Hill-Rom Holdings, Inc.
Form 5
November 15, 2016

FORM 5

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).
Form 3 Holdings Reported
Form 4 Transactions Reported

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
FRANK ANDREAS G

(Last) (First) (Middle)

180 N. STETSON AVE.,,Â SUITE 4100

(Street)

CHICAGO,Â ILÂ 60601

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Hill-Rom Holdings, Inc. [HRC]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
09/30/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)
SVP, Corporate Development

6. Individual or Joint/Group Reporting

(check applicable line)

_X_ Form Filed by One Reporting Person
___ Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	11/16/2015	Â	M4	3,358	A	$ (1)	16,533	D	Â
Common Stock	11/16/2015	Â	F4	1,045	D	$ 51.33	15,488 (2)	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units (11/13/2012)	Â	11/16/2015	Â	M4	Â	3,358	Â (3)	Â (3)	Common Stock	3,358

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FRANK ANDREAS G 180 N. STETSON AVE., SUITE 4100 CHICAGO,Â ILÂ 60601	Â	Â	Â SVP, Corporate Development	Â

Signatures

/s/ Ari Mintzer as Attorney-in-Fact for Andreas Frank	11/15/2016
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Restricted stock units convert into common stock on a one-for-one basis.

(2) This total reflects ownership as of 9/30/2016; total shares beneficially owned as reported in interim reports since 11/16/2015, if any, are deemed amended to reflect the previously unreported transaction identified in note (3) below.

(3) On 11/13/2012, the reporting person was granted 3,358 restricted stock units. Restricted stock units vested 100% on 11/16/2015. Restricted stock units are automatically converted into shares of common stock in accordance with the respective vesting schedule unless a pervious deferral election has been made. Restricted stock units are entitled to dividend equivalent rights, which accrue on dividend record dates.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. n="top" width="13%" style="BORDER-RIGHT: black 0.5pt solid; BORDER-TOP: black 0.5pt solid; BORDER-LEFT: black 0.5pt solid; BORDER-BOTTOM: black 0.5pt solid">

Total ($)

Steven H. Cardin, CEO

Steven H. Cardin, CEO	2011	296,989	296,989
	2010	282,847	282,847

Effective October 1, 2011, the Company renewed its Employment Agreement with Mr. Cardin. The Agreement has an initial term of five years and provides that Mr. Cardin is to receive an annual base salary of $200,000, escalating at no less than 3% per annum, and an annual bonus of no less than 20% of the Company's earnings before tax, payable, at Mr. Cardin's election, in either cash or common stock of the Company at then fair market value.

The Employment Agreement also provides that, in the event the Company terminates Mr. Cardin's employment by reason of his permanent disability, the Company shall (1) pay Mr. Cardin a total sum, payable in 24 equal monthly installments, equal to 50% of the base salary to which he would have been entitled had he performed his duties for the Company for a period of two years after his termination, less the amount of any disability insurance benefits he receives under policies maintained by the Company for his benefit, and (2) continue to provide Mr. Cardin with all fringe benefits provided to him at the time of his permanent disability for a period of two years following such permanent disability.

The Employment Agreement also provides that, in the event the Company terminates Mr. Cardin's employment in breach of the agreement, or in the event that Mr. Cardin terminates his employment because his circumstances of employment shall have changed subsequent to a change in control, then the Company shall pay Mr. Cardin a lump sum payment equal to the sum of (1) twice Mr. Cardin's base salary during the 12-month period immediately preceding the termination of his employment, (2) the greater of (a) twice any annual bonus paid to or accrued with respect to Mr. Cardin by the Company during the fiscal year immediately preceding the fiscal year in which his employment shall have been terminated or (b) three times his base salary during the 12-month period immediately preceding the termination of his employment, and (3) any other compensation owed to Mr. Cardin at the time of his termination. The agreement also provides that the Company will indemnify Mr. Cardin against any special tax that may be imposed on him as a result of any such termination payment made by the Company pursuant to the agreement.

Under the Employment Agreement, a change in control is deemed to occur (1) if there is a change of one-third of the Board of Directors under certain conditions, (2) if there is a sale of all or substantially all of the Company's assets, (3) upon certain mergers or consolidations, (4) under certain circumstances if another person (or persons) acquires 20% or more of the outstanding voting shares of the Company, or (5) if any person except Mr. Cardin shall own or control half of such outstanding voting shares.

