

CASE NUMBER: 09-33886

JUDGE: Harlin DeWayne Hale

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: August 31, 2009

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS - 1 THROUGH ACCRUAL BASIS - 7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS REFLECT THE BALANCES AND ACTIVITY ON THE DEBTORS' BOOKS. THE DEBTORS' BOOKS AND RECORDS HAVE NOT BEEN AUDITED OR REVIEWED BY AN INDEPENDENT THIRD PARTY FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 OR 2008. PLEASE NOTE THAT SCHEDULED PREPETITION AMOUNTS ARE PRELIMINARY IN NATURE AND ARE SUBJECT TO CHANGE BASED ON CONTINUING REVIEW OF THE DEBTORS' BOOKS AND RECORDS. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

[Handwritten Signature]
Original Signature of Responsible Party
Dennis L. Roossien, Jr.
Printed Name of Responsible Party

Trustee
Title
9/29/09
Date

PREPARER:

[Handwritten Signature]
Original Signature of Preparer
Richard D Gantock
Printed Name of Preparer

Senior Consultant
Bridge Title Associates
28-Sep-2009
Date

CASE NUMBER: 09-33886

CoDebtor Name	Case No.
Provident Operating Company LLC	09-33883
Provident Energy 1, LP	09-33888
Provident Energy 2, LP	09-33894
Provident Energy 3, LP	09-33899
Provident Resources 1, LP	09-33887
Somerset Development, Inc.	09-33912
Somerset Lease Holdings, Inc.	09-33892
Shale Royalties II, Inc.	09-33889
Shale Royalties 3, LLC	03-33891
Shale Royalties 4, Inc.	09-33890
Shale Royalties 5, Inc.	09-33895
Shale Royalties 6, Inc.	09-33896
Shale Royalties 7, Inc.	09-33898
Shale Royalties 8, Inc.	09-33900
Shale Royalties 9, Inc.	09-33902
Shale Royalties 10, Inc.	09-33901
Shale Royalties 12, Inc.	09-33903
Shale Royalties 14, Inc.	09-33905
Shale Royalties 15, Inc.	09-33904
Shale Royalties 16, Inc.	09-33906
Shale Royalties 17, Inc.	09-33913
Shale Royalties 18, Inc.	09-33907
Shale Royalties 19, Inc.	09-33908
Shale Royalties 20, Inc.	09-33910
Shale Royalties 21, Inc.	09-33909
Shale Royalties 22, Inc.	09-33911

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

GLOBAL NOTES AND STATEMENTS OF LIMITATIONS, METHODOLOGIES, AND DISCLAIMERS  
REGARDING MONTHLY OPERATING REPORT

MONTH ENDING: August 31, 2009

This Monthly Operating Report, which is being filed collectively for Provident Royalties LLC; Provident Operating Company, LLC; Somerset Lease Holdings, Inc.; Somerset Development, Inc.; Provident Energy 1, LP; Provident Resources 1, LP; Provident Energy 2, LP; Provident Energy 3, LP; Shale Royalties II, Inc.; Shale Royalties 3, LLC; Shale Royalties 4, Inc.; Shale Royalties 5, Inc.; Shale Royalties 6, Inc.; Shale Royalties 7, Inc.; Shale Royalties 8, Inc.; Shale Royalties 9, Inc.; Shale Royalties 10, Inc.; Shale Royalties 12, Inc.; Shale Royalties 14, Inc.; Shale Royalties 15, Inc.; Shale Royalties 16, Inc.; Shale Royalties 17, Inc.; Shale Royalties 18, Inc.; Shale Royalties 19, Inc.; Shale Royalties 20, Inc.; Shale Royalties 21, Inc.; and Shale Royalties 22, Inc. (collectively, the "Debtors") was prepared by the Debtors' financial advisor, Bridge Associates, LLC ("Bridge"), and the Debtors' Chief Restructuring Officer, David N. Phelps, who is an employee of Bridge. Bridge, in conjunction with Dennis L. Roossien, Jr. (the "Trustee"), the duly appointed Chapter 11 trustee in the Debtors' bankruptcy cases, made reasonable efforts to file a complete and accurate Monthly Operating Report based upon information available to it at the time of preparation of the Monthly Operating Report. However, as a result of the complexity of the Debtors' business operations, this Monthly Operating Report remains subject to further revision and verification by the Trustee. Subsequent information may result in material changes in financial and other data contained in this Monthly Operating Report. The Trustee reserves his right to amend this Monthly Operating Report from time to time as may be necessary and appropriate.

This Monthly Operating Report does not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles. The Balance Sheet and Income Statement included herein are unaudited and reflect the activity and balances as such have been posted to the Debtors' general ledger. Reasonable efforts have been made to review and adjust entries and balances to correct certain known issues with accounts; however the general ledger is under continuing review and additional adjustments may be expected.

The following conventions were used in the preparation of this Monthly Operating Report:

- (a) Reasonable efforts were made to allocate liabilities between pre-petition and post-petition periods based upon the information and research that was conducted in connection with the preparation of this Monthly Operating Report. As additional information becomes available and further research is conducted, the allocation of liabilities between pre-petition and post-petition periods may change.

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

GLOBAL NOTES AND STATEMENTS OF LIMITATIONS, METHODOLOGIES, AND DISCLAIMERS  
REGARDING MONTHLY OPERATING REPORT

MONTH ENDING: August 31, 2009

(b) Revenues are reported on a modified accrual basis consisting of (i) cash receipts during the month, (ii) revenues offset by operating expenses as set forth in Joint Interest Billings from operators, and (ii) an accrual as of period end for unpaid revenues from wells and properties that the Debtors have identified as producing facilities for which funds are due to the Debtors.

(c) Operating expenses, including payroll, are reported on a cash basis for accounting purposes.

(d) Professional fees are reported on an accrual basis utilizing the Cash Collateral Budget.

(e) Accounts Receivables and Notes Receivable reflect best estimates of amounts due to the Debtors from third parties. In reconciling vendor statements, these amounts are subject to revision.

(f) Accounts Payable and Notes Payable reflect best estimates of amounts due to third parties by the Debtors. In reconciling vendor statements, these amounts are subject to revision.

(g) Intercompany Receivables and Payables consist of the transfer of cash among the Debtors and the pass-through of revenues and direct operating expenses related to each of the respective Debtors for receipts and disbursements processed through the centralized cash management system of the Debtors.

This Global Notes and Statement of Limitations, Methodology, and Disclaimer Regarding this Monthly Operating Report is incorporated by reference in, and comprises an integral part of, this Monthly Operating Report and should be referred to and reviewed in connection with any review of this Monthly Operating Report.

COMPARATIVE BALANCE SHEET		PREMIUM SCHEDULED	MONTH ENDED	MONTH ENDED	MONTH ENDED
		AMOUNT FOR			
		6/22/2009	June 30, 2009	July 31, 2009	August 31, 2009
<b>ASSETS</b>					
1.	Unrestricted Cash	\$ 6,583,710	\$ 6,462,492	\$ 6,379,325	\$ 5,364,735
2.	Restricted Cash	\$ -	\$ -		
3.	Total Cash	\$ 6,583,710	\$ 6,462,492	\$ 6,379,325	\$ 5,364,735
4.	Accounts Receivable (Net)	\$ 14,346,248	\$ 14,474,997	\$ 14,974,846	\$ 5,572,365
5.	Inventory	\$ -	\$ -		
6.	Notes Receivable	\$ 24,630,500	\$ 24,630,500	24,630,500	24,630,500
7.	Prepaid Expenses	\$ -	\$ -		
8.	Other (Attach List)	\$ 1,012,069	\$ 1,173,328	\$ 2,557,867	\$ 1,033,461
9.	Total Current Assets	\$ 46,572,528	\$ 46,741,317	\$ 48,542,538	\$ 36,601,061
10.	Property, Plant & Equipment	\$ 1,609,281	\$ 1,609,281	\$ 1,609,281	\$ 1,609,281
11.	Less: Accumulated Depreciation/Depletion	\$ (865,417)	\$ (865,417)	\$ (865,417)	\$ (865,417)
12.	Net Property, Plant & Equipment	\$ 743,864	\$ 743,864	\$ 743,864	\$ 743,864
13.	Due From Insiders	\$ -	\$ -		
14.	Other Assets - Net of Amortization (Attach List)	\$ 509,903,106	\$ 510,248,160	\$ 511,106,572	\$ 321,431,993
15.	Other (Attach List)	\$ 14,629,880	\$ 14,629,880	\$ 14,717,279	14,009,325
16.	Total Assets	\$ 571,849,379	\$ 572,363,221	\$ 575,110,253	\$ 372,786,244
<b>POST PETITION LIABILITIES</b>					
17.	Accounts Payable		\$ 186,872	\$ 64,317	\$ 40,258
18.	Taxes Payable			\$ 6,372	\$ 3,681
19.	Notes Payable				
20.	Accrued Property Tax				
21.	Accrued Professional Fees & Other		\$ 360,001	\$ 1,946,733	\$ 1,677,790
22.	Secured Debt				
23.	Other Liabilities		\$ (2,062,785)	\$ (1,804,026)	\$ (2,221,170)
24.	Total Post Petition Liabilities		\$ (1,515,912)	\$ 213,396	\$ (499,441)
<b>PRE PETITION LIABILITIES</b>					
25.	Secured Debt	\$ 179,264,559	\$ 179,264,559	\$ 179,264,559	\$ -
26.	Priority Debt	\$ 730	\$ (1,337)	\$ 27,731	\$ 27,731
27.	Unsecured Debt-Pre-Petition A/P	\$ 16,822,258	\$ 17,086,191	\$ 18,001,813	\$ 15,690,070
28.	Other Prepetition Liabilities	\$ 52,116,986	\$ 52,089,969	53,333,318	72,497,914
29.	Other				
30.	Total Pre Petition Liabilities	\$ 248,204,532	\$ 248,439,381	\$ 250,627,421	\$ 88,215,715
31.	Total Liabilities	\$ 248,204,532	\$ 246,923,469	\$ 250,840,817	\$ 87,716,273
<b>EQUITY</b>					
32.	Pre Petition Owners' Equity		\$ 325,930,914	\$ 325,979,183	\$ 325,879,518
33.	Post Petition Cumulative Profit Or (Loss)		\$ (491,161)	\$ (1,709,747)	\$ (40,809,546)
34.	Direct Charges To Equity (Attach Explanation Footnote)		\$ -		
35.	Total Equity		\$ 325,439,753	\$ 324,269,436	\$ 285,069,971
36.	Total Liabilities and Equity		\$ 572,363,222	\$ 575,110,253	\$ 372,786,244

