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KANSAS CORPORATION COMMISSION
1996 MAR 12 P 12:08

STELBAR OIL CORPORATION, INC.
NORTH MARKET, SUITE #500
WICHITA, KANSAS 67202
Telephone: (316) 264-8378
Fax: (316) 264-0592

3-12-96

March 11, 1996

Kansas Corporation Commission
Conservation Division
130 S. Market, Room #2078
Wichita State Office Building
Wichita, Kansas 67202

Re: Sullard #1-34
Section 34-T24S-R9W
Reno County, Kansas

Dear Sir:

In response to your letter dated March 1, 1996 concerning the above-referenced well, please be advised that this well was improperly classified as a gas well on the ACO-1 submitted for the initial completion. The well produced with a 12,000 SCF/BBL GOR when originally completed, and the GOR has since declined to 4,448 SCF/BBL as measured on the attached State Production and GOR Report. Based on the initial GOR and the current GOR, this well should be reclassified as an oil well. It is our understanding that conducting the State Production and GOR test on this well will bring the well into full compliance with all KCC rules and regulations. Please contact the undersigned if you have any questions or additional information is needed.

Sincerely,

STELBAR OIL CORPORATION, INC.



Roscoe L. Mendenhall
Petroleum Engineer

RLM/np

STATE OF KANSAS - CORPORATION COMMISSION
 PRODUCTION TEST & GOR REPORT

Form C-5 Revised

Conservation Division

TYPE TEST: Initial Annual Workover Reclassification TEST DATE: 3-6-96

Company Stellar Oil Corp, Inc Lease KANSAS CORP COMM Well No. 1-34

County Reno Location 5 1/2 NW 1/4 NE 1/4 Section 34 Township 12 Range 9W Acres 160

Field Plevna Reservoir MISSISSIPPI Pipeline Connection Williams Natural Gas

Completion Date 8-31-94 Type Completion (Describe) Single Zone Plug Back T.D. 3902' Packer Set At None

Production Method: Pumping Type Fluid Production Oil, Gas, Water API Gravity of Liquid/Oil 30

Flowing Casing Size 4 1/2" Weight 10.5 # I.D. 4.00 Set At 3952' Perforations 3796' To 3812

Tubing Size 2 3/8" Weight 4.3 # I.D. 2" Set At 3867 Perforations O.E. To

Pretest: Starting Date 3-6-96 Time 8:30 Ending Date 3-7-96 Time 8:30 Duration Hrs. 24

Oil Production Observed Data

Producing Wellhead Pressure 80 psi Tubing: 150 psi (BPR) Separator Pressure 60 Choke Size None

Bbls./In. Tank Starting Gauge Ending Gauge Net Prod. Bbls.

Size Number Feet Inches Barrels Feet Inches Barrels Water Oil

Pretest: 200 3407 6 3 1/2 - 6 10 1/2 1169 1169

Test: meter 21

GAS PRODUCTION OBSERVED DATA

Orifice Meter Connections Orifice Meter Range

Pipe Taps: Flange Taps: Differential: 100 Static Pressure: 1500

Measuring Device Run-Prover-Tester Size Orifice Size Meter-Prover-Tester Pressure Diff. Press. Gravity Flowing

Orifice Meter 0.750 2 60 2 0.71 24° F

Critical Flow Prover

Orifice Well Tester

GAS FLOW RATE CALCULATIONS (R)

Coeff. MCFD Meter-Prover Extension Gravity Flowing Temp. Deviation Chart

(Fb) (Fp) (QWTC) Press. (Psia) (Pm) $\sqrt{hw \times Pm}$ Factor (Fg) Factor (Ft) Factor (Fpv) Factor (Fd)

3.47 74.4 12.198 1.187 1.037 1.0 -

Gas Prod. MCFD Oil Prod. Gas/Oil Ratio Cubic Ft.

Flow Rate (R): 52 Bbls./Day: 11.69 (GOR) = 4448 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 the 8th day of March 1996

For Offset Operator For State For Company