

# Monthly Operations Report

## May 2008



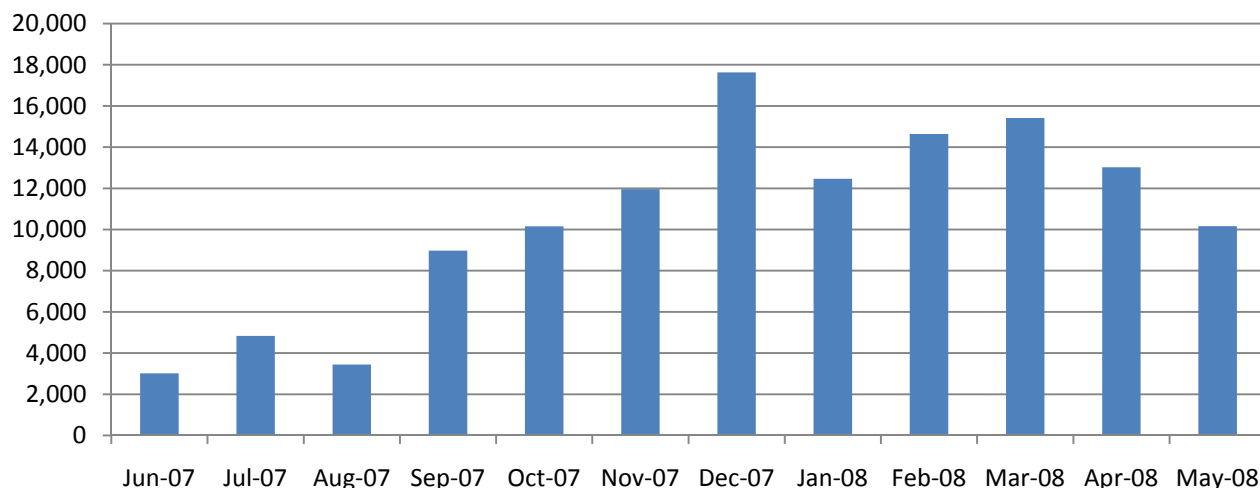
Prospects

Well	Working Interest	Net Revenue Interest	Location (County)	Spud Date (estimated)	Total Depth (est.)	Target Initial Rate (est.)	Target Reserves (est.)
						Mcf/d	MMcf
<b>Oklahoma</b>							
Jeanne Reed #1-15-6-23	7.0%	11.3%	LeFlore	June	11,000 ft	1,500	1,500
Donald Caldwell #1-12	3.0%	5.3%	LeFlore	June	9,000 ft	1,000	1,000
McClain #2-17 H	10.0%	7.5%	LeFlore	July	9,000 ft	3,000	5,000
Pate #7-18	10.0%	8.0%	LeFlore	Sept	11,000 ft	1,500	3,000
FHM #1-19-6-23	8.0%	6.0%	LeFlore	Aug	11,000 ft	1,500	2,000
Claiborne #3-17	8.5%	6.4%	LeFlore	Oct	9,600 ft	1,000	1,500
FHM #6-23	8.0%	6.0%	LeFlore	Dec	12,000 ft	1,000	1,500
Ashby #15-29	3.8%	3.3%	Custer	July	11,800 ft	1,000	1,700
<b>Louisiana</b>							
<b>See next page for Napoleonville Prospects and Drilling Schedule</b>							
						BOPD	BO
<b>Texas</b>							
Patman #3	12.5%	9.2%	Jackson	July	8,800 ft	50	72,000

Drilling

Well	Working Interest	Net Revenue Interest	Location (County)	Spud Date (estimated)	Total Depth (est.)	Current Depth	Target Initial Rate (est.)	Target Reserves (est.)
							Mcf/d	MMcf
<b>Oklahoma</b>								
Ashby #12-29	3.8%	3.3%	Custer	June	11,800 ft	0 ft	1,000	2,500
Ashby #16-29	3.8%	3.3%	Custer	Spudded	11,800 ft	7,384 ft	1,000	1,500
<b>Texas</b>								
Wadsworth #1	15.0%	11.3%	Matagorda	Testing	9,500 ft	9,500 ft	300	500
							BOPD	BO
Patman #1	12.5%	9.2%	Jackson	Completing	8,949 ft	8,949 ft	50	72,000
Patman B#1	12.5%	9.2%	Jackson	Completing	8,987 ft	8,987 ft	50	72,000