This form X does not have related footnotes on Footnotes Supplement.

Main Document		Page 6 of 42			
SCHEDULED		MONTH ENDED	MONTH ENDED	MONTH ENDED	
AMOUNT FOR		June 30, 2009	July 31, 2009	August 31, 2009	
6/22/2009					
<b>ASSETS</b>					
A.	Intercompany Receivable - Pre	1,012,069	1,165,778	2,302,810	753,367
B.	Intercompany Receivable - Post		7,550	255,057	280,093
C.					
D.					
E.					
<b>TOTAL OTHER ASSETS - LINE 8</b>		<b>1,012,069</b>	<b>1,173,328</b>	<b>2,557,867</b>	<b>1,033,461</b>
<b>ASSETS</b>					
A.	Mineral Rights	122,219,360	122,219,360	122,220,031	71,853,214
B.	Equipment and Leaseholds	387,683,746	388,028,800	388,886,541	249,578,779
C.					
D.					
E.					
<b>TOTAL OTHER ASSETS NET OF AMORTIZATION - LINE 14</b>		<b>509,903,106</b>	<b>510,248,160</b>	<b>511,106,572</b>	<b>321,431,993</b>
<b>ASSETS</b>					
A.	Other Investment	10,516,230	10,516,230	10,516,230	10,516,230
B.	Investment in Subsidiaries	2,765,121	2,765,121	2,765,121	2,765,121
C.	Deposits and Other Assets	1,348,530	1,348,530	1,435,928	727,975
D.					
E.					
<b>TOTAL OTHER ASSETS - LINE 15</b>		<b>14,629,880</b>	<b>14,629,880</b>	<b>14,717,279</b>	<b>14,009,325</b>
<b>POST-PETITION LIABILITIES</b>					
A.	Deferred Tax Liabilities		(2,221,170)	(2,221,170)	(2,221,170)
B.	Intercompany Payables Post		158,384.39	417,143.77	-
C.					
D.					
E.					
<b>TOTAL OTHER POST PETITION LIABILITIES - LINE 23</b>			<b>(2,062,785)</b>	<b>(1,804,026)</b>	<b>(2,221,170)</b>
<b>PRE-PETITION LIABILITIES</b>					
A.	Payables -other	1,546,040	1,546,040	1,744,831	-
B.	Revenues Payable	4,634,645	4,634,645	4,634,645	16,996
C.	Accrued Dividends	34,171,833	34,171,833	34,171,833	34,171,833
D.	Unsecured Debt	-	-	-	26,614,456
D.	Due to Others	11,723,761	11,723,761	11,694,629	11,694,629
E.	Intercompany and Other	40,707	13,690	1,087,380	-
<b>TOTAL OTHER PRE PETITION LIABILITIES - LINE 28</b>		<b>52,116,986</b>	<b>52,089,969</b>	<b>53,333,318</b>	<b>72,497,914</b>

This form  X  does       does not have related footnotes on Footnotes Supplement.

Debtor  
Case Number

09-33886	Main Document	09-33888	09-33888	09-33894	09-33899
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CASH AND CASH EQUIVALENTS	176,819	-	-	-	-
ACCOUNTS RECEIVABLE	19,304	124,321	-	553,667	-
NOTES RECEIVABLE	3,440,409	77,505	55,200	4,100,000	-
1/3 RECEIVABLES PREPETITION	435,247,034	38,875,150	4,193,392	10,221,277	15,225
1/3 RECEIVABLES - POST PETITION	4,007,066	-	176,583	2	-
INVESTMENTS IN SUBSIDIARIES	2,766,483	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	1,594,281	15,000	-	-	-
ACCUM DEPRECIATION	(865,417)	-	-	-	-
MINERAL RIGHTS	-	-	15,225	6,515,618	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	-	-	35,115	2,322,613	-
Accrued Leasehold	-	-	-	3,960,000	-
Leasehold Costs - Producing	-	-	-	2,060,031	-
Lease & Well Equipment	-	349	-	7,133	-
Intangible Drilling Costs	-	96	-	8,308	-
Intangible Completion Costs	-	-	-	4,834	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	-	-	-	-
Landman/Filing Fees	100,000	102,176	3,156	195,459	-
Drilling Advances Paid Vendors	-	-	-	-	-
EQUIPMENT AND LEASEHOLDS	100,000	102,621	38,271	8,558,377	-
DEPOSITS AND OTHER ASSETS	584,147	100,810	-	0	-
<b>TOTAL ASSETS</b>	<b>447,070,125</b>	<b>39,295,407</b>	<b>4,478,670</b>	<b>29,948,941</b>	<b>15,225</b>

Debtor  
Case Number

Provider Resources LLC 09-33886	Main Document	Provider Resources Company LLC 09-33893	Page 8 of 42	Provider Resources LP 09-33894	Provider Resources LP 09-33899
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ACCOUNTS PAYABLE - POST	40,258	-	-	-	-
PAYROLL TAXES PAYABLE - POST	3,681	-	-	-	-
ACCRUED & OTHER C/L - POST	1,746,075	(36,998)	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	-	-	-	-	-
INTERCOMPANY LIABILITIES - POST	1,867,148	234,998	41,337	63,472	-
<b>TOTAL POST PETITION LIABILITIES</b>	<b>3,657,161</b>	<b>198,000</b>	<b>41,337</b>	<b>63,472</b>	<b>-</b>
UNSECURED TRADE PREPETITION	6,310,973	9,379,005	-	-	335
OTHER PREPETITION DEBT	(26,744)	16,996	-	-	-
I/C PAYABLE - PREPETITION	279,051,259	30,832,092	4,909,801	7,268,556	46,538
PRIORITY UNSECURED PREPETITION	32,266	-	-	-	(100)
UNSECURED DEBT PREPETITION	26,614,456	-	-	-	-
<b>TOTAL PREPETITION DEBT</b>	<b>311,982,209</b>	<b>40,228,093</b>	<b>4,909,801</b>	<b>7,268,556</b>	<b>46,773</b>
Preferred Stock - Shareholders	-	-	6,720,000	26,915,000	-
Broker Dealer Commissions Paid	-	-	(916,725)	(3,752,800)	-
Paid in Capital	-	-	-	-	935
Equity	(100,119)	(31,945)	(17,396)	(253,629)	(27,191)
Dividend Distributions	-	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	-	-	-	-	-
Retained Earnings	(12,099,300)	(89,501)	(269,281)	(570,465)	(16,635)
Net Income (Loss) Year To Date	143,630,174	(1,009,240)	(5,989,066)	278,806	11,344
<b>EQUITY</b>	<b>131,430,755</b>	<b>(1,130,686)</b>	<b>(472,468)</b>	<b>22,616,912</b>	<b>(31,548)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>447,070,125</b>	<b>39,295,407</b>	<b>4,478,670</b>	<b>29,948,941</b>	<b>15,225</b>

This form   X   does    does not have related footnotes on Footnotes Supplement.



