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## EXECUTIVE SUMMARY

*Nielson & Associates, Inc. and Nielson Energy Group, LLC (“Nielson”) are offering the Properties described in this brochure for sale. This will be a negotiated sale. The Data Room will be open from May 10, 2010 through June 18, 2010. It is anticipated that negotiations will be concluded by June 23, 2010. **The Properties are subject to prior sale. No offers will be considered that are subject to further reservoir engineering (future production volume or operating cost forecasts), and no offers will be considered that are contingent on financing. Nielson reserves the right to reject any and all offers.** Although Nielson would prefer to sell the properties to one buyer, separate offers by field will be considered. The effective date of the sale will be July 1, 2010. The expected price range for the Properties can be obtained by calling Robert A. Albrecht or Harrison Williams at (713) 951-9586.*

**Much of the data contained herein can be accessed through our website: [www.albrechtai.com](http://www.albrechtai.com).**

Nielson is selling its interests in approximately **211 producing wells** and 82 injectors in Wyoming and Oklahoma (192 producers and all 82 injectors are in two large non-operated units). Additionally, there are **ten Proved Developed Non-Producing (Behind Pipe) opportunities and 23 Proved Undeveloped** drilling locations, all in Wyoming. Large upside potential is available principally from two projects: EOR using CO<sub>2</sub> in a mature waterflood and optimized development of a shallower zone in a producing Unit. The properties are located in House Creek and Pheasant Fields in the Powder River Basin, Bonanza, Homestead and Rattlesnake Fields in the Big Horn Basin, and East Calumet Field in the Anadarko Basin. There are approximately **36,800 gross HBP acres (12,900 net)** and **1,200 gross term acres (460 net)** included in the sale.

Nielson operates 16 wells in the Bonanza, Rattlesnake and Pheasant Fields, which comprise 12% of the Total Proved PV<sub>12</sub>. **It is the sellers’ intention to transfer operations to the buyer of the Properties.** House Creek Field is operated by Devon Energy Production Company, Calumet Unit is operated by Quantum Resources and Homestead Field is operated by Legacy Reserves L.P.

Projected July 2010 average net production is approximately **325 BOPD**.

The following table summarizes estimated net reserves by category, future net revenue, PV<sub>12</sub> and the first six years’ cumulative cashflow for the interests being sold:

<b>Reserve &amp; Economic Summary</b>					
<b>Reserve Category</b>	<b>Net Oil (Mbbbls)</b>	<b>Net Gas (MMcf)</b>	<b>FNR (M\$)</b>	<b>PV<sub>12</sub> (M\$)</b>	<b>6 YR CF (M\$)</b>
Proved Developed Producing	1,823	30	\$53,429	\$25,714	\$25,532
Proved Developed Non-Producing	188	0	8,197	3,513	3,516
Proved Undeveloped	576	0	19,132	4,649	3,381
<b>Total Proved</b>	<b>2,587</b>	<b>30</b>	<b>\$80,758</b>	<b>\$33,876</b>	<b>\$32,429</b>

**Projected Proved Developed Producing cashflow** for the first 12 months following the effective date is **\$5.1 million**. Cashflow for the period from March 2009 to February 2010 was \$3.3 million with an average oil price of \$60.47/bbl.

*Note that the engineering included in this brochure was done with PHDWin. Copies of the database, in both DOS and Windows versions of ARIES and PHDWin, are available on our website at [www.albrechtai.com](http://www.albrechtai.com). A password may be obtained by contacting Mr. Williams at (713) 951-9586.*

**The Data Room will be at the offices of Albrecht & Associates, Inc., Pennzoil Place, South Tower, 711 Louisiana, Suite 1600, Houston, TX, 77002.** Parties interested in further information or wishing to visit the Data Room should contact Harrison Williams at (713) 951-9586.

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## OIL & GAS PRICING COMMENTS

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The oil and gas prices used in the economic runs are based on the **Five Year Forward NYMEX Strip** for the May 5, 2010 settlement. Each year's price was held constant for that 12-month period. **After the fifth year, both oil and gas prices were held flat.** The prices used are shown in the Pricing Table below.

Oil and gas prices were adjusted back to the wellhead using a differential based on a comparison of actual prices received and the historical NYMEX price for the 12 months ending February 2010. (One exception is the Government 2607-A3 in Rattlesnake Field. The associated gas from this oil producer is sour and is sold at a flat rate of \$0.25/Mcf.)

<b>Pricing Table</b>				
	<b>NYMEX Base Oil</b>	<b>Average Wellhead</b>	<b>NYMEX Base Gas</b>	<b>Average Wellhead</b>
<b>12-month Strip*</b>	<b>(\$/bbl)</b>	<b>(\$/bbl)</b>	<b>(\$/MMBTU)</b>	<b>(\$/Mcf)</b>
First Year	86.81	77.45	4.95	4.39
Second Year	90.02	80.26	5.84	5.17
Third Year	91.50	81.57	6.19	5.46
Fourth Year	92.47	82.43	6.46	5.67
Fifth Year	93.45	83.30	6.76	5.90

\*The forward price strip was determined beginning with the July contract for each period.

