

## OIL & GAS renditions ON-LINE

**THE OIL AND GAS RENDITIONS ONLINE PROGRAM** has been developed to assist the Kansas Oil and Gas operator in compiling the Oil or Gas Assessment Rendition required by each county on April 1<sup>st</sup> of each year. This program was created using the same tables and calculations that over 50% of County Appraiser with major oil or gas values currently use. It includes all the latest updates and tables as determined by the Kansas Department of Revenue Division of Property Valuation (PVD). PVD has approved the InfiniTec Oil and Gas Online renditions for use by all counties. County appraisers **MUST** accept renditions generated by the InfiniTec program.

This packet includes sample renditions from actual oil and gas leases in Kansas prepared for the 2008 tax year using the program. Names and locations have been changed for privacy.

## SAMPLES ----

- Page 2: Exempt Oil Lease. This example includes both a severance tax and property tax exemption. Notice how the Working Interest Valuation is zero. It also includes a TA well. Also note the 25% Working Interest Assessed Value for leases with less then 5 Bbls daily production.
- Page 3: **New Oil Well**. This is an example of a new lease. Notice the Annual Decline rate of 30% for new leases.
- Page 4 & 5: *OIL VS GAS COMPARISON* and *GAS VS OIL COMPARISON*. The next two renditions were used to compare a single lease with both oil and gas. This lease was filed in past years as an Oil lease, but as the oil production declined the gas production ratio increased to a point where it could be argued as either an oil or gas lease. Prior year production data was entered for both leases and the net result (Working Interest Assessed Value) were compared. Using InfiniTec software, the operator was able to determine that filing the lease as an OIL lease would result in \$150,794 LESS Assessed value. The operator could now make a determination as how to proceed with discussions with the county appraiser.
- Page 6: GAS WITH SCH B: This rendition was used by an operator to fully calculate two sets of scheduled values. First, the operator used an 18% historical decline rate. Second, as Schedule A must use actual production calculations, the operator used Column B (Owner) to show calculations for a more accurate expected 2008 production value. Using InfiniTec software, the operator was able to override the calculated Schedule A production values and thus able to generate a far more accurate and favorable Working Interest Assessed Value.



Russell County, Kansas

APRIL 14, 2008

SHALL BE FILED WITH COUNTY APPRAISER BY APRIL 1 A Kansas Oil Company

Lease	Less5BBL
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1007 W 27 Hays Ks 67601-0000 Operator ID \_\_\_

