

STATE OF NEVADA
 COMMISSION OF MINERAL RESOURCES
 DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89703
 Phone: (775) 684-7040 - Fax: (775) 684-7052

RECEIVED

JAN 22 2008

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: December
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	542.94	442.21	16.50	13448.44				31.00	Pumping
38-35	793	35	9N	57E	801.50	652.78	16.5	15918.56				31.0	Pumping
47-35	799	35	9N	57E	206.86	168.47	16.5	11390.00				31.0	Pumping
TOTALS					1551.30	1263.46		40757.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	205.03	1551.30		1263.46	Foreland Refining Corp.	492.87	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1263.46

Fee at \$0.10 per barrel sold _____ \$126.35

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$126.35

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 1/18/2008

INSTRUCTIONS:

Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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DEC 28 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: November
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	473.02	539.73	16.80	11914.78				30.00	Pumping
38-35	793	35	9N	57E	698.22	796.69	16.8	14103.15				30.0	Pumping
47-35	799	35	9N	57E	180.21	205.64	16.8	10091.07				30.0	Pumping
TOTALS					1351.45	1542.06		36109.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	395.64	1351.45		1542.06	Foreland Refining Corp.	205.03	5000

GAS

MCF used on lease _____

MCF sold _____

MCF blown to air (difference) _____

Gas Purchaser _____

Used for Gas Lift

_____ MCF use on lease

_____ MCF used on _____ lease.

_____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ **1542.06**

Fee at \$0.10 per barrel sold _____ **\$154.21**

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ **\$154.21**

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* **Gerald Lucero**

Position Production Manager

Telephone 720-932-0220 x-23

Date 12/21/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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RECEIVED

NOV 26 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: October
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	469.10	508.09	16.60	12592.84				31.00	Pumping
38-35	793	35	9N	57E	692.44	750.02	16.6	14905.78				31.0	Pumping
47-35	799	35	9N	57E	178.73	193.57	16.6	10665.38				31.0	Pumping
TOTALS					1340.27	1451.68		38164.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	507.05	1340.27		1451.68	Foreland Refining Corp.	395.64	5000

GAS

MCF used on lease _____ Used for Gas Lift

MCF sold _____ MCF use on lease

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1451.68

Fee at \$0.10 per barrel sold _____ \$145.17

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$145.17

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 11/19/2007

INSTRUCTIONS:

Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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OCT 22 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: September
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	544.37	556.77	16.50	12747.59				30.00	Pumping
38-35	793	35	9N	57E	803.59	821.90	16.5	15089.00				30.0	Pumping
47-35	799	35	9N	57E	207.37	212.12	16.5	10796.41				30.0	Pumping
TOTALS					1555.33	1590.79		38633.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	542.51	1555.33		1590.79	Foreland Refining Corp.	507.05	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1590.79

Fee at \$0.10 per barrel sold _____ \$159.08

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$159.08

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 10/17/2007

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OCT 03 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: August
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS				Status:
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test	No. Days Prod.	Flowing Pumping, Gas Lift, etc.
48-35	779	35	9N	57E	513.01	553.26	17.00	12897.07				31.00	Pumping
38-35	793	35	9N	57E	757.31	816.74	17.0	15265.90				31.0	Pumping
47-35	799	35	9N	57E	195.45	210.76	17.0	10923.03				31.0	Pumping
TOTALS					1465.77	1580.76		39086.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	657.5	1465.77		1580.76	Foreland Refining Corp.	542.51	5000

GAS

MCF used on lease _____ Used for Gas Lift _____
MCF sold _____ MCF use on lease _____
MCF blown to air (difference) _____ MCF used on _____ lease.
Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month	1580.76
Fee at \$0.10 per barrel sold	\$158.08
MCF gas sold during month	
Fee at \$0.10 per 50,000 MCF	
Total monies remitted herewith to Division of Minerals	\$158.08

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name Gerald Lucero Gerald Lucero
Position Production Manager
Telephone 720-932-0220 x-23
Date 10/2/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: July
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	580.24	493.00	17.20	14807.24				31.00	Pumping
38-35	793	35	9N	57E	856.56	727.77	17.2	17526.93				31.0	Pumping
47-35	799	35	9N	57E	221.03	187.81	17.2	12540.83				31.0	Pumping
TOTALS					1657.83	1408.58		44875.00					

Method of determining water production:

Shake out
 Estimate
 XXX (Well test)
 Draw off

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	408.25	1657.83		1408.58	Foreland Refining Corp.	657.5	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1408.58

Fee at \$0.10 per barrel sold _____ \$140.86

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$140.86

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 8/29/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: June
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	590.63	609.62	16.90	13363.62				30.00	Pumping
38-35	793	35	9N	57E	871.83	899.87	16.9	15818.20				30.0	Pumping
47-35	799	35	9N	57E	225.00	232.22	16.9	11318.18				30.0	Pumping
TOTALS					1687.46	1741.71		40500.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	462.5	1687.46		1741.71	Foreland Refining Corp.	408.25	5000

GAS

MCF used on lease _____ Used for Gas Lift _____
 MCF sold _____ MCF use on lease _____
 MCF blown to air (difference) _____ MCF used on _____ lease.
 Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1741.71
 Fee at \$0.10 per barrel sold _____ \$174.17
 MCF gas sold during month _____
 Fee at \$0.10 per 50,000 MCF _____
 Total monies remitted herewith to Division of Minerals _____ \$174.17

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero
 Position Production Manager
 Telephone 720-932-0220 x-23
 Date 7/25/2007

INSTRUCTIONS:

Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

STATE OF NEVADA
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DIVISION OF MINERALS

