

**STATE OF KANSAS - CORPORATION COMMISSION
PRODUCTION TEST & GOR REPORT**

15-119-21024-0001 Form C-5 Rev.

Conservation Division

TYPE TEST: Initial Annual Workover Reclassification TEST DATE: 04/14/2010

Company: STRAT LAND EXPLORATION Lease: CALHOON Well No.: A-1

County: MEADE Location: 626 PNL 984 FEL Section: 11 Township: T335 Range (E/W): T29W Acres: 640

API Well Number: 15-119-21024-00-01 Reservoir(s): CHEROKEE Gas Pipeline Connection: DCP MIDSTREAM, LP

Completion Date: 1/28/2010 Type of Completion (Describe): ACID FRAC Plug Back T.D.: 5550 Packer Set At: N/A

Lifting Method: Pumping Gas Lift ESP Type Liquid: Oil API Gravity of Liquid/Oil: 40

Casing Size: 5 1/2" Weight: 15.5" ID: Set At: 5784 Perforations: To: 5494-5506

Tubing Size: 2 7/8" Weight: 6.5" ID: Set At: 5519 Perforations: To:

Pretest: Starting Date: 04/12/2010 Time: 4:00 AM/PM: AM Ending Date: 4/13/2010 Time: 4:00 AM/PM: AM

Test: Starting Date: 4/13/2010 Time: 4:00 AM/PM: AM Ending Date: 4/14/2010 Time: 4:00 AM/PM: AM

OIL PRODUCTION OBSERVED DATA

Producing Wellhead Pressure Separator Pressure Choke Size

Casing: 95 Paig Tubing: 220 Paig 50 Paig 30/64

Bbls /In.	Stock Tank		Starting Gauge			Ending Gauge			Net API Bbls.	
	Size	Number	Feet	Inches	Barrels	Feet	Inches	Barrels	Water	Oil
Pretest:	300	12-3361	5	4	106.2	9	6 1/2	275.4		84.6
Test:	210	16-5645	4	2	56.0	4	3	59.5	1.2	
Test:	300	12-3361	9	6 1/2	190.8	13	9 1/4	275.4		84.6

GAS PRODUCTION OBSERVED DATA

Orifice Meter Connections (C₂/No) Orifice Meter Range Static Pressure: 500

Pipe Taps: Flange Taps: Differential: 200

Type Measuring Device	Entry Size	Orifice Size	Meter-Prover-Tester Pressure					Diff. Press. (h _w) or (h _d)	Gas Gravity (G _p)	Flowing Temp. (t)
			In. Water	In. Merc.	Paig or (P _d)	%CO ₂	H ₂ S ppm			
Orifice Meter	3.077	1.250	5.6		60.3	.2	0	54	.863	60
Critical Flow Prover										
MERLA Well Tester										

GAS FLOW RATE CALCULATIONS (R)

Coeff. MCFD (F ₁) (F ₂)	Meter-Prover Press. (P ₂) (P ₁)	Press. Extension $\sqrt{h_w \cdot P_m}$	Gravity Factor (F _g)	Flowing Temp. Factor (F _t)	Deviation Factor (F _d)	Sqr. Rt. Chart Factor (F _c)
7.771	73.4	6.4	1.076	1.000	1.008	N/A

Gas Prod. MCFD Flow Rate (R): 58.8 Oil Prod. Bbls./Day: 84.6 Gas/Oil Ratio (GOR) = 809 Cubic Feet per Bbl.

The undersigned authority, on behalf of the Company, states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct. Executed this 7TH day of MAY 19 2010

For Offset Operator For Commission *JW Chum* THURMOND-MCGLOTHLIN, INC For Company

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GAS PRODUCTION OBSERVED DATA

Orifice Meter Connections (Cdn/No): Orifice Meter Range: Static Pressure: 500
Pipe Taps: Flange Taps: Differential: 200

Type Measuring Device	Entry Size	Orifice Size	Meter-Prover-Tester Pressure					Diff. Press. (h _w) or (h _d)	Gas Gravity (G _p)	Flowing Temp. (t)
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For Offset Operator: For Commission: *JW Chum* For Company: THURMOND-MCGLOTHLIN, INC

May 18, 2010

Dee Janssen
Strat land Exploration Company
15 East Fifth St. Suite 2020
Tulsa, OK. 74103

RE: Classification of Calhoon A-1 Well- Section 11-33S-29W; Meade County, KS.

Dear Ms. Janssen:

Conservation Division staff is in receipt of the gas/oil ratio test results obtained by Thurmond-McGlothlin on Stat Land Exploration Company's behalf. And, of course, staff is aware of the ratio indicating that this well should be classified as an oil well, not a gas well.

As the member of the Conservation Division staff who normally deals with well-classification and the accompanying well-spacing issues, I accept Strat Land Exploration Company's claim for classification of the Calhoon well as an oil well.

However, I need to inform Strat Land Exploration Company of the fact that Thurmond-McGlothlin made a mathematical mistake in their calculations which led to an incorrect ratio value. The ratio isn't quite as low as what their calculations would seem to imply.

With the proper corrections made, staff came up with a ratio of **2,038** cubic feet/Bbl. which doesn't change the classification of the Calhoon well,just brings the current ratio value a little closer to the defining ratio of **15,000** cubic feet/Barrel.

The daily oil production allowable for this well (it won't be limited on the associated natural gas that gets produced along with the oil) will be **200** Barrels.

It was noted by staff that someone entered "**640**" in the blank space up in the upper righthand corner of the form that's reserved for "**Acres**". While it's true that under the statewide, default rules and regulations of the Commission, it's not required for an operator to necessarily declare a unit to the KCC staff or how many surface acres a given well holds with production nor do those rules dictate what acreage an operator assigns to a particular well (as long as he/she doesn't go below **10** Acres), staff couldn't help but wonder if this entry represents a clerical mistake.

In Kansas, normally, an individual oil well only holds anywhere between **40** Acres and **160** total Acres with production. Please advise as to whether this entry on the C-5 form is accurate or is, in fact, a mistake. Staff will await your response.

Thank you for your ongoing cooperation.

Sincerely,

Jim Hemmen
Research Analyst

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