

MCF = thousand cubic ft. (amount of oil from well). Income #1 = amount Horizon earned from Well #1. Last column shows figures for well #2 were similar to #1. Royalty amounts are for a 1.04% share.

2010 Month	MCF #1	Income #1	Royalty #1	Deviation #2
January	640	5,234.90	54.53	insignificant
February	645	5,357.21	55.80	"
March	561	5,071.55	52.83	"
April	552	5,150.88	53.66	"
May	677	5,755.41	59.95	"
June	758	4,061.85	42.31	"
July	716	2,950.84	30.74	"
August	385	1,581.87	16.48	"
September	682	3,034.06	31.60	"
October	304	1,612.32	16.80	"
November	739	3,620.33	37.71	"

2009 Month	MCF #1	Income #1	Royalty #1	Deviation #2
May	664	5,986.00	62.35	insignificant
June	676	4,460.03	46.46	"
July	723	4,488.57	46.76	"
August	709	5,075.75	52.87	"
September	687	4,734.79	49.32	"
October	763	5,056.29	52.67	"
November	*			
December	714	4,734.89	49.32	"

\*No detailed information for this month. Royalties for both wells totaled \$94.60, and \$82.01 was deducted for Braxton Co. taxes.

Natural Gas Wellhead Prices from [www.eia.doe.gov](http://www.eia.doe.gov) :

2009: "Natural gas prices in 2009 fell to their lowest level in 7 years. The wellhead price averaged \$3.71 per thousand cubic feet (MCF) during 2009, compared with \$7.96 per MCF in 2008."

2010: The average wellhead prices for 2010 so far can be calculated from monthly figures at [www.eia.gov/dnav/ng/hist/n9190us3m.htm](http://www.eia.gov/dnav/ng/hist/n9190us3m.htm) . My calculations show that average is \$4.33. And the average for June, July, and September of 2010 is \$4.13. These months had the lowest royalties from similar MCFs. An average price like this would not seem to explain such low royalties. I don't see how the diminished royalties can be blamed on a bad economy.