

CASE NAME: PROVIDENT ROYALTIES LLC

ACCRUAL BASIS

CASE NUMBER: 09-33886

JUDGE: Harlin DeWayne Hale

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: January 31, 2010

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, 2008 OR 2009. 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:

[Signature]
Original Signature of Responsible Party
Dennis Hoossien
Printed Name of Responsible Party

Trustee
Title
2/23/10
Date

PREPARER:

[Signature]
Original Signature of Preparer
Richard D Cantock
Printed Name of Preparer

Senior Consultant
Title
Budge Associates LLC
Title
2/22/2010
Date

UNITED STATES BANKRUPTCY COURT
 NORTHERN DISTRICT OF TEXAS
 DIVISION 6
 MONTHLY OPERATING REPORT FOR MONTH ENDING JANUARY 31, 2010
 OF PROVIDENT ROYALTIES LLC
 LISTING OF CO-DEBTORS INCLUDED IN THIS REPORT

CASE NAME:	PROVIDENT ROYALTIES LLC
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 I, 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

CASE NAME: PROVIDENT ROYALTIES LLC

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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: January 31, 2010

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.

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER: 09-33886

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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: January 31, 2010

(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, (iii) 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; and (iv) adjustments for prior month accruals for the sale of properties for which accrued revenue has been sold.

(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.

CASE NAME:	PROVIDENT ROYALTIES LLC
CASE NUMBER:	09-33886

ACCRUAL BASIS - 1

COMPARATIVE BALANCE SHEET				
ASSETS	Prelm SCHEDULED AMOUNT FOR 6/22/2009	MONTH ENDED	MONTH ENDED	MONTH ENDED
		November 30, 2009	December 31, 2009	January 31, 2010
1. Unrestricted Cash	\$ 6,583,710	\$ 3,254,769	\$ 17,850,452	\$ 17,297,318
2. Restricted Cash	\$ -			
3. Total Cash	\$ 6,583,710	\$ 3,254,769	\$ 17,850,452	\$ 17,297,318
4. Accounts Receivable (Net)	\$ 14,346,248	\$ 6,755,767	\$ 5,444,160	\$ 5,468,960
5. Inventory	\$ -			
6. Notes Receivable	\$ 24,630,500	\$ 24,648,117	\$ 24,648,117	\$ 24,648,117
7. Prepaid Expenses	\$ -			
8. Other (Attach List)	\$ 1,012,069	\$ 1,044,414	\$ 1,058,026	\$ 1,021,736
9. Total Current Assets	\$ 46,572,528	\$ 35,703,067	\$ 49,000,756	\$ 48,436,131
10. Property, Plant & Equipment	\$ 1,609,281	\$ 1,594,281	\$ 1,237,507	\$ 1,237,507
11. Less: Accumulated Depreciation/Depletion	\$ (865,417)	\$ (865,417)	\$ (996,778)	\$ (996,778)
12. Net Property, Plant & Equipment	\$ 743,864	\$ 728,864	\$ 240,729	\$ 240,729
13. Due From Insiders	\$ -			
14. Other Assets - Net of Amortization (Attach List)	\$ 509,903,106	\$ 272,883,469	\$ 217,745,209	\$ 212,072,093
15. Other (Attach List)	\$ 14,629,880	\$ 13,997,110	\$ 13,663,441	\$ 13,601,005
16. Total Assets	\$ 571,849,379	\$ 323,312,510	\$ 280,650,135	\$ 274,349,957
POST PETITION LIABILITIES				
17. Accounts Payable		\$ 179,964	\$ (232,539)	\$ (234,174)
18. Taxes Payable		\$ -	\$ -	\$ (0)
19. Notes Payable				
20. Accrued Property Tax				
21. Accrued Professional Fees & Other		\$ 1,684,217	\$ 1,030,738	\$ 1,510,643
22. Secured Debt				
23. Other Liabilities		\$ (2,221,170)	\$ (2,210,753)	\$ (2,221,170)
24. Total Post Petition Liabilities		\$ (356,989)	\$ (1,412,553)	\$ (944,701)
PRE PETITION LIABILITIES				
25. Secured Debt	\$ 179,264,559	\$ -	\$ -	\$ -
26. Priority Debt	\$ 730	\$ 27,731	\$ 27,731	\$ 27,731
27. Unsecured Debt-Pre-Petition A/P	\$ 16,822,258	\$ 15,414,594	\$ 15,414,644	\$ 15,414,644
28. Other Prepetition Liabilities	\$ 52,116,986	\$ 72,497,914	\$ 72,497,914	\$ 72,497,914
29. Other				
30. Total Pre Petition Liabilities	\$ 248,204,532	\$ 87,940,238	\$ 87,940,288	\$ 87,940,288
31. Total Liabilities	\$ 248,204,532	\$ 87,583,250	\$ 86,527,735	\$ 86,995,587
EQUITY				
32. Pre Petition Owners' Equity		\$ 325,932,499	\$ 325,932,449	\$ 325,932,449
33. Post Petition Cumulative Profit Or (Loss)		\$ (90,203,238)	\$ (131,810,049)	\$ (138,578,079)
34. Direct Charges To Equity (Attach Explanation Footnote)				
35. Total Equity		\$ 235,729,261	\$ 194,122,400	\$ 187,354,370
36. Total Liabilities and Equity		\$ 323,312,510	\$ 280,650,135	\$ 274,349,957

