

# The ICG System of Property Tax Relief™



*Extraordinary Service Systems for:*

**OIL & GAS PRODUCTION**



**INDUSTRY CONSULTING GROUP, INC.**

# THE REDUCTION OF TAXABLE VALUES OF OPERATED PROPERTIES...

That is our business and no one does it better!

We are armed with the experience and tools to effectively analyze, negotiate and obtain the lowest possible valuations for our clients.

You see our difference in our work with appraisers, in the way we play a part in affecting projected tax values of oil and gas – and positively in the professional, aggressive manner in which we negotiate values.

We understand the equations needed to establish appraisal values and the many parameters that have to be considered.

Over one-third million properties have been placed under our representation.

We are wherever your properties are – in all producing states.

When sensible tax values need to be established on your properties - Industry Consulting Group will be the RIGHT CHOICE.

## DECLINE CURVE ANALYSIS

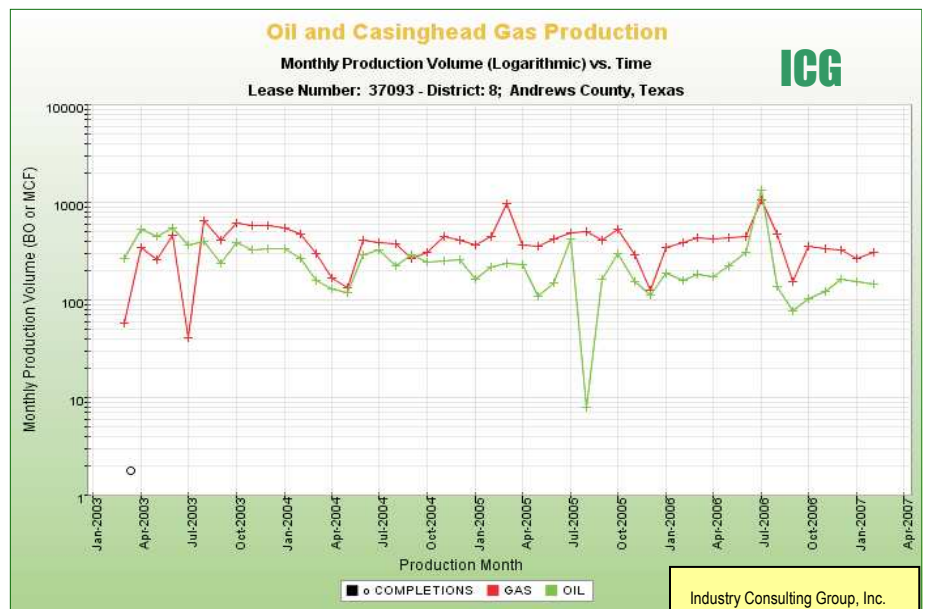
ICG uses an analytical tool on Oil and Gas production for evaluation on leases with decline rate issues. The detail is available to the client and is used by ICG as a basis for negotiating values.



## COMPARATIVE EVALUATION

Every lease ICG represents is analyzed completely utilizing our comprehensive evaluation system. This report aids ICG in determining the basis for negotiating values.

