

CASE NAME: PROVIDENT ROYALTIES LLC

ACCRUAL BASIS

CASE NUMBER: 09-33886

JUDGE: Harlin DeWayne Hale

**FILED**

JUN 11 2010

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

TAWANA C. MARSHALL, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

MONTHLY OPERATING REPORT

MONTH ENDING: 31-May-10

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:

Original Signature of Responsible Party

Title

Printed Name of Responsible Party

Date

PREPARER:

Original Signature of Preparer

Richard D Gantock  
Printed Name of Preparer

Senior Consultant  
Bridge Associates LLC  
Title

8-JUN-2010  
Date

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DIVISION 6  
MONTHLY OPERATING REPORT FOR MONTH ENDING MAY 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 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

CASE NAME:	PROVIDENT ROYALTIES LLC
CASE NUMBER:	09-33886
JUDGE:	Harlin DeWayne Hale

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: 31-May-10

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
JUDGE:	Harlin DeWayne Hale

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: 31-May-10

(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.

(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

COMPARATIVE BALANCE SHEET				
ASSETS	Prelim SCHEDULED AMOUNT FOR 6/22/2009	MONTH ENDED	MONTH ENDED	MONTH ENDED
		March 31, 2010	April 30, 2010	May 31, 2010
1. Unrestricted Cash	\$ 6,583,710	\$ 57,837,073	\$ 49,534,127	\$ 48,556,619
2. Restricted Cash	\$ -			
3. Total Cash	\$ 6,583,710	\$ 57,837,073	\$ 49,534,127	\$ 48,556,619
4. Accounts Receivable (Net)	\$ 14,346,248	\$ 4,474,391	\$ 4,617,165	\$ 4,623,165
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	\$ 886,038	\$ 925,979	\$ 930,981
9. Total Current Assets	\$ 46,572,528	\$ 87,845,619	\$ 79,725,388	\$ 78,758,881
10. Property, Plant & Equipment	\$ 1,609,281	\$ 1,237,507	\$ 1,239,505	\$ 1,239,505
11. Less: Accumulated Depreciation/Depletion	\$ (865,417)	\$ (996,778)	\$ (996,778)	\$ (996,778)
12. Net Property, Plant & Equipment	\$ 743,864	\$ 240,729	\$ 242,728	\$ 242,728
13. Due From Insiders	\$ -			
14. Other Assets - Net of Amortization (Attach List)	\$ 509,903,106	\$ 63,684,186	\$ 64,089,370	\$ 64,089,454
15. Other (Attach List)	\$ 14,629,880	\$ 13,521,091	\$ 13,521,091	\$ 13,521,091
16. Total Assets	\$ 571,849,379	\$ 165,291,625	\$ 157,578,577	\$ 156,612,154
POST PETITION LIABILITIES				
17. Accounts Payable		\$ (24,734)	\$ (34,421)	\$ (35,775)
18. Taxes Payable		\$ (0)	\$ (0)	\$ 9
19. Notes Payable				
20. Accrued Property Tax				
21. Accrued Professional Fees & Other		\$ 1,043,068	\$ 1,443,684	\$ 1,539,978
22. Secured Debt				
23. Other Liabilities		\$ (2,221,170)	\$ (2,221,170)	\$ (2,221,170)
24. Total Post Petition Liabilities		\$ (1,202,836)	\$ (811,908)	\$ (716,957)
PRE PETITION LIABILITIES				
25. Secured Debt	\$ 179,264,559	\$ -	\$ -	\$ -
26. Priority Debt	\$ 730	\$ (1,401)	\$ (1,401)	\$ (1,401)
27. Unsecured Debt-Pre-Petition A/P	\$ 16,822,258	\$ 11,719,675	\$ 11,719,675	\$ 11,719,675
28. Other Prepetition Liabilities	\$ 52,116,986	\$ 53,912,590	\$ 45,912,590	\$ 45,912,590
29. Other				
30. Total Pre Petition Liabilities	\$ 248,204,532	\$ 65,630,864	\$ 57,630,864	\$ 57,630,864
31. Total Liabilities	\$ 248,204,532	\$ 64,428,028	\$ 56,818,956	\$ 56,913,907
EQUITY				
32. Pre Petition Owners' Equity		\$ 325,932,449	\$ 325,932,449	\$ 325,932,450
33. Post Petition Cumulative Profit Or (Loss)		\$ (225,068,852)	\$ (225,172,828)	\$ (226,234,202)
34. Direct Charges To Equity (Attach Explanation Footnote)				
35. Total Equity		\$ 100,863,597	\$ 100,759,621	\$ 99,698,248
36. Total Liabilities and Equity		\$ 165,291,625	\$ 157,578,577	\$ 156,612,154

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

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER: 09-33886

**COMPARATIVE BALANCE SHEET**

	Prelim SCHEDULED AMOUNT FOR 6/22/2009	MONTH ENDED Mar 31, 2010	MONTH ENDED Apr 30, 2010	MONTH ENDED May 31, 2010
<b>ASSETS</b>				
A. Intercompany Receivable - Pre	1,012,069	537,152	537,152	537,152
B. Intercompany Receivable - Post		348,887	388,827	393,829
C.				
D.				
E.				
TOTAL OTHER ASSETS - LINE 8	1,012,069	886,038	925,979	930,981
A. Mineral Rights	122,219,360	4,781,983	4,781,983	4,781,983
B. Equipment and Leaseholds	387,683,746	58,902,203	59,307,387	59,307,471
C.				
D.				
E.				
TOTAL OTHER ASSETS NET OF AMORTIZATION - LINE 14	509,903,106	63,684,186	64,089,370	64,089,454
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	239,741	239,741	239,741
D.				
E.				
TOTAL OTHER ASSETS - LINE 15	14,629,880	13,521,091	13,521,091	13,521,091
<b>POST PETITION LIABILITIES</b>				
A. Deferred Tax Liabilities		(2,221,170)	(2,221,170)	(2,221,170)
B. Intercompany Payables Post		-	-	-
C.				
D.				
E.				
TOTAL OTHER POST PETITION LIABILITIES - LINE 23		(2,221,170)	(2,221,170)	(2,221,170)
<b>PRE PETITION LIABILITIES</b>				
A. Payables -other	1,546,040	8,000,000	0	0
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	-	-	-	-
D. Due to Others	11,723,761	11,723,761	11,723,761	11,723,761
E. Intercompany and Other	40,707	-	-	-
TOTAL OTHER PRE PETITION LIABILITIES - LINE 28	52,116,986	53,912,590	45,912,590	45,912,590

