 MMcf/day, with over two-thirds of this gas coming from the Mesaverde formation. The average decline rate for these conventional wells is about 8% per year. The gross and net gas reserves associated with the conventional wells are 324,728 MMcf and 284,672 MMcf, respectively.

Future Wells

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

The Fruitland Coal reservoir in La Plata County was initially developed on 320-acre spacing. However, through a series of applications approved by the Colorado Oil and Gas Conservation Commission ("COGCC") over the last 6 years, the majority of the Ignacio Blanco (Fruitland Coal) Field is now approved for 160-acre development. The exceptions are the high-productivity fairway located primarily in T32N-R10&11W and T33N-R10&11W along with the vast majority of the reservoir within 1.5 miles of the outcrop. As a result, over 500 new wells have come on-line in La Plata County since the beginning of 1997.

We reviewed every 320-acre tract in La Plata County and identified 435 remaining Fruitland Coal proved undeveloped locations to be drilled. The great majority of these are 160-acre locations within the currently-approved infill areas. The remaining locations are on undrilled 320-acre tracts, primarily in ranges 6W and 7W. Potential low-productivity locations in T33N,34N-R6W were excluded from this analysis due to the lack of sub-surface control and current activity in the area. The PUD reserves were forecast by township for each of the 17 townships with remaining locations. Type curves were generated by township for three types of wells: 1) historical infill wells, 2) parent wells that have been infilled, and 3) parent wells that have not been infilled. A typical infill well forecast was developed for each township based on the actual infill well performance to date. This curve was then adjusted based on a comparison of the historical performance of the parent wells that have not been infilled to the parent wells that have been infilled. This adjusted typical well curve was then used as the forecast for all remaining locations within the township. Peak rates for these typical wells range from 350 to 1,250 Mcf/day with an average of about 600 Mcf/day. Gross gas reserves range from 1.65 to 4.35 Bcf per well with an average of 2.73 Bcf.

Scheduling of the future wells was based on a review of the historical drilling levels in the county. The number of new Fruitland Coal wells to come on-line during calendar years 2001 and 2002 was 132 and 116, respectively. We scheduled 115 wells to come on-line during both 2003 and 2004, along with 100 wells in 2005, 75 wells in 2006 and the remaining 30 wells in 2007. In addition to the 18 new wells that have shown up in public records this year (there is typically a several month delay for new wells in publicly-available databases), the estimated total number of new wells for 2003 is 133, comparable to the activity in 2001 when gas prices were similar.

Additional Reserve Types

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

Proved developed non-producing ("PDNP") reserves are additional reserves can be recovered through existing wells but require further capital expenditures or additional equipment to produce the reserves. In La Plata County, examples of PDNP reserves are those reserves associated with well workovers and compressor installations. Operators are not required to file

publicly-available documents for this type of field work. Sundry notices are sometimes filed with the BLM or COGCC in conjunction with well workovers, but analysis of these documents is well beyond the scope of this study. Based on our extensive evaluation work in La Plata County for other clients, workovers and compressor installations are an important part of operators' annual budgets. Although incremental reserves associated with this type of work are typically much less than those associated with new drills, the near-term incremental volumes associated with workovers and compressor installations can be material in magnitude.

Probable and possible reserves fall into the general category of unproved reserves. These reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties prevent such reserves from being classified as proved. Examples of probable/possible reserves in La Plata County are those reserves associated 80-acre infill wells in the Fruitland Coal and Mesaverde formations, tertiary projects using injected nitrogen or carbon dioxide to increase recoveries in Fruitland Coal reservoirs, and potential Fruitland Coal locations in T33N,34N-R6W where sub-surface control is inadequate. Projects targeting some of these example unproved reserves types have been attempted on a limited basis in La Plata County to date, but forecasting the reserves associated with future projects would be meaningless at this point due to the uncertainty associated with the timing of the development.

Table I - Proved
 Composite Reserve Estimates and Economic Forecasts
 Taxable Interests
 La Plata County, Colorado
 Proved Reserves
 As of July 1, 2003