INDUSTRY CONSULTING GROUP, INC.									
VALUATION WORKSHEET									
ICG									
PRODUCTION HISTORY									
	1996	1997	1998	1999	2000	2001	2002	2003	
GAS		1760	1936	1877	1196	1535	1963	11273	
OIL		3293	3765	3114	2798	8491	8645	8009	
2004									
	GAS		OIL		GAS		OIL		
JAN	898	658	723	615	552	565	728	605	
FEB	760	592	620	572	542	505	643	462	
MAR	843	474	639	616	691	541	811	617	
APR	801	785	648	542	357	330			
MAY	807	616	612	663	641	602			
JUN	757	554	616	476	413	637			
JUL	808	619	737	613	170	261			
AUG	822	606	930	691	729	668			
SEP	753	637	694	547	774	637			
OCT	758	612	469	572	500	691			
NOV	709	584	376	548	385	606			
DEC	710	571	639	657	678	615			
TOTAL	8410	7276	7606	6722	6361	6619	1072	1684	
DFCI INF	16%	9%	18%	8%	17%	3%	St Rate	21.91	18.74
APPRAISAL PARAMETERS									
	Prior Year		Current Year		Change				
	App	ICG	App	ICG	1st	2nd	3rd		
Oil Start Rate (Bbl/Day)	18.3	18.3	20.1	20.1	19.0				
Gross Oil Price (\$/Bbl)	\$55.95	\$54.91	\$55.56	\$53.06	\$55.00	\$63.06			
Oil Decline (Percent)	8/-	6.70%	8/-	6.63%	20/1, 8/				
Gas Start Rate (Mc/Day)	16	16	17.0	17.0					
Gross Gas Price (\$/Mcf)	\$4.50	\$3.15	\$7.00	\$4.13	\$5.45				
Gas Decline (Percent)	12/-	15.50%	12/-	17.41%					
Annual Operating Expense	\$30,000	\$35,921	\$30,000	\$53,954	\$45,000				
Discount Rate (Percent)	0.2		0.2						
Equipment Value	\$1,740		\$1,245		\$1,872				
Total Wells	1		Daily (\$/Bbl)	\$54.91	Oil Prod (Ave-Dy)	17.84			
Well Depth	4,730		Oil Reserve	673,600	Oil Prod (Ave-Mo)	542.75			
Salt Water			Gas Reserve	146,500	Gas Prod (Ave-Dy)	17.40			
					Gas Prod (Ave-Mo)	523.25			
Net Rev Interest (Cper)	0.760000		Net Rev Interest (App)	0.760000					
VALUES & COMMENTS									
Appraised WI Value	Appraised WI Value - 1st Chg	Appraised WI Value - 2nd Chg	Appraised RI Value	Appraised RI Value - 1st Chg	Appraised RI Value - 2nd Chg				
\$906,300	\$624,270		\$367,850	\$294,520					
Operator's Value:	\$825,000		Previous Year Final Value:	\$510,910					
Remarks:									
LEASE INFORMATION									
Operator:	AMERICA'S OIL COMPANY			Field Name:	RICH POOL				
Lease Name:	DEEP & RICH #1			County:	ARCHER				
RRC Operator #	92662			App Firm:	P A A				



**FROM DETAILED INVENTORY OF PROPERTIES – TO PROJECTED VALUE REPORTS WITH HISTORIES – TO A “REPORT CARD” MEASURING OUR SUCCESS, THE ICG REPORTING SYSTEM PROVIDES MEANINGFUL AND TIMELY INFORMATION TO OUR CLIENTS.**



Run Date: 2/6/2008 AMERICA'S OIL COMPANY PROPERTY INVENTORY Page: 1

**CURRENT-PRIOR VALUES** **ICG**

OPERATOR NAME	RRC #	ENG.	LEASE NAME/DESCRIPTION	TY	CLS	ST	TAXING ENTITIES	PARCEL NUMBER /REMARKS	NRI	2006 VALUES	2007 VALUES
AMERICA'S OIL COMPANY	704502		LS: MONEYMAKER FIELD (SPECIAL) AMERICA'S OIL COMPANY COMBO ASSD:	WI		TX	WISE CAD WISE COUNTY CHICO ISD WISE WTR DIST #1 WISE CO WCID #2 LATERAL ROAD	704502-4-010505	0.763298	\$373,000	\$411,200
AMERICA'S OIL COMPANY	46219		LS: WRIGHT BROTHERS B2N BLK 43 SEC 30 ASSD: AMERICA'S OIL COMPANY	WI		TX	MARTIN CAD SANDS CONS ISD HOWARD	175000-46219	0.767325	\$46,060	\$63,560
AMERICA'S OIL COMPANY	145480		LS: HELPER UNIT #1 B3N BLK 23 SEC 40 ASSD: AMERICA'S OIL COMPANY	WI		TX	MARTIN CAD SANDS CONS ISD HOWARD	175000-69386	0.801023	\$6,830	\$1,454,800
AMERICA'S OIL COMPANY			LS: PERSONAL PROPERTY OFFICE EQUIP FUR & FIX, COMPUTER, VEH ASSD: AMERICA'S OIL COMPANY	PP		TX	WICHITA COUNTY WICHITA FALLS CITY WICHITA FALLS ISD	600059867000		\$567,542	\$508,986

