

**APPLICATION FOR ENHANCED RECOVERY
PROJECT CERTIFICATION**

(All filings must be on an "Individual Well" Basis)

Section 1: Operator Information

Operator Name:	KCC License No.:		
Operator Address:			
City:	State:	Zip:	
Telephone: ()			
Well Name:	Well No.:	API#:15-	
Legal Description Location: Q/Q/Q/Q: - - - - Section: _____ Township: _____ S. Range: _____ East West			
Location Footages Should Be Calculated from the Nearest Outside Section Corner : NE SE NW or SW (Circle one)			
_____ Feet from N / S (Circle one) Line of Section. _____ Feet from E / W (Circle one) Line of Section.			
Formation(s) Name:			
Formation(s) Depth:			

Section II: Type of Enhanced Recovery Project Exemption

(Please check appropriate box below):	Well Type (Please check the appropriate box below):
<input type="checkbox"/> Recompletion	Gas
<input type="checkbox"/> Secondary Recovery	Oil
Surface Equipment Modification	
Compression/Line Looping	
New Technology	3-D Seismic <input type="checkbox"/> Horizontal Drilling
Other (Give a brief description):	

Section III: Project Certification

A. Give a brief description of Enhancement Project Below (Well must have been in production for past twelve months ; If this is an Enhanced Recovery Project attach a separate plat of the project and listing of wells and check this box): _____	All Boxes Below Must Be Certified by a Petroleum Geologist or Petroleum Engineer. Initials certifying work more than routine maintenance, repair, and like replacement of equipment. _____
B. Original Date of First Production From Well: _____	Initials certifying Date of First Production from Well. _____
C. Start-up date of project (Must be later than July 1, 1998): (Date of first sale from Enhancement Project beginning date) _____	Initials certifying well or lease date later than July 1, 1998. _____
D. Multiple well lease: _____ Yes No	Initials certifying well or lease basis. _____
E. Attach the Base Production Calculation and Certification Worksheet Form CER 1A. Is Form Attached to Application (Check box) _____ Yes No	Initials certifying production from individual well not combined. _____
F. Operator Request for Confidential Treatment of All Attachments (see K.A.R. 82-3-107 (e))? _____ Yes <input type="checkbox"/> No	Initials certifying request for confidential treatment of data. _____

I hereby certify that the statements made herein are true to the best of my knowledge and belief under the penalty of perjury.

Signature: _____ Date: _____

Title: _____ Phone: () _____

KCC Office Use ONLY	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved
KCC Certification No. _____		
Date Denied / Approved: _____		
Effective Date of Approval: _____		

Remember That All Filings Must Include Support Documentation For Verification:

- 3-D Seismic Filings Must Show Location of Well by Section, Township, and Range, including the Date that the 3-D Seismic Operation Work Was Performed: (i.e. Job log and/or Job Invoice, etc.);
- Other Filings Must Show That The Well Enhancement Was Completed: (i.e. Copies of: ACO-1; Job Log(s) with Date(s) for Recompletion, Surface or Downhole Equipment Modification(s); Compression/Line Looping or Any Other Enhancement(s)*, etc.).

* Remedial Squeeze Cementing and Other Non-Routine Repair That May Qualify.

EXAMPLE OF HOW TO CALCULATE A DECLINING MONTHLY BASE FOR AN "INDIVIDUAL" OIL OR GAS WELL ON THE CER 1-A

STEP 1: Enter Production for 12 months immediately preceding the Production Enhancement Project

MONTH 1	680.00
MONTH 2	674.30
MONTH 3	654.20
MONTH 4	752.60
MONTH 5	559.30
MONTH 6	690.60
MONTH 7	690.50
MONTH 8	719.80
MONTH 9	643.90
MONTH 10	637.20
MONTH 11	629.60
MONTH 12	622.21
TOTAL	7, 954.21

STEP 2: Calculate the First Twelve Months Average Production (FTMAP) =	$7,954.21 / 12 = 662.85$
STEP 3: Sum First Six Months Production (FSMP) =	4011.00
STEP 4: Sum Last Six Months Production (LSMP) =	3943.21
STEP 5: Non-Annualized Decline (NAD) = $(\text{FSMP} - \text{LSMP}) / \text{FSMP} =$	$(4,011.0 - 3,943.21) / 4,011.0 = 0.016901$
STEP 6: Annualized Decline (AD) = $1 - (1 - \text{NAD})^{12} =$	$1 - (1 - 0.016901)^{12} = 0.033516$
STEP 7: Base Production (BP) = $\text{FTMAP} \times (1 - \text{AD})^{0.5} =$	$662.85 \times (1 - 0.033516)^{0.5} = 651.65$
STEP 8: Calculate First Month Adjusted Base (MAJ) = $\text{BP} \times (1 - \text{AD})^{(1/12)} =$ NOTE: $(1/12) = .0833$	$651.65 \times (1 - 0.033516)^{.0833} = 649.80$