(1) End Mo-Yr	(2) Gross Oil Production MBBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MBBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price \$/BBL	(7) Avg Gas Price \$/MCF	(8) Oil Revenue M\$	(9) Gas Revenue M\$	(10) Total Revenue M\$
12-03	14.2	243,031.8	12.760	211,591.100	21.000	3.123	267.954	660,783.900	661,052.000
12-04	25.2	465,006.2	22.588	406,125.300	21.000	3.132	474.350	1,271,980.000	1,272,454.000
12-05	21.5	439,748.4	19.289	385,655.600	21.000	3.143	405.078	1,211,959.000	1,212,364.000
12-06	18.5	414,391.7	16.578	364,678.000	21.000	3.151	348.146	1,149,245.000	1,149,593.000
12-07	16.0	386,309.4	14.329	340,918.000	21.000	3.158	300.919	1,076,788.000	1,077,089.000
12-08	13.9	353,190.4	12.449	312,268.900	21.000	3.164	261.425	987,867.600	988,129.000
12-09	12.1	317,671.3	10.865	281,180.200	21.000	3.167	228.161	890,479.500	890,707.500
12-10	10.6	284,298.8	9.522	251,852.600	21.000	3.170	199.967	798,331.700	798,531.700
12-11	9.3	254,466.4	8.378	225,589.400	21.000	3.173	175.932	715,685.400	715,861.200
12-12	8.2	228,159.7	7.393	202,403.600	21.000	3.175	155.244	642,632.600	642,787.800
12-13	7.3	204,982.9	6.535	181,956.000	21.000	3.177	137.241	578,125.200	578,262.500
12-14	6.5	184,516.3	5.787	163,883.100	21.000	3.179	121.535	521,046.400	521,167.900
12-15	5.7	166,380.4	5.134	147,856.300	21.000	3.181	107.810	470,382.000	470,489.800
12-16	5.1	150,287.8	4.562	133,620.700	21.000	3.183	95.794	425,337.200	425,433.100
12-17	4.5	135,922.5	4.060	120,903.700	21.000	3.185	85.257	385,068.700	385,154.000
S Tot	178.7	4,228,364.0	160.229	3,730,483.000	21.000	3.159	3,364.813	11,785,710.000	11,789,080.000
After	37.0	1,284,387.0	33.230	1,145,151.000	21.000	3.197	697.821	3,661,442.000	3,662,139.000
Total	215.7	5,512,751.0	193.459	4,875,634.000	21.000	3.168	4,062.634	15,447,150.000	15,451,220.000
Cum	784.1	4,565,473.0							
Ult	999.8	10,078,220.0							

(11) End Mo-Yr	(12) Production Taxes M\$	(13) Ad Valorem Taxes M\$	(14) Gross	(15) Net Wells Count	(16) Operating Expense M\$	(17) Other Deductions M\$	(18) Investment M\$	(19) Future Net Cash Flow M\$	(20) Cumulative Cash Flow M\$	(21) Cum. Cash Flow Disc. @ 10.0% M\$
12-03	.000	.000	2426.1	2177.75	.000	.000	.000	661,052.000	661,052.000	645,547.300
12-04	.000	.000	2469.1	2219.01	.000	.000	.000	1,272,454.000	1,933,506.000	1,802,761.000
12-05	.000	.000	2554.5	2300.85	.000	.000	.000	1,212,364.000	3,145,870.000	2,805,094.000
12-06	.000	.000	2620.0	2363.85	.000	.000	.000	1,149,593.000	4,295,463.000	3,669,128.000
12-07	.000	.000	2650.0	2393.34	.000	.000	.000	1,077,089.000	5,372,552.000	4,405,073.000
12-08	.000	.000	2644.0	2388.79	.000	.000	.000	988,129.000	6,360,681.000	5,018,856.000
12-09	.000	.000	2621.1	2368.11	.000	.000	.000	890,707.500	7,251,389.000	5,521,829.000
12-10	.000	.000	2599.3	2348.59	.000	.000	.000	798,531.700	8,049,921.000	5,931,757.000
12-11	.000	.000	2577.5	2329.07	.000	.000	.000	715,861.200	8,765,782.000	6,265,839.000
12-12	.000	.000	2556.9	2310.54	.000	.000	.000	642,787.800	9,408,569.000	6,538,547.000
12-13	.000	.000	2535.3	2290.97	.000	.000	.000	578,262.500	9,986,832.000	6,761,576.000
12-14	.000	.000	2514.8	2272.44	.000	.000	.000	521,167.900	10,508,000.000	6,944,312.000
12-15	.000	.000	2493.4	2253.25	.000	.000	.000	470,489.800	10,978,490.000	7,094,281.000
12-16	.000	.000	2473.7	2235.59	.000	.000	.000	425,433.100	11,403,920.000	7,217,561.000
12-17	.000	.000	2449.8	2214.17	.000	.000	.000	385,154.000	11,789,080.000	7,319,022.000
S Tot	.000	.000	2549.8	2301.89	.000	.000	.000	11,789,080.000	11,789,080.000	7,319,022.000
After	.000	.000	1047.8	953.93	.000	.000	.000	3,662,139.000	15,451,220.000	7,801,543.000
Total	.000	.000	1374.5	1247.11	.000	.000	.000	15,451,220.000	15,451,220.000	7,801,543.000