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

CASE NAME: PROVIDENT ROYALTIES LLC

SUPPLEMENT TO

CASE NUMBER: 09-33886

ACCRUAL BASIS - I

COMPARATIVE BALANCE SHEET

	Prelim SCHEDULED AMOUNT FOR 6/22/2009	MONTH ENDED Nov 30, 2009	MONTH ENDED Dec 31, 2009	MONTH ENDED Jan 31, 2010
ASSETS				
A. Intercompany Receivable - Pre	1,012,069	742,169	802,678	279,203
B. Intercompany Receivable - Post		302,246	255,349	742,533
C.				
D.				
E.				
TOTAL OTHER ASSETS - LINE 8	1,012,069	1,044,414	1,058,026	1,021,736
ASSETS NET OF AMORTIZATION				
A. Mineral Rights	122,219,360	25,141,598	8,064,949	7,441,341
B. Equipment and Leaseholds	387,683,746	247,741,872	209,680,260	204,630,752
C.				
D.				
E.				
TOTAL OTHER ASSETS NET OF AMORTIZATION - LINE 14	509,903,106	272,883,469	217,745,209	212,072,093
OTHER ASSETS				
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	715,759	382,090	319,654
D.				
E.				
TOTAL OTHER ASSETS - LINE 15	14,629,880	13,997,110	13,663,441	13,601,005
POST-PETITION LIABILITIES				
A. Deferred Tax Liabilities		(2,221,170)	(2,221,170)	(2,221,170)
B. Intercompany Payables Post		-	10,417	-
C.				
D.				
E.				
TOTAL OTHER POST PETITION LIABILITIES - LINE 23		(2,221,170)	(2,210,753)	(2,221,170)
PRE-PETITION LIABILITIES				
A. Payables -other	1,546,040	-	-	-
B. Revenues Payable	4,634,645	16,996	16,996	16,996
C. Accrued Dividends	34,171,833	34,171,833	34,171,833	34,171,833
D. Unsecured Debt	-	26,614,456	26,614,456	26,614,456
D. Due to Others	11,723,761	11,694,629	11,694,629	11,694,629
E. Intercompany and Other	40,707	-	-	-
TOTAL OTHER PRE PETITION LIABILITIES - LINE 28	52,116,986	72,497,914	72,497,914	72,497,914

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

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	Provident Resources LLC 09-33886	Provident Operating Company LLC 09-33893	Provident Energy 1 LP 09-33888	Provident Energy 2 LP 09-33894	Provident Energy 3 LP 09-33899
CASH AND CASH EQUIVALENTS	32,139	-	-	-	-
ACCOUNTS RECEIVABLE	19,304	124,321	-	553,667	-
NOTES RECEIVABLE	2,467,700	9,058	-	4,100,000	-
I/C RECEIVABLES PREPETITION	436,232,496	38,991,279	4,248,592	10,221,277	15,225
I/C RECEIVABLES - POST PETITION	9,527,632	67,092	176,667	303,347	-
INVESTMENTS IN SUBSIDIARIES	2,766,483	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	1,237,507	-	-	-	-
ACCUM DEPRECIATION	(996,778)	-	-	-	-
MINERAL RIGHTS	-	-	15,225	(2,560)	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	-	-	32,818	2,322,613	-
Accrued Leasehold	-	-	-	3,960,000	-
Leasehold Costs - Producing	-	-	-	2,060,031	-
Lease & Well Equipment	906	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	(2,540)	173,051	-
Drilling Advances Paid Vendors	-	-	-	-	-
EQUIPMENT AND LEASEHOLDS	100,906	102,621	30,278	8,535,969	-
DEPOSITS AND OTHER ASSETS	225,826	50,810	-	0	-
TOTAL ASSETS	451,613,214	39,345,181	4,470,762	23,711,700	15,225