Gas Prod'n

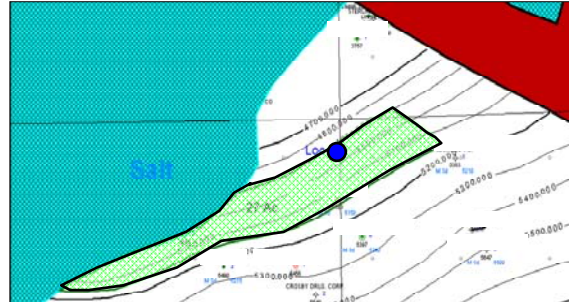


NB. Oil production is included at 1 B = 10 Mcfe

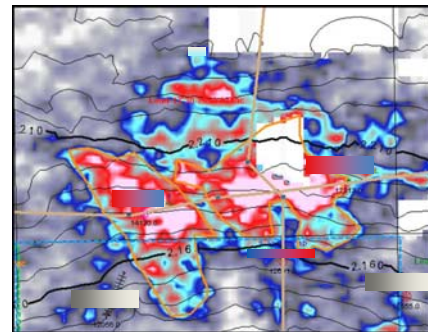
# Napoleonville Prospects & Drilling Schedule



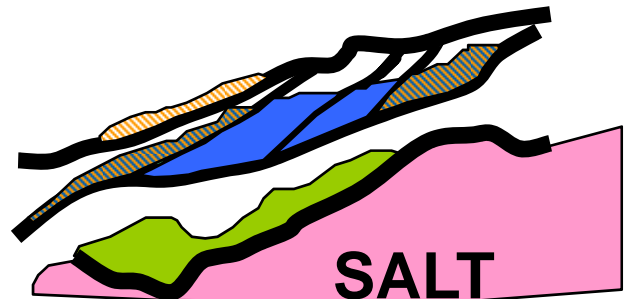
<b>Well</b>	Big Hum PUD
<b>Spud Date (est.)</b>	Sept 2008
<b>Total Depth</b>	5,500 ft
<b>Target Initial Rate</b>	2-5 MMcf/d
<b>Target Reserves</b>	1-3 Bcf



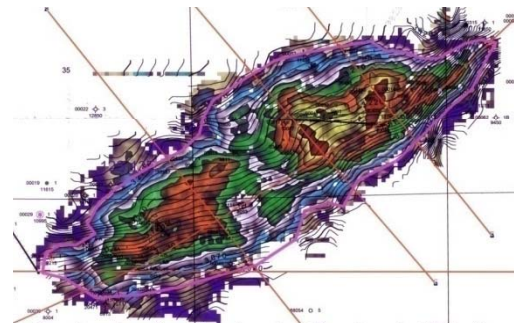
<b>Well</b>	Big Hum 8,200'
<b>Spud Date (est.)</b>	Oct 2008
<b>Total Depth</b>	8,500 ft
<b>Target Initial Rate</b>	1.5-3 MMcf/d
<b>Target Reserves</b>	Up to 7.5 Bcf



<b>Well</b>	Cris I
<b>Spud Date (est.)</b>	Nov 2008
<b>Total Depth</b>	10,000 ft
<b>Target Initial Rate</b>	200-300 BOPD
<b>Target Reserves</b>	Up to 400 MBO



<b>Well</b>	Cib Haz
<b>Spud Date (est.)</b>	Dec 2008
<b>Total Depth</b>	13,500 ft
<b>Target Initial Rate</b>	3-10 MMcf/d
<b>Target Reserves</b>	10-50 Bcf or 5- 15 MMBO



Grand Gulf interest in all wells is 26.3%. Grand Gulf pays 29.3% of initial 3 wells. Net Revenue Interest (NRI) is 19.725%.

Well timing and actual dates for drilling will be subject to change due to timing of approvals to drill wells, land access etc.