Year	Flat Pricing		Percent	Cum. Disc.
	San Juan Oil \$/STB	San Juan Gas \$/MMBTU		
2003	21.00	3.75	5.00	10,335,040.000
Thereafter	Flat	Flat	10.00	7,801,536.000
Cap	21.00	3.75	15.00	6,303,137.000
			20.00	5,314,377.000
			25.00	4,613,174.000
			30.00	4,090,079.000

6 Months in first year
66.667 Year Life (03/2070)

THESE DATA ARE PART OF A CG&A REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

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 Qualifiers:

Summary

Table I - PDP
 Composite Reserve Estimates and Economic Forecasts
 Taxable Interests
 La Plata County, Colorado
 Proved Developed Producing Reserves
 As of July 1, 2003

(1) End Mo-Yr	(2) Gross Oil Production MMBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MMBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price \$/BBL	(7) Avg Gas Price \$/MCF	(8) Oil Revenue M\$	(9) Gas Revenue M\$	(10) Total Revenue M\$
12-03	14.2	234,824.8	12.760	204,057.100	21.000	3.119	267,954	636,509.700	636,777.600
12-04	25.2	434,441.4	22.588	378,059.100	21.000	3.125	474,350	1,181,620.000	1,182,095.000
12-05	21.5	384,272.9	19.289	334,734.600	21.000	3.131	405,078	1,048,133.000	1,048,538.000
12-06	18.5	338,813.3	16.578	295,335.800	21.000	3.136	348,146	926,223.200	926,571.400
12-07	16.0	299,072.8	14.329	260,895.700	21.000	3.141	300,919	819,444.500	819,745.400
12-08	13.9	264,469.5	12.449	230,893.300	21.000	3.145	261,425	726,217.900	726,479.200
12-09	12.1	234,441.1	10.865	204,855.700	21.000	3.149	228,161	645,167.900	645,396.100
12-10	10.6	208,391.1	9.522	182,254.600	21.000	3.153	199,967	574,707.000	574,906.900
12-11	9.3	185,781.3	8.378	162,620.200	21.000	3.157	175,932	513,400.700	513,576.600
12-12	8.2	166,095.9	7.393	145,509.100	21.000	3.161	155,244	459,889.500	460,044.700
12-13	7.3	148,889.2	6.535	130,537.400	21.000	3.164	137,241	412,994.700	413,131.900
12-14	6.5	133,803.3	5.787	117,399.400	21.000	3.167	121,535	371,783.900	371,905.500
12-15	5.7	120,520.5	5.134	105,822.500	21.000	3.170	107,810	335,426.500	335,534.300
12-16	5.1	108,807.1	4.562	95,602.140	21.000	3.172	95,794	303,288.100	303,383.900
12-17	4.5	98,402.7	4.060	86,516.820	21.000	3.175	85,257	274,691.000	274,776.300
S Tot	178.7	3,361,027.0	160.229	2,935,094.000	21.000	3.145	3,364,813	9,229,498.000	9,232,862.000
After	37.0	962,795.5	33.230	850,312.800	21.000	3.193	697,821	2,715,403.000	2,716,101.000
Total	215.7	4,323,822.0	193.459	3,785,406.000	21.000	3.156	4,062,634	11,944,900.000	11,948,960.000
Cum	784.1	4,565,472.0							
Ult	999.8	8,889,295.0							

(11) End Mo-Yr	(12) Production Taxes M\$	(13) Ad Valorem Taxes M\$	(14) (15) Wells Gross Net Count	(16) Operating Expense M\$	(17) Other Deductions M\$	(18) Investment M\$	(19) Future Net Cash Flow M\$	(20) Cumulative Cash Flow M\$	(21) Cum. Cash Flow Disc. @ 10.0% M\$
12-03	.000	.000	2311.1 2069.05	.000	.000	.000	636,777.600	636,777.600	621,842.700
12-04	.000	.000	2296.6 2055.97	.000	.000	.000	1,182,095.000	1,818,873.000	1,696,881.000
12-05	.000	.000	2274.5 2036.22	.000	.000	.000	1,048,538.000	2,867,410.000	2,563,769.000
12-06	.000	.000	2252.5 2016.53	.000	.000	.000	926,571.400	3,793,982.000	3,260,180.000
12-07	.000	.000	2230.0 1996.39	.000	.000	.000	819,745.400	4,613,727.000	3,820,290.000
12-08	.000	.000	2209.0 1977.67	.000	.000	.000	726,479.200	5,340,207.000	4,271,548.000
12-09	.000	.000	2186.1 1956.98	.000	.000	.000	645,396.100	5,985,603.000	4,635,995.000
12-10	.000	.000	2164.3 1937.47	.000	.000	.000	574,906.900	6,560,509.000	4,931,125.000
12-11	.000	.000	2142.5 1917.95	.000	.000	.000	513,576.600	7,074,086.000	5,170,803.000
12-12	.000	.000	2121.9 1899.42	.000	.000	.000	460,044.700	7,534,131.000	5,365,981.000
12-13	.000	.000	2100.3 1879.84	.000	.000	.000	413,131.900	7,947,262.000	5,525,321.000
12-14	.000	.000	2079.8 1861.31	.000	.000	.000	371,905.500	8,319,168.000	5,655,721.000
12-15	.000	.000	2058.4 1842.12	.000	.000	.000	335,534.300	8,654,703.000	5,762,674.000
12-16	.000	.000	2038.7 1824.46	.000	.000	.000	303,383.900	8,958,086.000	5,850,587.000
12-17	.000	.000	2014.8 1803.05	.000	.000	.000	274,776.300	9,232,862.000	5,922,972.000
S Tot	.000	.000	2160.3 1933.79	.000	.000	.000	9,232,862.000	9,232,862.000	5,922,972.000
After	.000	.000	843.8 761.01	.000	.000	.000	2,716,101.000	11,948,960.000	6,272,158.000
Total	.000	.000	1130.2 1016.09	.000	.000	.000	11,948,960.000	11,948,960.000	6,272,158.000