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	Provident Resources LLC 09-33886	Provident Operating Company LLC 09-33893	Provident Energy 1 LP 09-33888	Provident Energy 2 LP 09-33894	Provident Energy 3 LP 09-33899
ACCOUNTS PAYABLE - POST	(234,174)	-	-	-	-
PAYROLL TAXES PAYABLE - POST	(0)	-	-	-	-
ACCRUED & OTHER C/L - POST	1,616,270	(36,998)	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	-	-	-	-	-
INTERCOMPANY LIABILITIES - POST	7,767,546	245,415	93,515	156,571	-
TOTAL POST PETITION LIABILITIES	9,149,642	208,417	93,515	156,571	-
UNSECURED TRADE PREPETITION	6,311,048	9,103,454	-	-	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	-	-	-	-
TOTAL PREPETITION DEBT	311,982,284	39,952,542	4,909,801	7,268,556	46,773
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	130,694,501	(783,833)	(6,307,977)	(6,602,779)	(5,291)
Net Income (Loss) Year To Date	(113,093)	-	(10,456)	(19,219)	-
EQUITY	130,481,289	(815,779)	(532,554)	16,286,572	(31,548)
TOTAL LIABILITIES AND EQUITY	451,613,214	39,345,181	4,470,762	23,711,700	15,225

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

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	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, Inc. 09-33891
CASH AND CASH EQUIVALENTS	-	645,652	16,619,527	-	-
ACCOUNTS RECEIVABLE	-	-	5,255	-	-
NOTES RECEIVABLE	5,678	-	-	-	-
I/C RECEIVABLES PREPETITION	838,938	947,721	5,273,308	3,551,164	119,955,145
I/C RECEIVABLES - POST PETITION	259,141	6,263,937	2,116,307	3,686	559,032
INVESTMENTS IN SUBSIDIARIES	(1,362)	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	649	-	-	705,818	1,638,066
Lease Bonus	-	-	(187)	-	13,599
Leasehold Costs	205,200	84,683	-	(31,081)	478,031
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	-	-	-	-	1,346
Lease & Well Equipment	40	-	-	-	3,199
Intangible Drilling Costs	-	-	-	-	22,020
Intangible Completion Costs	-	-	-	-	105
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	200,000	-	-	-	-
Landman/Filing Fees	58,692	-	-	100,319	130,270
Drilling Advances Paid Vendors	-	-	-	-	76,458
EQUIPMENT AND LEASEHOLDS	463,932	84,683	(187)	69,238	725,029
DEPOSITS AND OTHER ASSETS	-	-	-	4,420	-
TOTAL ASSETS	1,566,977	7,941,992	24,014,211	4,334,326	122,877,272

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	Provident Resources 1, L.P. 09-33887	Somerset Development Inc 09-33912	Somerset Lease Holdings Inc 09-33892	Shale Royalties II, Inc. 09-33889	Shale Royalties 3, Inc. 09-33891
ACCOUNTS PAYABLE - POST	-	-	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	(48,655)	(19,974)	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	95	-	-	(14,156)	-
INTERCOMPANY LIABILITIES - POST	112,081	1,858,477	17,334,499	140,386	2,276,809
TOTAL POST PETITION LIABILITIES	112,176	1,809,821	17,314,525	126,229	2,276,809
UNSECURED TRADE PREPETITION	-	-	-	-	-
OTHER PREPETITION DEBT	-	-	-	222,650	2,321,655
1/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	-	-	-	-	-
TOTAL PREPETITION DEBT	1,346,471	1,050,126	6,215,532	10,739,438	210,910,261
Preferred Stock - Shareholders	9,175,000	-	-	4,480,026	19,695,000
Broker Dealer Commissions Paid	(1,327,475)	-	-	(1,558,850)	(2,898,375)
Paid in Capital	-	-	-	859	1,790
Equity	(44,680)	5,082,469	420,813	25,744	28,063
Dividend Distributions	-	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	(202,650)	-
Accrued Dividend	-	-	-	-	(2,321,655)
Retained Earnings	(7,681,194)	(397)	63,340	(9,261,491)	(104,572,261)
Net Income (Loss) Year To Date	(13,321)	(26)	-	(14,979)	(242,359)
EQUITY	108,330	5,082,046	484,153	(6,531,341)	(90,309,798)
TOTAL LIABILITIES AND EQUITY	1,566,977	7,941,992	24,014,211	4,334,326	122,877,272

