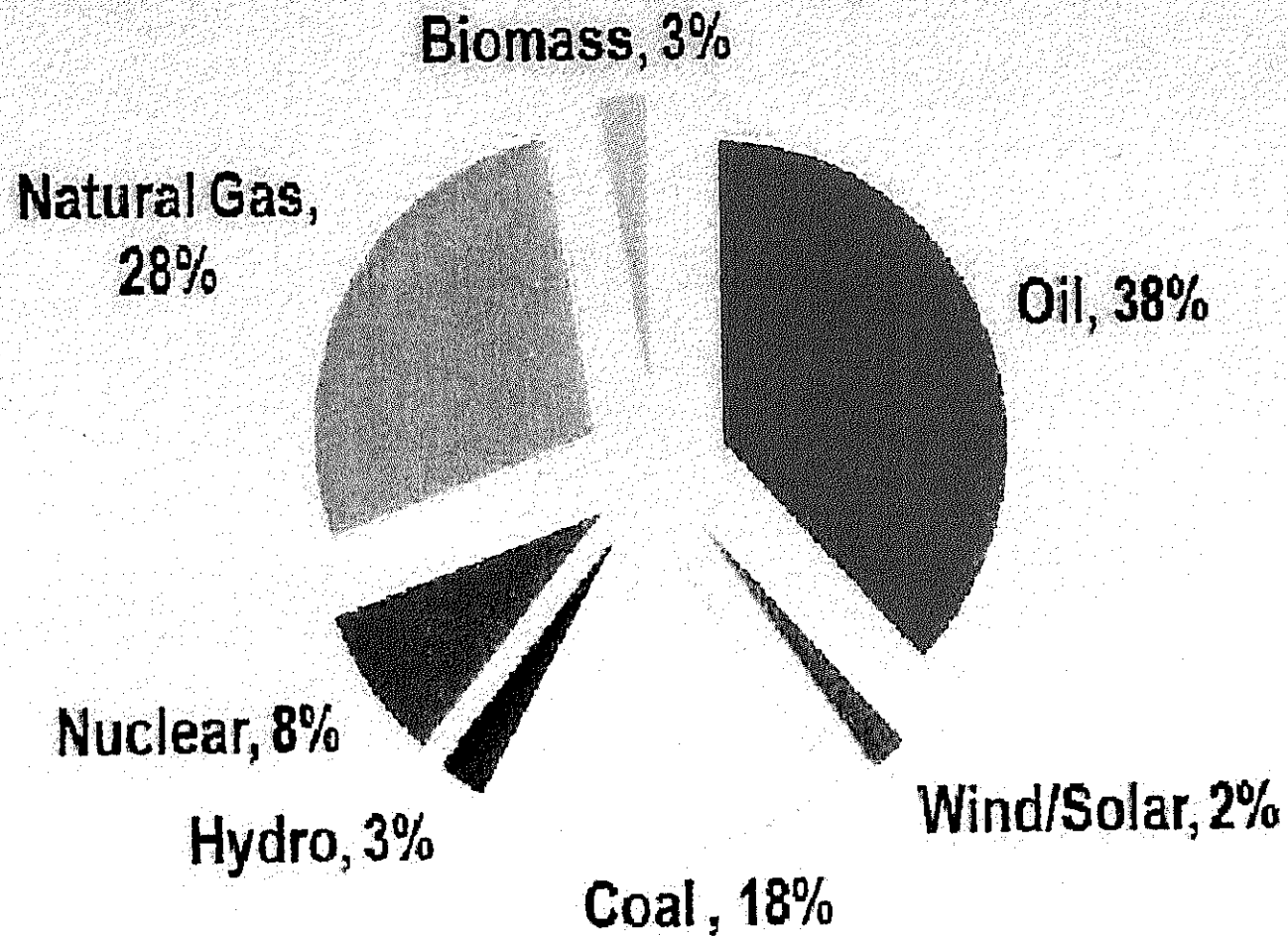
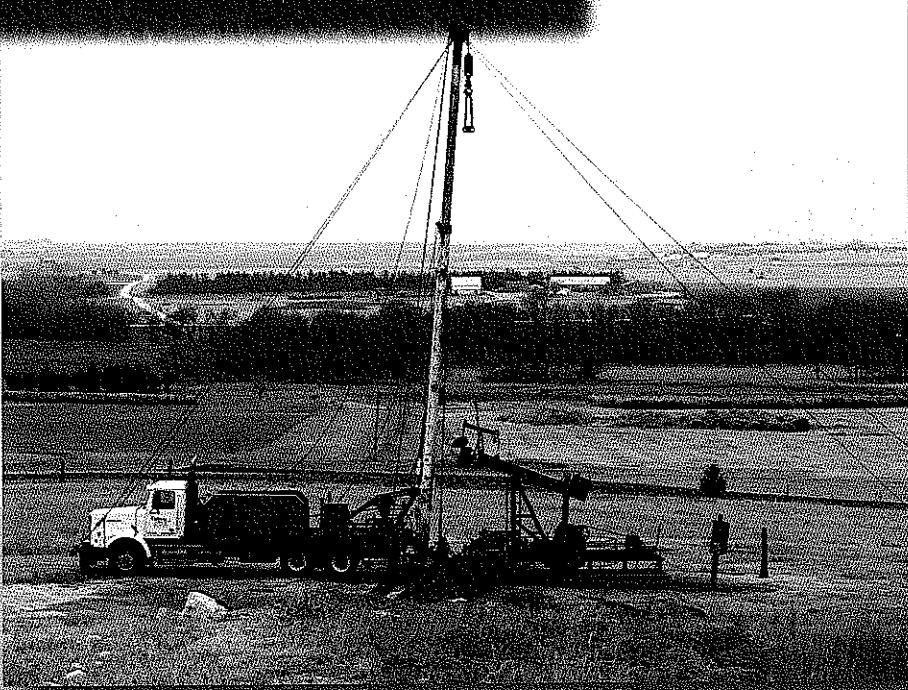
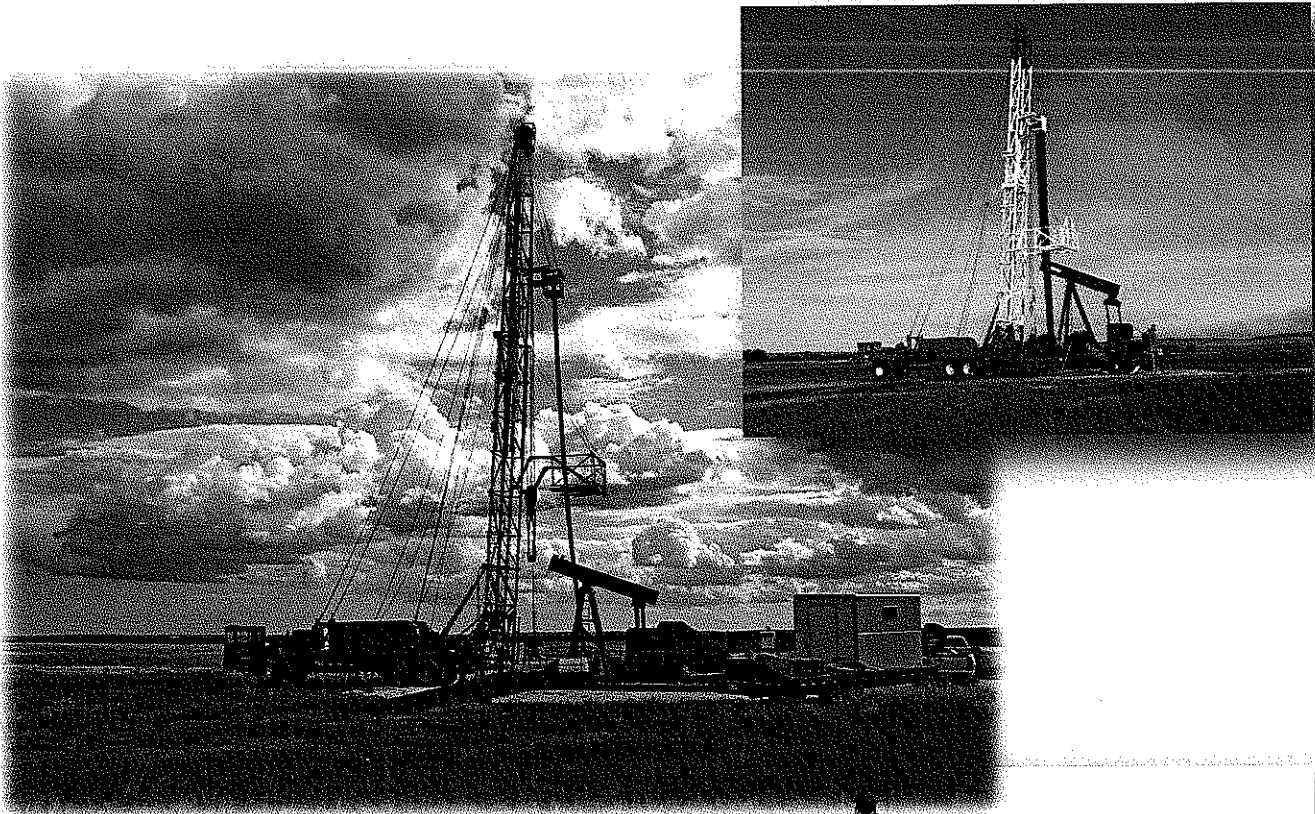