Year	Flat Pricing		Percent	Cum. Disc.
	San Juan Oil \$/STB	San Juan Gas \$/MMBTU		
2003	21.00	3.75	5.00	8,149,612.000
Thereafter	Flat	Flat	10.00	6,272,157.000
Cap	21.00	3.75	15.00	5,153,338.000
			20.00	4,407,316.000
			25.00	3,872,467.000
			30.00	3,469,244.000

6 Months in first year
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Summary

Table I - PUD
 Composite Reserve Estimates and Economic Forecasts
 Taxable Interests
 La Plata County, Colorado
 Proved Undeveloped Reserves
 As of July 1, 2003

(1) End Mo-Yr	(2) Gross Oil Production MMBLS	(3) Gross Gas Production MMCF	(4) Net Oil Production MMBLS	(5) Net Gas Sales MMCF	(6) Avg Oil Price \$/BBL	(7) Avg Gas Price \$/MCF	(8) Oil Revenue M\$	(9) Gas Revenue M\$	(10) Total Revenue M\$
12-03	.0	8,207.1	.000	7,534.030	.000	3.222	.000	24,274.120	24,274.120
12-04	.0	30,564.9	.000	28,066.180	.000	3.220	.000	90,359.360	90,359.360
12-05	.0	55,475.4	.000	50,920.950	.000	3.217	.000	163,825.700	163,825.700
12-06	.0	75,578.5	.000	69,342.170	.000	3.216	.000	223,021.400	223,021.400
12-07	.0	87,236.8	.000	80,022.340	.000	3.216	.000	257,343.700	257,343.700
12-08	.0	88,720.9	.000	81,375.600	.000	3.215	.000	261,649.900	261,649.900
12-09	.0	83,230.1	.000	76,324.460	.000	3.214	.000	245,311.300	245,311.300
12-10	.0	75,907.6	.000	69,598.020	.000	3.213	.000	223,624.800	223,624.800
12-11	.0	68,685.1	.000	62,969.060	.000	3.212	.000	202,285.000	202,285.000
12-12	.0	62,063.8	.000	56,894.540	.000	3.212	.000	182,742.700	182,742.700
12-13	.0	56,093.7	.000	51,418.550	.000	3.211	.000	165,130.500	165,130.500
12-14	.0	50,712.8	.000	46,483.750	.000	3.211	.000	149,262.300	149,262.300
12-15	.0	45,859.9	.000	42,033.690	.000	3.211	.000	134,955.500	134,955.500
12-16	.0	41,480.7	.000	38,018.520	.000	3.210	.000	122,049.300	122,049.300
12-17	.0	37,519.8	.000	34,386.880	.000	3.210	.000	110,377.400	110,377.400
S Tot	.0	867,337.1	.000	795,388.700	.000	3.214	.000	2,556,213.000	2,556,213.000
After	.0	321,591.4	.000	294,837.900	.000	3.209	.000	946,038.800	946,038.800
Total	.0	1,188,929.0	.000	1,090,227.000	.000	3.212	.000	3,502,252.000	3,502,252.000
Cum Ult	.0	.0							
.0	.0	1,188,929.0							