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related footnotes on Footnotes Supplement.

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

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
CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	-	-	61,611	962,089	580,000
NOTES RECEIVABLE	2,220,681	500,000	-	2,000,000	2,000,000
1/C RECEIVABLES PREPETITION	72,666,209	4,465,089	4,760,119	6,565,705	9,212,907
1/C RECEIVABLES - POST PETITION	240,791	1,986,571	1,374,211	1,414,591	695,196
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	10,516,230	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	835,854	300,757	328,711	850,670	400,000
Lease Bonus	24,367	36,756	-	-	-
Leasehold Costs	753,483	5,994,372	15,658,041	20,517,584	17,450,015
Accrued Leasehold	-	14,906,500	-	-	-
Leasehold Costs - Producing	251,003	2,450	4,623	1,567,664	796,605
Lease & Well Equipment	149,746	429,743	54,308	4,722,230	5,886
Intangible Drilling Costs	506,028	1,503,205	229,501	13,487,585	16,275
Intangible Completion Costs	(5,037)	109,131	1,382	211,190	6,741
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	14,448	5,000	-	-
Landman/Filing Fees	102,568	640,479	937,077	1,058,109	1,163,729
Drilling Advances Paid Vendors	18,674	212,065	1,342	439,837	9,587
EQUIPMENT AND LEASEHOLDS	1,800,833	23,849,150	16,891,274	42,004,198	19,448,838
DEPOSITS AND OTHER ASSETS	10,590	8,611	7,009	15	(1)
TOTAL ASSETS	77,774,958	41,626,408	23,422,933	53,797,267	32,336,940

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

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
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	2,449,505	198,806	311,387	1,004,426	319,875
TOTAL POST PETITION LIABILITIES	3,389,682	(29,090)	355,785	1,326,301	(71,307)
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	152,625,888	23,059,393	9,566,116	34,282,485	9,567,057
PRIORITY UNSECURED PREPETITION	3,690	-	(21,790)	-	8,350
UNSECURED DEBT PREPETITION	-	-	-	-	-
TOTAL PREPETITION DEBT	155,187,623	37,312,723	11,834,363	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	-	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	(2,558,045)	(2,571,830)	(2,290,037)	(2,588,887)	(2,693,755)
Retained Earnings	(101,554,281)	(13,816,031)	(9,989,634)	(8,145,437)	(4,790,577)
Net Income (Loss) Year To Date	(269,476)	(4,834,449)	(5,604)	(913,039)	(30,103)
EQUITY	(80,802,347)	4,342,775	11,232,785	15,599,594	20,139,085
TOTAL LIABILITIES AND EQUITY	77,774,958	41,626,408	23,422,933	53,797,267	32,336,940

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Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	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
CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	985,758	-	-	-	564,000
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	312,834	92,130	127,062	9,903,924	801,871
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	482,664	630,213	156,966	700,029	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	13,398,215	8,528,112	8,556,263	4,103,188	8,313,944
Accrued Leasehold	-	3,280,500	2,345,000	(14,669)	-
Leasehold Costs - Producing	50,154	116	944,460	981	-
Lease & Well Equipment	2,376,745	341,893	1,262,357	6,193	5
Intangible Drilling Costs	5,935,042	2,712,019	3,635,542	6,583	90
Intangible Completion Costs	2,137,086	-	1,246,062	-	60
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	50,000	-	-	-
Landman/Filing Fees	897,621	742,102	439,640	16,702	273,707
Drilling Advances Paid Vendors	594,152	-	-	1,520	-
EQUIPMENT AND LEASEHOLDS	25,389,014	15,654,742	18,429,323	4,120,500	8,587,806
DEPOSITS AND OTHER ASSETS	270	498	450	16	(0)
TOTAL ASSETS	42,854,055	26,645,869	32,407,253	24,527,740	19,354,472