Run Date: 2/6/2008 AMERICA'S OIL COMPANY MINERAL VALUE HISTORY Page: 1

**PROPOSED VALUES** **ICG**

OPERATOR NAME	RRC NUMBER	LEASE NAME	TY	CLS	ST	COUNTY	NRI	ICG CODE	2003 VALUES	2004 VALUES	2005 VALUES	2006 VALUES	2007 PROPOSED
AMERICA'S OIL COMPANY	54874	LS: UPTOWN 17 #1 & #2	WI		TX	LIBERTY COUNTY	0.74385000	2800026	\$1,339,390	\$3,217,410	\$5,020,130	\$5,040,800	\$6,553,040
AMERICA'S OIL COMPANY	505511	LS: CENTURY #2	WI		TX	LIBERTY COUNTY	0.75861000	2800317	\$0	\$0	\$0	\$0	\$113,960
AMERICA'S OIL COMPANY	54874	LS: REVENUE 'C' #3,4,7,11-23	WI		TX	LIBERTY COUNTY	0.76598000	2800128	\$1,699,480	\$4,879,620	\$3,689,500	\$1,071,800	\$1,393,340
AMERICA'S OIL COMPANY	54874	LS: SAMPLER #20	WI		TX	LIBERTY COUNTY	0.77669000	2800169	\$0	\$354,820	\$438,570	\$117,980	\$65,310

INDUSTRY CONSULTING GROUP, INC.  
**AMERICA'S OIL COMPANY VALUE COMPARISON REPORT**

**ICG**

ST	COUNTY	LEASE	RRC#	OWNER APRV.	LAST YEAR VALUE	INITIAL VALUE	FIRST VALUE CHANGE	SECOND VALUE CHANGE	FINAL VALUE	SAVINGS IN VALUES
TX	ANDREWS	CENTURY #1,4U,7	73422			\$80,410	\$42,330	\$42,330	\$42,330	\$38,080
		CENTURY #2	505511			\$113,960	\$111,170	\$69,650	\$69,650	\$44,310
		CENTURY #3	433911			\$18,180	\$18,180	\$18,180	\$18,180	\$0
		GAINES #4	991571		\$6,660	\$6,390	\$5,440	\$5,440	\$5,440	\$950
		GAINES #5	50567		\$111,640	\$59,110	\$59,110	\$59,110	\$59,110	\$0
		GESTETNER UNIT	488381			\$65,190	\$65,190	\$65,190	\$65,190	\$0
		JOSEPH #5	647951		\$93,510	\$83,190	\$73,250	\$73,250	\$73,250	\$9,940
		JOSEPH #6	576071		\$4,370	\$5,500	\$5,500	\$5,500	\$5,500	\$0
		REVENUE 'B' #1	63612		\$48,690	\$135,380	\$102,360	\$102,360	\$102,360	\$33,020
		REVENUE 'B' #4	259551		\$133,480	\$98,290	\$98,290	\$98,290	\$98,290	\$0
		REVENUE 'B' #8	871161		\$178,970	\$225,540	\$225,540	\$225,540	\$225,540	\$0
		REVENUE 'B' #9	47682		\$90,210	\$269,880	\$195,320	\$195,320	\$195,320	\$74,560
		REVENUE 'C' #3,4,7,11-23	66820		\$1,071,800	\$2,535,870	\$1,851,050	\$1,851,050	\$1,851,050	\$684,820
		ROBERTS #2	42296		\$699,640	\$624,510	\$468,900	\$468,900	\$468,900	\$155,610
		ROBERTS #3	45517		\$329,160	\$439,650	\$405,800	\$405,800	\$405,800	\$33,750
		SAMPLER #14,18,21-32	78872		\$544,700	\$497,470	\$440,700	\$440,700	\$440,700	\$56,770
		SAMPLER #15	338951		\$12,260	\$14,620	\$14,620	\$14,620	\$14,620	\$0
		SAMPLER #16	787061		\$3,420	\$1,750	\$1,750	\$1,750	\$1,750	\$0
		SAMPLER #20	960771		\$117,980	\$55,310	\$43,600	\$43,600	\$43,600	\$11,710
		SAMPLER #32	195771		\$46,350	\$8,980	\$8,980	\$8,980	\$8,980	\$0
		SPECIALTY #9	260571		\$11,460	\$11,400	\$11,400	\$11,400	\$11,400	\$0
		STRANGE UNIT	15672	ok - JS	\$191,710	\$344,220	\$220,820	\$208,960	\$208,960	\$135,260
		VICTORY #6	873121			\$13,150	\$13,150	\$13,150	\$13,150	\$0
		VICTORY 'A' #1	242021			\$31,000	\$13,950	\$13,950	\$13,950	\$17,050
<b>TOTALS</b>					\$3,696,010	\$5,738,850	\$4,496,400	\$4,443,020	\$4,443,020	\$1,295,830
<b>TOTAL CHANGE FROM PREVIOUS YEAR'S VALUE</b>					\$747,010					