# U.S. Energy Consumption by Source

Energy Information Administration AEO 2014



# EXPRESS WELL SERVICE & SUPPLY, INC



# EXPRESS WELL SERVICE & SUPPLY, INC

Victoria, Kansas | Tom Casey, Manager

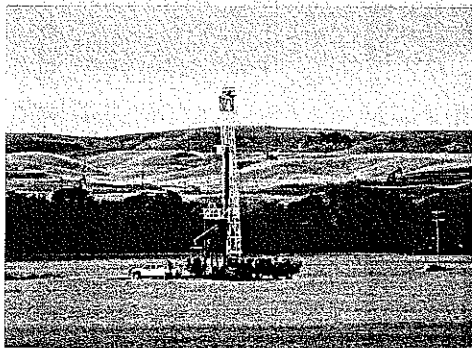
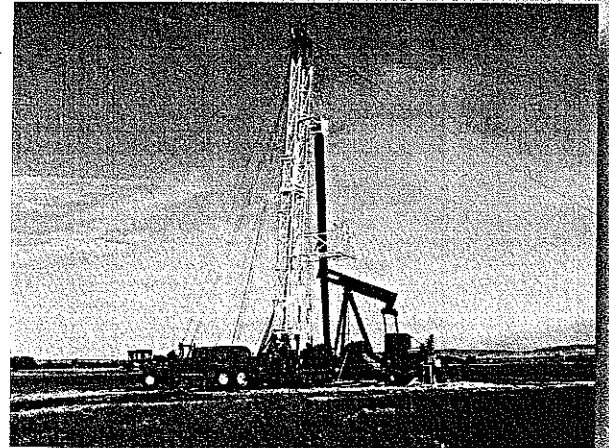
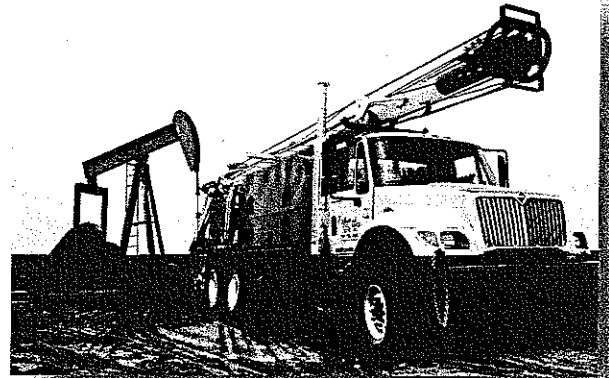
Office (785)735-9405 | Cell (785)735-4310

## WHO WE ARE:

Express Well Service & Supply, Inc. has been providing complete well serving operations for the Kansas Oil and Gas Industry for nearly 30 years in support of approximately 300 Kansas oil producers. We offer completion services, workover operations, and basic downhole well maintenance operations. We have a fleet of eleven well servicing rigs; two mud pumps and swivels that are used for drilling out cement, plugs and deepening wells. We also have an oilfield equipment supply store and a downhole tool company. We employ approximately 45 employees, feeding about 129 people (includes employees, wives, and children).