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 May 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	68,626	-	-	-	-
ACCOUNTS RECEIVABLE	19,304	124,321	-	553,667	-
NOTES RECEIVABLE	2,467,700	9,058	-	4,100,000	-
I/C RECEIVABLES PREPETITION	436,244,247	38,991,279	8,628,994	10,221,277	15,225
I/C RECEIVABLES - POST PETITION	13,499,585	325,041	179,602	303,365	-
INVESTMENTS IN SUBSIDIARIES	2,766,483	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	1,239,505	-	-	-	-
ACCUM DEPRECIATION	(996,778)	-	-	-	-
MINERAL RIGHTS	-	-	15,225	(2,560)	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	-	-	32,818	272,346	-
Accrued Leasehold	-	-	-	3,960,000	-
Leasehold Costs - Producing	-	-	-	1,100,000	-
Lease & Well Equipment	-	-	-	-	-
Intangible Drilling Costs	13	-	-	-	-
Intangible Completion Costs	-	-	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	-	-	-	-
Landman/Filing Fees	-	-	(2,540)	11	-
Drilling Advances Paid Vendors	-	-	-	-	-
EQUIPMENT AND LEASEHOLDS	13	-	30,278	5,332,357	-
DEPOSITS AND OTHER ASSETS	225,826	810	-	0	-
TOTAL ASSETS	455,534,511	39,450,508	8,854,098	20,508,106	15,225

Provident Royalties LLC  
Case Number 09-33886  
supplement to ACC-1  
Balance Sheet as of May 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	(35,712)	-	-	-	-
PAYROLL TAXES PAYABLE - POST	9	-	-	-	-
ACCRUED & OTHER C/L - POST	1,644,477	(36,998)	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	-	-	-	-	-
INTERCOMPANY LIABILITIES - POST	22,114,646	245,415	132,215	226,322	-
TOTAL POST PETITION LIABILITIES	23,723,421	208,417	132,215	226,322	-
UNSECURED TRADE PREPETITION	6,311,048	5,408,485	-	-	335
Accounts Payable - Sinclair	-	-	-	-	-
Revenue Payable - Sinclair	0	-	-	-	-
Revenue Suspense Account	-	16,996	-	-	-
Dividends Payable - Pref Stk	-	-	-	-	-
Due to Others - Prepetition	2,388	-	-	-	-
OTHER PREPETITION DEBT	2,388	16,996	-	-	-
I/C PAYABLE - PREPETITION	433,259,952	30,832,092	4,909,801	7,268,556	46,538
PRIORITY UNSECURED PREPETITION	3,134	-	-	-	(100)
SECURED DEBT PREPETITION	-	-	-	-	-
TOTAL PREPETITION DEBT	439,576,521	36,257,573	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	(23,628,388)	(525,885)	(1,924,641)	(6,602,779)	(5,291)
Net Income (Loss) Year To Date	15,963,076	3,542,348	(49,155)	(3,292,564)	-
EQUITY	(7,765,431)	2,984,518	3,812,083	13,013,227	(31,548)
TOTAL LIABILITIES AND EQUITY	455,534,512	39,450,508	8,854,098	20,508,106	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 May 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	-	31,867,706	16,620,286	-	-
ACCOUNTS RECEIVABLE	-	-	5,255	-	-
NOTES RECEIVABLE	5,678	-	-	-	-
I/C RECEIVABLES PREPETITION	5,558,010	947,721	5,273,308	8,944,975	191,181,595
I/C RECEIVABLES - POST PETITION	259,030	20,286,997	2,062,035	3,686	440,034
INVESTMENTS IN SUBSIDIARIES	(1,362)	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	-	-	-	270,589	991,332
Lease Bonus	-	-	-	-	13,599
Leasehold Costs	50,245	84,685	-	26,091	181,184
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	-	-	-	-	89
Lease & Well Equipment	-	-	-	-	475
Intangible Drilling Costs	-	-	-	-	4,018
Intangible Completion Costs	-	81	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	-	-	-	-
Landman/Filing Fees	25,855	-	-	28,070	46,904
Drilling Advances Paid Vendors	-	-	-	-	51,014
EQUIPMENT AND LEASEHOLDS	76,099	84,766	-	54,160	297,285
DEPOSITS AND OTHER ASSETS	-	-	-	-	-
TOTAL ASSETS	5,897,455	53,187,190	23,960,885	9,273,411	192,910,245

Provident Royalties LLC  
Case Number 09-33886  
supplement to ACC-1  
Balance Sheet as of May 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
--	---	--	---	--

ACCOUNTS PAYABLE - POST	-	(63)	-	-	-
PAYROLL TAXES PAYABLE - POST	-	-	-	-	-
ACCRUED & OTHER C/L - POST	-	(47,551)	(22,030)	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	95	-	-	(14,156)	-
INTERCOMPANY LIABILITIES - POST	161,384	2,675,585	17,344,466	195,825	3,175,455
TOTAL POST PETITION LIABILITIES	161,480	2,627,971	17,322,436	181,669	3,175,455
UNSECURED TRADE PREPETITION	-	-	-	-	-
Accounts Payable - Sinclair	-	-	-	-	-
Revenue Payable - Sinclair	-	-	-	-	-
Revenue Suspense Account	-	-	-	-	-
Dividends Payable - Pref Stk	-	-	-	202,650	2,321,655
Due to Others - Prepetition	-	-	-	20,000	-
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)	-
SECURED 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	(2,962,233)	(521)	(4)	(3,867,680)	(33,473,874)
Net Income (Loss) Year To Date	(451,107)	44,427,145	2,108	(525,145)	(2,206,420)
EQUITY	4,389,505	49,509,093	422,917	(1,647,696)	(21,175,471)
TOTAL LIABILITIES AND EQUITY	5,897,455	53,187,190	23,960,885	9,273,411	192,910,245

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 May 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	-	-	-	1,069,677	580,000
NOTES RECEIVABLE	2,220,681	500,000	-	2,000,000	2,000,000
I/C RECEIVABLES PREPETITION	141,155,168	4,465,089	4,760,119	6,565,705	9,212,907
I/C RECEIVABLES - POST PETITION	301,037	2,382,159	1,404,856	1,589,529	715,121
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	10,516,230	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	715,596	202,908	312,450	206,578	400,000
Lease Bonus	24,367	31,737	-	-	-
Leasehold Costs	520,906	1,022,745	405,413	1,825,599	3,582,084
Accrued Leasehold	-	14,906,500	-	-	-
Leasehold Costs - Producing	251,003	2,410	-	225,289	-
Lease & Well Equipment	135,018	1,891	34,922	92	-
Intangible Drilling Costs	179,956	11,782	163,607	-	33
Intangible Completion Costs	-	-	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	14,448	-	-	-
Landman/Filing Fees	73,804	167,367	30,919	105,160	526,755
Drilling Advances Paid Vendors	(187)	(54)	-	403,690	-
EQUIPMENT AND LEASEHOLDS	1,184,867	16,158,825	634,861	2,559,830	4,108,872
DEPOSITS AND OTHER ASSETS	540	0	270	15	(1)
TOTAL ASSETS	145,577,888	34,225,210	7,112,556	13,991,333	17,016,899

