

Comparison of Single Completion

Versus Dual Completion

State "K" No. 2

	<u>Single</u>	<u>Dual</u>
Gross Recoverable Oil - Ebls.	35,000	35,000
Net Recoverable Oil - Ebls.	30,750	30,750
Gross Earnings at \$2.86/Net Ebl.	\$87,945	\$87,945
Operating Expense - \$0.50/Net Ebl.	15,375	
" " - \$0.60/Net Ebl.		18,450
Tax Expense at \$0.16/Net Ebl.	4,920	4,920
Net Earnings	67,650	64,575
Development Expense	- 47,336	- 26,694
Net Profit	30,154	37,881
Payout	14.3%	24.2%

20,314

Calculation of Gross Recoverable Oil

Average Stock Tank Oil in Place - Ebls.	440
Net Pay in State K #2 - Feet	10
Area Drained by State K #2 - Acres	40
Estimated Primary Recovery	20%

$$\text{Recoverable Oil - Ebls.} = 440 \times 10 \times 40 \times .20 = 35,000$$

BEFORE THE
OFFICE OF THE COMMISSIONER
OF REVENUE
STATE OF KANSAS
CASE NO. 1364

EXHIBIT

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