## THE PIECES TO THE PUZZLE:

Well service operations are rather complex. Much like a puzzle, each service and supply company provides an important piece of the puzzle with the rig being the center piece. No puzzle is complete until all the pieces are in place. Installation and maintenance of each well varies, and the supporting pieces are never the same, nor are they needed at the same time. These changing demands require flexibility and coordination between the schedules of all participating service contractors. Many times, service contractors and supply companies have to wait on location for up to six hours before they can even perform their well site service, thereby requiring scheduling changes and forcing workers to endure long hours.



**Interesting Facts from the  
Kansas Oil & Gas Industry Strategic Analysis  
Edward P. Cross, President  
Kansas Independent Oil & Gas Association (KIOGA)**

- 1. The Kansas Oil and gas industry is nearly a \$5.8 billion industry.**
- 2. Annually, the oil and gas industry in Kansas supports an average estimated 118,000 jobs, over \$3 billion in family income, and over \$1.4 billion in state and local tax revenue.**
- 3. Nationally, Kansas remains one of the major oil and gas producing states ranking 9<sup>th</sup> among the 32 oil producing states and 12<sup>th</sup> among the 33 natural gas producing states.**
- 4. Over 2,100 licensed oil and gas operators produce nearly 49 million barrels of oil and over 280 billion cubic feet of natural gas annually in Kansas.**
- 5. Today, an estimated 6,000 products are produced from petroleum.**
- 6. Affordable reliable energy is essential to the economy because energy powers everything that makes modern life possible. It heats our homes, fuels our transportation, and powers our machines.**
- 7. The Kansas oil and natural gas industry contributed over \$440 million to the State of Kansas in taxes last year. In addition over \$8.3 million in fees were collected. The calendar year 2014 saw the oil and gas industry pay nearly \$167 million in severance taxes and \$277 million dollars in ad valorem taxes.**

**Additional information from other sources**

- 8. Over 75 different companies could be involved in the exploration and development of ONE Kansas oil well.**
- 9. The average oil well in Kansas produces 3.1 barrels per day and the average gas well produces 43 million cubic feet (mcf) per day.**

Here is your top 10 everyday things that started life as oil.  
Many that you would never have thought of – Petroleum is a big part of  
everyone's everyday life

#### 10. Cosmetics

The most common components are oils, waxes, perfumes, dyes and other petrochemicals. They are also found in your shampoos, conditioners and hair dyes.

#### 9. Synthetic Rubber

The average tire is made using around 8 gallons of oil.  
Synthetic rubber is also used in wire and cable insulation.

#### 8. Lubricants

Perhaps the most common is motor oil but there is grease and paraffin wax used in candles. Since some lubricants can contain as much as 90% oil, they are almost a pure petroleum byproduct

#### 7. Medicines

Many of today's medications are derived from benzene and it is derived from petroleum. Almost all over-the-counter pain meds are based on this.

Some have related the rise in petroleum engineering to the rise of modern medicine.

#### 6. Cleaning Products

Many of these are petrochemicals – like glycerin, which is commonly found in laundry and dish detergents

#### 5. Asphalt

There are over 11 million miles of paved road in the world which equates to a fair amount of oil.

#### 4. Synthetic Fabrics

Petroleum based fibers are durable, readily available and easy to maintain.  
Some of the most common types are rayon, nylon, spandex, acrylic and polyester. Also used in curtains, couches, carpeting and many more items.

#### 3. Food

No matter how organic you like your food, it's hard to find food that hasn't been touched by the oil industry to some degree. Petrochemicals is used in food preservatives, flavorings and colorings. Oil helps the ag industry produce more, cultivate faster and fresh longer.

Also found in your chewing gum

#### 2. Plastic

Nearly all plastics are made from petrochemicals and plastic is everywhere. From your iPod to that bottle of Mountain Dew. Roughly 4-5% of the total US petroleum consumption is dedicated to the manufacture of plastic products.

#### 1. Fuel

The most obvious example on this list but justifiably number one; the combined sources of gasoline, diesel and jet fuel account for around 72% of petroleum consumption.

# PETROLEUM PRODUCTS

Ink ◊  
Rain Gutters  
◊ Asphalt Roofing  
Shingles ◊ Paint ◊ Caulk ◊  
Plywood ◊ Paint Brushes ◊ Tool  
Boxes ◊ Hoses ◊ Gloves ◊ Nylon Rope ◊  
Building Adhesives ◊ Ceiling Tiles ◊ Molded Window  
Frames ◊ Cable Housings ◊ Light Housings ◊ Plumbing Fixtures ◊  
Linoleum Tiles ◊ Insulation ◊ Outlet Covers ◊ Air Conditioners ◊ Carpets  
Upholstery ◊ Pillows ◊ Bathtubs ◊ Showers ◊ Baseboards ◊ Countertops ◊  
Furniture ◊ Blankets ◊ Clothing ◊ Stereos ◊ Clocks ◊ Telephones ◊ Computers ◊  
Mattress Stuffing ◊ Bookcases ◊ Televisions ◊ Doors ◊ Adhesive Tape ◊ Rubber  
Cement ◊ Lunch Boxes ◊ Board Games ◊ Photographs ◊ Hair Dryers ◊ Phonograph  
Records ◊ Audio Cassette Tapes ◊ Compact Discs ◊ Videotapes ◊ Bubble Gum ◊ Shoes ◊  
Luggage ◊ Flashlights ◊ Dolls ◊ Crayons ◊ Motion Picture Film ◊ Zippers ◊ Cameras  
◊ Shopping Bags ◊ Picture Frames ◊ Flower Pots ◊ Umbrellas ◊ Combs and Hair  
Brushes ◊ Shampoo ◊ Mascara ◊ Lipstick ◊ Shower Curtains ◊ Eye Glasses ◊  
Pantyhose ◊ Deodorant ◊ Hair Curlers ◊ Shaving Cream ◊ Buttons ◊ Eye Shadow ◊  
Shoe Polish ◊ Bandages ◊ Perfumes ◊ Vitamin Capsules ◊ Sulfa Drugs ◊ Toothpaste  
◊ Toothbrushes ◊ Antihistamines ◊ Aspirin ◊ Ammonia ◊ Contact Lenses ◊ Hearing  
Aids ◊ Petroleum Jelly ◊ Nail Polish ◊ Toilet Seats ◊ Cosmetic Cases ◊ Hair Dyes ◊  
Dentures ◊ Cortisone ◊ Cold Cream ◊ Food Preservatives ◊ Toasters ◊ Mops and  
Brooms ◊ Floor Polish ◊ Detergents ◊ Refrigerants ◊ Fabric Softener ◊ Food  
Containers ◊ Pan Handles and Lids ◊ Blenders ◊ Dishes ◊ Cabinets ◊ Refrigerator  
Liners ◊ Flavoring ◊ Dishwashing Liquids ◊ Coffee Makers ◊ Candles ◊ Waste  
Containers ◊ Shopping Bags ◊ Insecticides ◊ Pet Kennels ◊ Flea Collars ◊ Plastic  
Dog Bones ◊ Cat Toys ◊ Plastic Fencing ◊ Ice Chests ◊ Raincoats ◊ Astroturf ◊ Car  
Tires ◊ Asphalt Paving ◊ Garage Doors ◊ Automobile Bumpers ◊ Wheelbarrows ◊  
Plexiglass ◊ Awnings ◊ Door Mats ◊ Tennis Balls ◊ Frisbees ◊ Sports Headgear ◊ Ping-  
Pong Paddles ◊ Badminton Birdies ◊ Skis ◊ Fishing Poles ◊ Life Jackets ◊ Rollerskate  
Wheels ◊ Sleeping Bags ◊ Credit Cards ◊ Purses ◊ Winter Jackets ◊ Tents ◊ Sneakers  
◊ Fertilizer ◊ Gasoline ◊ Lubricants ◊ Trash Bags ◊ Solvents ◊ Home Heating Oil ◊  
Laundry Baskets ◊ Automobile Safety Seats ◊ Natural Gas ◊ Recycling Containers