**MEASURES OUR SUCCESS IN REDUCING TAXABLE VALUES**

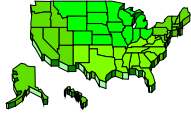
COMMENTS: The final value for the Strange Unit was approved by John Smith.

The ICG System of Property Tax Relief™ for Operated Properties generates numerous standard and customized reports to provide our clients with important information and status.



## ICG WAS BORN IN THE OIL FIELDS

Our founders and key personnel evolved from both the corporate and field side of the Oil and Gas Industry. Overstated values and high costs led to the formation of Industry Consulting Group, Inc. (ICG) in 1986.



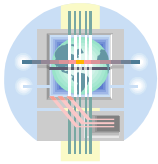
## ONE-THIRD MILLION TAXABLE PROPERTIES UNDER OUR CARE

ICG clients have placed, under our representation, over 350,000 taxable properties composed of minerals and real estate – in all 50 states and several foreign countries.



## WHY WE ARE DIFFERENT

We guarantee lower assessments for your oil and gas leases. We expertly represent critical issues of business personal property renditions, gas plant evaluations, assessments based on re-injection of gas, and evaluation of new oil and gas discoveries. Additionally, we monitor agricultural exemptions for farm and ranch properties, and represent all types of commercial and residential properties.



## AUTOMATED TAX PAYMENT PROCESSING

ICG can provide tax statements to clients with a payment transmittal. Better yet, ICG can pay taxes for the client (no additional fee) and can post to their accounting system using our flawless high technology and proprietary “**Property Tax Automation®**” software.



## WE ARE FIERCELY COMPETITIVE

ICG is unchallenged in the areas of value negotiations & appeals, high tech advancements and expertise in tax regulations. Using our skills and experience, we will consistently **reduce tax values to the lowest possible levels.**



## WEBSITE PROVIDES IMMEDIATE INFORMATION

Through the ICG Information Website, clients can quickly locate their specific properties, view pertinent information (including values), and retrieve a copy of their latest tax statement. The website also provides links to helpful Internet areas for additional information and support. All data, of course, is secured by encryption.



## ICG SERVICE FEES ARE INCREDIBLY LOW

Our many years of experience, sound efficiency and State of the Art computerization allows us to furnish our services at a cost far below in-house operations or ordinary tax service providers. Our specialists are on our payroll and not a third party's. Our fee proposals never contain hidden or add-on charges, and our once-a-year billing is always a predictable amount and will absolutely reflect the original quoted fee amount.

For more information contact

**Mark Bruce - VP/General Manager**  
**(940) 322-5055 mbruce@icgtax.com**

## INDUSTRY CONSULTING GROUP, INC.

P.O. BOX 8265 . WICHITA FALLS, TEXAS 76307 . (940) 322-5055

EMAIL: [icg@icgtax.com](mailto:icg@icgtax.com) WEBSITE: [www.icgtax.com](http://www.icgtax.com)

OPERATIONS CENTERS

Wichita Falls

Houston

CORPORATE OFFICES

Dallas