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	-	2,079	-	-	-
ST TAX LIABILITY	-	-	-	-	-
DEFERRED TAX LIABILITY	940,177	(227,896)	44,397	321,875	(391,183)
INTERCOMPANY LIABILITIES - POST	3,453,335	360,922	423,035	1,433,450	447,646
TOTAL POST PETITION LIABILITIES	4,393,512	135,105	467,432	1,755,326	56,463
UNSECURED TRADE PREPETITION	-	-	-	-	-
Accounts Payable - Sinclair	-	-	-	-	-
Revenue Payable - Sinclair	-	-	-	-	-
Revenue Suspense Account	-	-	-	-	-
Dividends Payable - Pref Stk	2,558,045	2,571,830	2,290,037	2,588,887	2,693,755
Due to Others - Prepetition	-	11,681,500	-	-	-
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
SECURED 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	(33,020,370)	(13,816,031)	(9,989,634)	(8,145,437)	(4,790,577)
Net Income (Loss) Year To Date	(2,004,287)	(12,399,841)	(16,427,628)	(41,147,998)	(15,477,915)
EQUITY	(14,003,247)	(3,222,618)	(5,189,239)	(24,635,364)	4,691,273
TOTAL LIABILITIES AND EQUITY	145,577,888	34,225,210	7,112,556	13,991,333	17,016,899

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 May 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	93,985	-	-	-	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	574,717	99,474	127,062	9,903,924	801,871
INVESTMENTS IN SUBSIDIARIES	-	-	-	-	-
OTHER INVESTMENTS	-	-	-	-	-
BUILDING FURNISHING & FIXTURES	-	-	-	-	-
ACCUM DEPRECIATION	-	-	-	-	-
MINERAL RIGHTS	482,664	90,213	156,966	700,023	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	4,480,534	1,598,370	5,519,833	3,525,350	670,851
Accrued Leasehold	-	3,280,500	2,345,000	(14,669)	-
Leasehold Costs - Producing	20,000	-	540,574	-	-
Lease & Well Equipment	653	-	-	-	-
Intangible Drilling Costs	2,230	-	-	-	-
Intangible Completion Costs	14,978	-	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	-	-	-	-
Landman/Filing Fees	220,949	172,856	204,217	3,617	155,366
Drilling Advances Paid Vendors	486,716	-	-	-	-
EQUIPMENT AND LEASEHOLDS	5,226,061	5,051,726	8,609,623	3,514,298	826,217
DEPOSITS AND OTHER ASSETS	270	405	450	16	(0)
TOTAL ASSETS	22,061,211	15,510,104	22,587,553	23,921,533	11,592,883

Provident Royalties LLC

Case Number 09-33886

supplement to ACC-1

Balance Sheet as of May 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	1,016,940	282,619	328,650	1,179,045	251,510
<b>TOTAL POST PETITION LIABILITIES</b>	<b>665,493</b>	<b>(102,753)</b>	<b>(101,629)</b>	<b>1,212,423</b>	<b>(82,050)</b>
UNSECURED TRADE PREPETITION	-	-	-	-	-
Accounts Payable - Sinclair	-	-	-	-	-
Revenue Payable - Sinclair	-	-	-	-	-
Revenue Suspense Account	-	-	-	-	-
Dividends Payable - Pref Stk	2,717,887	2,451,445	2,864,956	2,470,784	2,198,882
Due to Others - Prepetition	-	-	19,873	-	-
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	-
SECURED DEBT PREPETITION	-	-	-	-	-
<b>TOTAL PREPETITION DEBT</b>	<b>21,546,603</b>	<b>6,975,182</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	-	-	-	-	-
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	(21,033,902)	(11,165,605)	(10,095,735)	(1,056,449)	(7,852,765)
<b>EQUITY</b>	<b>(150,886)</b>	<b>8,637,675</b>	<b>14,315,404</b>	<b>15,512,253</b>	<b>8,013,444</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>22,061,211</b>	<b>15,510,104</b>	<b>22,587,553</b>	<b>23,921,533</b>	<b>11,592,883</b>

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 May 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	240,000	-	-	-	-
Lease Bonus	-	-	-	-	-
Leasehold Costs	11,093	1,873,933	1,069,192	911,130	-
Accrued Leasehold	-	-	-	-	-
Leasehold Costs - Producing	1,600,000	6,023	-	-	-
Lease & Well Equipment	-	-	-	-	-
Intangible Drilling Costs	-	-	-	-	-
Intangible Completion Costs	-	-	-	-	-
INVENTORY-CASING	-	-	-	-	-
O&G Property Acq Deposits	-	-	-	-	-
Landman/Filing Fees	36,181	35,871	-	13,037	-
Drilling Advances Paid Vendors	-	872	-	-	-
EQUIPMENT AND LEASEHOLDS	1,647,274	1,916,699	1,069,192	924,167	-
DEPOSITS AND OTHER ASSETS	(0)	0	2,075	-	8,689
TOTAL ASSETS	16,139,837	17,655,372	20,569,695	10,165,001	5,700,151

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	279,131	257,633	146,551	74,098	38,958
TOTAL POST PETITION LIABILITIES	(118,421)	(119,738)	(243,568)	(82,508)	(66,594)
UNSECURED TRADE PREPETITION	(193)	-	-	-	-
Accounts Payable - Sinclair	-	-	-	-	-
Revenue Payable - Sinclair	-	-	-	-	-
Revenue Suspense Account	-	-	-	-	-
Dividends Payable - Pref Stk	2,561,917	2,258,477	896,038	355,724	168,866
Due to Others - Prepetition	-	-	-	-	-
OTHER PREPETITION DEBT	2,561,917	2,258,477	896,038	355,724	168,866
I/C PAYABLE - PREPETITION	3,469,409	4,256,868	2,530,422	1,613,255	500,643
PRIORITY UNSECURED PREPETITION	-	-	-	-	-
SECURED 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	(6,222,146)	(5,766,802)	(409,435)	(552,303)	(221,627)
EQUITY	10,227,126	11,259,764	17,386,803	8,278,531	5,097,236
TOTAL LIABILITIES AND EQUITY	16,139,837	17,655,372	20,569,695	10,165,001	5,700,151