## IN THE HOME

# IOGsi Oil / Gas Statistics

Independent Oil Gas Service, Inc. - Wichita, Kansas

## 2013

Month / Yr	Crude Oil Kansas (bbl)	Natural Gas Spot Market	Baker-Hughes Rigs U.S.	IOGsi Rigs Kansas	Drig Permits Kansas	IOGsi Active Drilling Wells
January, 2013	\$87.25	\$3.23	1,759	117	419	1,313
February	\$81.75	\$3.21	1,757	117	449	1,239
March	\$87.00	\$3.22	1,748	123	578	1,249
April	\$83.25	\$3.81	1,754	127	531	1,216
May	\$81.75	\$3.99	1,771	117	560	1,260
June	\$86.25	\$3.94	1,748	123	573	1,259
July	\$94.75	\$3.43	1,776	113	564	1,252
August	\$97.50	\$3.31	1,776	120	550	1,210
September	\$97.50	\$3.30	1,744	115	564	1,281
October	\$96.17	\$3.25	1,742	118	628	1,280
November	\$83.68	\$3.39	1,763	119	496	1,349
December	\$88.25	\$3.48	1,757	126	398	1,418

## 2014

Month / Yr	Crude Oil Kansas (bbl)	Natural Gas Spot Market	Baker-Hughes Rigs U.S.	IOGsi Rigs Kansas	Drig Permits Kansas	IOGsi Active Drilling Wells
January, 2013	\$87.25	\$4.27	1,785	115	458	1,181
February	\$92.25	\$5.29	1,769	113	485	1,112
March	\$91.50	\$5.17	1,809	130	731	1,050
April	\$91.00	\$4.30	1,854	133	857	1,058
May	\$92.50	\$4.31	1,866	133	801	1,154
June	\$95.00	\$4.16	1,873	123	470	1,163
July	\$88.00	\$4.14	1,889	124	638	1,149
August	\$85.75	\$3.57	1,914	117	574	1,217
September	\$82.85	\$3.74	1,931	126	614	1,161
October	\$70.25	\$3.74	1,929	123	653	1,250
November	\$56.00	\$3.44	1,917	121	467	1,335
December	\$43.00	\$4.22	1,840	82	288	1,117

## 2015

Month / Yr	Crude Oil Kansas (bbl)	Natural Gas Spot Market	Baker-Hughes Rigs U.S.	IOGsi Rigs Kansas	Drig Permits Kansas	IOGsi Active Drilling Wells
January, 2015	\$38.00	\$3.07	1,543	71	209	1,019
February	\$39.50	\$2.62	1,267	65	201	845
March	\$37.25	\$2.62	1,048	53	259	725
April	\$49.50	\$2.25	932	43	195	631
May	\$50.00	\$2.19	875	37	178	528
June	\$49.25	\$2.55	859	55	218	511
July	\$36.75	\$2.55	874	50	243	501
August	\$39.25	\$2.65	877	50	159	495
September	\$35.00	\$2.37	838	37		442
October		\$2.38				

\*\* all figures are based at end of month, except for Natural Gas Spot Market which is as of first of month