(11) End Mo-Yr	(12) Production Taxes M\$	(13) Ad Valorem Taxes M\$	(14) Gross Wells Count	(15) Net Wells Count	(16) Operating Expense M\$	(17) Other Deductions M\$	(18) Investment M\$	(19) Future Net Cash Flow M\$	(20) Cumulative Cash Flow M\$	(21) Cum. Cash Flow Disc. @ 10.0% M\$
12-03	.000	.000	115.0	108.70	.000	.000	.000	24,274.120	24,274.120	23,704.800
12-04	.000	.000	172.5	163.05	.000	.000	.000	90,359.360	114,633.500	105,880.800
12-05	.000	.000	280.0	264.64	.000	.000	.000	163,825.700	278,459.200	241,325.200
12-06	.000	.000	367.5	347.33	.000	.000	.000	223,021.400	501,480.600	408,947.900
12-07	.000	.000	420.0	396.96	.000	.000	.000	257,343.700	758,824.400	584,783.700
12-08	.000	.000	435.0	411.13	.000	.000	.000	261,649.900	1,020,474.000	747,309.100
12-09	.000	.000	435.0	411.13	.000	.000	.000	245,311.300	1,265,786.000	885,833.300
12-10	.000	.000	435.0	411.13	.000	.000	.000	223,624.800	1,489,410.000	1,000,632.000
12-11	.000	.000	435.0	411.13	.000	.000	.000	202,285.000	1,691,695.000	1,095,035.000
12-12	.000	.000	435.0	411.13	.000	.000	.000	182,742.700	1,874,438.000	1,172,565.000
12-13	.000	.000	435.0	411.13	.000	.000	.000	165,130.500	2,039,569.000	1,236,254.000
12-14	.000	.000	435.0	411.13	.000	.000	.000	149,262.300	2,188,831.000	1,288,589.000
12-15	.000	.000	435.0	411.13	.000	.000	.000	134,955.500	2,323,786.000	1,331,607.000
12-16	.000	.000	435.0	411.13	.000	.000	.000	122,049.300	2,445,836.000	1,366,973.000
12-17	.000	.000	435.0	411.13	.000	.000	.000	110,377.400	2,556,213.000	1,396,050.000
S Tot	.000	.000	389.5	368.11	.000	.000	.000	2,556,213.000	2,556,213.000	1,396,050.000
After	.000	.000	328.3	310.46	.000	.000	.000	946,038.800	3,502,252.000	1,529,383.000
Total	.000	.000	347.2	328.28	.000	.000	.000	3,502,252.000	3,502,252.000	1,529,383.000

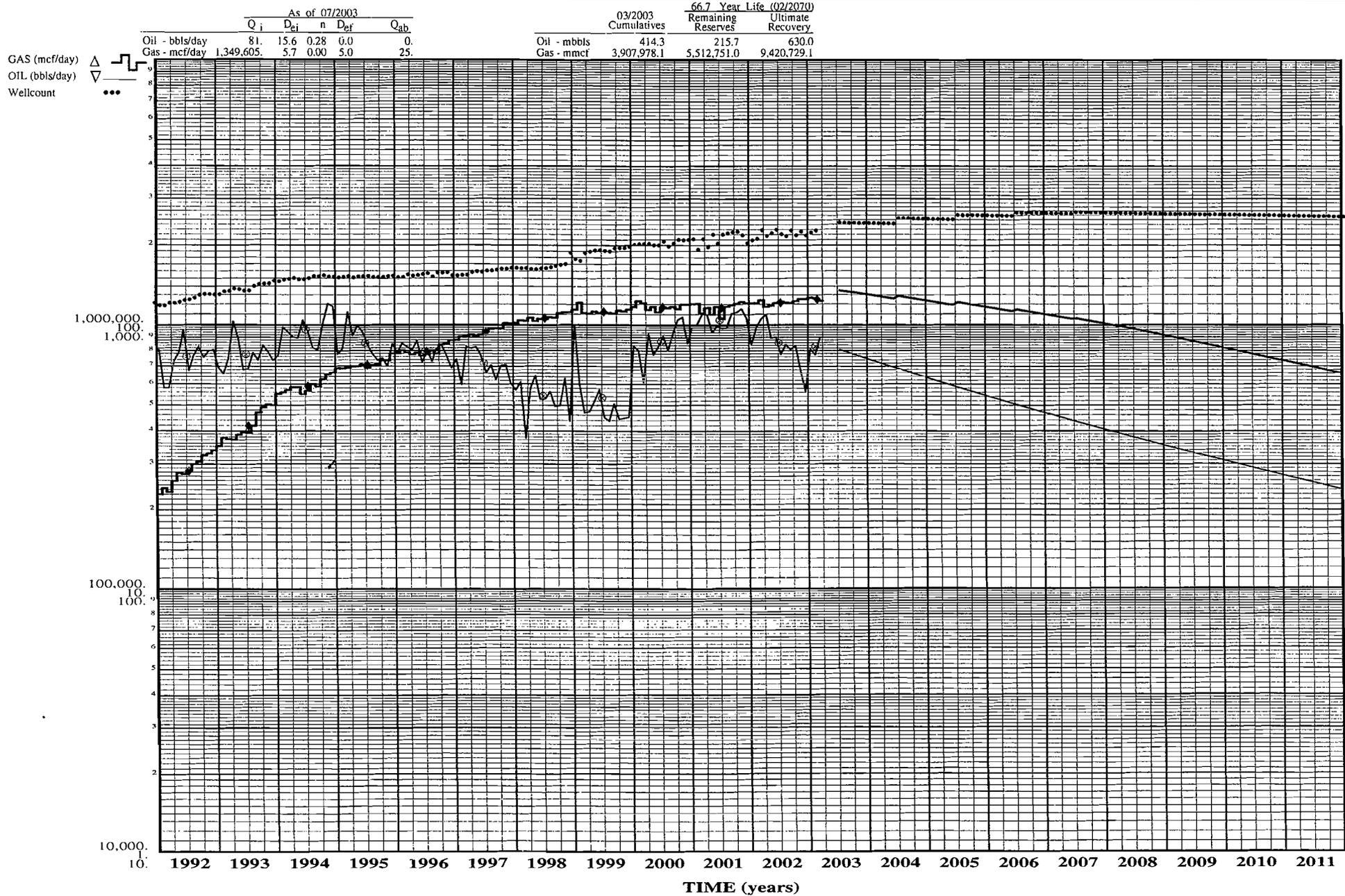
Year	Flat Pricing		Percent	Cum. Disc.
	San Juan Oil \$/STB	San Juan Gas \$/MMBTU		
2003	21.00	3.75	5.00	2,185,437.000
Thereafter	Flat	Flat	10.00	1,529,383.000
Cap	21.00	3.75	15.00	1,149,798.000
			20.00	907,061.600
			25.00	740,708.700
			30.00	620,835.900