County ID 3345 KDOR ID# <u>132456</u> Well API # <u>15-007-20555</u> Property: EXEMPT OIL LEASE Section 1 - Location of Property (required) Section VII - Abstract Value (for appraiser's use only) Rate Pen Appraised Assessed Penalty Descr.<u>NE/4 SE /2</u> Working Interest Prescribed Equipment\_\_\_\_ Itemized Equipment \_\_\_\_\_\_\_ Sec 14 Twp <u>10</u> Rng <u>14</u> Twp/City<u>55</u> Royalty & ORRI Int \_\_\_\_ Tax Unit<u>15</u> School Dist 407 Section II - Lease data (required) WI: <u>.81230454</u> RI: <u>.18769546</u> Producing wells: Oil:\_\_2 Sub:\_\_\_ Gas:\_\_\_ Non-Prod: Shut In:\_\_\_ SWD:\_\_\_ TA:\_\_1 Inj:\_\_\_ WS:\_\_\_ Total:\_ \_\_ Water Disp: \_\_ Secondary Recovery: ${ exttt{N}}$  KCC Permit: ${ exttt{\_}}$ \_\_ Tank Batteries: \_\_1 SPUD Date: <u>01/01/1955</u> Depth: <u>3364</u> Formation: <u>LANSING / KC /ARBUCKLE</u> Comp Date: 01/01/1955 SWD: \_\_\_\_ Oil Purchaser: NCRA Oil Gravity: 35.00 Water Production (%): 88 BPD: 135.00 PO BOX 1404 MCPHERSON KS 67460-1404 Section IV - Production data (required) Notation Month <u>2007</u> Oil <u>2006</u> Oil TA well has no equipment. To be plugged. 109 January February 144 129 March April 129 139 Мау June 132 July 136 133 August 141 September Lease receives eastern KS posted price NO\_ (Yes/No) 130 October Severence Exempt # <u>A68</u> Prop Tax Exempt # <u>99-2315-TX</u> November 122 Casinghead Gas Production 133 \_ X \_\_\_\_ = \_\_\_\_ / <u>73.250</u> = \_ December 1644 Production MCF Price Income \$ Bbl Oil Bbl Oil Annual Production 1577 1644 Gatherer \_\_\_\_ Casinghead Gas (Cvt Bbls<u>)</u> Total Annual Production \_\_\_\_\_1577 Annual Decline Section V - Gross Reserve Calculations A. Schedule B. Owner C. Appraiser 1. Total Amount (Bbls) Production 1,577 2. Net Price as of Jan. 1 \$73.250 3. Estimated Gross Income Stream \$115,515 4. Present Worth Factor 3.606 5. Estimated Gross Reserve Value \$416,547 Section VI - Gross Reserve Value X Decimal Interest 1.Royalty & ORRI Int Valuation:\_\_\_ 416,547 X <u>.18769546</u> 78,184 2.Working Interest Valuation: \_\_\_\_416,547 X \_.81230454 3. Deduct Operating Cost Allowance a. Producing Well: 83,210 X 2 Wells 166,420 b. Injection Well: \_\_\_\_ X \_\_\_ Wells c. Submersible: \_\_ X <u>4.462</u> 4. Subtotal (Line 2 minus Lines 3A,B,C) 5.Working Int Minimum Value \_\_\_\_\_ 6.Line 4 or Line 5, whichever is greater 7aPrescr Equip Value: \_\_\_\_6,040 X \_\_1 6,040 b. Additional Wells: 4,530 X 1 4,530 <u>6,595</u> X <u>1</u> c. TA,SI,SWD,INJ,WS: d. Submersible: <u>9,060</u> X e. Additional Equip: \_\_\_\_\_ X <u>.4031</u> 8. Itemized Equipment (Section III, Attach Schedule) 10,570 9.Working Interest Value 10Working Interest Assessed Value Rate: <u>25</u>%

CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.