# Kansas Average Crude Oil Price

1932 to present

Independent Oil Gas Service, Inc. - Red Top News

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Avg	Major Events
1994	\$12.82	\$12.77	\$11.85	\$14.23	\$16.14	\$17.42	\$18.05	\$16.49	\$15.60	\$15.86	\$16.19	\$15.23	\$15.22	Feds raise interest rates 6 times
1995	\$16.18	\$16.90	\$16.62	\$17.93	\$17.69	\$16.49	\$15.27	\$16.08	\$16.24	\$15.44	\$16.02	\$17.31	\$16.51	Dow tops 4000, then 5000
1996	\$17.10	\$16.96	\$19.35	\$21.52	\$19.27	\$18.59	\$19.49	\$20.12	\$22.00	\$23.10	\$21.74	\$23.14	\$20.20	Technology stocks stumble
1997	\$23.23	\$20.05	\$18.43	\$17.56	\$18.23	\$16.43	\$16.77	\$17.01	\$16.87	\$18.42	\$17.24	\$15.67	\$17.99	Chaos in Asian markets
1998	\$13.81	\$13.38	\$10.26	\$12.22	\$12.02	\$10.56	\$11.01	\$10.38	\$11.89	\$11.37	\$9.84	\$8.10	\$11.24	Global economic turmoil
1999	\$9.34	\$8.77	\$11.15	\$13.80	\$14.76	\$14.88	\$16.88	\$18.06	\$20.44	\$19.41	\$21.74	\$22.72	\$16.00	Fears of Y2K computer problems
2000	\$23.55	\$26.03	\$26.69	\$22.27	\$25.80	\$28.29	\$26.68	\$27.74	\$30.17	\$29.21	\$30.70	\$24.63	\$26.81	Internet bubble bursts
2001	\$25.65	\$25.95	\$23.48	\$23.74	\$24.78	\$23.68	\$22.61	\$23.35	\$22.61	\$18.25	\$15.72	\$15.53	\$22.11	Terrorist attacks in U.S.
2002	\$16.84	\$16.86	\$20.58	\$22.20	\$23.04	\$21.70	\$21.25	\$24.20	\$25.48	\$25.47	\$24.91	\$22.34	\$22.07	Corporate accounting scandals
2003	\$28.77	\$31.63	\$29.24	\$24.27	\$24.13	\$26.48	\$26.77	\$27.65	\$24.35	\$26.49	\$26.93	\$28.23	\$27.08	U.S. invades Iraq
2004	\$30.08	\$28.73	\$32.74	\$32.61	\$36.06	\$34.13	\$36.68	\$40.96	\$41.03	\$49.08	\$43.85	\$38.60	\$37.05	Crude oil prices soar
2005	\$42.10	\$43.40	\$49.96	\$48.40	\$62.35	\$50.34	\$52.77	\$58.60	\$58.87	\$55.81	\$51.83	\$52.80	\$52.27	Hurricanes devastate southern U.S.
2006	\$58.82	\$54.84	\$55.05	\$61.75	\$62.35	\$62.54	\$66.02	\$64.60	\$55.78	\$50.70	\$50.64	\$53.74	\$58.07	Dow Jones tops 12,000
2007	\$46.20	\$51.04	\$52.04	\$55.49	\$54.78	\$58.45	\$65.14	\$63.37	\$70.09	\$76.82	\$86.17	\$82.49	\$63.51	Subprime credit crisis
2008	\$83.73	\$85.66	\$95.67	\$102.97	\$115.64	\$124.14	\$123.66	\$105.97	\$93.69	\$66.24	\$47.05	\$30.94	\$89.61	U.S. recession, Financial crisis
2009	\$31.43	\$28.83	\$37.65	\$40.00	\$48.83	\$59.22	\$53.96	\$60.56	\$58.73	\$65.19	\$67.20	\$64.08	\$51.31	Housing foreclosures up
2010	\$67.64	\$65.83	\$70.68	\$74.05	\$63.77	\$64.62	\$65.43	\$65.89	\$64.70	\$71.16	\$73.55	\$78.55	\$68.82	Unemployment 9+%; Stocks gain
2011	\$79.12	\$79.09	\$92.52	\$91.91	\$90.69	\$85.70	\$86.63	\$75.57	\$75.25	\$76.03	\$86.82	\$88.34	\$83.97	Economy sluggish; Mid East unrest
2012	\$89.72	\$96.75	\$92.75	\$93.12	\$84.23	\$72.32	\$77.69	\$83.90	\$84.66	\$79.33	\$76.43	\$78.00	\$84.08	U.S. debt crisis; Mid East unstable
2013	\$84.42	\$85.17	\$83.00	\$83.25	\$84.70	\$85.36	\$94.60	\$97.50	\$97.50	\$96.17	\$83.68	\$87.66	\$88.58	Economic recovery slow & uncertain
2014	\$84.60	\$90.22	\$90.46	\$92.03	\$91.51	\$94.98	\$92.18	\$85.98	\$82.85	\$74.19	\$65.42	\$48.76	\$82.77	MidEast / Ukraine Etal Turmoil
2015	\$37.73	\$40.61	\$37.49	\$43.93	\$49.27	\$49.55	\$41.23	\$33.10	\$35.47				\$40.93	Oil / Gas Prices Collapse

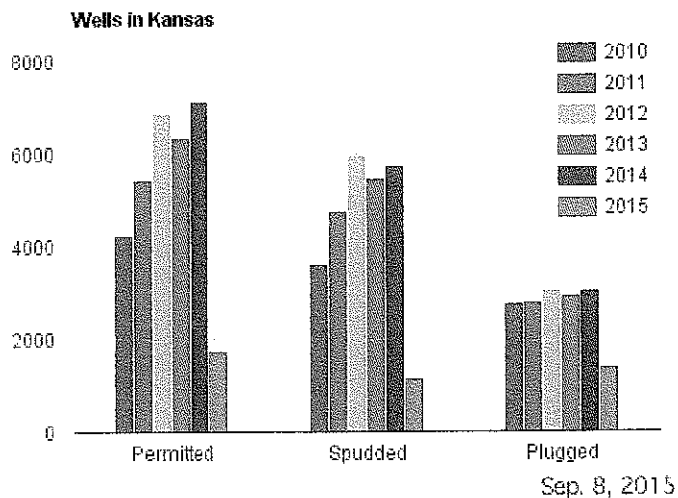


## Oil and Gas Well Statistics for Kansas

Updated: Sept. 8, 2015

	2012	2013	2014	2015
Wells permitted	6,865	6,368	7,110	1,737
New oil wells drilled	3,622	3,376	3,566	602
New gas wells drilled	164	206	230	61
Dry holes drilled	1,009	961	955	226
Service wells drilled	1,086	905	995	250
Suspended wells drilled				
<b>Total New Wells Drilled</b>	<b>5,938</b>	<b>5,472</b>	<b>5,757</b>	<b>1,142</b>
<b>Total New Footage Drilled</b>	<b>15,734,475</b>	<b>15,116,276</b>	<b>15,381,314</b>	<b>3,257,044</b>
Coalbed methane well permits issued	3	2	3	0
Coalbed methane wells drilled	4	1	4	1
Horizontal wells permitted	298	259	238	44
Horizontal wells drilled	240	227	221	31