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



Debtor Case Number	Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Elimination	Consolidated
CASH AND CASH EQUIVALENTS	-	-	-	48,556,619
ACCOUNTS RECEIVABLE	-	-	-	4,623,165
NOTES RECEIVABLE	-	-	-	24,648,117
I/C RECEIVABLES PREPETITION	100	-	(981,422,784)	537,152
I/C RECEIVABLES - POST PETITION	-	-	(55,384,399)	393,829
INVESTMENTS IN SUBSIDIARIES	-	-	-	2,765,121
OTHER INVESTMENTS	-	-	-	10,516,230
BUILDING FURNISHING & FIXTURES	-	-	-	1,239,505
ACCUM DEPRECIATION	-	-	-	(996,778)
MINERAL RIGHTS	-	-	-	4,781,983
Lease Bonus	-	-	-	69,703
Leasehold Costs	-	-	-	27,664,401
Accrued Leasehold	-	-	-	24,477,331
Leasehold Costs - Producing	-	-	-	3,745,389
Lease & Well Equipment	-	-	-	173,051
Intangible Drilling Costs	-	-	-	361,639
Intangible Completion Costs	-	-	-	15,059
INVENTORY-CASING	-	-	-	-
O&G Property Acq Deposits	-	-	-	14,448
Landman/Filing Fees	-	-	-	1,844,398
Drilling Advances Paid Vendors	-	-	-	942,052
EQUIPMENT AND LEASEHOLDS	-	-	-	59,307,471
DEPOSITS AND OTHER ASSETS	376	-	-	239,741
TOTAL ASSETS	476	-	(1,036,807,184)	156,612,154

Debtor  
Case Number

Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Elimination	Consolidated
---	---	-------------	--------------

ACCOUNTS PAYABLE - POST	-	-	-	(35,775)
PAYROLL TAXES PAYABLE - POST	-	-	-	9
ACCRUED & OTHER C/L - POST	-	-	-	1,539,978
ST TAX LIABILITY	-	-	-	-
DEFERRED TAX LIABILITY	(1)	-	-	(2,221,170)
INTERCOMPANY LIABILITIES - POST	2	-	(56,244,836)	-
TOTAL POST PETITION LIABILITIES	1	-	(56,244,836)	(716,957)
UNSECURED TRADE PREPETITION	-	-	-	11,719,675
Accounts Payable - Sinclair	-	-	-	-
Revenue Payable - Sinclair	-	-	-	0
Revenue Suspense Account	-	-	-	16,996
Dividends Payable - Pref Stk	-	-	-	34,171,833
Due to Others - Prepetition	-	-	-	11,723,761
OTHER PREPETITION DEBT	-	-	-	45,912,590
I/C PAYABLE - PREPETITION	17,391	15,000	(980,562,348)	-
PRIORITY UNSECURED PREPETITION	(1,363)	554	-	(1,401)
SECURED DEBT PREPETITION	-	-	-	-
TOTAL PREPETITION DEBT	16,028	15,554	(980,562,348)	57,630,864
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	(1)	-	-	(94,424,153)
EQUITY	(15,553)	(15,554)	-	99,698,247
TOTAL LIABILITIES AND EQUITY	476	0	(1,036,807,184)	156,612,154

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

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER: 09-33886

INCOME STATEMENT					
	For the Period from June 22 to June 30, 2009	Month Ended Mar 31, 2010	Month Ended Apr 30, 2010	Month Ended May 31, 2010	QUARTER TOTAL
<b>REVENUES</b>					
1. Gross Revenues	\$ 136,578	\$ 83,737	\$ 475,514	\$ 7,398	\$ 566,649
2. Less: Returns & Discounts					\$ -
3. Net Revenue	\$ 136,578	\$ 83,737	\$ 475,514	\$ 7,398	\$ 566,649
<b>COST OF GOODS SOLD</b>					
4. Material					\$ -
5. Direct Labor					\$ -
6. Direct Costs	\$ 27,703	\$ 13,777	\$ (36,937)	\$ 1,476	\$ (21,683)
7. Total Cost Of Goods Sold	\$ 27,703	\$ 13,777	\$ (36,937)	\$ 1,476	\$ (21,683)
8. Gross Profit	\$ 108,875	\$ 69,960	\$ 512,451	\$ 5,922	\$ 588,332
<b>OPERATING EXPENSES</b>					
9. Officer / Insider Compensation	\$ 31,500	\$ -	\$ -	\$ -	\$ -
10. Selling & Marketing	\$ -	\$ -	\$ -	\$ -	\$ -
11. General & Administrative	\$ 144,117	\$ 196,332	\$ 101,350	\$ 179,763	\$ 477,445
12. Rent & Lease	\$ 1,588	\$ 11,274	\$ 11,274	\$ 11,274	\$ 33,822
13. Bad Debt Expense & Provision	\$ -	\$ -	\$ -	\$ -	\$ -
14. Total Operating Expenses	\$ 177,205	\$ 207,606	\$ 112,624	\$ 191,037	\$ 511,267
15. Income Before Non-Operating Income & Expense	\$ (68,330)	\$ (137,646)	\$ 399,827	\$ (185,115)	\$ 77,065
<b>OTHER INCOME &amp; EXPENSES</b>					
16. Non-Operating Income (Att List)	\$ -	\$ 2,143	\$ 39,512	\$ 1,868	\$ 43,523
17. Non-Operating Expense (Att List)	\$ -	\$ 29,820	\$ -	\$ -	\$ 29,820
18. Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
19. Depreciation / Depletion	\$ -	\$ -	\$ -	\$ -	\$ -
20. (Gain) Loss on Claim Settlement	\$ -	\$ (18,614,456)	\$ -	\$ -	\$ (18,614,456)
21. (Gain) / Loss on Sale of Assets	\$ -	\$ 3,121,719	\$ (403,690)	\$ -	\$ 2,718,029
22. Net Other Income & Expenses	\$ -	\$ 15,465,059	\$ 443,201	\$ 1,868	\$ 15,910,129
<b>REORGANIZATION EXPENSES</b>					
23. Professional Fees	\$ 310,000	\$ 792,026	\$ 947,004	\$ 878,127	\$ 2,617,157
24. U.S. Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ -
25. Other - Trustee Bond		\$ -	\$ -	\$ -	\$ -
26. Total Reorganization Expenses	\$ 360,000	\$ 792,026	\$ 947,004	\$ 878,127	\$ 2,617,157
27. Income Tax	\$ 62,831	\$ -	\$ -	\$ -	\$ -
28. Net Profit (Loss)	\$ (491,161)	\$ 14,535,387	\$ (103,976)	\$ (1,061,374)	\$ 13,370,037

This form X 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 May 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	-	-	-	-	-
COST OF GOODS SOLD - DIRECT COST	604	-	-	-	-
GROSS PROFIT	(604)	-	-	-	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	179,763	-	-	-	-
RENT AND LEASE	11,274	-	-	-	-
NON-OPERATING & INTEREST INCOME	-	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	878,127	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-	-	-
(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	-	-	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	(1,069,768)	-	-	-	-