Owner

Ellis County, Kansas

APRIL 14, 2008

A Kansas Oil Company SHALL BE FILED WITH COUNTY APPRAISER BY APRIL 1 1007 W 27

Lease NEWWELL

_	W 27	Lease NEWN
3	Ks 67601-0000	Operator ID

<u>Hays Ks 67601-0000</u> Operator ID \_ County ID 2246 KDOR ID# <u>15-12456</u> Property: New Oil Well \_\_ Well API # \_\_\_ Section 1 - Location of Property (required) Section VII - Abstract Value (for appraiser's use only) Rate Pen Appraised Assessed Penalty Total Descr.<u>NW/4 SW/2</u> Working Interest Prescribed Equipment\_\_\_\_ Itemized Equipment \_\_\_\_\_\_ Sec <u>12</u> Twp <u>33</u> Rng <u>11</u> Twp/City<u>Buckeye</u> Royalty & ORRI Int \_\_\_\_ Tax Unit <u>121</u> School Dist <u>489</u> Section II - Lease data (required) WI: <u>.86700000</u> RI: <u>.13300000</u> Producing wells: Oil: <u>1</u> Sub: \_\_\_ Gas: \_\_\_ Non-Prod: Shut In: \_\_\_ SWD: <u>1</u> TA: \_\_\_ Inj: \_\_\_ WS: \_\_\_ Total: \_ Water Disp: \_\_ Secondary Recovery:  $\underline{N}$  KCC Permit:  $\underline{\phantom{M}}$ \_\_ Tank Batteries: <u>1</u> SPUD Date: <u>06/05/2008</u> Depth: <u>3362</u> Formation: <u>ARBUCKLE</u> Comp Date: <u>07/15/2008</u> SWD: <u>1200</u> Oil Purchaser: NCRA Oil Gravity: 38.00 Water Production (%): 96 BPD: 100.00 PO BOX 1404 MCPHERSON KS 67460-1404 Section IV - Production data (required) Notation Month <u>2007</u> Oil <u>2006</u> Oil New Lease Request 30% decline January February March April Мау June July 787 677 August 533 September Lease receives eastern KS posted price NO (Yes/No) 511 October Severence Exempt # \_\_\_\_\_ Prop Tax Exempt # \_\_\_ November 488 Casinghead Gas Production 478 \_ X \_\_\_\_ = \_\_\_\_ / <u>70.500</u> = \_ December Production MCF Price Income \$ Bbl Oil Bbl Oil Annual Production 3474 Casinghead Gas (Cvt Bbls<u>)</u> Gatherer \_\_\_\_ Total Annual Production <u>3474</u> Annual Decline C. Appraiser Section V - Gross Reserve Calculations A. Schedule B. Owner 1. Total Amount (Bbls) Production 3,474 2. Net Price as of Jan. 1 \$70.500 3. Estimated Gross Income Stream \$244,917 4. Present Worth Factor 1.552 5. Estimated Gross Reserve Value \$380,111 Section VI - Gross Reserve Value X Decimal Interest 1.Royalty & ORRI Int Valuation:\_\_\_ 380,111 X <u>.13300000</u> 50,555 2.Working Interest Valuation: \_\_\_\_\_380,111 X \_.86700000 329,556 3. Deduct Operating Cost Allowance a. Producing Well: <u>110,045</u> X <u>1</u> Wells 110,045 b. Injection Well:  $\_$  X  $\_$  Wells c. Submersible: X <u>4.462</u> 4. Subtotal (Line 2 minus Lines 3A,B,C) 219,511 5.Working Int Minimum Value \_\_ 329,556 X <u>.10</u> 32,956 6.Line 4 or Line 5, whichever is greater 219,511 7aPrescr Equip Value: \_\_\_\_\_7,990 X \_\_1 7,990 b. Additional Wells: <u>5,990</u> X \_\_\_\_ <u>370</u> X <u>1</u> c. TA,SI,SWD,INJ,WS: 370 d. Submersible: <u>9,060</u> X e. Additional Equip: \_\_\_\_\_ X <u>.4031</u> 8. Itemized Equipment (Section III, Attach Schedule) 9.Working Interest Value 227,871 10Working Interest Assessed Value Rate: <u>30</u>% 68,361 CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or

held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.

Date

Preparer 9

Rice County, Kansas

APRIL 14, 2008

SHALL BE FILED WITH COUNTY APPRAISER BY APRIL 1 A Kansas Oil Company 1007 W 27 Lease OILVSGAS

Hays Ks 67601-0000		Operator ID	
		County ID 4456	
	TTDOD TD# 1024556	- 10/0/1080	