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	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
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	827,554	203,590	233,785	824,576	179,887
TOTAL POST PETITION LIABILITIES	476,108	(181,782)	(196,494)	857,955	(153,673)
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	4,523,737	5,488,949	4,675,210	1,462,607
PRIORITY UNSECURED PREPETITION	-	-	-	50,863	-
UNSECURED DEBT PREPETITION	-	-	-	-	-
TOTAL PREPETITION DEBT	21,546,603	6,975,182	8,373,778	7,196,857	3,661,489
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	-	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	-	-
Accrued Dividend	(2,717,887)	(2,446,570)	(2,864,956)	(2,470,784)	(2,198,882)
Retained Earnings	(5,243,725)	(2,939,649)	(3,054,955)	(7,773,484)	(5,663,431)
Net Income (Loss) Year To Date	(51,673)	49,189	(181,170)	(95,773)	(19,553)
EQUITY	20,831,343	19,852,469	24,229,969	16,472,929	15,846,656
TOTAL LIABILITIES AND EQUITY	42,854,055	26,645,869	32,407,253	24,527,740	19,354,472

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Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

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
CASH AND CASH EQUIVALENTS	-	-	-	-	-
ACCOUNTS RECEIVABLE	419,325	1,193,631	-	-	-
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	168,151	155,987	50,118	144,849	-
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	392,603	-	-	-	5,678
Lease Bonus	-	-	-	-	-
Leasehold Costs	624,342	6,671,091	1,406,848	1,401,357	129,957
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	1,966,938	323,468	-	27,519	50,084
Lease & Well Equipment	901,460	17,769	-	-	-
Intangible Drilling Costs	3,319,931	69,202	-	-	742
Intangible Completion Costs	819,161	5,025	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	292,694	-	-	-
Landman/Filing Fees	47,579	139,737	15,599	18,786	20,519
Drilling Advances Paid Vendors	(1,890)	74,686	-	-	-
EQUIPMENT AND LEASEHOLDS	7,677,519	7,593,672	1,422,448	1,447,662	201,302
DEPOSITS AND OTHER ASSETS	(0)	0	2,075	-	8,689
TOTAL ASSETS	22,322,686	23,332,344	20,922,951	10,688,496	5,907,131

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

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
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	202,457	186,912	102,323	51,417	27,427
TOTAL POST PETITION LIABILITIES	(195,095)	(190,459)	(287,797)	(105,189)	(78,125)
UNSECURED TRADE PREPETITION	(193)	-	-	-	-
OTHER PREPETITION DEBT	2,561,917	2,258,477	896,038	355,724	168,866
LC 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	6,031,133	6,515,345	3,426,460	1,968,979	669,509
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	(7,835,236)	(5,099,019)	(1,865,465)	(578,835)	(185,012)
Net Income (Loss) Year To Date	37,376	(19,108)	(11,950)	(6,128)	(3,116)
EQUITY	16,486,648	17,007,458	17,784,288	8,824,706	5,315,747
TOTAL LIABILITIES AND EQUITY	22,322,686	23,332,344	20,922,951	10,688,496	5,907,131

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Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Elimination	Consolidated
CASH AND CASH EQUIVALENTS	-	-	-	17,297,318
ACCOUNTS RECEIVABLE	-	-	-	5,468,960
NOTES RECEIVABLE	-	-	-	24,648,117
I/C RECEIVABLES PREPETITION	100	-	(827,460,289)	279,203
I/C RECEIVABLES - POST PETITION	-	-	(36,002,594)	742,533
INVESTMENTS IN SUBSIDIARIES	-	-	-	2,765,121
OTHER INVESTMENTS	-	-	-	10,516,230
BUILDING FURNISHING & FIXTURES	-	-	-	1,237,507
ACCUM DEPRECIATION	-	-	-	(996,778)
MINERAL RIGHTS	-	-	-	7,441,341
Lease Bonus	-	-	-	74,536
Leasehold Costs	-	-	-	116,599,075
Accrued Leasehold	-	-	-	24,477,331
Leasehold Costs - Producing	-	-	-	8,047,442
Lease & Well Equipment	-	-	-	10,279,962
Intangible Drilling Costs	-	-	-	31,452,171
Intangible Completion Costs	-	-	-	4,535,741
INVENTORY-CASING	-	-	-	-
O&G Property Acq Deposits	-	-	-	562,142
Landman/Filing Fees	-	-	-	7,175,922
Drilling Advances Paid Vendors	-	-	-	1,426,430
EQUIPMENT AND LEASEHOLDS	-	-	-	204,630,752
DEPOSITS AND OTHER ASSETS	376	-	-	319,654
TOTAL ASSETS	476	-	(863,462,883)	274,349,957