6 Months in first year
 46.917 Year Life (06/2050)

THESE DATA ARE PART OF A CG&A REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

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

Gross Production

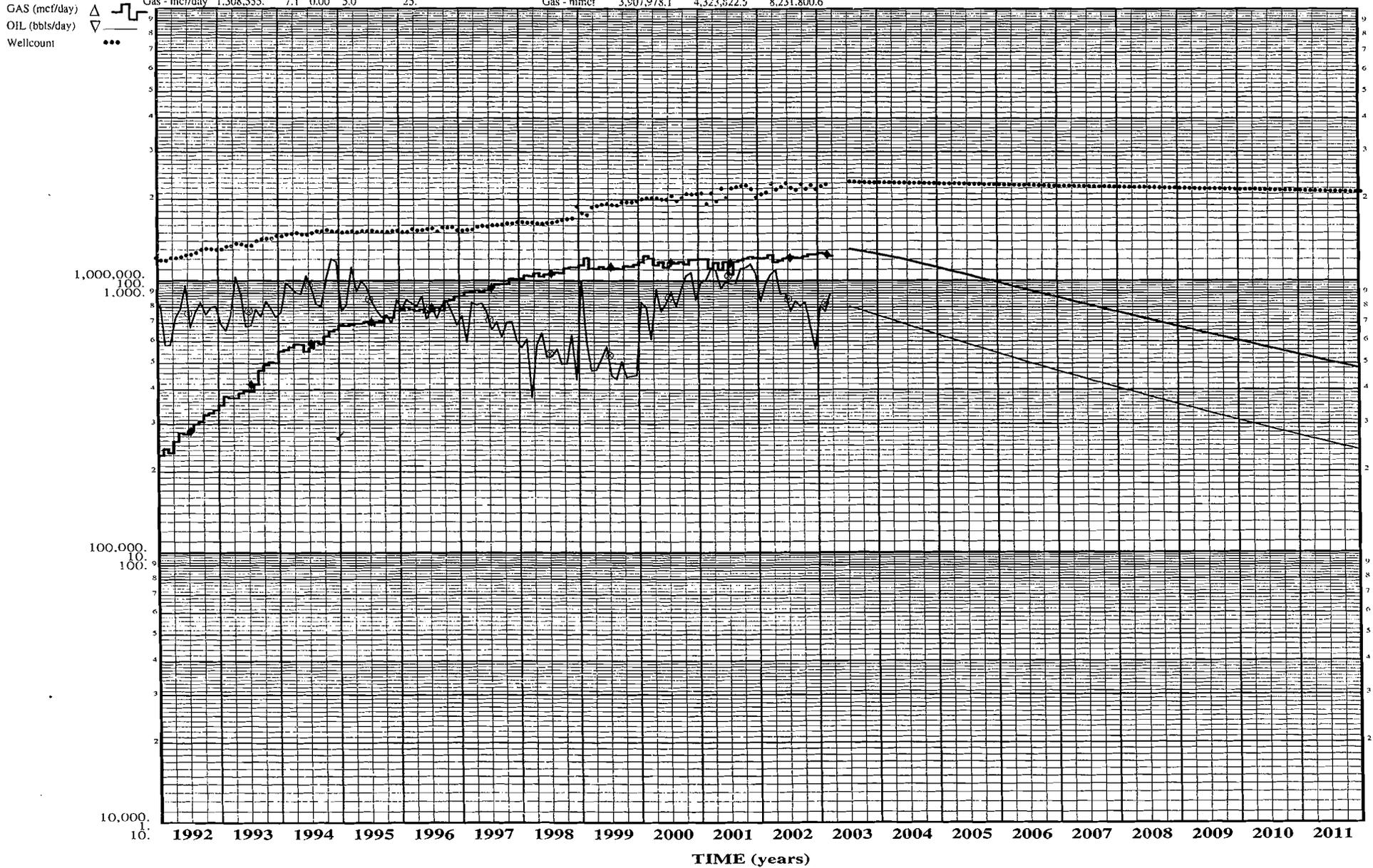


◆ ◎ * -- Annual Averages Perfs: 0 - 0 Status:
First Production 00/ 0 First Data 01/1970 Last Data 03/2003

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

Gross Production

	As of 07/2003					Q _{ab}	03/2003 Cumulatives	66.7 Year Life (02/2070)		
	Q _i	D _{ei}	n	D _{ef}	Q _{ab}			Remaining Reserves	Ultimate Recovery	
Oil - bbls/day	81.	15.6	0.28	0.0	0.		Oil - mbbbls	414.3	215.7	630.0
Gas - mcf/day	1,308,555.	7.1	0.00	5.0	25.		Gas - mmcf	3,907,978.1	4,323,822.5	8,231,800.6