Provident Royalties LLC  
Case Number 09-33886  
Statement of Income  
Supplement to ACC-2  
for the Period ended May 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
OIL AND GAS INCOME	-	-	-	-	1,066
COST OF GOODS SOLD - DIRECT COST	-	873	-	-	-
GROSS PROFIT	-	(873)	-	-	1,066
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	-	-	-	-	-
RENT AND LEASE	-	-	-	-	-
NON-OPERATING & INTEREST INCOME	-	1,235	633	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-	-	-
(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	-	-	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	-	363	633	-	1,066

Provident Royalties LLC  
Case Number 09-33886  
Statement of Income  
Supplement to ACC-2  
for the Period ended May 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
OIL AND GAS INCOME	332	-	-	6,000	-
COST OF GOODS SOLD - DIRECT COST	-	-	-	-	-
GROSS PROFIT	332	-	-	6,000	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	-	-	-	-	-
RENT AND LEASE	-	-	-	-	-
NON-OPERATING & INTEREST INCOME	-	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-	-	-
(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	-	-	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	332	-	-	6,000	-

Provident Royalties LLC  
Case Number 09-33886  
Statement of Income  
Supplement to ACC-2  
for the Period ended May 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
OIL AND GAS INCOME	-	-	-	-	-
COST OF GOODS SOLD - DIRECT COST	-	-	-	-	-
GROSS PROFIT	-	-	-	-	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	-	-	-	-	-
RENT AND LEASE	-	-	-	-	-
NON-OPERATING & INTEREST INCOME	-	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-	-	-
(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	-	-	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	-	-	-	-	-

Provident Royalties LLC  
Case Number 09-33886  
Statement of Income  
Supplement to ACC-2  
for the Period ended May 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
OIL AND GAS INCOME	-	-	-	-	-
COST OF GOODS SOLD - DIRECT COST	-	-	-	-	-
GROSS PROFIT	-	-	-	-	-
OFFICER /INSIDER COMPENSATION	-	-	-	-	-
SELLING AND MARKETING	-	-	-	-	-
GENERAL AND ADMINISTRATION	-	-	-	-	-
RENT AND LEASE	-	-	-	-	-
NON-OPERATING & INTEREST INCOME	-	-	-	-	-
BAD DEBT EXPENSE PROVISION	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-
DEPRECIATION AND DEPLETION	-	-	-	-	-
REORGANIZATION EXPENSES	-	-	-	-	-
UNITED STATES TRUSTEE FEE	-	-	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-	-	-
(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	-	-	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-	-	-
Federal Income Tax Expense	-	-	-	-	-
State Income Taxes	-	-	-	-	-
INCOME TAX	-	-	-	-	-
NET PROFIT	-	-	-	-	-



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

Debtor  
Case Number

	Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Consolidated
OIL AND GAS INCOME	-	-	7,398
COST OF GOODS SOLD - DIRECT COST	-	-	1,476
GROSS PROFIT	-	-	5,922
OFFICER /INSIDER COMPENSATION	-	-	-
SELLING AND MARKETING	-	-	-
GENERAL AND ADMINISTRATION	-	-	179,763
RENT AND LEASE	-	-	11,274
NON-OPERATING & INTEREST INCOME	-	-	1,868
BAD DEBT EXPENSE PROVISION	-	-	-
INTEREST EXPENSE	-	-	-
DEPRECIATION AND DEPLETION	-	-	-
REORGANIZATION EXPENSES	-	-	878,127
UNITED STATES TRUSTEE FEE	-	-	-
(GAIN) LOSS ON CLAIM SETTLEMENT	-	-	-
(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	-	-	-
(Gain)/Loss on Leasehold Sale	-	-	-
Loss on Office Furniture/Equipment Sale	-	-	-
(GAIN) LOSS ON ASSET SALES	-	-	-
PRIOR PERIOD ACCOUNTING ADJUSTMENTS	-	-	-
Federal Income Tax Expense	-	-	-
State Income Taxes	-	-	-
INCOME TAX	-	-	-
NET PROFIT	-	-	(1,061,374)

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER: 09-33886

CASH RECEIPTS AND DISBURSEMENTS	MONTH ENDED Mar 31, 2010	MONTH ENDED Apr 30, 2010	MONTH ENDED May 31, 2010	QUARTER TOTAL
1. Cash - Beginning Of Month	\$ 58,950,224	\$ 57,837,072	\$ 57,837,072	\$ 58,950,224
<b>RECEIPTS FROM OPERATIONS</b>				
2. Cash Sales from Asset Sales	\$ 47,985	\$ 507	\$ -	\$ 48,492
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. Refunds of Advances	\$ 306,419	\$ -	\$ -	\$ 306,419
4. Oil and Gas Revenue Receipts	\$ 86,638	\$ 425,453	\$ 6,048	\$ 518,139
5. Total Operating Receipts	\$ 441,042	\$ 425,960	\$ 6,048	\$ 873,050
<b>NON-OPERATING RECEIPTS</b>				
6. Loans & Advances (Attach List)	\$ -	\$ -	\$ -	\$ -
7. Sale of Assets	\$ -	\$ -	\$ -	\$ -
8. Other / Interfund transfers	\$ 28,653	\$ 40,343	\$ 2,872	\$ 71,868
9. Total Non-Operating Receipts	\$ 28,653	\$ 40,343	\$ 2,872	\$ 71,868
10. Total Receipts	\$ 469,695	\$ 466,303	\$ 8,920	\$ 944,918
11. Total Cash Available	\$ 59,419,919	\$ 58,303,375	\$ 57,845,992	\$ 59,895,142
<b>OPERATING DISBURSEMENTS</b>				
12. Net Payroll	\$ 29,271	\$ 36,020	\$ 42,014	\$ 107,305
13. Payroll Taxes Paid	\$ 17,538	\$ 13,611	\$ 12,044	\$ 43,193
14. Sales, Use & Other Taxes Paid	\$ 60,020	\$ -	\$ 49,946	\$ 109,966
15. Secured / Rental / Leases	\$ 11,274	\$ 11,274	\$ 11,274	\$ 33,822
16. Utilities	\$ 1,123	\$ 2,118	\$ 1,106	\$ 4,347
17. Insurance	\$ -	\$ 1,986	\$ 26,752	\$ 28,738
18. Inventory Purchases				\$ -
19. Vehicle Expenses				\$ -
20. Travel				\$ -
21. Entertainment				\$ -
22. Repairs & Maintenance				\$ -
23. Supplies				\$ -
24. Sinclair Settlement Payment		\$ 8,000,000	\$ -	\$ 8,000,000
25. Other (Attach List)	\$ 66,055	\$ 157,430	\$ 56,388	\$ 279,873
26. Total Operating Disbursements	\$ 185,281	\$ 8,222,439	\$ 199,524	\$ 8,607,244
<b>REORGANIZATION DISBURSEMENTS</b>				
27. Professional Fees	\$ 1,397,566	\$ 525,359	\$ 786,902	\$ 2,709,827
28. U.S. Trustee Fees	\$ -	\$ 21,450	\$ -	\$ 21,450
29. Other (Attach List)	\$ -	\$ -	\$ -	\$ -
30. Total Reorganization Expenses	\$ 1,397,566	\$ 546,809	\$ 786,902	\$ 2,731,277
31. Total Disbursements	\$ 1,582,847	\$ 8,769,249	\$ 986,426	\$ 11,338,522
32. Net Cash Flow	\$ (1,113,152)	\$ (8,302,945)	\$ (977,506)	\$ (10,393,603)
33. Cash - End of Month	\$ 57,837,072	\$ 49,534,127	\$ 56,859,566	\$ 48,556,621