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Carson City, Nevada 89703

Phone: (775) 684-7040 - Fax: (775) 684-7052

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JUN 28 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: May
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	502.87	416.40	16.50	11362.10				31.00	Pumping
38-35	793	35	9N	57E	742.33	614.65	16.5	13448.94				31.0	Pumping
47-35	799	35	9N	57E	191.58	158.64	16.5	9622.96				31.0	Pumping
TOTALS					1436.78	1189.69		34434.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	215.41	1436.78		1189.69	Foreland Refining Corp.	462.5	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1189.69

Fee at \$0.10 per barrel sold _____ \$118.97

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$118.97

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 6/25/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: April
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	499.70	551.39	16.30	10954.23				30.00	Pumping
38-35	793	35	9N	57E	737.70	814.03	16.3	12966.23				30.0	Pumping
47-35	799	35	9N	57E	190.38	210.07	16.3	9277.54				30.0	Pumping
TOTALS					1427.78	1575.49		33198.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	363.12	1427.78		1575.49	Foreland Refining Corp.	215.41	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1575.49

Fee at \$0.10 per barrel sold _____ \$157.55

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$157.55

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 5/24/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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APR 30 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: March
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	489.01	457.83	17.50	11012.94				31.00	Pumping
38-35	793	35	9N	57E	721.87	675.85	17.5	13035.77				31.0	Pumping
47-35	799	35	9N	57E	186.28	174.41	17.5	9327.29				31.0	Pumping
TOTALS					1397.16	1308.09		33376.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	274.05	1397.16		1308.09	Foreland Refining Corp.	363.12	5000

GAS

MCF used on lease _____ Used for Gas Lift _____
MCF sold _____ MCF use on lease _____
MCF blown to air (difference) _____ MCF used on _____ lease.
Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1308.09
Fee at \$0.10 per barrel sold _____ \$130.81
MCF gas sold during month _____
Fee at \$0.10 per 50,000 MCF _____
Total monies remitted herewith to Division of Minerals _____ \$130.81

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero
Position Production Manager
Telephone 720-932-0220 x-23
Date 4/26/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

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MAR 26 2007

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: February
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	467.01	624.73	16.60	10289.00				28.00	Pumping
38-35	793	35	9N	57E	689.46	922.30	16.6	12178.82				28.0	Pumping
47-35	799	35	9N	57E	177.93	238.02	16.6	8714.18				28.0	Pumping
TOTALS					1334.40	1785.05		31182.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT

PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	724.7	1334.40		1785.05	Foreland Refining Corp.	274.05	5000

GAS

MCF used on lease _____ Used for Gas Lift _____

MCF sold _____ MCF use on lease _____

MCF blown to air (difference) _____ MCF used on _____ lease.

Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1785.05

Fee at \$0.10 per barrel sold _____ \$178.51

MCF gas sold during month _____

Fee at \$0.10 per 50,000 MCF _____

Total monies remitted herewith to Division of Minerals _____ \$178.51

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name *Gerald Lucero* Gerald Lucero

Position Production Manager

Telephone 720-932-0220 x-23

Date 3/26/2007

INSTRUCTIONS: Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.

STATE OF NEVADA
 COMMISSION OF MINERAL RESOURCES

RECEIVED

FEB 22 2007

DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89703
 Phone: (775) 684-7040 - Fax: (775) 684-7052

Division of Minerals

OIL AND GAS PRODUCER'S MONTHLY REPORT

Company: Meritage Energy Company, LLC

Address: 1600 Broadway, Suite 1360
 Denver, Colorado 80202-4913

Lease: N-42341 Pool: Ghost Ranch

County: Nye Month: January
 Year: 2007

LOCATION					OIL AND WATER (BBLs.)				GAS			No. Days Prod.	Status: Flowing Pumping, Gas Lift, etc.
Well No.	Permit No.	Sec.	Twp.	Rge	Net Oil Prod.	Net Oil Sold	Grav.	Water Prod.	Tot. gas Prod. MCF	Gas-oil Ratio	Date of Test		
48-35	779	35	9N	57E	509.67	505.04	16.60	11200.01				31.00	Pumping
38-35	793	35	9N	57E	752.38	751.41	16.6	13257.21				31.0	Pumping
47-35	799	35	9N	57E	194.17	190.89	16.6	9485.78				31.0	Pumping
TOTALS					1456.22	1447.34		33943.00					

Method of determining water production:

Shake out _____ Estimate XXX (Well test) Draw off _____

OIL AND GAS PRODUCER'S REPORT MONTHLY REPORT
PAGE 2

(Following report is on lease basis)

No. of Wells	Total amount of oil on lease at beginning of month	Actual oil produced	DISPOSITION OF OIL			Total amount oil on lease	Total capacity lease tanks
			Bbls. To pipeline	Bbls. To truck or R.R.	Name of Transporter		
3	715.82	1456.22		1447.34	Foreland Refining Corp.	724.7	5000

GAS

MCF used on lease _____ Used for Gas Lift
MCF sold _____ MCF use on lease
MCF blown to air (difference) _____ MCF used on _____ lease.
Gas Purchaser _____ MCF used on _____ lease.

SUMMARY

Barrel oil sold during month _____ 1447.34
Fee at \$0.10 per barrel sold _____ \$144.73
MCF gas sold during month _____
Fee at \$0.10 per 50,000 MCF _____
Total monies remitted herewith to Division of Minerals _____ \$144.73

REMARKS:

I hereby certify that the information given herewith is true, correct and complete.

Name Gerald Lucero Gerald Lucero
Position Production Manager
Telephone 720-932-0220 x-23
Date 2/23/2007

INSTRUCTIONS:

Prepare in quadruplicate. First three copies to the Division of Minerals with remittance. Last copy for your file.