Debtor  
Case Number

Provider Resources I, LP 09-33887	Somerset Development Inc 09-33892	Somers Lease Holdings Inc 09-33892	Stark Foods I, Inc. 09-33889	Stark Royalties 3, Inc. 09-33891
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CASH AND CASH EQUIVALENTS	-	4,497,480	690,436	-	-
ACCOUNTS RECEIVABLE	-	-	5,255	-	450,434
NOTES RECEIVABLE	5,678	293	-	-	-
1/3 RECEIVABLES PREPETITION	838,938	948,358	5,273,308	3,551,164	119,955,145
1/3 RECEIVABLES - POST PETITION	6,617	1,147,070	1,042,665	2,403	148,210
INVESTMENTS IN SUBSIDIARIES	(1,362)	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	1,167,606	-	-	705,818	4,442,289
Lease Bonus	-	-	(187)	-	13,599
Leasehold Costs	210,553	84,683	-	(31,081)	497,077
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	-	-	-	-	1,346
Lease & Well Equipment	40	-	-	-	3,152
Intangible Drilling Costs	-	-	-	-	22,019
Intangible Completion Costs	-	-	-	-	395
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	200,000	-	-	-	-
Landman/Filing Fees	149,081	-	-	100,319	317,400
Drilling Advances Paid Vendors	-	-	-	-	250,198
EQUIPMENT AND LEASEHOLDS	559,674	84,683	(187)	69,238	1,105,187
DEPOSITS AND OTHER ASSETS	-	-	-	4,420	-
<b>TOTAL ASSETS</b>	<b>2,577,151</b>	<b>6,677,884</b>	<b>7,011,478</b>	<b>4,333,043</b>	<b>126,101,264</b>

ACCOUNTS PAYABLE - POST	-	-	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	(12,563)	(18,724)	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	95	-	-	(14,156)	-
INTERCOMPANY LIABILITIES - POST	46,562	557,852	330,396	66,715	1,069,201
<b>TOTAL POST PETITION LIABILITIES</b>	<b>46,658</b>	<b>545,289</b>	<b>311,672</b>	<b>52,558</b>	<b>1,069,201</b>
UNSECURED TRADE PREPETITION	-	-	-	(50)	-
OTHER PREPETITION DEBT	-	-	-	222,650	2,321,655
I/C PAYABLE - PREPETITION	1,363,767	1,050,126	6,215,532	10,544,232	208,588,606
PRIORITY UNSECURED PREPETITION	(17,295)	-	-	(27,444)	-
UNSECURED DEBT PREPETITION	-	-	-	-	-
<b>TOTAL PREPETITION DEBT</b>	<b>1,346,471</b>	<b>1,050,126</b>	<b>6,215,532</b>	<b>10,739,388</b>	<b>210,910,261</b>
Preferred Stock - Shareholders	9,175,000	-	-	4,480,026	19,695,000
Broker Dealer Commissions Paid	(1,327,475)	-	-	(1,558,800)	(2,898,375)
Paid in Capital	-	-	-	859	1,790
Equity	(44,680)	5,082,469	420,813	25,744	28,063
Dividend Distributions	-	-	-	1,125	201,486
Deferred Dividends Payable-PF	-	-	-	(202,650)	-
Accrued Dividend	-	-	-	-	(2,321,655)
Retained Earnings	(210,409)	-	-	(1,774,063)	(4,119,570)
Net Income (Loss) Year To Date	(6,408,414)	0	63,461	(7,431,145)	(96,464,937)
<b>EQUITY</b>	<b>1,184,022</b>	<b>5,082,469</b>	<b>484,274</b>	<b>(6,458,903)</b>	<b>(85,878,198)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,577,151</b>	<b>6,677,884</b>	<b>7,011,478</b>	<b>4,333,043</b>	<b>126,101,264</b>

This form X does \_\_\_ does not have related footnotes on Footnotes Supplement.

Debtor  
Case Number

Shale Royalties 4 Inc. 09-33890	Shale Royalties 5 Inc. 09-33895	Shale Royalties 6 Inc. 09-33896	Shale Royalties 7 Inc. 09-33898	Shale Royalties 8 Inc. 09-33900
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CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	3,350	336,564	24,453	710,109	683,946
NOTES RECEIVABLE	2,457,260	500,000	-	2,000,000	2,000,000
1/C RECEIVABLES PREPETITION	72,429,630	4,465,089	4,760,119	6,565,705	9,212,907
1/C RECEIVABLES - POST PETITION	138,360	4,132	9,256	851	9,518
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	10,516,230	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	2,841,442	10,895,926	3,921,724	7,583,806	2,977,172
Lease Bonus	-	36,756	-	-	-
Leasehold Costs	19,657,247	9,740,719	19,650,867	20,707,175	17,450,015
Accrued Leasehold	-	14,906,500	-	-	-
Leasehold Costs - Producing	-	2,450	4,623	1,567,664	796,605
Lease & Well Equipment	149,746	468,732	45,758	4,722,473	5,797
Intangible Drilling Costs	522,797	1,673,798	234,029	13,289,668	16,227
Intangible Completion Costs	-	109,145	55	210,071	6,537
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	14,448	5,000	-	-
Landman/Filing Fees	225,732	1,410,867	1,265,696	1,328,960	1,206,799
Drilling Advances Paid Vendors	29,074	213,474	(44,276)	1,505,304	9,428
EQUIPMENT AND LEASEHOLDS	20,584,597	28,576,889	21,161,753	43,331,316	19,491,407
DEPOSITS AND OTHER ASSETS	10,590	8,611	7,009	15	(1)
TOTAL ASSETS	98,465,229	55,303,440	29,884,313	60,191,801	34,374,949

ACCOUNTS PAYABLE - POST	-	-	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	-	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	940,177	(227,896)	44,397	321,875	(391,183)
INTERCOMPANY LIABILITIES - POST	1,115,464	181,740	132,113	424,463	142,356
TOTAL POST PETITION LIABILITIES	2,055,641	(46,156)	176,510	746,339	(248,826)
UNSECURED TRADE PREPETITION	-	-	-	-	-
OTHER PREPETITION DEBT	2,558,045	14,253,330	2,290,037	2,588,887	2,693,755
I/C PAYABLE - PREPETITION	152,625,742	23,059,393	9,518,416	34,282,485	9,567,057
PRIORITY UNSECURED PREPETITION	3,690	-	(21,790)	-	8,350
UNSECURED DEBT PREPETITION	-	-	-	-	-
TOTAL PREPETITION DEBT	155,187,477	37,312,723	11,786,663	36,871,371	12,269,162
Preferred Stock - Shareholders	27,410,000	29,905,000	27,460,000	31,370,000	31,810,409
Broker Dealer Commissions Paid	(3,687,025)	(4,337,725)	(3,874,300)	(4,094,375)	(4,149,746)
Paid in Capital	19,678	895	895	895	895
Equity	(163,199)	(3,086)	(68,535)	(29,563)	(8,037)
Dividend Distributions	-	(450)	-	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	(2,558,045)	(2,571,830)	(2,290,037)	(2,588,887)	(2,693,755)
Retained Earnings	(4,625,194)	(5,018,207)	(3,258,921)	(2,279,487)	(2,877,092)
Net Income (Loss) Year To Date	(75,174,105)	62,276	(47,964)	195,507	271,941
EQUITY	(58,777,889)	18,036,873	17,921,139	22,574,091	22,354,614
TOTAL LIABILITIES AND EQUITY	98,465,229	55,303,440	29,884,313	60,191,801	34,374,949

This form X does \_\_\_ does not have related footnotes on Footnotes Supplement.

Debtor  
Case Number

Shale Royalties 9 Inc. 09-33902	Shale Royalties 10 Inc. 09-33901	Shale Royalties 11 Inc. 09-33903	Shale Royalties 15 Inc. 09-33905	Shale Royalties 5 Inc. 09-33904
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CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	288,495	6,596	-	246,380	565,232
NOTES RECEIVABLE	-	20,000	-	-	3,000,000
I/C RECEIVABLES PREPETITION	15,683,514	10,248,286	13,693,453	9,803,272	6,400,795
I/C RECEIVABLES - POST PETITION	161,508	34,506	-	279,489	705
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	3,978,503	1,889,133	1,345,556	2,658,029	5,982,256
Lease Bonus	-	-	-	-	-
Leasehold Costs	13,398,215	8,528,112	8,556,263	4,103,188	8,448,286
Accrued Leasehold	-	3,280,500	2,345,000	14,772,650	-
Leasehold Costs - Producing	50,144	116	944,460	981	-
Lease & Well Equipment	2,318,814	341,893	1,262,357	6,193	5
Intangible Drilling Costs	5,884,442	2,707,354	3,635,542	6,583	90
Intangible Completion Costs	1,642,619	-	1,246,062	-	60
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	50,000	-	-	-
Landman/Filing Fees	1,025,902	745,520	462,382	16,702	353,069
Drilling Advances Paid Vendors	1,105,011	(70,542)	158,919	1,520	201
EQUIPMENT AND LEASEHOLDS	25,425,148	15,582,953	18,610,985	18,907,819	8,801,712
DEPOSITS AND OTHER ASSETS	270	498	450	16	(0)
TOTAL ASSETS	45,537,438	27,781,973	33,650,444	31,895,004	24,750,700