Now go to **STEP 2**

Each Succeeding Months Base = **Previous Base X (1 - AD) ^ (1 / 12)**

NOTE: In this EXAMPLE (1 - AD) = .966484

YEAR	MONTH	MONTHLY ADJUSTED BASE	
1	1	649.80	
1	2	647.96	$649.80 \times (.966484)^{.08333}$
1	3	646.12	$647.96 \times (.966484)^{.08333}$
1	4	644.29	$646.12 \times (.966484)^{.08333}$
1	5	642.46	$644.29 \times (.966484)^{.08333}$
1	6	640.64	$642.46 \times (.966484)^{.08333}$
1	7	638.82	$640.64 \times (.966484)^{.08333}$
1	8	637.01	$638.82 \times (.966484)^{.08333}$
1	9	635.20	$637.01 \times (.966484)^{.08333}$
1	10	633.40	$635.20 \times (.966484)^{.08333}$
1	11	631.60	$633.40 \times (.966484)^{.08333}$
1	12	629.81	$631.60 \times (.966484)^{.08333}$
2	1	628.02	$629.81 \times (.966484)^{.08333}$

KCC Certification No. _____

CALCULATION SHEET BASE PRODUCTION CALCULATION AND CERTIFICATION

Certification is on an "Individual" Well Basis, not by Lease

STEP 1: Enter Production for 12 months immediately preceding the Production Enhancement Project

MONTH 1	
MONTH 2	
MONTH 3	
MONTH 4	
MONTH 5	
MONTH 6	
MONTH 7	
MONTH 8	
MONTH 9	
MONTH 10	
MONTH 11	
MONTH 12	
TOTAL	

STEP 2: Calculate the First Twelve Months Average Production (**FTMAP**) = / 12 =

STEP 3: Sum First Six Months Production (**FSMP**) =

STEP 4: Sum Last Six Months Production (**LSMP**) =

STEP 5: Non-Annualized Decline (**NAD**) = $(\text{FSMP} - \text{LSMP}) / \text{FSMP}$ =

STEP 6: Annualized Decline (**AD**) = $1 - (1 - \text{NAD})^{12}$ =

STEP 7: Base Production (**BP**) = $\text{FTMAP} \times (1 - \text{AD})^{.5}$ =

STEP 8: Calculate First Month Adjusted Base (**MAJ**) = $\text{BP} \times (1 - \text{AD})^{(1/12)}$ =

NOTE: $(1/12) = .0833$

Each Succeeding Months Base = **Previous Base X (1 - AD) ^ (1 / 12)**

Initials certifying calculation performed by Petroleum Geologist or Petroleum Engineer

KCC Certification No. _____

YEAR	MONTH	BASE PRODUCTION
1	1	*
1	2	
1	3	
1	4	
1	5	
1	6	
1	7	
1	8	
1	9	
1	10	
1	11	
1	12	

YEAR	MONTH	BASE PRODUCTION
2	1	
2	2	
2	3	
2	4	
2	5	
2	6	
2	7	
2	8	
2	9	
2	10	
2	11	
2	12	

YEAR	MONTH	BASE PRODUCTION
3	1	
3	2	
3	3	
3	4	
3	5	
3	6	
3	7	
3	8	
3	9	
3	10	
3	11	
3	12	

YEAR	MONTH	BASE PRODUCTION
4	1	
4	2	
4	3	
4	4	
4	5	
4	6	
4	7	
4	8	
4	9	
4	10	
4	11	
4	12	

YEAR	MONTH	BASE PRODUCTION
5	1	
5	2	
5	3	
5	4	
5	5	
5	6	
5	7	
5	8	
5	9	
5	10	
5	11	
5	12	

YEAR	MONTH	BASE PRODUCTION
6	1	
6	2	
6	3	
6	4	
6	5	
6	6	
6	7	
6	8	
6	9	
6	10	
6	11	
6	12	

YEAR	MONTH	BASE PRODUCTION
7	1	
7	2	
7	3	
7	4	
7	5	
7	6	
7	7	
7	8	
7	9	
7	10	
7	11	
7	12	

* YEAR 1, MONTH 1, Enter First Month Adjustment Base from **STEP 8**