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

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER: 09-33886

CASH RECEIPTS AND DISBURSEMENTS				
	MONTH ENDED	MONTH ENDED	MONTH ENDED	QUARTER
NON-OPERATING RECEIPTS	Mar 31, 2010	Apr 30, 2010	May 31 Apr 30, 2010	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	6,500	8,238	13,877	28,615
B. Technology	4,110	5,201	3,324	12,635
C. Other Expenses	2,992	611	1,569	5,172
D. Other Disbursements				0
E. Lease Operating Expenses	6,190	3,369	7,832	17,391
F. Employee Benefits	1,101	20,800	16,805	38,706
G. Office Supplies	2,134	808	941	3,883
H. Prior Period accounting adjustment	0	0	0	0
I. Drilling costs	0	0	0	0
J. Revenue due to Purchasers	1,884	92,455	1,993	96,332
K. Ordinary Course Professional	29,102	19,591	10,047	58,740
L. Imaging Project costs	12,042	6,357	0	18,399
M. Well election payments	0	0	0	0
N.				0
TOTAL OTHER OPERATING DISBURSEMENTS - LINE 25	66,055	157,430	56,388	279,873

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

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

Provident Resources LLC  
case number 09-33886Supplement to Accrual Basis - 3 Schedule  
Receipts and Disbursements for period ended May 31, 2010Debtor  
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
--	--	--------------------------------------	--------------------------------------

Beginning Cash in Bank	86,083	(0)	-	-
------------------------	--------	-----	---	---

## Receipts:

Advance Refunds  
Proceeds - Asset Sales  
Oil and Gas Revenues  
Other Receipts

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

## Disbursements

Lease Operating Expense	7,832
Well Election Payments	
Revenues due to Purchasers	1,993
Salaries	42,014
Payroll Taxes	12,044
Employee Benefits	16,805
Rent	11,274
Utilities/Telephones/Communication	1,106
Technology	3,324
Office Supplies	941
Insurance	26,752
Contract Services	13,877
Other Expenses	1,569
Taxes - State, Franchise and Other	49,946
Sinclair Settlement Payment	-
Professional Fees & Expenses	786,902
US Trustee Fees	-
Imaging Project	-
Ordinary Course Professionals	10,047

Total Disbursements	986,426	-	-	-
---------------------	---------	---	---	---

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

968,971	-	-	-
968,971	-	-	-

Ending Cash in Bank	68,629	(0)	-	-
---------------------	--------	-----	---	---

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

Supplement to Accrual Basis - 3 Schedule  
 Receipts and Disbursements for period ended May 31, 2010

Debtor  
 Case Number

Provident Energy 3 LP 09-33899	Provident Resources 1, LP 09-33887	Somerset Development Inc 09-33912	Somerset Lease Holdings Inc 09-33892
--------------------------------------	--	---	--

Beginning Cash in Bank	-	0	32,819,319	16,628,725
------------------------	---	---	------------	------------

## Receipts:

Advance Refunds				
Proceeds - Asset Sales				
Oil and Gas Revenues			6,048	
Other Receipts			2,218	654
Total Receipts	-	-	8,266	654

## Disbursements

Lease Operating Expense  
 Well Election Payments  
 Revenues due to Purchasers  
 Salaries  
 Payroll Taxes  
 Employee Benefits  
 Rent  
 Utilities/Telephones/Communication  
 Technology  
 Office Supplies  
 Insurance  
 Contract Services  
 Other Expenses  
 Taxes - State, Franchise and Other  
 Sinclair Settlement Payment  
 Professional Fees & Expenses  
 US Trustee Fees  
 Imaging Project  
 Ordinary Course Professionals

Total Disbursements	-	-	-	-
Transfer to Other Debtor Accounts			(959,879)	(9,093)
Transfer from Other Debtors Accounts				
Prior Period Adjustment				
Total Inter Company funds transfers	-	-	(959,879)	(9,093)

Ending Cash in Bank	-	0	31,867,707	16,620,286
---------------------	---	---	------------	------------

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

Provident Royalties LLC

case number 09-33886

Supplement to Accrual Basis - 3 Schedule

Receipts and Disbursements for period ended May 31, 2010

Debtor  
Case Number

Shale Royalties II, Inc. 09-33889	Shale Royalties 3, Inc. 09-33891	Shale Royalties 4, Inc. 09-33890	Shale Royalties 5, Inc. 09-33895
---	--	--	--

Beginning Cash in Bank

- - (0) -

## Receipts:

Advance Refunds  
Proceeds - Asset Sales  
Oil and Gas Revenues  
Other Receipts

Total Receipts

- - - -

## Disbursements

Lease Operating Expense  
Well Election Payments  
Revenues due to Purchasers  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes - State, Franchise and Other  
Sinclair Settlement Payment  
Professional Fees & Expenses  
US Trustee Fees  
Imaging Project  
Ordinary Course Professionals

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.

Provident Royalties LLC

case number 09-33886

Supplement to Accrual Basis - 3 Schedule  
Receipts and Disbursements for period ended May 31, 2010Debtor  
Case Number

Shale Royalties 6, Inc. 09-33896	Shale Royalties 7, Inc. 09-33898	Shale Royalties 8, Inc. 09-33900	Shale Royalties 9, Inc. 09-33902
--	--	--	--

Beginning Cash in Bank

- - (0) (0)

## Receipts:

Advance Refunds  
Proceeds - Asset Sales  
Oil and Gas Revenues  
Other Receipts

Total Receipts

- - - -

## Disbursements

Lease Operating Expense  
Well Election Payments  
Revenues due to Purchasers  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes - State, Franchise and Other  
Sinclair Settlement Payment  
Professional Fees & Expenses  
US Trustee Fees  
Imaging Project  
Ordinary Course Professionals

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) (0)

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

Provident Royalties LLC

case number 09-33886

Supplement to Accrual Basis - 3 Schedule  
Receipts and Disbursements for period ended May 31, 2010Debtor  
Case Number

Shale Royalties 10, Inc. 09-33901	Shale Royalties 12, Inc. 09-33903	Shale Royalties 14, Inc. 09-33905	Shale Royalties 15, Inc. 09-33904
---	---	---	---

Beginning Cash in Bank

- (0) - -

## Receipts:

Advance Refunds  
Proceeds - Asset Sales  
Oil and Gas Revenues  
Other Receipts

Total Receipts

- - - -

## Disbursements

Lease Operating Expense  
Well Election Payments  
Revenues due to Purchasers  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes - State, Franchise and Other  
Sinclair Settlement Payment  
Professional Fees & Expenses  
US Trustee Fees  
Imaging Project  
Ordinary Course Professionals

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 ☒ does not have related  
footnotes on Footnotes Supplement.