Debtor  
Case Number

Doc 312	Doc 312	Doc 312	Doc 312	Doc 312
09-33902	09-33901	09-33903	09-33905	09-33904

ACCOUNTS PAYABLE - POST	-	-	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	-	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	(351,446)	(385,371)	(430,279)	33,379	(333,560)
INTERCOMPANY LIABILITIES - POST	424,198	93,779	107,723	342,922	84,708
<b>TOTAL POST PETITION LIABILITIES</b>	<b>72,752</b>	<b>(291,592)</b>	<b>(322,556)</b>	<b>376,301</b>	<b>(248,852)</b>
UNSECURED TRADE PREPETITION	-	-	-	-	-
OTHER PREPETITION DEBT	2,717,887	2,451,445	2,884,829	2,470,784	2,198,882
I/C PAYABLE - PREPETITION	18,828,717	4,523,736	5,488,949	4,675,210	1,462,607
PRIORITY UNSECURED PREPETITION	-	-	-	50,863	-
UNSECURED DEBT PREPETITION	-	-	-	-	-
<b>TOTAL PREPETITION DEBT</b>	<b>21,546,603</b>	<b>6,975,181</b>	<b>8,373,778</b>	<b>7,196,857</b>	<b>3,661,489</b>
Preferred Stock - Shareholders	33,135,000	29,050,000	34,900,000	31,125,000	27,525,000
Broker Dealer Commissions Paid	(4,290,775)	(3,860,300)	(4,471,150)	(4,011,225)	(3,500,325)
Paid in Capital	895	895	895	895	895
Equity	(492)	(1,097)	(98,695)	(301,700)	(297,048)
Dividend Distributions	(12,060)	(1,270)	(875)	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	(2,717,887)	(2,446,570)	(2,864,956)	(2,470,784)	(2,198,882)
Retained Earnings	(2,415,307)	(1,592,417)	(1,768,529)	(333,494)	(543,382)
Net Income (Loss) Year To Date	218,709	(50,858)	(97,468)	313,154	351,804
<b>EQUITY</b>	<b>23,918,083</b>	<b>21,098,384</b>	<b>25,599,222</b>	<b>24,321,846</b>	<b>21,338,063</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>45,537,438</b>	<b>27,781,973</b>	<b>33,650,444</b>	<b>31,895,004</b>	<b>24,750,700</b>

This form  X  does   does not have related footnotes on Footnotes Supplement.

Debtor  
Case Number

Shale Royalties, L.P. Inc. 09-33906	Shale Royalties, L.P. Inc. 09-33913	Shale Royalties, L.P. Inc. 09-33907	Shale Royalties, L.P. Inc. 09-33908	Shale Royalties, L.P. Inc. 09-33910
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CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	419,325	1,134,933	-	-	-
NOTES RECEIVABLE	1,325,000	6,400,000	600,000	-	-
I/C RECEIVABLES PREPETITION	12,340,088	7,989,054	18,848,310	9,095,985	5,691,462
I/C RECEIVABLES - POST PETITION	-	53,652	-	-	-
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	7,716,252	5,540,018	1,246,770	409,970	20,104
Lease Bonus	-	-	-	-	-
Leasehold Costs	659,921	6,702,725	1,406,848	1,419,257	115,531
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	1,966,938	323,468	-	27,519	50,084
Lease & Well Equipment	901,460	16,064	-	-	-
Intangible Drilling Costs	3,319,597	61,668	-	-	742
Intangible Completion Costs	818,738	3,956	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	292,694	-	-	-
Landman/Filing Fees	117,809	211,709	15,599	18,786	20,519
Drilling Advances Paid Vendors	(59,983)	74,687	-	-	-
EQUIPMENT AND LEASEHOLDS	7,724,480	7,686,971	1,422,448	1,465,562	186,876
DEPOSITS AND OTHER ASSETS	(0)	0	2,075	-	8,689
TOTAL ASSETS	29,525,144	28,804,628	22,119,603	10,971,517	5,907,131

Debtor  
Case Number

Shale Products, Inc. 09-33906	Shale Products, Inc. 09-33913	Shale Products, Inc. 09-33907	Shale Products, Inc. 09-33908	Shale Products, Inc. 09-33910
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ACCOUNTS PAYABLE - POST	-	-	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	-	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	(397,552)	(377,371)	(390,120)	(156,606)	(105,552)
INTERCOMPANY LIABILITIES - POST	93,733	81,945	43,550	22,445	12,104
TOTAL POST PETITION LIABILITIES	<u>(303,818)</u>	<u>(295,426)</u>	<u>(346,570)</u>	<u>(134,161)</u>	<u>(93,448)</u>
UNSECURED TRADE PREPETITION	(193)	-	-	-	-
OTHER PREPETITION DEBT	2,561,917	2,258,477	896,038	355,724	168,866
W/C PAYABLE - PREPETITION	3,469,409	4,256,868	2,530,422	1,613,255	500,643
PRIORITY UNSECURED PREPETITION	-	-	-	-	-
UNSECURED DEBT PREPETITION	-	-	-	-	-
TOTAL PREPETITION DEBT	<u>6,031,133</u>	<u>6,515,345</u>	<u>3,426,460</u>	<u>1,968,979</u>	<u>669,509</u>
Preferred Stock - Shareholders	31,285,000	30,505,002	24,430,000	12,225,000	6,885,000
Broker Dealer Commissions Paid	(4,159,325)	(4,111,550)	(3,266,350)	(1,723,700)	(887,275)
Paid in Capital	895	895	935	935	935
Equity	(280,145)	(2,010,284)	(606,844)	(736,843)	(325,919)
Dividend Distributions	-	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	(2,561,917)	(2,258,477)	(896,038)	(355,724)	(168,866)
Retained Earnings	(694,532)	(340,985)	(523,249)	(188,378)	(90,177)
Net Income (Loss) Year To Date	207,854	800,108	(98,741)	(84,591)	(82,627)
EQUITY	<u>23,797,830</u>	<u>22,584,708</u>	<u>19,039,713</u>	<u>9,136,700</u>	<u>5,331,071</u>
TOTAL LIABILITIES AND EQUITY	29,525,144	28,804,628	22,119,603	10,971,517	5,907,131

This form X does \_\_\_ does not have related footnotes on Footnotes Supplement.



Debtor  
Case Number

File No 09-33909	Doc No 312	Shelf No 09-33911	Page 17 of 42	Entered 09/30/09	Elimination Consolidated
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CASH AND CASH EQUIVALENTS	-	-	-	5,364,735
ACCOUNTS RECEIVABLE	-	-	-	5,572,365
NOTES RECEIVABLE	-	-	(1,350,845)	24,630,500
1/C RECEIVABLES PREPETITION	100	-	(825,593,392)	753,367
1/C RECEIVABLES - POST PETITION	-	-	(6,942,497)	280,093
INVESTMENTS IN SUBSIDIARIES	-	-	-	2,765,121
OTHER INVESTMENTS	-	-	-	10,516,230
BUILDING FURNISHING & FIXTURES	-	-	-	1,609,281
ACCUM DEPRECIATION	-	-	-	(865,417)
MINERAL RIGHTS	-	-	-	71,853,214
Lease Bonus	-	-	-	50,169
Leasehold Costs	-	-	-	143,663,330
Accrued Leasehold	-	-	-	39,264,650
Leasehold Costs - Producing	-	-	-	7,796,429
Lease & Well Equipment	-	-	-	10,249,965
Intangible Drilling Costs	-	-	-	31,382,962
Intangible Completion Costs	-	-	-	4,042,473
INVENTORY-CASING	-	-	-	-
O&G Property Acq Deposits	-	-	-	562,142
Landman/Filing Fees	-	-	-	9,393,641
Drilling Advances Paid Vendors	-	-	-	3,173,018
EQUIPMENT AND LEASEHOLDS	-	-	-	249,578,779
DEPOSITS AND OTHER ASSETS	376	-	-	727,975
TOTAL ASSETS	476	-	(833,886,734)	372,786,244

Debtor  
Case Number

File No 09-33909	Doc No 312	Shelf No 09-33911	Filed Date 09/30/09	Page No 18 of 42	Elimination Consolidated
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ACCOUNTS PAYABLE - POST	-	-	-	40,258
PAYROLL TAXES PAYABLE - POST	-	-	-	3,681
ACCRUED & OTHER C/L - POST	-	-	-	1,677,790
ST TAX LIABILITY	-	-	-	-
DEFERRED TAX LIABILITY	(1)	-	-	(2,221,170)
INTERCOMPANY LIABILITIES - POST	0	-	(7,580,926)	-
<b>TOTAL POST PETITION LIABILITIES</b>	<b>(1)</b>	<b>-</b>	<b>(7,580,926)</b>	<b>(499,441)</b>
UNSECURED TRADE PREPETITION	-	-	-	15,690,070
OTHER PREPETITION DEBT	-	-	-	45,883,458
I/C PAYABLE - PREPETITION	17,391	15,000	(826,305,808)	-
PRIORITY UNSECURED PREPETITION	(1,363)	554	-	27,731
UNSECURED DEBT PREPETITION	-	-	-	26,614,456
<b>TOTAL PREPETITION DEBT</b>	<b>16,028</b>	<b>15,554</b>	<b>(826,305,808)</b>	<b>88,215,715</b>
Preferred Stock - Shareholders	-	-	-	476,005,436
Broker Dealer Commissions Paid	-	-	-	(64,879,321)
Paid in Capital	935	935	-	37,782
Equity	65	65	-	150,771
Dividend Distributions	-	-	-	187,956
Deferred Dividends Payable-PF	-	-	-	(202,650)
Accrued Dividend	-	-	-	(33,964,308)
Retained Earnings	(16,554)	(16,554)	-	(45,731,681)
Net Income (Loss) Year To Date	2	-	-	(46,534,015)
<b>EQUITY</b>	<b>(15,551)</b>	<b>(15,554)</b>	<b>-</b>	<b>285,069,970</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>476</b>	<b>0</b>	<b>(833,886,734)</b>	<b>372,786,244</b>

This form X does \_\_\_ does not have related footnotes on Footnotes Supplement.