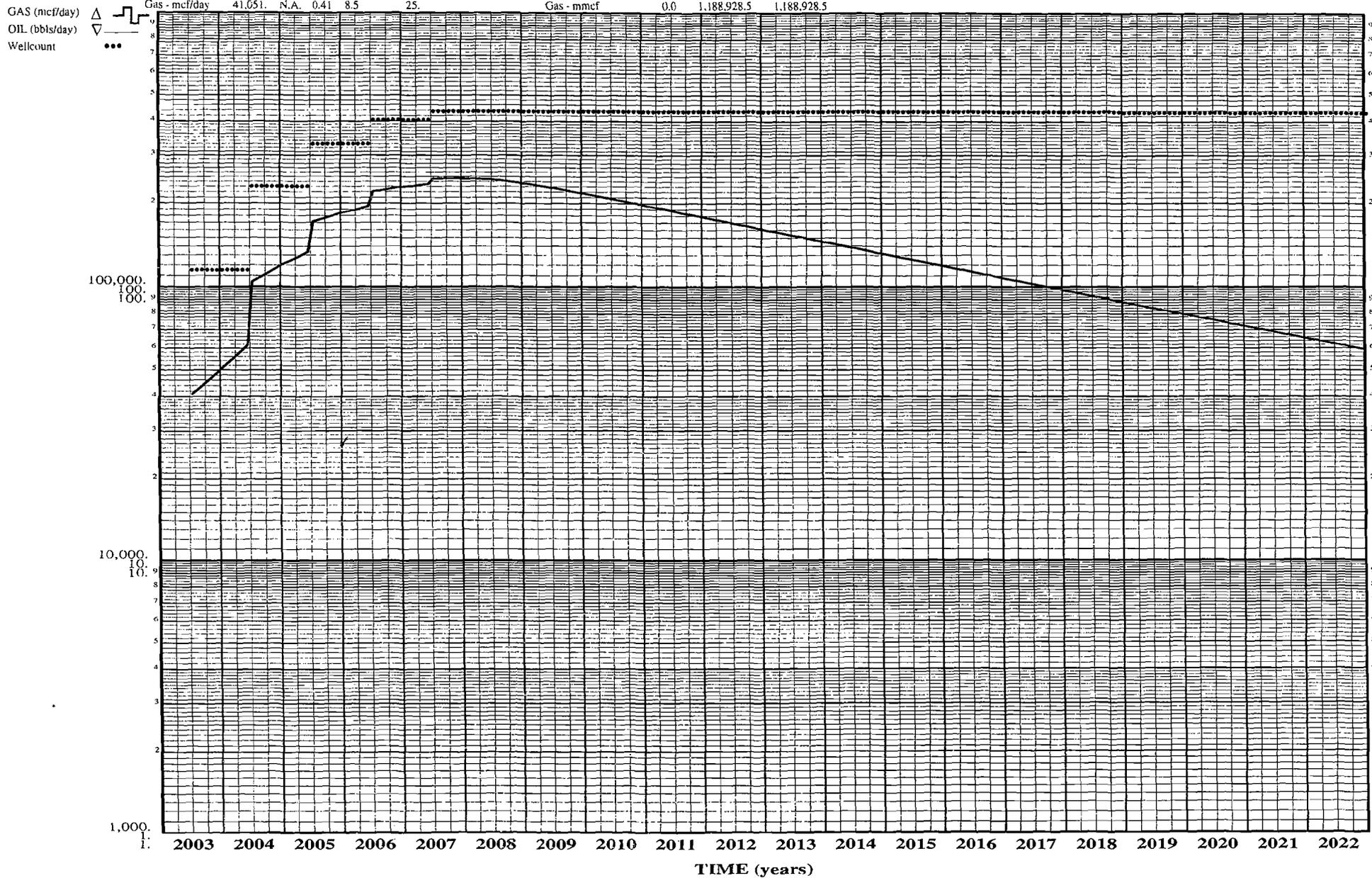


* * * -- Annual Averages Perfs: 0 - 0 Status:
First Production 00/0 First Data 01/1970 Last Data 03/2003

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

Gross Production

As of 07/2003						46.9 Year Life (05/2050)		
	Q _i	D _{ei}	n	D _{ef}	Q _{ab}	00/0000 Cumulatives	Remaining Reserves	Ultimate Recovery
Oil - bbls/day	0.	0.0	0.00	0.0	0.	Oil - mbbbls	0.0	0.0
Gas - mcf/day	41,051	N.A.	0.41	8.5	25.	Gas - mmcf	0.0	1,188,928.5



◆ * -- Annual Averages Perfs: 0 - 0 Status:
 First Production 00/ 0 First Data 00/ 0 Last Data 00/ 0

APPENDIX

Explanatory Comments

HEADINGS

Table Number
Effective Date of Evaluation
Identity of Interest Evaluated
Reserve Classification and Development Status
Operator – Property Name
Field (Reservoir) Names – County, State

FORECAST

(Columns)

- (1) (11) Calendar or Fiscal years ending on effective date.
- (2) (3) Gross Production (8/8th) for the years which are economical. These are expressed as thousands of barrels (Mbbl) and millions of cubic feet (MMcf) of gas at standard conditions. Total future production, cumulative production to effective date and ultimate recovery at the effective date are shown following the annual forecasts.
- (4) (5) Net Production accruable to evaluated interest is calculated by multiplying the revenue interest times the gross production. These values take into account changes in interest and gas shrinkage.
- (6) Average (volume weighted) gross liquid price per barrel before deducting production-severance taxes.
- (7) Average (volume weighted) gross gas price per Mcf before deducting production-severance taxes.
- (8) Revenue derived from oil sales -- column (4) times column (6).
- (9) Revenue derived from gas sales -- column (5) times column (7).