				=				County ID <u>4</u>	456	
Property: <u>OIL VS GAS COMP</u>	ARISON			<u>.</u>	KDOR ID# <u>123</u>	4556	W	ell API # <u>1</u>	2/2/1970	
Section 1 - Location of	Property	(required	)		VII - Abstr					
Descr. <u>NE/4</u>						Rate Pen	Appraised	Assessed	Penalty	Total
				Working	Interest	%				
				Prescri	bed Equipmen	t				
Sec <u>31</u> Twp <u>33</u>	Rng 9			Itemize	d Equipment	%				
Twp/City <u>Buckeye</u>				Royalty	& ORRI Int					
Tax Unit <u>144</u> School	Dist <u>321</u>			Total						
Section II - Lease data	(required	1)		•				WI: <u>.8750</u>	0000 RI:	.12500000
Producing wells: Oil: <u>1</u>	Sub:	Gas:	No	on-Prod: S	hut In:	SWD:	TA:	Inj:	ws:	Total: <u>1</u>
Secondary Recovery: N KC	C Permit:_		Wa	ater Disp:					Tank Batt	eries: <u>1</u>
SPUD Date:	Depth:	<u>3615</u>	F	Formation:	MISENER SAN	DSTONE				
Comp Date: <u>01/01/1988</u>	SWD:		Oil E	Purchaser:	NCRA					
oil Gravity <u>:45.00</u> Water	Production	ı (%): <u>85</u>	BPD:	119.00	PO BOX 1404	MCPHERSO	ON KS 6746	0-1404		
Section IV - Production	data (red	uired)					No	tation		
Month	<u>2007</u> Oil	Gas	200	<u>)6</u> Oil						
January	456	8460								
February	216	3979								
March .	405	7713								
April	559	8997								
May _	499	8111								
June _	500	7212								
July	295	4295								
lugust	476	6642								
September	534	·			Lease recei	ves eastei	rn KS post	ed price NO	(Yes/N	0)
October		7940			Severence E		_	_		
November		8350						s Productio		
December		8950		7662	8			531921.18 /		7513
•		88359		7662				Income		
Casinghead Gas (Cvt Bbls)							emqas		,	
Total Annual Production										
Annual Decline	1799					_				
Section V - Gross Reser					A. Schedule	_	B. Owner	C. Ap	praiser	
1. Total Amount (Bbls) Pr					13,376			1		
2. Net Price as of Jan. 1				•	\$70.800					
3. Estimated Gross Income					\$947,021					
1. Present Worth Factor					1.960					
5. Estimated Gross Reserv	ve Value				\$1,856,161					
Section VI - Gross Rese		X Decimal	Inter	rest				<u> </u>		
l.Royalty & ORRI Int Val	uation: <u> </u>	,856,161	X <u>.1</u> 2	2500000	232,020					
2.Working Interest Valua	tion:1	,856,161	x <u>.8</u> 7	7500000	1,624,141					
3. Deduct Operating Cost										
a. Producing Well:		1 Wells			83,210					
b. Injection Well:										
	X 4			•	_					
4. Subtotal (Line 2 minus				•	1,540,931					
5. Working Int Minimum Va			1.0	•	162,414					
5. Line 4 or Line 5, which				•	1,540,931				•	
VaPrescr Equip Value: _				•	6,040					
	4,530			•	3,310					
c. TA,SI,SWD,INJ,WS: _	885			•	-					
	9,060			•	-					
	<u> </u>									
B.Itemized Equipment (Se			ahedu.	(e)						
9.Working Interest Value	CCTOH TIT	Accacii D	o11CUU]	/	1,546,971		-			
	and Walue	Pata:	300	•				-		
10 Working Interest Asses	scu value	Rate:	<u>೨∪</u> б	•	464,091			-		

CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.