Director Compensation

Name	Fees Earned or Paid in Cash ($)	Total ($)
Jeffrey S. Chernow	12,000	12,000
Stephen F. Fante	12,000	12,000

Each Director who is not also an officer of the Company receives $1,000 per month for service as a Director. No additional fees are paid for service on Committees of the Board or for attendance at Board or Committee Meetings.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information concerning each person who, as of December 19, 2011, is known to the Company to be the beneficial owner of more than five percent of the Company's common stock and information regarding common stock of the Company beneficially owned, as of December 19, 2011, by all Directors and executive officers and by all Directors and executive officers as a group.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
Steven H. Cardin (Director and Executive Officer) PO Box 1057 Breckenridge CO 80424	7,233,866	53.11%
All Directors and Executive Officers as a Group (1 Person)	7,233,866	53.11%

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Messrs. Fante and Chernow are both independent under the NASDAQ independence standards.

Item 14. Principal Accountant Fees and Services

Audit Fees. Billed for FY11: $9,646.72. Billed for FY10: $9,000.

Audit-Related Fees. None.

Tax Fees. None.

All Other Fees. None.

The Company does not engage an accountant to render audit or non-audit services unless the engagement is explicitly pre-approved by the Company's Audit Committee. During FY11 and FY10 no Audit-Related Fees, Tax Fees, or Other Fees were billed by the Company's principal accountant.

PART IV

Item 15. Exhibits, Financial Statement Schedules

3(i) Articles of Incorporation - Incorporated herein by reference to Exhibit B to August 20, 1985 Proxy Statement

3(ii)

	Bylaws - Incorporated herein by reference to Exhibit C to August 20, 1985 Proxy Statement
10	Summary of Employment Agreement between the Company and Steven H. Cardin
14	Code of Ethics - Incorporated herein by reference to Form 10-K for fiscal year ended September 30, 2003
21	List of subsidiaries - Incorporated herein by reference to Form 10-K for fiscal year ended September 30, 1997
31	Rule 13a-14(a)/15d-14(a) Certifications
32*	Section 1350 Certifications
101.ins*	XBRL Instance Document
101.xsd*	XBRL Taxonomy Extension Schema Document
101.cal*	XBRL Taxonomy Extension Calculation Linkbase Document
101.def*	XBRL Taxonomy Extension Definition Linkbase Document
101.lab*	XBRL Taxonomy Extension Label Linkbase Document
101.pre*	XBRL Taxonomy Extension Presentation Linkbase Document

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*Furnished. Not Filed. Not incorporated by reference. Not subject to liability.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALTEX INDUSTRIES, INC.

/s/ STEVEN H. CARDIN
By: Steven H. Cardin, CEO

Date: December 19, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ STEVEN H. CARDIN
By: Steven H. Cardin, Director, Principal Executive Officer, Princi–pal Financial Officer, and Principal Accounting Officer

Date: December 19, 2011

/s/ STEPHEN F. FANTE
By: Stephen F. Fante, Director

Date: December 19, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Altex Industries, Inc.

We have audited the accompanying consolidated balance sheets of Altex Industries, Inc. and subsidiary as of September 30, 2011 and September 30, 2010, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the two-year period ended September 30, 2011 and September 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Altex Industries, Inc. and subsidiary as of September 30, 2011 and September 30, 2010, and the consolidated results of its operations, changes in stockholders' equity and cash flows for each of the years in the two-year period ended September 30, 2011 and September 30, 2010, in conformity with U.S. generally accepted accounting principles.