<b>INCOME STATEMENT</b>				
	For the Period from June 22 to June 30, 2009	Month Ended	Month Ended	QUARTER
		July 31, 2009	August 31, 2009	TOTAL
<b>REVENUES</b>				
1. Gross Revenues	\$ 136,578	\$ 889,144	\$ 192,997	\$ 1,218,718
2. Less: Returns & Discounts				\$ -
3. Net Revenue	\$ 136,578	\$ 889,144	\$ 192,997	\$ 1,218,718
<b>COST OF GOODS SOLD</b>				
4. Material				\$ -
5. Direct Labor				\$ -
6. Direct Costs	\$ 27,703	208,027	38,571	\$ 274,301
7. Total Cost Of Goods Sold	\$ 27,703	\$ 208,027	\$ 38,571	\$ 274,301
8. Gross Profit	\$ 108,875	\$ 681,117	\$ 154,425	\$ 944,417
<b>OPERATING EXPENSES</b>				
9. Officer / Insider Compensation	\$ 31,500	57,325		\$ 88,825
10. Selling & Marketing	\$ -			\$ -
11. General & Administrative	\$ 144,117	\$ 272,725	\$ 469,604	\$ 886,446
12. Rent & Lease	\$ 1,588	\$ 873	\$ 48,702	\$ 51,163
13. Other (Payroll benefit taxes)	\$ -	\$ -	\$ -	\$ -
14. Total Operating Expenses	\$ 177,205	\$ 330,923	\$ 518,306	\$ 1,026,434
15. Income Before Non-Operating Income & Expense	\$ (68,330)	\$ 350,193	\$ (363,881)	\$ (82,018)
<b>OTHER INCOME &amp; EXPENSES</b>				
16. Non-Operating Income (Att List)	\$ -	\$ 41,469	\$ -	\$ 41,469
17. Non-Operating Expense (Att List)	\$ -	\$ -	\$ -	\$ -
18. Interest Expense	\$ -		49,653	\$ 49,653
19. Depreciation / Depletion	\$ -	\$ -	\$ -	\$ -
20. Amortization	\$ -			\$ -
21. (Gain) / Loss on Sale of Assets	\$ -		37,728,747	\$ 37,728,747
22. Net Other Income & Expenses	\$ -	\$ 41,469	\$ (37,778,400)	\$ (37,736,931)
<b>REORGANIZATION EXPENSES</b>				
23. Professional Fees	\$ 310,000	1,591,250	957,092	\$ 2,858,342
24. U.S. Trustee Fees	\$ -	9,425		\$ 9,425
25. Other - Trustee Bond			60,000	\$ 60,000
26. Total Reorganization Expenses	\$ 360,000	\$ 1,610,248	\$ 1,017,092	\$ 2,927,767
27. Income Tax	\$ 62,831	\$ -	\$ -	\$ 62,831
28. Net Profit (Loss)	\$ (491,161)	\$ (1,218,586)	\$ (39,159,373)	\$ (40,809,546)

The activity for the month ended June 30, 2009 is for the post petition period of 6/23 - 6/30/2009

This form  does  does not have related footnotes on Footnotes Supplement.

Debtor Case Number	Provident Resources LLC 09-33886	Provident Operating Main Document 09-33893	Provident Energy Page 20 of 42 09-33888	Provident Energy 2 LP 09-33894	Provident Energy 3 LP 09-33899
OIL AND GAS INCOME	-	-	6.322	2	-
COST OF GOODS SOLD - DIRECT COST	(3,141)	-	1.866	(82)	-
GROSS PROFIT	3,141	-	4.455	84	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	225,382	(0)	-	-	-
RENT AND LEASE	48,702	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
Interest	49,653	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	49,653	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	1,017,092	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain)/Loss on Sales of Assets	(154,322.889)	570.764	5,962.980	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	152,985,202	(570,764)	(5,958,525)	84	-

Debtor Case Number	Provident Resources 1. LP 09-33887	Somerset Development Inc 09-33912	Somerset Lease Holdings Inc 09-33892	Shale Royalties 1, Inc. 09-33889	Shale Royalties 3, Inc. 09-33891
OIL AND GAS INCOME	7,907	-	-	(376)	(56,696)
COST OF GOODS SOLD - DIRECT COST	1,490	-	-	(4)	(1,460)
GROSS PROFIT	6,417	-	-	(372)	(55,236)
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	(1)	(0)	(15)	14,420	-
RENT AND LEASE	-	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain)/Loss on Sales of Assets	6,340,582	-	(63,461)	7,343,003	97,060,111
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(6,334,164)	0	63,476	(7,357,795)	(97,115,347)

Debtor Case Number	Shale Royalties 4, Inc. 09-33890	Shale Royalties 5, Inc. 09-33895	Shale Royalties 6, Inc. 09-33896	Shale Royalties 7, Inc. 09-33898	Shale Royalties 8, Inc. 09-33900
OIL AND GAS INCOME	(99,473)	67,158	9,585	914	9,951
COST OF GOODS SOLD - DIRECT COST	11,346	6,173	1,258	114	2,766
GROSS PROFIT	(110,819)	60,985	8,326	800	7,185
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	21,750	21,750	21,750	21,765	21,750
RENT AND LEASE	-	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain)/Loss on Sales of Assets	74,837,656	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(74,970,225)	39,235	(13,424)	(20,965)	(14,565)

Debtor  
Case Number

Shale Royalties 9, Inc. 09-33902	Shale Royalties 10, Main Document 09-33901	Shale Royalties 11, Page 23 of 42 09-33903	Shale Royalties 12, Inc. 09-33905	Shale Royalties 13, Inc. 09-33904	Shale Royalties 15, Desc
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OIL AND GAS INCOME	100.195	25.308	-	121.574	546
COST OF GOODS SOLD - DIRECT COST	2.655	4.010	-	11.515	53
GROSS PROFIT	97.540	21.298	-	110.059	493
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	21,554	19,287	18,303	8,186	17,196
RENT AND LEASE	-	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain)/Loss on Sales of Assets	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	75.986	2.011	(18,303)	101.873	(16,703)

Debtor  
Case Number

Shale Royalties 16, Inc. 09-33906	Shale Royalties 17, Inc. 09-33913	Shale Royalties 18, Inc. 09-33907	Shale Royalties 19, Inc. 09-33908	Shale Royalties 20, Inc. 09-33910
Main Document Page 24 of 42				

OIL AND GAS INCOME	-	79	-	-	-
COST OF GOODS SOLD - DIRECT COST	-	11	-	-	-
GROSS PROFIT	-	67	-	-	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	18.120	15.206	1.860	1,066	275
RENT AND LEASE	-	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain)/Loss on Sales of Assets	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(18.120)	(15.139)	(1.860)	(1,066)	(275)



Debtor  
Case Number

Shale Royalties 11, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Page 25 of 42
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OIL AND GAS INCOME	-	-	192,997
COST OF GOODS SOLD - DIRECT COST	-	-	38,571
GROSS PROFIT	-	-	154,425
OFFICER /INSIDER COMPENSATION	-	-	-
SELLING AND MARKETING	-	-	-
GENERAL AND ADMINISTRATION	-	-	469,604
RENT AND LEASE	-	-	48,702
NON-OPERATING INCOME	-	-	-
Interest	-	-	49,653
Interest Income	-	-	-
INTEREST INCOME (EXPENSE)	-	-	49,653
DEPRECIATION AND DEPLETION	-	-	-
REORGANIZATION EXPENSES	-	-	1,017,092
UNITED STATES TRUSTEE FEE	-	-	-
(Gain)/Loss on Sales of Assets	-	-	37,728,747
Federal Income Tax Expense	-	-	-
State Income Taxes	-	-	-
INCOME TAX	-	-	-
NET PROFIT	-	-	(39,159,373)