Provident Royalties LLC  
case number 09-33886Supplement to Accrual Basis - 3 Schedule  
Receipts and Disbursements for period ended May 31, 2010Debtor  
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
---	---	---	---

Beginning Cash in Bank

- 0 - -

## Receipts:

Advance Refunds  
Proceeds - Asset Sales  
Oil and Gas Revenues  
Other Receipts

Total Receipts

- - - -

## Disbursements

Lease Operating Expense  
Well Election Payments  
Revenues due to Purchasers  
Salaries  
Payroll Taxes  
Employee Benefits  
Rent  
Utilities/Telephones/Communication  
Technology  
Office Supplies  
Insurance  
Contract Services  
Other Expenses  
Taxes - State, Franchise and Other  
Sinclair Settlement Payment  
Professional Fees & Expenses  
US Trustee Fees  
Imaging Project  
Ordinary Course Professionals

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.

Provident Royalties LLC  
case number 09-33886Supplement to Accrual Basis - 3 Schedule  
Receipts and Disbursements for period ended May 31, 2010Debtor  
Case Number

Shale Royalties 20, Inc. 09-33910	Shale Royalties 21, Inc. 09-33909	Shale Royalties 22, Inc. 09-33911	Consolidated
---	---	---	--------------

Beginning Cash in Bank	-	-	-	49,534,128
------------------------	---	---	---	------------

## Receipts:

Advance Refunds	-
Proceeds - Asset Sales	-
Oil and Gas Revenues	6,048
Other Receipts	2,872

Total Receipts	-	-	-	8,920
----------------	---	---	---	-------

## Disbursements

Lease Operating Expense	7,832
Well Election Payments	-
Revenues due to Purchasers	1,993
Salaries	42,014
Payroll Taxes	12,044
Employee Benefits	16,805
Rent	11,274
Utilities/Telephones/Communication	1,106
Technology	3,324
Office Supplies	941
Insurance	26,752
Contract Services	13,877
Other Expenses	1,569
Taxes - State, Franchise and Other	49,946
Sinclair Settlement Payment	-
Professional Fees & Expenses	786,902
US Trustee Fees	-
Imaging Project	-
Ordinary Course Professionals	10,047

Total Disbursements	-	-	-	986,426
---------------------	---	---	---	---------

Transfer to Other Debtor Accounts	(968,971)
-----------------------------------	-----------

Transfer from Other Debtors Accounts	968,971
--------------------------------------	---------

Prior Period Adjustment	-
-------------------------	---

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

Ending Cash in Bank	-	-	-	48,556,622
---------------------	---	---	---	------------

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

CASE NAME: PROVIDENT ROYALTIES LLC ACCRUAL BASIS - 4

CASE NUMBER: 09-33886

ACCOUNTS RECEIVABLE AGING (estimated)	MONTH ENDED	MONTH ENDED	MONTH ENDED
	Mar 31, 2010	Apr 30, 2010	May 31, 2010
1. 0 - 30	\$ -	\$ 6,000	\$ 6,000
2. 31 - 60	\$ 45,163	\$ 6,000	\$ 6,000
3. 61 - 90	\$ 124,580	\$ 45,163	\$ 6,000
4. 91 +	\$ 4,758,432	\$ 5,013,786	\$ 5,058,949
5. Total Accounts Receivable	\$ 4,928,175	\$ 5,070,949	\$ 5,076,949
6. (Amount Considered Uncollectible)	\$ (453,784)	\$ (453,784)	\$ (453,784)
7. Accounts Receivable (Net)	\$ 4,474,391	\$ 4,617,165	\$ 4,623,165

MONTH: May-10				
AGING OF POST PETITION TAXES AND PAYABLES				
TAXES PAYABLE	0 - 30 DAYS	61 - 90 DAYS	91 + DAYS	TOTAL
1. Federal	\$ -	\$ -	\$ -	\$ -
2. State	\$ -	\$ -	\$ -	\$ -
3. Local	\$ -	\$ -	\$ -	\$ -
4. Other (Attach List)	\$ -	\$ -	\$ -	\$ -
5. Total Taxes Payable	\$ -	\$ -	\$ -	\$ -
6. Accounts Payable	\$ (24,734)	\$ -	\$ -	\$ (24,734)

MONTH: May-10			
STATUS OF POST PETITION TAXES			
FEDERAL	AMOUNT WITHHELD AND/OR ACCRUED	(AMOUNT PAID)	ENDING TAX LIABILITY
1. Withholding **	\$ 6,521	\$ (6,521)	\$ -
2. FICA - Employee **	\$ 4,049	\$ (4,049)	\$ -
3. FICA - Employer **	\$ 4,049	\$ (4,049)	\$ -
4. COBRA credit against payroll taxes	\$ (6,872)	\$ 6,872	\$ -
5. Income	\$ -	\$ -	\$ -
6. Other (Attach List)	\$ -	\$ -	\$ -
7. Total Federal Taxes	\$ 7,747	\$ (7,747)	\$ -
STATE AND LOCAL			
8. Withholding	\$ -	\$ -	\$ -
9. Sales	\$ -	\$ -	\$ -
10. Excise	\$ -	\$ -	\$ -
11. Unemployment	\$ 4,297	\$ (4,297)	\$ -
12. Real Property	\$ -	\$ -	\$ -
13. Personal Property	\$ -	\$ -	\$ -
14. Franchise Tax -DE and OK	\$ -	\$ -	\$ -
15. Total State And Local	\$ 4,297	\$ (4,297)	\$ -
16. Total Taxes	\$ 12,043	\$ (12,043)	\$ -

\* 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.