Denver, Colorado
December 19, 2011
/s/ Comiskey & Company
PROFESSIONAL CORPORATION

ALTEX INDUSTRIES, INC. AND SUBSIDIARY
Consolidated Balance Sheet

	September 30	
	2011	2010
Assets		
Current assets		
Cash and cash equivalents	$2,584,000	3,327,000
Accounts receivable	14,000	12,000
Other (Note 3)	504,000	4,000
Total current assets	3,102,000	3,343,000
Property and equipment, at cost		
Proved oil and gas properties (successful efforts method) (Notes 6 and 7)	350,000	351,000
Other	17,000	17,000
Total property and equipment, at cost	367,000	368,000
Less accumulated depreciation, depletion, and amortization	(122,000)	(98,000)
Net property and equipment	245,000	270,000
Other assets	4,000	5,000
Total assets	3,351,000	3,618,000
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	26,000	23,000
Other accrued expenses	106,000	35,000
Total current liabilities	132,000	58,000
Commitments and Contingencies (Notes 3, 5 and 6)	-	-
Stockholders' equity		
Preferred stock, $.01 par value. Authorized 5,000,000 shares, none issued	-	-
Common stock, $.01 par value. Authorized 50,000,000 shares; issued and outstanding, 13,619,606	136,000	136,000
Additional paid-in capital	13,928,000	13,928,000
Accumulated deficit	(10,845,000)	(10,504,000)
Total stockholders' equity	3,219,000	3,560,000
Total stockholders' equity and liabilities	$3,351,000	3,618,000

See accompanying notes to consolidated financial statements.

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ALTEX INDUSTRIES, INC. AND SUBSIDIARY
Consolidated Statement of Operations
Years ended September 30

	2011	2010
Revenue		
Oil and gas sales	$125,000	100,000
Interest income	31,000	44,000
Other	5,000	3,000
	161,000	147,000
Costs and expenses		
Lease operating	4,000	3,000
Production taxes	12,000	10,000
General and administrative	461,000	441,000
Depreciation, depletion, and amortization	25,000	23,000
	502,000	477,000
Net loss	$(341,000)	(330,000)
Loss per share	$(0.025)	(0.024)
Weighted average shares outstanding	13,619,606	13,883,547

See accompanying notes to consolidated financial statements.

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ALTEX INDUSTRIES, INC. AND SUBSIDIARY
Consolidated Statement of Stockholders' Equity
Years ended September 30

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated deficit	Treasury stock	Total stockholders' equity
Balance at September 30, 2009	13,885,734	$139,000	13,964,000	(10,174,000)		$ 3,929,000
Net loss				(330,000)		(330,000)
Acquisition of treasury stock, 266,128 shares at $0.145 per share					(39,000)	(39,000)
Retirement of treasury stock	(266,128)	(3,000)	(36,000)		39,000	
Balance at September 30, 2010	13,619,606	136,000	13,928,000	(10,504,000)		3,560,000
Net loss				(341,000)		(341,000)
Balance at September 30, 2011	13,619,606	$136,000	13,928,000	(10,845,000)		$ 3,219,000

See accompanying notes to consolidated financial statements.

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ALTEX INDUSTRIES, INC. AND SUBSIDIARY
Consolidated Statement of Cash Flows
Years ended September 30

	2011	2010
Cash flows used in operating activities		
Net loss	$(341,000)	(330,000)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation, depletion, and amortization	25,000	23,000
Increase in accounts receivable	(2,000)	(3,000)
Increase in other current assets	-	(1,000)
Decrease in other assets	1,000	-
Increase in accounts payable	3,000	4,000
Increase (decrease) in other accrued expenses	71,000	(1,000)
	(243,000)	(308,000)
Cash flows used in investing activities		
Expenditures for oil and gas property acquisitions	-	(290,000)
Deposit on potential investment subsequently terminated (Note 3)	(500,000)	-
	(500,000)	(290,000)
Cash flows from financing activities		
Acquisition of treasury stock	-	(39,000)
	-	(39,000)
Net decrease in cash and cash equivalents	(743,000)	(637,000)
Cash and cash equivalents at beginning of year	3,327,000	3,964,000
Cash and cash equivalents at end of year	$2,584,000	3,327,000

See accompanying notes to consolidated financial statements.

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ALTEX INDUSTRIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Note 1 - Nature of Operations and Summary of Significant Accounting Policies.

Nature of Operations: Altex Industries, Inc., through its wholly-owned subsidiary, jointly referred to as "the Company," owns interests, including working interests, in productive oil and gas properties located in Utah and Wyoming. The Company's revenues are generated from interest income from cash deposits and from sales of oil and gas production. The Company's operations are significantly affected by changes in interest rates and oil and gas prices.