Provident Royalties LLC
Case Number 09-33886
supplement to ACC-1
Balance Sheet as of January 31, 2010

Debtor Case Number	Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Elimination	Consolidated
ACCOUNTS PAYABLE - POST	-	-	-	(234,174)
PAYROLL TAXES PAYABLE - POST	-	-	-	(0)
ACCRUED & OTHER CA - POST	-	-	-	1,510,643
ST TAX LIABILITY	-	-	-	-
DEFERRED TAX LIABILITY	(1)	-	-	(2,221,170)
INTERCOMPANY LIABILITIES - POST	1	-	(37,109,228)	-
TOTAL POST PETITION LIABILITIES	0	-	(37,109,228)	(944,701)
UNSECURED TRADE PREPETITION	-	-	-	15,414,644
OTHER PREPETITION DEBT	-	-	-	45,883,458
LC PAYABLE - PREPETITION	17,391	15,000	(826,353,655)	-
PRIORITY UNSECURED PREPETITION	(1,363)	554	-	27,731
UNSECURED DEBT PREPETITION	-	-	-	26,614,456
TOTAL PREPETITION DEBT	16,028	15,554	(826,353,655)	87,940,288
Preferred Stock - Shareholders	-	-	-	476,005,436
Broker Dealer Commissions Paid	-	-	-	(64,879,371)
Paid in Capital	935	935	-	37,782
Equity	65	65	-	150,771
Dividend Distributions	-	-	-	-
Deferred Dividends Payable-PF	-	-	-	(202,650)
Accrued Dividend	-	-	-	(33,964,308)
Retained Earnings	(16,552)	(16,554)	-	(183,025,260)
Net Income (Loss) Year To Date	(0)	-	-	(6,768,030)
EQUITY	(15,552)	(15,554)	-	187,354,370
TOTAL LIABILITIES AND EQUITY	476	0	(863,462,883)	274,349,957

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CASE NAME: PROVIDENT ROYALTIES LLC

ACCRUAL BASIS - 2

CASE NUMBER: 09-33886

INCOME STATEMENT					
	For the Period from June 22 to June 30, 2009	Month Ended	Month Ended	Month Ended	QUARTER
		Nov 30, 2009	Dec 31, 2009	Jan 31, 2010	TOTAL
REVENUES					
1. Gross Revenues	\$ 136,578	\$ 198,861	\$ 22,198	\$ 133,394	\$ 866,827
2. Less: Returns & Discounts					\$ -
3. Net Revenue	\$ 136,578	\$ 198,861	\$ 22,198	\$ 133,394	\$ 866,827
COST OF GOODS SOLD					
4. Material					\$ -
5. Direct Labor					\$ -
6. Direct Costs	\$ 27,703	\$ (99,946)	\$ 21,516	\$ 25,439	\$ 84,144
7. Total Cost Of Goods Sold	\$ 27,703	\$ (99,946)	\$ 21,516	\$ 25,439	\$ 84,144
8. Gross Profit	\$ 108,875	\$ 298,806	\$ 681	\$ 107,955	\$ 782,683
OPERATING EXPENSES					
9. Officer / Insider Compensation	\$ 31,500	\$ -	\$ -	\$ -	\$ -
10. Selling & Marketing	\$ -	\$ -	\$ -	\$ -	\$ -
11. General & Administrative	\$ 144,117	\$ 234,451	\$ 648,733	\$ 145,757	\$ 1,331,233
12. Rent & Lease	\$ 1,588	\$ 11,274	\$ 9,130	\$ 53,173	\$ 84,851
13. Bad Debt Expense & Provision	\$ -	\$ -	\$ 538,695	\$ -	\$ 538,695
14. Total Operating Expenses	\$ 177,205	\$ 245,725	\$ 1,196,558	\$ 198,930	\$ 1,954,779
15. Income Before Non-Operating Income & Expense	\$ (68,330)	\$ 53,082	\$ (1,195,877)	\$ (90,975)	\$ (1,172,096)
OTHER INCOME & EXPENSES					
16. Non-Operating Income (Att List)	\$ -	\$ 2,000	\$ 1,061	\$ 4,463	\$ 7,524
17. Non-Operating Expense (Att List)	\$ -	\$ -	\$ -	\$ -	\$ -
18. Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
19. Depreciation / Depletion	\$ -	\$ -	\$ 267,457	\$ -	\$ 267,457
20. Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
21. (Gain) / Loss on Sale of Assets	\$ -	\$ 47,520,958	\$ 39,266,857	\$ 5,776,186	\$ 92,564,032
22. Net Other Income & Expenses	\$ -	\$ (47,518,958)	\$ (39,533,253)	\$ (5,771,724)	\$ (92,823,965)
REORGANIZATION EXPENSES					
23. Professional Fees	\$ 310,000	\$ 991,709	\$ 877,681	\$ 886,481	\$ 3,526,703
24. U.S. Trustee Fees	\$ -	\$ -	\$ -	\$ 18,850	\$ 37,700
25. Other - Trustee Bond		\$ -	\$ -	\$ -	\$ -
26. Total Reorganization Expenses	\$ 360,000	\$ 991,709	\$ 877,681	\$ 905,331	\$ 3,564,403
27. Income Tax	\$ 62,831	\$ -	\$ -	\$ -	\$ -
28. Net Profit (Loss)	\$ (491,161)	\$ (48,457,585)	\$ (41,606,811)	\$ (6,768,030)	\$ (97,560,465)

