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Oil and Gas Production, Sales Prices and Production Costs

The following table shows the total and average daily production, the average sales prices per unit of production and the production expense and taxes, transportation and other expense per Mcfe for the indicated periods:

	Year Ended December 31		
	2009	2008	2007
Total production:			
Gas (Mcf)	855,008,071	697,392,186	532,097,846
Natural gas liquids (Bbls)	7,504,580	5,718,295	4,943,781
Oil (Bbls)	24,198,273	20,505,178	17,172,191
Mcfe	1,045,225,189	854,733,024	664,793,678
Average daily production:			
Gas (Mcf)	2,342,488	1,905,443	1,457,802
Natural gas liquids (Bbls)	20,560	15,624	13,545
Oil (Bbls)	66,297	56,025	47,047
Mcfe	2,863,631	2,335,336	1,821,353
Average realized sales prices:			
Gas (per Mcf)	\$ 7.13	\$ 7.81	\$ 7.50
Natural gas liquids (per Bbl)	\$ 30.03	\$ 48.76	\$ 45.37
Oil (per Bbl)	\$ 107.65	\$ 87.59	\$ 70.08
Average realized sales prices before hedging:			
Gas (per Mcf)	\$ 3.67	\$ 8.04	\$ 6.26
Natural gas liquids (per Bbl)	\$ 30.03	\$ 52.05	\$ 45.37
Oil (per Bbl)	\$ 57.10	\$ 93.17	\$ 68.68
Average NYMEX prices:			
Gas (per MMBtu)	\$ 3.99	\$ 9.03	\$ 6.86
Oil (per Bbl)	\$ 61.82	\$ 99.75	\$ 72.39
Production expense (per Mcfe)	\$ 0.96	\$ 1.10	\$ 0.93
Taxes, transportation and other expense (per Mcfe)	\$ 0.65	\$ 0.82	\$ 0.67

Delivery Commitments and Marketing

Our natural gas, crude oil and natural gas liquids production is sold under both long-term and short-term agreements at prices negotiated with third parties. Because our production is sold primarily on the basis of price and availability, we are not dependent upon one purchaser or a small group of purchasers. Our production is sold to various purchasers, based on their credit rating and the location of our production. For the year ended December 31, 2009, no single purchaser comprised more than 10% of total revenues. We market our gas, as well as some gas produced by third parties, to brokers, local distribution companies and end-users. We have also entered into physical delivery contracts which require us to deliver fixed volumes of gas. We believe our production and reserves are adequate to meet these delivery commitments.

Competition and Markets

We compete with other oil and gas companies in all aspects of our business, including acquisition of producing properties and oil and gas leases, marketing of oil and gas, and obtaining goods, services and labor. Some of our competitors have substantially larger financial and other resources. Factors that affect our ability to acquire producing properties include available funds, available information about the property and our standards established for minimum projected return on investment. Gathering systems are the only practical method for the