Principles of Consolidation: The consolidated financial statements include the accounts of Altex Industries, Inc. and its wholly-owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment: The Company follows the successful efforts method of accounting for oil and gas operations, under which exploration costs, including geological and geophysical costs, annual delay rentals, and exploratory dry hole costs, are charged to expense as incurred. Costs to acquire unproved properties, to drill and to equip exploratory wells that find proved reserves, and to drill and to equip development wells are capitalized. Capitalized costs relating to proved oil and gas properties are depleted on the units-of-product–ion method based on estimated quantities of proved reserves and estimated RR&D (Note 6). Upon the sale or retirement of property and equipment, the cost thereof and the accumulated depreciation, depletion, and valuation allowance are removed from the accounts, and the resulting gain or loss is credited or charged to operations. Actual RR&D expense in excess of estimated RR&D expense is charged to operations.

Impairment of Long-Lived Assets: The Company assesses long-lived assets for impairment when circumstances indicate that the carrying value of such assets may not be recoverable. This review compares the asset's carrying value with management's best estimate of the asset's expected future undiscounted cash flows without interest costs. If the expected future cash flows exceed the carrying value, no impairment is recognized. If the carrying value exceeds the expected future cash flows, an impairment equal to the excess of the carrying value over the estimated fair value of the asset is recognized. No such impairment may be restored in the future. The Company's proved oil and gas properties are assessed for impairment on an individual field basis.

Cash Equivalents and Fair Values of Financial Instruments: For purposes of the statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amount reported on the balance sheet for cash and cash equivalents approximates its fair value.

Income Taxes: The Company follows the asset and liability method of accounting for deferred income taxes. The asset and liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between financial accounting and tax bases of assets and liabilities. The Company reports uncertainty in income taxes according to GAAP. There was no increase in liabilities for unrecognized tax benefits during the current year. The Company recognizes accrued interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expense. There was neither interest nor penalty at September 30, 2011.

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Explanation of Responses:

Earnings Per Share: Earnings per share of common stock is based upon the weighted average number of shares of common stock outstanding during the year.

Concentrations of credit risk: The Company maintains significant amounts of cash and sometimes permits cash balances in national banking institutions to exceed FDIC limits.

Revenue recognition: Substantially all of the Company's revenue is from interest income and sales of oil and gas production. Interest income is recognized when earned. Revenue from oil and gas production is recognized based on sales or delivery date.

Recent Accounting Pronouncements:

Effective June 30, 2009, the Company adopted guidance issued by the FASB and included in ASC 855-10 "Subsequent Events," which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events (see Note 8).

In February 2007 the FASB issued guidance now included in ASC 825-10 "Financial Instruments," which permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. The Company has not currently elected the fair value option for non-financial instruments and is currently evaluating the impact of this guidance on its consolidated financial statements.

Note 2 - Income Taxes. At September 30, 2011, the Company had a depletion carryforward of $860,000 and a net operating loss carryforward ("NOL") of $1,496,000. $274,000, $303,000, $317,000, $330,000 and $272,000 of this NOL expire in the years 2027, 2028, 2029, 2030 and 2031, respectively. The approximate tax effect of each type of temporary difference and carryforward that gives rise to a significant portion of deferred tax assets at September 30, 2011, computed in accordance with the Income Tax Topic (Topic 740) of the Codification, is as follows:

Deferred Tax Assets		
Depletion carryforward	$	301,000
Net operating loss carryforward		524,000
Accrued shareholder salary		24,000
Total Net Deferred Tax Assets		849,000
Less valuation allowance		(849,000)
Net Deferred Tax Asset	$	-

A valuation allowance has been provided because of the uncertainty of future realization. Income tax expense is different from amounts computed by applying the statutory Federal income tax rate for the following reasons:

		2011	2010
Tax benefit at 35% of net earnings	$	(119,000)	(116,000)
State income tax, net of Federal benefit		-	-
Change in valuation allowance for net deferred tax assets		119,000	116,000
Income tax expense	$	-	-

As of September 30, 2011, the Company has no unrecognized tax benefit as a result of uncertain tax positions. As of September 30, 2011, the Company's tax years that remain subject to examination are 2008 - 2011 (Federal jurisdiction) and 2007 - 2011 (state jurisdictions).