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

Provident Royalties LLC
Case Number 09-33886
Statement of Income
Supplement to ACC-2
for the Period ended January 31, 2010

Debtor Case Number	Provident Resources LLC 09-33886	Provident Operating Company LLC 09-33893	Provident Energy 1 LP 09-33888	Provident Energy 2 LP 09-33894	Provident Energy 3 LP 09-33899
OIL AND GAS INCOME	-	-	-	44	-
COST OF GOODS SOLD - DIRECT COST	-	-	-	417	-
GROSS PROFIT	-	-	-	(373)	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	(927,414)	-	10,456	18,846	-
RENT AND LEASE	53,173	-	-	-	-
NON-OPERATING INCOME	4,463	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	886,481	-	-	-	-
UNITED STATES TRUSTEE FEE	18,850	-	-	-	-
(Gain) / Loss on Sale - Sinclair	-	-	-	-	-
(Gain)/ Loss on Sale-Arkoma/SW OK Mineral	11,704	-	-	-	-
(Gain)/Loss on Anadarko Mineral Sales	-	-	-	-	-
(Gain)/Loss on Youngblood Minerals Sale	74,761	-	-	-	-
Writeoff of Drilling Advance and other balances	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(Gain)/Loss on Sales - Total	86,465	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(113,093)	-	(10,456)	(19,219)	-

Case Number 09-33886
 Statement of Income
 Supplement to ACC-2
 for the Period ended January 31, 2010

Debtor Case Number	Provident Resources 1, L.P. 09-33887	Somerset Development Inc 09-33912	Somerset Lease Holdings Inc 09-33892	Shale Royalties II, Inc. 09-33889	Shale Royalties 3, Inc. 09-33891
OIL AND GAS INCOME	-	-	-	-	518
COST OF GOODS SOLD - DIRECT COST	-	-	-	-	147
GROSS PROFIT	-	-	-	-	371
OFFICER/INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	13,321	26	-	14,979	242,730
RENT AND LEASE	-	-	-	-	-
NON-OPERATING INCOME	-	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
Interest	-	-	-	-	-
Interest Income	-	-	-	-	-
INTEREST INCOME (EXPENSE)	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(Gain) / Loss on Sale - Sinclair	-	-	-	-	-
(Gain)/ Loss on Sale-Arkoma/SW OK Mineral	-	-	-	-	-
(Gain)/Loss on Anadarko Mineral Sales	-	-	-	-	-
(Gain)/Loss on Youngblood Minerals Sale	-	-	-	-	-
Writeoff of Drilling Advance and other balances	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(Gain)/Loss on Sales - Total	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(13,321)	(26)	-	(14,979)	(242,359)