Section I - Location of Property (required)	2008 GAS ASSESSMENT RENDITION		F	Rice County,	Kansas	APRIL 14, 2008
Saym. Re. 6260-100001   Scott 10   Scott 10   Scott 10   Scott 10   Scott 10   124656   Scott 10   Scott	A Kansas Oil Company	_	SHA	ALL BE FILED	WITH COUNTY	APPRAISER BY APRIL 1
Country   1458	1007 W 27	<u> </u>			Lease No	GASVSOIL
Receive   Constraint of Property (Required)	<u>Hays Ks 67601-0000</u>	<u> </u>			Operator ID	
		_			_	
Sec 11 Top 13 Rus   State   Pen Appraised Assenced   Penalty   Total   Mocking Interest   Propertied Regignent   Penalty   Total   Penalty   Pen	Property: GAS VS OIL COMPARISON	KDOR	ID# <u>1234556</u>		_ Well API #	12/2/1970
Section II   Section   S	Section I - Location of Property (required)	Section VII -	Abstract Val	ue (for app	raiser's use	only)
Second   Production   Product	Descr.NE/4			Pen Apprai	sed Assessed	l Penalty Total
Section II - Lease data (required)		_				
May	G. v. 21	_	_			<del>-</del>
Tax Unit 144						<del> </del>
Section XT - Lease data (required)						<del></del>
### Piel ALC OTHER KANDAS   ST   SWD   TA   Shis Water   13.9.00   Depth   3615   SWD Depth   Pield ALC OTHER KANDAS   BTU Content: 995   SPUD Date:   Comp Date:   Comp Date:   (1)   Infili ( ) Comminaled ( ) Coalbed Methane   Tie to Lease no:   Comp Date:   Comp Date:   (2)   Prior Yr Gross Weighted Ave \$/MCF: 7.75000		TOC WOLKING &	ROYALLY INCE			00000 PT: 12500000
Field All OTHER NAMESAS			Rhls Water	119 00		
Infill () Commingled () Coalbed Methane						
SMD Disposal: Name &					comp Date: o	<u> </u>
### Address   SMM Sys   Less Allowable Deductions \$/MCF: 1.74100   ### Street Name & SMMGAC   SMAR TULSA OK 74136-4234   Effective Jan 1 Net Price \$/MCF: 6.02000   ### Sewell Production data (required) ### Saw Net Production data (required) ### Refeature Jan 1 Net Price (Royalty): 6.02000   ### Saw Net Production   Saw Sys   Saw Sys   Research   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Net Production   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Net Production   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Net Production   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Net Production   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Net Production   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.02000   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ### Street Royalty Annual Production   NCF   Saw Sys   Refeative Jan 1 Net Price (Royalty): 6.0200   ###					ss Weighted A	ve \$/MCF: 7.76000
Section IV - Production Data   Condensate - Bbls.   Gas - MCF   Avg   Notation						
Reflective Jan 1 Net Price (Royalty): 6.02000						
Section IV - Production Data   Condensate - Bbls.   Gas - MCF   Avg   Notation	Address 6120 S YALE TULSA OK 741	.36-4234	_ Eff			
2003 Annual Production	Section IV - Production data (required)		_			
2004 Annual Production 7,856	Gas Well Production Data Condensate - Bbls	. Gas - MCF	Avg		Notation	
2005 Annual Production 7,856 99,281 2007 Annual Production 7,662 99,281 2007 Annual Production 5,862 88.359 2007 Annual Production 5,862 88.359 2007 Annual Production 25,862 2007 Annual Productio	2003Annual Production		_			
2006 Annual Production	2004Annual Production		_			
Decline	2005 Annual Production 7,856		_			
Decline   Average Annual Production	2006 Annual Production 7,662	99,281	_			
Average Annual Production	2007 Annual Production <u>5,863</u>	88,359	_			
Condensate (Converted to MCF)  Total Annual / Average Production - MCF  5.863X	Total Production	I	Decline			
Total Annual / Average Production - MCF	Average Annual Production		<u>11</u> %			
S.863 x   70.800	Condensate (Converted to MCF)					
Note   Price   Bols   Price   Bols   Price   Brice	Total Annual / Average Production - MCF					
A. Schedule   B. Owner   C. Appraiser		68,954				
1. Average Production - MCF 2. Effective Jan 1 Net Price \$/MCF 3. Estimated Gross Income Stream 4. Present Worth Factor		Total MCF				
2. Effective Jan 1 Net Price \$/MCF 6.02000 3. Estimated Gross Income Stream 947.024 4. Present Worth Factor 2.154 5. Estimated Gross Reserve Value 2.1554 5. Estimated Gross Reserve Value 5. Decimal Interest 2.608.104  Section VI - Gross Reserve Value 5. Decimal Interest 7. Schedule 7. Schedule 7. Schedule 7. Schedule 7. Schedule 8. Owner 7. Appraiser 7. Schedule 7. Schedule 7. Schedule 7. Schedule 7. Schedule 8. Owner 7. Appraiser 7. Schedule 7.					B. Owner	C. Appraiser