Note 3 - Related Party Transactions. Effective October 1, 2011, the Company entered into a five-year employment agreement with its president which provides for a base salary of $200,000 annually, plus escalations of not less than 3% annually. The agreement contains provisions providing for payments to the president in the event of his disability or termination of his employment. The agreement also provides that he will receive an annual bonus equal to no less than 20% of the Company’s earnings before income tax, payable, at his election, in cash or common stock of the Company at then fair market value. On August 31, 2011, the Company entered into a letter of intent, subject to negotiation of definitive agreements, regarding a potential $500,000 investment in a company in which the president’s brother-in-law owned 19% of the issued and outstanding common stock. In connection with the letter of intent, the Company transferred $500,000 to the target company. On October 21, 2011, the parties terminated negotiations, and the target company returned the $500,000 to the Company.

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Note 4 - Major Customers. In 2011 the Company had two customers who individually accounted for 10% or more of the Company's oil and gas sales and who, in aggregate, accounted for 82% of oil and gas sales. In 2011 the two customers individually accounted for 59% and 23% of oil and gas sales. In 2010 the Company had two customers who individually accounted for 10% or more of the Company's oil and gas sales and who, in aggregate, accounted for 86% of oil and gas sales. In 2010 the two customers individually accounted for 72% and 14% of oil and gas sales.

Note 5 - Leases. The Company rents office space under a noncancellable operating lease that expires December 31, 2011. Required future payments under the lease are $2,000. In 2011 and 2010 the Company incurred rent expense of $8,000.

Note 6 - Reclamation, Restoration, and Dismantlement (RR&D). The Company accounts for its RR&D costs in accordance with ASC Topic 410 "Asset Retirement and Environmental Obligations." ASC 410 addresses obligations associated with the retirement of tangible, long lived assets and the associated asset retirement costs. This statement requires the Company to recognize a liability for the fair value of its plugging and abandonment liability (excluding salvage value) with the associated costs included as part of the Company's oil and gas properties balance. For the years ended September 30, 2011 and 2010, the plugging and abandonment liability was not material to the financial statements.

Note 7 - Supplemental Financial Data - Oil and Gas Producing Activities (Unaudited). The Company's operations are confined to the continental United States, and all of the Company's reserves are proved developed. Oil prices used are the average of the NYMEX settlement price for the spot month on the first day of each month of 2011, corrected to received price using a price differential. Income tax expense is not reflected in the tables below because of the anticipated utilization of net operating loss carryforwards and depletion carryforwards. The estimation of reserves is complex and subjective, and reserve estimates tend to fluctuate in light of new production data.

I. Capitalized Costs Relating to Oil and Gas Producing Activities

		September 30, 2011
Proved properties	$	350,000
Accumulated depreciation, depletion, amortization and valuation allowance		(105,000)
Net capitalized cost	$	245,000

II. Estimated Quantities of Proved Oil and Gas Reserves

	Oil in Barrels	Gas in MCFs
Balance at September 30, 2010	14,000	-
Revisions of previous estimates	(600)	-
Production	(2,000)	-
Balance at September 30, 2011	11,400	-

III. Present Value of Estimated Future Net Revenue

		At September 30	
		2011	2010
Estimated future revenue	$	837,000	777,000
Estimated future expenditures		(90,000)	-
Estimated future net revenue		747,000	777,000
10% annual discount of estimated future net revenue		(345,000)	(409,000)

Present value of estimated future net revenue	$	402,000	368,000

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IV. Summary of Changes in Present Value of Estimated Future Net Revenue

	Year ended September 30	
	2011	2010
Present value of estimated future net revenue, beginning of year	$ 368,000	-
Sales, net of production costs	(109,000)	(87,000)
Purchases of minerals in place	-	290,000
Net change in prices and cost of future production	81,000	(4,000)
Revisions of quantity estimates	(9,000)	58,000
Accretion of discount	37,000	-
Change in production rates and other	34,000	111,000
Present value of estimated future net revenue, end of year	$ 402,000	368,000

Note 8 - Subsequent Events. The Company has evaluated subsequent events from the September 30, 2011, balance sheet date through the date these financial statements were filed with the Securities and Exchange Commission. Except for the events discussed in Note 3 - Related Party Transactions above, no events occurred subsequent to the balance sheet date that would require recognition or disclosure in the financial statements.