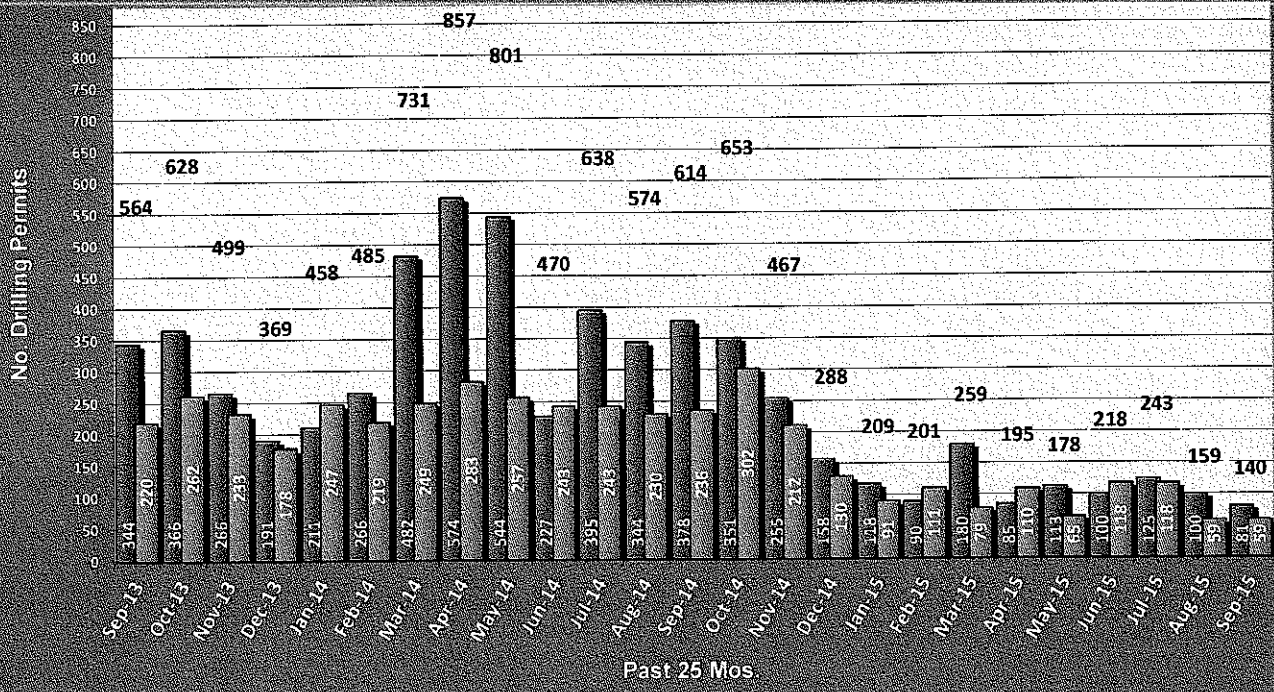
	Number of wells (as of update date)
Total Producing oil wells	68,796
Total Producing gas wells	24,766
Total Producing coalbed methane wells	6,224
Total SWD or INJ wells	5,670
Total EOR wells	7,378
Records in our Master List	472,284
<b>Total Count of Wells</b>	<b>423,921</b>



# Kansas Drilling Permits / New Leases

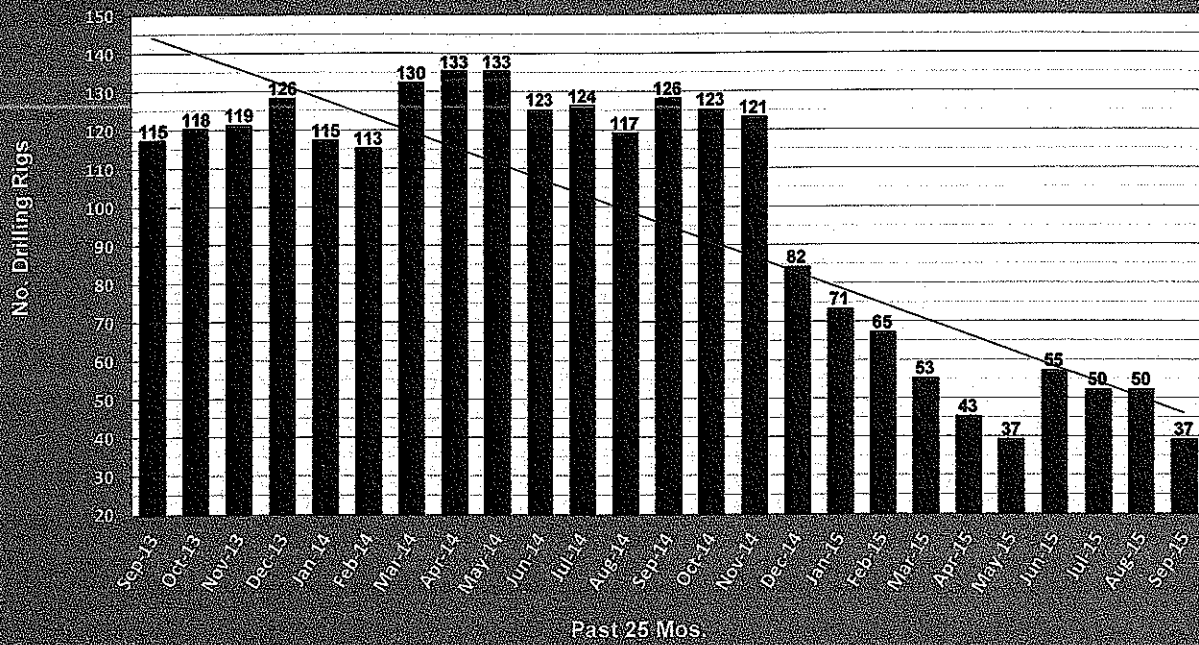


■ East Ranges    ■ West Ranges    ▲ Total Statewide



Past 25 Mos.