	June 30, 2009	July 31, 2009	August 31, 2009	QUARTER TOTAL
1. Cash - Beginning Of Month (June 22nd for June)	\$ 6,583.710	6,462.492	6,379.323	\$ 6,583.710
<b>RECEIPTS FROM OPERATIONS</b>				
2. Cash Sales			0	\$ -
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. Refunds of Well Advances				\$ -
4. Oil and Gas Revenue Receipts		418,690	128,571	\$ 547,261
5. Total Operating Receipts	\$ -	418,690	128,571	\$ 547,261
<b>NON-OPERATING RECEIPTS</b>				
6. Loans & Advances (Attach List)	\$ -	0	0	\$ -
7. Sale of Assets				\$ -
8. Other / Interfund transfers		0	181,496	\$ 181,496
9. Total Non-Operating Receipts	\$ -	0	181,496	\$ 181,496
10. Total Receipts	\$ -	\$ 418,690	\$ 310,067	\$ 728,757
11. Total Cash Available	\$ 6,583.710	6,881.182	6,689.390	\$ 7,312,467
<b>OPERATING DISBURSEMENTS</b>				
12. Net Payroll	\$ 85,532	134,987	113,089	\$ 333,608
13. Payroll Taxes Paid	\$ 33,505	46,307	40,923	\$ 120,735
14. Sales, Use & Other Taxes Paid		100	247,703	\$ 247,803
15. Secured / Rental / Leases			46,098	\$ 46,098
16. Utilities		6,497	10,108	\$ 16,605
17. Insurance		0	180	\$ 180
18. Inventory Purchases				\$ -
19. Vehicle Expenses				\$ -
20. Travel				\$ -
21. Entertainment				\$ -
22. Repairs & Maintenance				\$ -
23. Supplies				\$ -
24. Services				\$ -
25. Other (Attach List)	\$ 2,181	300,978	254,311	\$ 557,470
26. Total Operating Disbursements	\$ 121,218	488,869	712,412	\$ 1,322,499
<b>REORGANIZATION DISBURSEMENTS</b>				
27. Professional Fees		3,564	552,244	\$ 555,808
28. U.S. Trustee Fees		9,425	0	\$ 9,425
29. Other (Attach List)			60,000	\$ 60,000
30. Total Reorganization Expenses	\$ -	\$ 12,989	\$ 612,244	\$ 625,233
31. Total Disbursements	\$ 121,218	\$ 501,858	\$ 1,324,656	\$ 1,947,732
32. Net Cash Flow	\$ (121,218)	-83,168	-1,014,589	\$ (1,218,975)
33. Cash - End of Month	\$ 6,462.492	\$ 6,379.323	\$ 5,364.735	\$ 5,364,735

The activity for the month ended June 30, 2009 is for the post petition period of 6/23 - 6/30/2009  
 This form  does  does not have related footnotes on Footnotes Supplement.

CASH RECEIPTS AND DISBURSEMENTS				
	MONTH ENDED	MONTH ENDED	MONTH ENDED	QUARTER
NON-OPERATING RECEIPTS	June 30, 2009	July 31, 2009	August 31, 2009	TOTAL
A.				0
B.				0
C.				0
D.				0
E.				0
TOTAL LOANS & ADVANCES- LINE 6	0	0	0	0
A.				0
B.				0
C.				0
D.				0
E.				0
TOTAL OTHER NON-OPERATING RECEIPTS - LINE 8	0	0	0	0

OPERATING DISBURSEMENTS				
A. Contract Services		72,601	53,601	126,202
B. Technology		3,310	4,449	7,759
C. Other Expenses		4,288	7,587	11,875
D. Other Disbursements	150			150
E. Lease Operating Expenses	784	134,122	149,882	284,788
F. Employee Benefits	1,247	86,011	33,589	120,847
G. Office Supplies		646	1,198	1,844
H. Prior Period accounting adjustment			4,005	4,005
I.				0
J.				0
K.				0
L.				0
M.				0
N.				0
TOTAL OTHER OPERATING DISBURSEMENTS - LINE 25	2,181	300,978	254,311	557,470

REORGANIZATION DISBURSEMENTS				
A.				0
B.				0
C.				0
D.				0
E.				0
TOTAL OTHER REORGANIZATION DISBURSEMENTS - LINE 29	0	0	0	0

This form  does  does not have related footnotes on Footnotes Supplement.

Receipts:

Well Advance Refunds				
Oil and Gas Revenues				
Other Receipts	174,940			
<b>Total Receipts</b>	<b>174,940</b>	<b>-</b>	<b>-</b>	<b>-</b>

Disbursements

Lease Operating Expense	149,882			
Well Election Payments	-			
Drilling Development Costs	-			
Salaries	113,089			
Payroll Taxes	40,923			
Employee Benefits	33,589			
Rent	46,098			
Utilities/Telephones/Communication	10,108			
Technology	4,449			
Office Supplies	1,198			
Insurance	180			
Contract Services	53,601			
Other Expenses	7,587			
Taxes – State, Franchise and Other	247,794			
Professional Fees & Expenses	552,244			
Other	60,000			
<b>Total Disbursements</b>	<b>1,320,742</b>	<b>-</b>	<b>-</b>	<b>-</b>

Transfer to Other Debtor Accounts				
Transfer from Other Debtors Accounts	1,321,189			
Prior Period Adjustment	(4,005)			
<b>Total Inter Company funds transfers</b>	<b>1,317,184</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Ending Cash in Bank</b>	<b>176,819</b>	<b>(0)</b>	<b>-</b>	<b>-</b>
	<b>176,819</b>			

This form  does  does not have related footnotes on Footnotes Supplement.

Receipts:

Well Advance Refunds		95,007	33,564
Oil and Gas Revenues			
Other Receipts		6,556	
Total Receipts	-	101,563	33,564

Disbursements

Lease Operating Expense			
Well Election Payments			
Drilling Development Costs			
Salaries			
Payroll Taxes			
Employee Benefits			
Rent			
Utilities/Telephones/Communication			
Technology			
Office Supplies			
Insurance			
Contract Services			
Other Expenses			
Taxes – State, Franchise and Other	(1)		
Professional Fees & Expenses			
Other			
Total Disbursements	-	(1)	-

Transfer to Other Debtor Accounts		(669,238)	(651,951)
Transfer from Other Debtors Accounts			
Prior Period Adjustment			
Total Inter Company funds transfers	-	(669,238)	(651,951)

Ending Cash in Bank	-	0	4,497,480	690,436
			4,497,480	690,436

This form  does  does not have related footnotes on Footnotes Supplement.

Receipts:

Well Advance Refunds  
Oil and Gas Revenues  
Other Receipts

Total Receipts	-	-	-	-
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Disbursements

Lease Operating Expense  
Well Election Payments  
Drilling Development Costs  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes – State, Franchise and Other  
Professional Fees & Expenses  
Other

Total Disbursements	(15)	-	(15)	(15)
---------------------	------	---	------	------

Transfer to Other Debtor Accounts  
Transfer from Other Debtors Accounts  
Prior Period Adjustment  
Total Inter Company funds transfers

Total Inter Company funds transfers	-	-	-	-
-------------------------------------	---	---	---	---

Ending Cash in Bank	-	-	(0)	-
---------------------	---	---	-----	---

This form \_\_\_ does X does not have related footnotes on Footnotes Supplement.

Receipts:

Well Advance Refunds  
Oil and Gas Revenues  
Other Receipts

Total Receipts

-	-	-	-
---	---	---	---

Disbursements

Lease Operating Expense  
Well Election Payments  
Drilling Development Costs  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes – State, Franchise and Other  
Professional Fees & Expenses  
Other

(15) (15) (15)

Total Disbursements

(15)	-	(15)	(15)
------	---	------	------

Transfer to Other Debtor Accounts  
Transfer from Other Debtors Accounts  
Prior Period Adjustment  
Total Inter Company funds transfers

-	-	-	-
---	---	---	---

Ending Cash in Bank

-	-	(0)	(0)
---	---	-----	-----

This form  does  does not have related footnotes on Footnotes Supplement.

Receipts:

- Well Advance Refunds
- Oil and Gas Revenues
- Other Receipts

Total Receipts	-	-	-	-
----------------	---	---	---	---

Disbursements

- Lease Operating Expense
- Well Election Payments
- Drilling Development Costs
- Salaries
- Payroll Taxes
- Employee Benefits
- Rent
- Utilities/Telephones/Communication
- Technology
- Office Supplies
- Insurance
- Contract Services
- Other Expenses
- Taxes – State, Franchise and Other
- Professional Fees & Expenses
- Other

Total Disbursements	-	-	-	-
---------------------	---	---	---	---

- Transfer to Other Debtor Accounts
- Transfer from Other Debtors Accounts
- Prior Period Adjustment
- Total Inter Company funds transfers

	-	-	-	-
--	---	---	---	---

Ending Cash in Bank	-	(0)	-	-
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This form  does  does not have related footnotes on Footnotes Supplement.