3. Estimated Gross Income Stream 947,024 4. Present Worth Factor 2.08.104 2.068.104 5. Estimated Gross Reserve Value 7.068.104 1.104 2.068.104 2.0			·			
4. Present Worth Factor 2.08					•	<del></del>
Section VI - Gross Reserve Value X Decimal Interest						
Section VI - Gross Reserve Value X Decimal Interest			2 6		-	
1. Royalty & ORRI Int Valuation:2,608.104 X12500000		rest			R Owner	C Appraiser
2. Working Interest Valuation:					B. Owner	C. Applaisei
3. Deduct Operating Cost Allowance 76,560 X 1 Wells 76,560 4a. Compression Exp						
4a. Compression Exp						
4b. Water Expense (tbl A or B actual) X 4.462 4c. Water Expense (tbl C allowance) X Wells 5. Subtotal (Line 2 minus Lines 3 and 4) 2.045.785 6. Minimum Lease Value 2.122.345 X .10 212.235 7. Line 5 or Line 6 (Whichever is greater) 2.045.785 8a Pres Equip-Producing Flow Pump 3.830 3.830 8b Pres Equip-Nonproducing 8c Pres Equip-Additional X .4031 9. Itemized Equipment (Section III, Attach Schedule) 10. Total Working Interest Appraised Value Rate: 30% 614.885  CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.						
5. Subtotal (Line 2 minus Lines 3 and 4)  6. Minimum Lease Value 2.122.345 X .10  7. Line 5 or Line 6 (Whichever is greater)  8a Pres Equip-Producing Flow Pump 3.830  8b Pres Equip-Nonproducing  8c Pres Equip-Additional X .4031  9. Itemized Equipment (Section III, Attach Schedule)  10. Total Working Interest Appraised Value 2.049.615  11 Working Interest Assessed Value Rate: 30%  CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.						
6. Minimum Lease Value 2.122.345 X .10 212.235 2.045.785 7. Line 5 or Line 6 (Whichever is greater) 2.045.785 8a Pres Equip-Producing Flow Pump 3.830 3.830 8b Pres Equip-Nonproducing 8c Pres Equip-Additional X .4031 9. Itemized Equipment (Section III, Attach Schedule) 10. Total Working Interest Appraised Value Rate: 30% 614.885 CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.		X Wells				
7. Line 5 or Line 6 (Whichever is greater)  8a Pres Equip-Producing Flow Pump 3,830 3,830  8b Pres Equip-Nonproducing  8c Pres Equip-Additional X .4031  9. Itemized Equipment (Section III, Attach Schedule)  10. Total Working Interest Appraised Value Rate: 30% 614,885  CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	5. Subtotal (Line 2 minus Lines 3 and 4)		2,0	145,785		
8a Pres Equip-Producing Flow Pump 3,830 3,830 3,830 8b Pres Equip-Nonproducing 8c Pres Equip-Additional X .4031 29. Itemized Equipment (Section III, Attach Schedule) 2,049,615 21 Working Interest Appraised Value Rate: 30% 614,885 614,885 CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	6.Minimum Lease Value <u>2,122,345</u> X <u>.10</u>		2	212,235		-
8bPres Equip-Nonproducing 8cPres Equip-Additional X .4031 9.Itemized Equipment (Section III, Attach Schedule) 10.Total Working Interest Appraised Value	7.Line 5 or Line 6 (Whichever is greater)		2,0	<u>145,785</u>		
8cPres Equip-Additional X .4031  9. Itemized Equipment (Section III, Attach Schedule)  10. Total Working Interest Appraised Value Rate: 30% 614,885  CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	8aPres Equip-Producing Flow Pump	3,830		3,830		
9. Itemized Equipment (Section III, Attach Schedule)  10. Total Working Interest Appraised Value	8bPres Equip-Nonproducing					
10. Total Working Interest Appraised Value  11 Working Interest Assessed Value  Rate: 30%  CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	8cPres Equip-Additional X <u>.4031</u>	<u>-</u>				
11Working Interest Assessed Value Rate: 30%	9.Itemized Equipment (Section III, Attach Schedu	ıle)				
CERTIFICATION: I do hereby certify that this schedule contains a full and true list of all personal property owned or held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	10.Total Working Interest Appraised Value		2,0	149,615		
held by me subject to taxation under the laws of the state of Kansas pursuant to KSA 79-329 through 79-333.	llWorking Interest Assessed Value Rate: <u>30</u> %	š	6	14,885		
	CERTIFICATION: I do hereby certify that this sche	edule contains a	a full and tr	rue list of	all personal	property owned or
			_	nt to KSA 79	9-329 through	79-333.