### Kansas Rotary Rig Count Two Year History

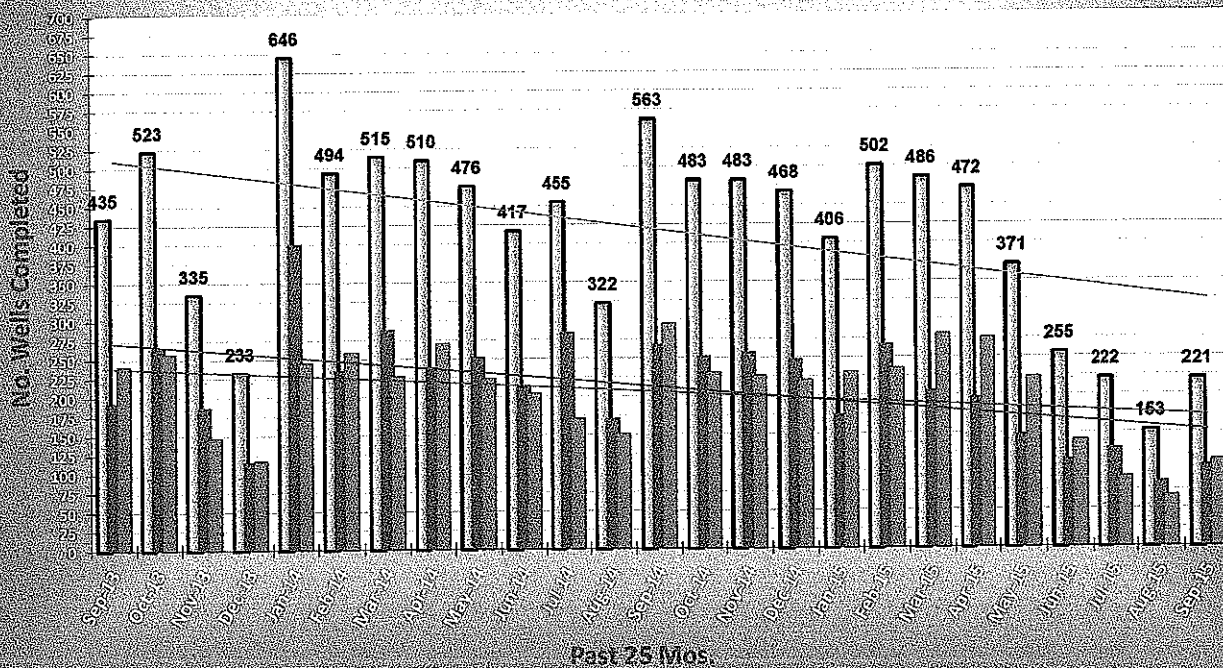


### Kansas Well Completions Two year History



- Independent Completions
- Wells
- Electric

Independent Oil & Gas Service, Inc. - Red Top News



# Top Ten Lists--Oil and Gas Production

## Top ten counties for oil production in 2014

Kansas total production for 2014 was 49,499,845 barrels. The production from the top ten counties (21,861,298 barrels) amounted to about 44% of the state's total, about the same as 2013.

County	bbl	% of total	2013 Rank	% Change from 2013 volume
1. Ellis	3,251,336	6.6	1	-8.1
2. Harper	2,936,587	5.9	9	+69.4
3. Barton	2,190,862	4.4	3	-.6
4. Barber	2,059,774	4.2	2	-12.6
5. Russell	2,055,084	4.2	5	+0.5
6. Finney	2,027,040	4.1	8	+15.2
7. Ness	1,996,876	4.0	4	-5.7
8. Rooks	1,967,091	4.0	7	-0.2
9. Haskell	1,921,203	3.9	6	-3.7
10. Rawlins	1,455,445	2.9	new	+97.3
State Total	49,499,845			+5.7

## Top ten counties for gas production in 2014

Kansas total production for 2014 was 287,473,278 MCF (thousand cubic feet). The production from the top ten counties (210,880,676 MCF) amounted to 73% of the state's total, about the same as in 2013.

County	mcf	% of total	2013 Rank	% Change from 2013 volume
1. Stevens	33,813,228	11.8	1	-11.2
2. Grant	28,685,777	10.0	2	-2.2
3. Barber	27,762,756	9.7	3	-2.5
4. Kearny	24,906,706	8.7	4	-3.5
5. Harper	24,312,982	8.5	8	+80.1
6. Haskell	17,126,352	6.0	5	-6.1
7. Finney	15,592,991	5.4	6	-7.0
8. Morton	14,846,521	5.2	7	-7.3
9. Stanton	11,969,363	4.2	new	+5.8
10. Seward	11,864,000	4.1	9	-9.8
State Total	287,473,278			-2.6

Also check out an interactive map of Kansas displaying [oil](#) and [gas](#) production for each county.

## Top ten fields for oil production in 2014

Kansas total production for 2014 was 49,499,845 barrels. The production from the top ten fields (5,556,477 barrels) amounted to 11% of the state's total, about the same as 2013.

Field	bbl	% of total	2013 Rank	% Change from 2013 volume
1. Bemis-Shutts	1,079,780	2.2	1	-6.3
2. Chase-Silica	757,904	1.5	2	-3.8
3. Trapp	637,843	1.3	3	+1.1
4. Scoda	506,864	1.0	new	+38.8
5. Hall-Gurney	472,464	1.0	4	-4.6
6. El Dorado	448,402	0.9	5	-0.5
7. Paola-Rantoul	446,816	0.9	10	+15.8
8. Spivv-Grabs-Basil	427,189	0.9	6	-1.8
9. Damme	392,230	0.8	7	-6.2
10. Victory	386,985	0.8	8	-8.5

## Top ten fields for gas production in 2014

Kansas total production for 2014 was 287,473,278 MCF (thousand cubic feet). The production from the top ten fields (192,654,104 MCF) amounted to 67% of the state's total, down 3% from 2013.

Field	MCF	% of total	2013 Rank	% Change from 2013 volume
1. Hugoton Gas Area	110,216,513	38.3	1	-5.0
2. Panoma Gas Area	31,559,392	11.0	2	-7.0
3. Cherokee Basin Coal Gas Area	25,400,991	8.8	3	-10.8
4. Spivv-Grabs-Basil	6,101,281	2.1	4	-3.9
5. Greenwood Gas Area	4,289,001	1.5	5	-5.9
6. Stranathan	3,690,526	1.3	7	+7.1
7. Bradshaw Gas Area	3,137,211	1.1	6	-23.7
8. Jennifer West	3,024,226	1.1	new	+233.0
9. Cherry Creek Niobrara Gas Area	2,967,940	1.0	8	-8.0
10. Afton Gas Area	2,267,023	0.8	10	7.4

## How Has the Drop in Oil Prices Affected the Kansas Oil Industry And the Citizens of Kansas

First and foremost, it has slowed the drilling of new oil wells by about 70-75%.