Receipts:

- Well Advance Refunds
- Oil and Gas Revenues
- Other Receipts

Total Receipts

-	-	-	-
---	---	---	---

Disbursements

- Lease Operating Expense
- Well Election Payments
- Drilling Development Costs
- Salaries
- Payroll Taxes
- Employee Benefits
- Rent
- Utilities/Telephones/Communication
- Technology
- Office Supplies
- Insurance
- Contract Services
- Other Expenses
- Taxes – State, Franchise and Other
- Professional Fees & Expenses
- Other

Total Disbursements

-	-	-	-
---	---	---	---

- Transfer to Other Debtor Accounts
- Transfer from Other Debtors Accounts
- Prior Period Adjustment
- Total Inter Company funds transfers

-	-	-	-
---	---	---	---

Ending Cash in Bank

-	0	-	-
---	---	---	---

This form    does X does not have related footnotes on Footnotes Supplement.

Receipts:

Well Advance Refunds	128,571
Oil and Gas Revenues	-
Other Receipts	181,496
<b>Total Receipts</b>	<b>310,067</b>

Disbursements

Lease Operating Expense	149,882
Well Election Payments	-
Drilling Development Costs	-
Salaries	113,089
Payroll Taxes	40,923
Employee Benefits	33,589
Rent	46,098
Utilities/Telephones/Communication	10,108
Technology	4,449
Office Supplies	1,198
Insurance	180
Contract Services	53,601
Other Expenses	7,587
Taxes – State, Franchise and Other	247,703
Professional Fees & Expenses	552,244
Other	60,000
<b>Total Disbursements</b>	<b>1,320,651</b>

Transfer to Other Debtor Accounts	(1,321,189)
Transfer from Other Debtors Accounts	1,321,189
Prior Period Adjustment	(4,005)
<b>Total Inter Company funds transfers</b>	<b>(4,005)</b>

<b>Ending Cash in Bank</b>	<b>5,364,735</b>
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This form  does  does not have related footnotes on Footnotes Supplement.

ACCOUNTS RECEIVABLE AGING (estimated)	Main Document Page 35 of 42			
	JUNE 22, 2009	June 30, 2009	July 31, 2009	August 31, 2009
1. 0 - 30	\$ 833,290	\$ 939,366	\$ 499,849	\$ 192,777
2. 31 - 60	\$ 1,219,217	\$ 1,219,217	\$ 939,366	\$ 196,849
3. 61 - 90	\$ 1,049,177	\$ 1,049,177	\$ 1,219,217	\$ 254,816
4. 91 +	\$ 2,470,681	\$ 11,267,237	\$ 12,316,414	\$ 4,720,293
5. Total Accounts Receivable	\$ 5,572,365	\$ 14,474,997	\$ 14,974,846	\$ 5,364,735
6. (Amount Considered Uncollectible)				
7. Accounts Receivable (Net)	\$ 5,572,365	\$ 14,474,997	\$ 14,974,846	\$ 5,364,735

MONTH: August 31, 2009

AGING OF POST PETITION TAXES AND PAYABLES

TAXES PAYABLE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 + DAYS	TOTAL
1. Federal	\$ -	\$ 3,681			\$ 3,681
2. State	\$ -				\$ -
3. Local	\$ -				\$ -
4. Other (Attach List)	\$ -	\$ -	\$ -	\$ -	\$ -
5. Total Taxes Payable	\$ -	\$ 3,681	\$ -	\$ -	\$ 3,681

Note: Payroll tax amount per debtors book being reconciled with payroll tax service.

6. Accounts Payable	\$ 38,114	\$ 2,144			
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MONTH: August 31, 2009

STATUS OF POST PETITION TAXES

FEDERAL:	BEGINNING TAX LIABILITY *	AMOUNT WITHHELD AND/OR ACCRUED	(AMOUNT PAID)	ENDING TAX LIABILITY
1. Withholding **	\$ -	\$ 21,577	\$ (21,577)	\$ -
2. FICA - Employee **	\$ -	\$ 10,631	\$ (10,631)	\$ -
3. FICA - Employer **	\$ 6,372	\$ 10,631	\$ (13,322)	\$ 3,681
4. COBRA credit against payroll taxes	\$ -	\$ (4,607)	\$ 4,607	\$ (0)
5. Income	\$ -			\$ -
6. Other (Attach List)	\$ -			\$ -
7. Total Federal Taxes	\$ 6,372	\$ 38,232	\$ (40,924)	\$ 3,681
STATE AND LOCAL:				
8. Withholding				\$ -
9. Sales				\$ -
10. Excise	\$ -			\$ -
11. Unemployment				\$ -
12. Real Property				\$ -
13. Personal Property				\$ -
14. Franchise Tax - OK and DE	\$ -	\$ 247,794	\$ (247,794)	\$ -
15. Total State And Local	\$ -	\$ 247,794	\$ (247,794)	\$ -
16. Total Taxes	\$ 6,372	\$ 286,026	\$ (288,718)	\$ 3,681

\* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero

\*\* Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment of deposit

This form \_\_ does \_\_X\_\_ does not have related footnotes on Footnotes Supplement.

BANK RECONCILIATIONS					
	Account # 1	Account # 2	Account # 3	Account # 4	
A. BANK:	Chase	Chase	Chase	Chase	TOTAL
B. DEBTOR	Provident Royalties LLC	Somerset Development Inc	Somerset Lease Holdings Inc	Somerset Lease Holdings Inc	
C. ACCOUNT NUMBER:	2513	2547	554	562	OTHER BANK ACCOUNTS
D. PURPOSE (TYPE):	Disbursement	Deposit	Deposit	Deposit	
1. Balance Per Bank Statement	\$ 535,805	\$ 4,497,293	\$ 474,547	\$ 216,075	
2. Add: Total Deposits Not Credited					
3. Subtract: Outstanding Checks	\$ (358,986)				
4. Other Reconciling Items					
5. Month End Balance Per Books	\$ 176,819	\$ 4,497,293	\$ 474,547	\$ 216,075	
6. Number of Last Check Written					

In addition to these accounts, there is an employee funded flexible spending account with Chase that had a balance of \$7,737 as of July 31, 2009

INVESTMENT ACCOUNTS					
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE		CURRENT VALUE
A. Texas Capital Provident Operating Co LLC 0575	09/25/08	CD as collateral for Letter of Credit	\$ 25,000		\$ 25,530
B. Texas Capital Provident Operating Co LLC 0576	09/30/08	CD as collateral for Letter of Credit	\$ 25,000		\$ 25,530
C. Texas Capital Somerset Development Inc 0556	05/07/08	CD as collateral for Letter of Credit	\$ 150,000		\$ 153,609
D.					
TOTAL OTHER INVESTMENT ACCOUNTS - LINE 10			\$ 200,000		\$ 204,669

BANK RECONCILIATIONS					
	Account # 5	Account # 6	Account # 7	Account # 8	
A. BANK:	The Bank NA	Chase	Texas Capital Bank		TOTAL
B. DEBTOR	Provident Royalties LLC	Provident Royalties LLC	Various Debtors - Closed Accounts		
C. ACCOUNT NUMBER:	8102	2521	Various		OTHER BANK ACCOUNTS
D. PURPOSE (TYPE):	Closed Account	Payroll ZBA	Closed Depository Accounts		
1. Balance Per Bank Statement	\$ -	\$ -	\$ -		
2. Add: Total Deposits Not Credited					
3. Subtract: Outstanding Checks					
4. Other Reconciling Items			\$ -		
5. Month End Balance Per Books	\$ -	\$ -	\$ -		
6. Number of Last Check Written					

INVESTMENT ACCOUNTS

BANK, ACCOUNT NAME & NUMBER			PURCHASE PRICE		CURRENT VALUE
A. NONE					0
B.					
C.					
D.					
TOTAL OTHER INVESTMENT ACCOUNTS - LINE 10				0	0

Of the Total Disbursements shown for the month, list the amount paid to Insiders (as defined in Section 101 (31) (A) - (F) of the U.S. Bankruptcy Code) and to Professionals. Also, for payments to Insiders, identify the type of compensation paid (e.g. salary, bonus, commissions, insurance, housing allowance, travel, car allowance, etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Brian Grindem	salary	\$ -	\$ 31,389
2. Paul R. Melbye	salary	\$ -	\$ 6,042
3. William M. Miller	salary	\$ -	\$ 29,615
4. Harvey R. Smith	salary	\$ -	\$ 21,779
5. see attached sheet		\$ 3,114	\$ 8,668
6. Total Payments To Insiders		\$ 3,114	\$ 97,493

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT OF RETAINER USED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL ACCRUED EST. FEES
1. Epiq		\$ 5,427	\$ 47,715	\$ 47,715	\$ 92,366
2. Raymond James		\$ 300,000	\$ 504,529	\$ 504,529	\$ -
3. Munsch Hardt		\$ -	\$ -	\$ -	\$ 392,614
4. Dennis Roossein, Trustee		\$ -	\$ -	\$ -	\$ 63,818
5. (Attach List)		\$ 268,699	\$ -	\$ -	\$ 1,183,174
6. Total Payments to or Accrual for Professionals		\$ 574,126	\$ 552,244	\$ 552,244	\$ 1,731,973

POST PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST PETITION
1. Sinclair Oil and Gas	none	none	none
2. Sinclair Finance Company	none	none	none
3.			
4.			
5.			
6.			
7. TOTAL			

This form  does \_\_\_ does not have related footnotes on Footnotes Supplement.

NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
A. Brian Grindem	insurance	-	-
B. Paul R. Melbye	insurance	1,354	2,844
C. William M. Miller	insurance	1,354	2,844
D. Harvey R. Smith	insurance	2,707	2,707
E. Henry D Harrison	insurance	(947)	137
F. Brendan W Coughlin	insurance	(1,354)	137
G.			
H.			
TOTAL OTHER PAYMENTS TO INSIDERS - LINE 5		3,114	8,668

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT OF RETAINER USED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL ACCRUED EST FEES
A. Bridge Associates		268,699	-	-	279,341
B. Patton Boggs		-	-	-	235,000
Litzler Segner Shaw & McKenney		-	-	-	55,585
D. Gardere Wynn Sewell		-	-	-	402,048
E. Fox Rothschild		-	-	-	159,028
F. Rochelle McCullough		-	-	-	52,172
G.					
H.					
TOTAL OTHER PAYMENTS TO PROFESSIONALS-LINE 5		268,699	-	-	1,183,174

\* Include all fees incurred, both approved and unapproved

POST PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST PETITION
A.			
B.			
C.			
D.			
E.			
STATUS OF OTHER CREDITORS - LINE 5			

This form  does \_\_\_ does not have related footnotes on Footnotes Supplement.

QUESTIONNAIRE		YES	NO
1.	Have any Assets been sold or transferred outside the normal course of business this reporting period? <i>Court Approved Sale to Sinclair Oil &amp; Gas on 8/28/2009</i>	X	
2.	Have any funds been disbursed from any account other than a debtor in possession account?		X
3.	Are any Post Petition Receivables (accounts, notes, or loans) due from related parties? <i>Post Petition Receivables include Intercompany Receivables among Provident Royalties LLC, Somerset Development Inc and Somerset Lease Holdings Inc in accordance with Cash Management Order.</i>	X	
4.	Have any payments been made on Pre Petition Liabilities this reporting period?		X
5.	Have any Post Petition Loans been received by the debtor from any party?		X
6.	Are any Post Petition Payroll Taxes past due?		X
7.	Are any Post Petition State or Federal Income Taxes past due? <i>Texas Margin Tax for debtor was historically reported and paid under another entity outside of bankruptcy estate. Taxes were due from that entity on 8/15. That entity did not report, so Debtors consulted with Texas Comptroller and has reported and paid under Provident Royalties LLC in September 2009. Amount due was approx. \$1,850.</i>	X	
8.	Are any Post Petition Real Estate Taxes past due?		X
9.	Are any other Post Petition Taxes past due?		X
10.	Are any amounts owed to Post Petition creditors delinquent? <i>Only with regards to disputed items</i>		X
11.	Have any Pre Petition Taxes been paid during the reporting period?		X
12.	Are any wage payments past due?		X

If the answer to any of the above questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.

INSURANCE		YES	NO
1.	Are Worker's Compensation, General Liability and other necessary insurance coverages in effect?	X	
2.	Are all premium payments paid current?	X	
3.	Please itemize policies below.		

If the answer to any of the above questions is "No", or if any policies have been canceled or not renewed during this reporting period, provide an explanation below. Attach additional sheets if necessary.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Workers Compensation	Texas Mutual	5/5/2009 - 5/5/2010	paid in full
General Liability	St Paul Surplus Line	5/4/2009 - 5/4/2010	paid in full
Automobile Liability	St Paul Surplus Line	5/4/2009 - 5/4/2010	paid in full
Umbrella Coverage	St Paul Surplus Line	5/4/2009 - 5/4/2010	paid in full
Directors and Officers	Navigator / Beasley	11/08/2008 - 11/08/2009	paid in full

This form \_\_\_ does \_\_\_X\_\_\_ does not have related footnotes on Footnotes Supplement.



ACCRUAL BASIS FORM NUMBER	LINE NUMBER	FOOTNOTE EXPLANATION
Accrual Basis -1 (and supplemental schedules)	1	Cash Accounts are reconciled to bank statements as of 6/22/2009 and 6/30/2009 respectively.
Accrual Basis -1 (and supplemental schedules)	4	Accounts Receivable represents accrued revenues, advances, and other amounts due from operators, landmen and other parties to whom funds were advanced or which services were rendered including accrued interest on landman advances. Some of these amounts may be subject to dispute by the third party due to potential claims for setoff or alleged performance. The decrease in Accounts Receivable between July and August related to the assets sold to Sinclair.
Accrual Basis -1 (and supplemental schedules)	6	Notes Receivable represents amounts loaned or advanced to landmen and affiliated parties. Some of these amounts may be subject to dispute by the third party due to claims for offset or alleged performance.
Accrual Basis -1 (and supplemental schedules)	8	Other Current Assets represent Intercompany Receivables among affiliated parties which may be offset by amounts due to such parties in Intercompany Payables. The Intercompany receivable for Provident Royalties LLC arose from either (1) the centralized cash management system; or (2) borrowings from the loan facility made by Provident Royalties for which funds were transferred to another Debtor. The reduction in Intercompany Receivable between July and August were principally related to the Sinclair asset sale transaction.
Accrual Basis -1 (and supplemental schedules)	10	Property Plant & Equipment represent the acquisition cost of furniture, computers, software and other office equipment. The Debtors lease office space.
Accrual Basis -1 (and supplemental schedules)	14	Other Assets represent the incurred costs for Mineral Rights purchased by the Debtors. Leaseholds for gas and oil properties, drilling and site preparation costs related to the Debtors' interest in wells, capitalized acquisition costs and advances for drilling. The amounts shown represent these costs as recorded on the books of the Debtor. The reduction in these assets between July and August were related to the assets sold to Sinclair.
Accrual Basis -1 (and supplemental schedules)	23	Other Liabilities represent the deferred tax contra-liabilities and post petition Intercompany Payables.
Accrual Basis -1 (and supplemental schedules)	25	The Secured Debt represented principal amounts owed to Sinclair Oil & Gas and Sinclair Finance Company and accrued interest thereon. As a result of the sales transaction with Sinclair, \$150,000,000 of the debt was the purchase price for the subject assets. The remaining \$25,000,000 has been reclassified as Unsecured Debt pursuant to the Sales Order.
Accrual Basis -1 (and supplemental schedules)	26	Priority Unsecured Debts represent amounts accrued for FUTA, SUTA, Franchise Taxes, Income Taxes and 401(K) contributions. These accounts are being reconciled and may be subject to change.
Accrual Basis -1 (and supplemental schedules)	28	Other (Prepetition Liabilities) include Intercompany Payables, Notes Payable to Third Parties that may be disputed, Amounts due to third parties for joint projects, Accumulated Dividends not paid, and the \$25,000,000 Sinclair debt plus accrued interest through the petition date. The reductions between July and August were related to the settlements of the amounts due to Sinclair as a result of the Sinclair sales transaction.
Accrual Basis -2 and Supplement 2b	18	The interest accrual in August relates to the interest on the Secured Debt that was not accrued for June 1 through 22 being accrued this month. This entry is to correct the accrued interest amount that should be recorded through the petition date.
Accrual Basis -2 and Supplement 2b	21 / (Gain)/ Loss on Sale of Assets	The financial statements reflect the effect of the sale of assets to Sinclair Oil and Gas, the contract assignment and assumption of cured vendor liabilities by Sinclair, settlement of the Secured Debt and settlement of other amounts due to Sinclair as such was recorded on each entity. The gain in PRLLC related to settlement of the Secured Debt and amounts due to Sinclair have not been allocated to the entities that held the assets that were sold for this report.

Accrual Basis -3 and Supplement 3b	14	Taxes paid in August were Oklahoma and Delaware franchise taxes.
Accrual Basis -6	Payment to Insiders	Insurance benefits are on a gross basis under COBRA coverage provisions.
Accrual Basis -6	Payments to Professionals	Certain debtor professional received retainers which are being applied to invoices. The cumulative amount of retainers used is shown on this schedule in addition to the amounts paid through the end of the reporting period. The total accrued fees and expenses are based on holdback amounts from prior months, invoices submitted but unpaid, and the cash budget for parties who have not submitted invoices as of the end of the Reporting Period.