2008 GAS ASSESSMENT RENDITION		Meade County	y, Kansas	APRIL 14, 2008
A Kansas Oil Company	_	SHALL BE FILE	ED WITH COUNTY A	PPRAISER BY APRIL 1
1007 W 27	_		Lease No <u>G</u>	ASSECB
Hays Ks 67601-0000	_		Operator ID _	
	_		County ID $4$	456
Property: GAS WITH SCH B	KDOR ID# <u>1234</u>	1556	Well API # <u>1</u>	5-009-24971
Section I - Location of Property (required)	Section VII - Abstract	t <b>Value</b> (for a	ppraiser's use o	nly)
Descr.NE/4 NW/2	F	Rate Pen Appra	aised Assessed	Penalty Total
	Working Interest			
	Prescribed Equipment			
Sec <u>30</u> Twp <u>15</u> Rng <u>31</u>	Itemized Equipment			
Twp/CityVALLEY CENTER	Royalty & ORRI Int			
Tax Unit 44 School Dist 451	Tot Working & Royalty	Interest		
Section II - Lease data (required)				0000 RI: <u>.12500000</u>
Wells: Pump Flow <u>1</u> SI SWD TA	Bbls Wa	ater <u>13.00</u>	Depth <u>2887</u> S	WD Depth
Field <u>ALL OTHER KANSAS</u> BTU C				
() Infill () Commingled () Coalbed Me	thane Tie to lease	no:	_	
SWD Disposal:Name & <u>JONES DISPOSAL</u>	( )	Prior Yr G	ross Weighted Av	e \$/MCF: <u>4.62000</u>
Address	SWD Sys	s Less Allo	owable Deduction	s \$/MCF:
Gatherer: Name & SEMGAS		Effective	e Jan 1 Net Pric	e \$/MCF: 4.62000
Address 6120 S YALE TULSA OK 741	36-4234	Effective Ja	n 1 Net Price (R	ovalty): 4.62000
Section IV - Production data (required)			,	<u> </u>
Gas Well Production Data Condensate - Bbls	. Gas - MCF Avq		Notation	
2003 Annual Production	123,350	WORKED	OVER WELL IN JU	NE. WELL HAS
2004 Annual Production	92,620	FALLEN		
2005 Annual Production	63,730		R 07 PRODUCTION	= 12500
2006 Annual Production	51,790		R 08 PRODUCTION	
2007 Annual Production	88,320		ED ANNULIZED PRO	
Total Production	Decline		2 QTR PROD) X 4	
Average Annual Production		MCF/YE		211() = 15100
Condensate (Converted to MCF)			T HISTORICAL 18%	DECT.TME
Total Annual / Average Production - MCF		-	SSION EXPENSES =	
x = / 4.620 =		COMPRE	SSION EXPENSES -	\$2,003
	Total MCF			
Section V - Gross Reserve Calculation		A. Schedule	B. Owner	C. Appraiser
1. Average Production - MCF	F	88,320	49,400	C. Appraiser
2. Effective Jan 1 Net Price \$/MCF	<del>-</del>	4.62000	<u> </u>	
3. Estimated Gross Income Stream		4.62000	<u>4.62000</u> 228.228	
	<del>-</del>			
4. Present Worth Factor		<u>2.173</u>	<u>2.173</u>	
5. Estimated Gross Reserve Value	<del></del>	886,667	495,939	
Section VI - Gross Reserve Value X Decimal Inte		A. Schedule	B. Owner	C. Appraiser
1. Royalty & ORRI Int Valuation: 886,667 X1	<del></del>	110,833	61,992	
	7500000 X <u>.95000</u> _	737,042	412,249	
3. Deduct Operating Cost Allowance 69,600		69,600	<u>69,600</u>	
4a.Compression Exp		11,891	11,891	
4b.Water Expense (tbl A or B actual)				
4c.Water Expense (tbl C allowance)	X Wells _	<del>.</del>		
5. Subtotal (Line 2 minus Lines 3 and 4)	-	655,551	330,758	
6.Minimum Lease Value <u>737,042</u> X <u>.10</u>	-	73,704	41,225	
7.Line 5 or Line 6 (Whichever is greater)	_	655,551	330,758	
8aPres Equip-Producing Flow <u>3,485</u> Pump	<del></del>	3,485	3,485	
8bPres Equip-Nonproducing	-			
8cPres Equip-Additional X <u>.4031</u>	-			
9.Itemized Equipment (Section III, Attach Schedu	le) _			
10.Total Working Interest Appraised Value	-	659,036	334,243	
llWorking Interest Assessed Value Rate: <u>30</u> %		197,711	100,273	
CERTIFICATION: I do hereby certify that this sche	dule contains a full ar	nd true list o	f all personal p	roperty owned or
held by me subject to taxation under the laws of	the state of Kansas pu	rsuant to KSA	79-329 through 3	79-333.
OwnerDate	Preparer		Date	e