- 1.) 

<u>Rig Count</u>		<u>Avg Wells Drilled Per Year</u>
Sept. 2014	126 rigs active	40 per rig = 5040 total wells
Sept. 2015	37 rigs active	40 per rig = 1480 total wells
  
- 2.) Approximately 50% of wells drilled are dry and plugged.  
2014 – Plugged wells cost about \$165,000 X 2520 = \$415,800,000  
2015 – Plugged wells cost about \$135,000 X 740 = \$ 99,900,000
  
- 3.) Approximately 50% of wells drilled are made into producing wells.  
2014 – Producing wells cost about \$375,000 X 2520 = \$945,000,000  
2015 – Producing wells cost about \$325,000 X 740 = \$240,500,000
  
- 4.) Total spent on drilling, completing, and plugging wells drilled in Kansas.  
2014 - \$1,360,800,000 (estimate)  
2015 - \$ 340,400,000 (estimate)  
\$1,020,400,000 – 75% drop in drilling in 2015 (estimate)
  
- 5.) 2015 – 89 drilling rigs have shut down with 13 people per rig =  
1157 rig hands lost their jobs.  
High Paying Jobs: driller's salary & benefits - \$100,000 annually  
roughneck's salary & benefits - \$65,000-\$70,000  
Drillers now make about \$60,000 and roughnecks \$35,000 after  
the price drop in oil.
  
- 6.) Other businesses supporting the oilfield have lowered their prices and wages as well. Many service companies have laid off 30% of their workers and reduced wages 20-25%. Our company, Express Well Service and Supply, has dropped from 41 to 30 employees.
  
- 7.) Nationally, this is having a profound impact on the oil and gas service sector where we are seeing large job cuts – 131,000 direct industry layoffs and about 450,000 indirect industry layoffs. There has been a decrease of \$63 billion in capital expenditures nationwide.

## Drilling Rig Values

### 80% Drop

2014 <sup>(1)</sup>	Avg Kansas Drilling Rig	\$1,000,000
2015 <sup>(1)</sup>	Avg Kansas Drilling Rig	\$ 200,000

### Other Examples:

- 1.) 98% Drop Six years ago one drilling company bought out four other smaller drilling companies which gave them 27 drilling rigs total. They purchased the rigs for \$162,000,000. Recently, they sold out for \$2,800,000 total or approximately \$103,700 per rig.
- 2.) 97% Drop A \$10,000,000 triple drilling rig sold for \$265,000.
- 3.) 83% Drop A \$3,500,000 drilling rig sold for \$600,000.

**VALUE OF OIL PRODUCED**

<b>Year</b>		<b>Russell</b>	<b>Ellis</b>	<b>Rooks</b>	<b>Barton</b>	<b>State of Kansas</b>
<b>2013</b>	<b>Oil Barrels Produced</b>	<b>1,937,660</b>	<b>3,645,422</b>	<b>1,971,688</b>	<b>2,203,667</b>	<b>46,845,195</b>
<b>2014</b>	<b>Oil Barrels Produced</b>	<b>1,955,950</b>	<b>3,353,223</b>	<b>1,967,092</b>	<b>2,191,197</b>	<b>49,512,451</b>
<b>2015</b> <sup>[1]</sup>	<b>Oil Barrels Produced</b>	<b>1,817,422</b>	<b>2,942,072</b>	<b>1,745,987</b>	<b>1,941,741</b>	<b>45,211,514</b>
	<b>Gross Dollars of Oil Produced</b>					
<b>2013</b>	<b>Avg Price for Kansas Crude Oil \$88.58</b>	<b>171,637,922</b>	<b>322,911,480</b>	<b>174,688,067</b>	<b>195,200,822</b>	<b>4,149,547,373</b>
<b>2014</b>	<b>Avg Price for Kansas Crude Oil \$82.77</b>	<b>161,893,981</b>	<b>277,546,267</b>	<b>162,816,204</b>	<b>181,365,375</b>	<b>4,098,145,569</b>
<b>2015</b> <sup>[1]</sup>	<b>Avg Price for Kansas Crude Oil \$40.93</b>	<b>74,387,081</b>	<b>120,419,006</b>	<b>71,463,247</b>	<b>79,475,459</b>	<b>1,850,507,268</b>
	<b>Mineral Rights Owner's Share (1/8 interest)</b>					
<b>2013</b>	<b>Avg Price for Kansas Crude Oil \$88.58</b>	<b>21,454,740</b>	<b>40,363,935</b>	<b>21,836,008</b>	<b>24,400,102</b>	<b>518,693,421</b>
<b>2014</b>	<b>Avg Price for Kansas Crude Oil \$82.77</b>	<b>20,236,747</b>	<b>34,693,283</b>	<b>20,352,025</b>	<b>22,670,671</b>	<b>512,268,196</b>
<b>2015</b> <sup>(1)</sup>	<b>Avg Price for Kansas Crude Oil \$40.93</b>	<b>9,298,385</b>	<b>15,052,375</b>	<b>8,932,905</b>	<b>9,934,432</b>	<b>231,313,408</b>

<sup>[1]</sup> Estimate

### KANSAS PERSONAL PROPERTY TAXES

Year		Russell	Ellis	Rooks	Barton	State of Kansas
2014	Assessed Oil Value	60,081,367	113,814,167	54,286,375	64,773,954	2,112,031,596
2015 [1]	Assessed Oil Value	21,267,740	35,645,000	23,435,159	25,435,809	NA
2014	Oil & Gas Paid What % of Total Property Taxes	47.5%	29%	55.5%	22.53%	6.64%
2015 [1]	Oil & Gas Paid What % of Total Property Taxes	25.8%	13%	30.5%	13%	NA
2014	Oil Property Taxes Paid	7,435,696	9,831,859	3,334,920	9,895,041	277,000,000
2015 [1]	Oil Property Taxes Paid	4,846,175	3,240,000	1,504,794	3,958,000	NA
2015 <sup>(1)</sup>	% Oil Property Taxes Decreased From 2014	35% 2,589,521	67% 6,591,859	55% 1,830,126	60% 5,937,041	NA

[1] Estimate