- (10) Total Revenue -- column (8) plus column (9) plus other miscellaneous revenue.
- (12) Production-severance taxes deducted from gross oil and gas revenue.
- (13) Ad valorem taxes.
- (14) Average gross wells.
- (15) Average net wells are gross wells times working interest.
- (16) Operating Expenses are direct operating expenses to the evaluated working interest.
- (17) Other Deductions include compression expenses and salt water disposal costs. These are the share of costs payable by the evaluated expense interests and take into account any changes in interests.
- (18) Investments, if any, include work-overs, future drilling costs, pumping units, etc. and may be included either tangible or intangible or both, and the costs for plugging and the salvage value of equipment at abandonment may be shown as negative investments at end of life.
- (19) (20) Future Net Cash Flow is column (10) less columns (12), (13), (16), (17) and (18). The data in column (19) are accumulated in column (20). Federal income taxes have not been considered.
- (21) Cumulative Discounted Cash Flow is calculated by discounting cash flows at specified rates.

MISCELLANEOUS

- Life • The economic life of the appraised property is noted below the discounted cash flow profile.
- Interests • Initial and final expense and revenue interests are shown below columns (18-19).
- Discounted Cash Flow
Profile • The cash flow discounted at six different rates are shown at the bottom of columns (20-21). Interest has been compounded once per year assuming income or payments are received at mid-year.
- Footnotes • The regulatory commission identification number, a brief location description, reserve evaluation method and other pertinent comments may be shown in the left-hand footnotes. Well type is noted in lower right-hand corner of table.