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER 09-33886

ACCRUAL BASIS - 5

The debtor in possession must complete the reconciliation below for each bank account, including all general,  
MONTH ENDED: May-10

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	\$ 404,648	\$ 31,867,707	\$ 16,620,286	\$ -	
2. Add: Total Deposits Not Credited			\$ -		
3. Subtract: Outstanding Checks	\$ (336,019)				
4. Other Reconciling Items					
5. Month End Balance Per Books	\$ 68,629	\$ 31,867,707	\$ 16,620,286	\$ -	
6. Number of Last Check Written					

INVESTMENT ACCOUNTS					
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE		CURRENT VALUE
A. RLI Insurance Drawn LOC for cash collateral	04/30/10	Holding Cash as Collateral for Surety Bond to BIA	\$ 150,000		\$ 150,000
B. Texas Capital Bank Interest from CD that backed LOC	04/30/10	cash due to Debtors from CD interest	\$ 4,746		\$ 4,746
C.					
D.					
TOTAL OTHER INVESTMENT ACCOUNTS - LINE 10			\$ 154,746		\$ 154,746

CASE NAME: PROVIDENT ROYALTIES LLC

CASE NUMBER 09-33886

ACCRUAL BASIS - 5 (a)

The debtor in possession must complete the reconciliation below for each bank account, including all general,  
MONTH ENDED: May-10

BANK RECONCILIATIONS	Account # 5	Account # 6	Account # 7	Account # 8	
A. BANK:	Chase				TOTAL
B. DEBTOR	Provident Royalties LLC				
C. ACCOUNT NUMBER:	2521				OTHER BANK ACCOUNTS
D. PURPOSE (TYPE):	Payroll ZBA				
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

CASE NAME: PROVIDENT ROYALTIES LLC

ACCRUAL BASIS - 6

CASE NUMBER: 09-33886

MONTH ENDED May-10

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

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		\$ 4,250	\$ 54,528
6. Total Payments To Insiders		\$ 4,250	\$ 143,354

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	\$ 251,782	\$ 1,143,815	\$ 230,000
2. Raymond James		\$ 300,000	\$ -	\$ 2,974,601	\$ -
3. Munsch Hardt		\$ -	\$ 265,522	\$ 2,142,423	\$ 734,609
4. Dennis Roosseini, Trustee		\$ -	\$ 22,098	\$ 238,088	\$ 62,632
5. (Attach List)		\$ 583,669	\$ 247,501	\$ 3,052,265	\$ 580,731
6. Total Payments to or Accrual for Professionals*		\$ 889,096	\$ 786,902	\$ 9,551,191	\$ 1,607,972

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.			
2.			
3.			
4.			
5.			
6.			
7. TOTAL			

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

CASE NAME: PROVIDENT ROYALTIES LLC

SUPPLEMENT TO

CASE NUMBER: 09-33886

ACCRUAL BASIS - 6

PAYMENTS TO INSIDERS AND PROFESSIONALS

MONTH ENDED: May-10

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
A. Brian Grindem	insurance	-	(0)
B. Paul R. Melbye	insurance	1,566	15,452
C. William M. Miller	insurance	-	12,321
D. Harvey R. Smith	insurance	-	2,707
E. Henry D Harrison	insurance	1,118	9,949
F. Brendan W Coughlin	insurance	1,566	14,100
G.			
H.			
TOTAL OTHER PAYMENTS TO INSIDERS - LINE 5		4,250	54,528

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		300,000	132,026	1,075,055	299,544
B. Patton Boggs		283,669	-	4,569	-
Litzler Segner Shaw & McKenney		-	-	92,458	15,894
D. Gardere Wynn Sewell		-	37,877	943,666	91,912
E. Fox Rothschild		-	-	284,364	-
F. Rochelle McCullough		-	77,598	606,828	150,284
G. OIC Committee Expense		-	-	45,325	12,000
H. Warner Norcross Judd		-	-	-	11,098
TOTAL OTHER PAYMENTS TO PROFESSIONALS-LINE 5		583,669	247,501	3,052,265	580,731

\* 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.

CASE NAME: PROVIDENT ROYALTIES LLC

ACCRUAL BASIS - 7

CASE NUMBER: 09-33886

MONTH: May-10

QUESTIONNAIRE

	YES	NO
1. Have any Assets been sold or transferred outside the normal course of business this reporting period?		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?		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?		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	5/5/2010- 5/5/2011	paid in full
General Liability	St Paul Surplus Line	5/5/2010- 5/5/2011	paid in full
Umbrella Coverage	St Paul Surplus Line	5/5/2010- 5/5/2011	paid in full
Directors and Officers	Navigator / Beasley	12/08/2009- 12/08/2010	paid in full

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



CASE NAME: PROVIDENT ROYALTIES LLC FOOTNOTES SUPPLEMENT

CASE NUMBER: 09-33886 ACCRUAL BASIS

MONTH: May-10

ACCRUAL BASIS FORM NUMBER	LINE NUMBER	FOOTNOTE / EXPLANATION
Accrual Basis -1 (and supplemental schedules)	1	Cash Accounts are reconciled to bank statements on a monthly basis.
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 will be subject to stipulation to reduce operator prepetition liabilities. Additionally, reserves for doubtful accounts have been established for certain receivable where the counterparty recently has filed Chapter 7 bankruptcy as shown on schedule 4
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.
Accrual Basis -1 (and supplemental schedules)	10	Property Plant & Equipment represent the acquisition cost of furniture, computers, software and other office equipment. In December, a substantial amount of the surplus office furnishing and equipment were sold at auction and the cost of those assets have been removed from the books in recording the sale transaction. The Debtors lease office space.
Accrual Basis -1 (and supplemental schedules)	14	Other Assets represent the incurred costs for remaining 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 cost of the assets sold in (1) the Sinclair sale transaction from September 2009, (2) the Mineral Rights sale transactions that closed in November 2009 and December 2009 and (3) the Anadarko leasehold sale to Devon in February 2010 and (4) Carter County leasehold sale to XTO in March 2010 have been removed from the books in recording the sale transaction. There will be additional transactions recorded for the sale of remaining assets occur.
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)	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, and Accumulated Dividends not paid.
Accrual Basis -2 and Supplement 2b	13 - Bad Debt Expense and Provision	This account represents either for a doubtful collection of a receivable due from a third party, principally due to a Chapter 7 bankruptcy filing, and the writeoff of an receivable that is deemed uncollectible.
Accrual Basis -2 and Supplement 2b	20 - (Gain) / loss on Claims Settlement	In March 2010, the settlement of the Sinclair prepetition unsecured debt was recorded.
Accrual Basis -2 and Supplement 2b	21 / (Gain) / Loss on Sale of Assets	This account represents either the (gain) or loss on the sale of assets. There have been sales of mineral, lease, well and related assets to (1) Sinclair in September 2009, (2) sales of Mineral Rights to three purchasers that closed in November and December 2009, (3) sale of surplus office furnishing and equipment in November 2009 (4) sale of Anadarko leasehold interest to Devon in February 2010 and (5) the sale of the Carter County leasehold interest to XTO. The debtors have also recorded the write off of certain drilling advances that were either sold in the Sinclair transaction.

CASE NAME:	PROVIDENT ROYALTIES LLC	FOOTNOTES SUPPLEMENT
CASE NUMBER:	09-33886	ACCRUAL BASIS
MONTH:		May-10

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 an estimate for parties who have not submitted invoices as of the end of the Reporting Period.