## OPERATING COST COMMENTS

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The operating costs for the Properties are based on the actual costs experienced for the 12-month period ending February 2010. All operating costs were held constant for 12 months and then escalated at 2% per annum through June 2014. COPAS overhead was not included as an expense against the operated wells in the accompanying economics. (Non-operated COPAS charges were included in costs.)

House Creek Field operating costs were divided into fixed field expenses and well-level expenses. The well-level expenses include only the COPAS overhead charges and relatively small power and well repair costs. All other expenses are carried in the “*Fixed Expense*” case for the field.

Further details of the lease operating statement analysis are available online and in the data room.

Under terms of the Purchase and Sale Agreement with ExxonMobil Corporation for the House Creek Field properties, Nielson and Associates is required to deliver evidence of financial security in the amount of \$3.4 million to guarantee abandonment and restoration liabilities. Nielson chose to maintain a letter of credit (LOC) to fulfill this obligation. The cost of this LOC is not included in the House Creek operating expenses. This requirement passes on to any purchaser of Nielson’s interest. However, the Letter of Credit Agreement states that *“ExxonMobil will meet in good faith with Nielson and Nielson’s proposed buyer to determine the continuing need for financial security for Nielson’s plugging and abandonment obligations. In the event of a sale, assignment, or disposition of the interest, consent by ExxonMobil to accept a similar form of financial security from a third party shall not be unreasonably withheld.”*

## TRANSACTION PROCESS

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***This will be a negotiated sale. The Properties are subject to prior sale.*** An offer may be made at any time, but no offers will be considered that are subject to further reservoir engineering (future production volume or operating cost forecasts) and no offers will be considered that are contingent on financing. Although Nielson would prefer to sell the properties to one buyer, separate offers will be considered. A draft Purchase and Sale Agreement will be available in the Data Room. Nielson reserves the right to reject any and all offers. Significant dates are listed below.

Data Room Open.....	May 10, 2010
Data Room Closed.....	June 18, 2010
Offers Due.....	June 23, 2010
Effective Date.....	July 1, 2010

**The Data Room will be held in Albrecht & Associates' offices at Pennzoil Place, South Tower, 711 Louisiana, Suite 1600, Houston, Texas, 77002.** Parties interested in further information or wishing to visit the Data Room should contact Harrison Williams at (713) 951-9586. **An executed Data Room Agreement (DRA) will be required prior to a Data Room visit. The DRA is available on our website.**

The Data Room presentation will include an overview of the Properties and a technical presentation of the Proved reserves. Furthermore, Nielson's logs and well files will be available in the Data Room.

**All of the handouts provided in the Data Room are available in advance.** These materials include the details of the engineering and geological analyses of the Properties as well as any maps and log sections used in the evaluation. **Please contact Harrison Williams if you would like to receive the Data Room packet in advance.**

## ONLINE DATA

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Much of the information in this brochure can be accessed on our website at [www.albrechtai.com](http://www.albrechtai.com). This includes detailed lease operating statements plus expense and price differential calculations. Additionally, copies of the economic database are available in the DOS and Windows versions of ARIES or in PHDWin. This information is all password protected. Please call Harrison Williams to obtain the password.

## CONTACT INFORMATION

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## DISCLAIMER

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The information contained in the enclosed package was compiled by Nielson & Associates, Inc. and Albrecht & Associates, Inc. ("Albrecht") personnel to assist prospective purchasers in their evaluations of the Properties. Although this information is believed by Nielson & Associates, Inc. and Albrecht to be complete and accurate in all material respects as of the date of this letter (or other date specifically stated), Nielson & Associates, Inc. and Albrecht disclaim any and all liability for the statements contained herein and make no representation or warranty as to the completeness or accuracy of the enclosed package or the information contained herein, or any other written material furnished or information orally transmitted to a prospective purchaser including, but not limited to, any information which may be provided to a prospective purchaser by Nielson & Associates, Inc. or Albrecht, or any officer, director, partner, shareholder, employee, agent, or representative thereof. The only representations and warranties that Nielson & Associates, Inc. shall make with respect to the Properties shall be set forth in the definitive purchase and sales agreement executed between Nielson & Associates, Inc. and the prospective purchaser. In particular, Nielson & Associates, Inc. and Albrecht are not making and will not make any representation or warranty of any kind as to the amount of "in place" or recoverable oil and gas reserves (proved, probable or otherwise) attributable to the Properties, as to geological and engineering interpretations related thereto or as to prices which will be received for production. Nielson & Associates, Inc. and Albrecht reserve the right to change materials in this package or any other information that may be available to prospective purchasers at any time, either by revision of existing material or addition of new material.

Each prospective purchaser should conduct and rely solely on an independent investigation and evaluation of, and appraisal and judgment with respect to the geologic and geophysical characteristics of the Properties described in the package, the estimated hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto.

Albrecht is the sole party authorized by Nielson & Associates, Inc. to seek offers for the Properties. No fee will be paid by Nielson & Associates, Inc. or Albrecht to any broker or finder in connection with the proposed transaction.

albrecht & associates, inc.  
May 10, 2010