



Terra Slicing Technology Test Cases

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Example A – Gas Zone Rejuvenation

Background

- Name: Kinnert 1. Drilled in 1976; dead in 2000
- API #15-095-10063-0001 S14-T30S-R7W Kansas

Problem Statement

- Operator researched how to boost output, but could not find an economical well stimulation method

Solution

- Gen-1 tool to stimulate depleted gas zone in March 2003

Implementation Time

- 1 Day, excluding planning

Example A – Gas Zone Rejuvenation

Initial Production after Terra Slicing

- 81 mcf/d compared to 101 mcf/d in 1976

Payout

- 5.1 months (100% working interest)
- 10,500 mcf @ \$3.85 (inc. royalties & expenses)

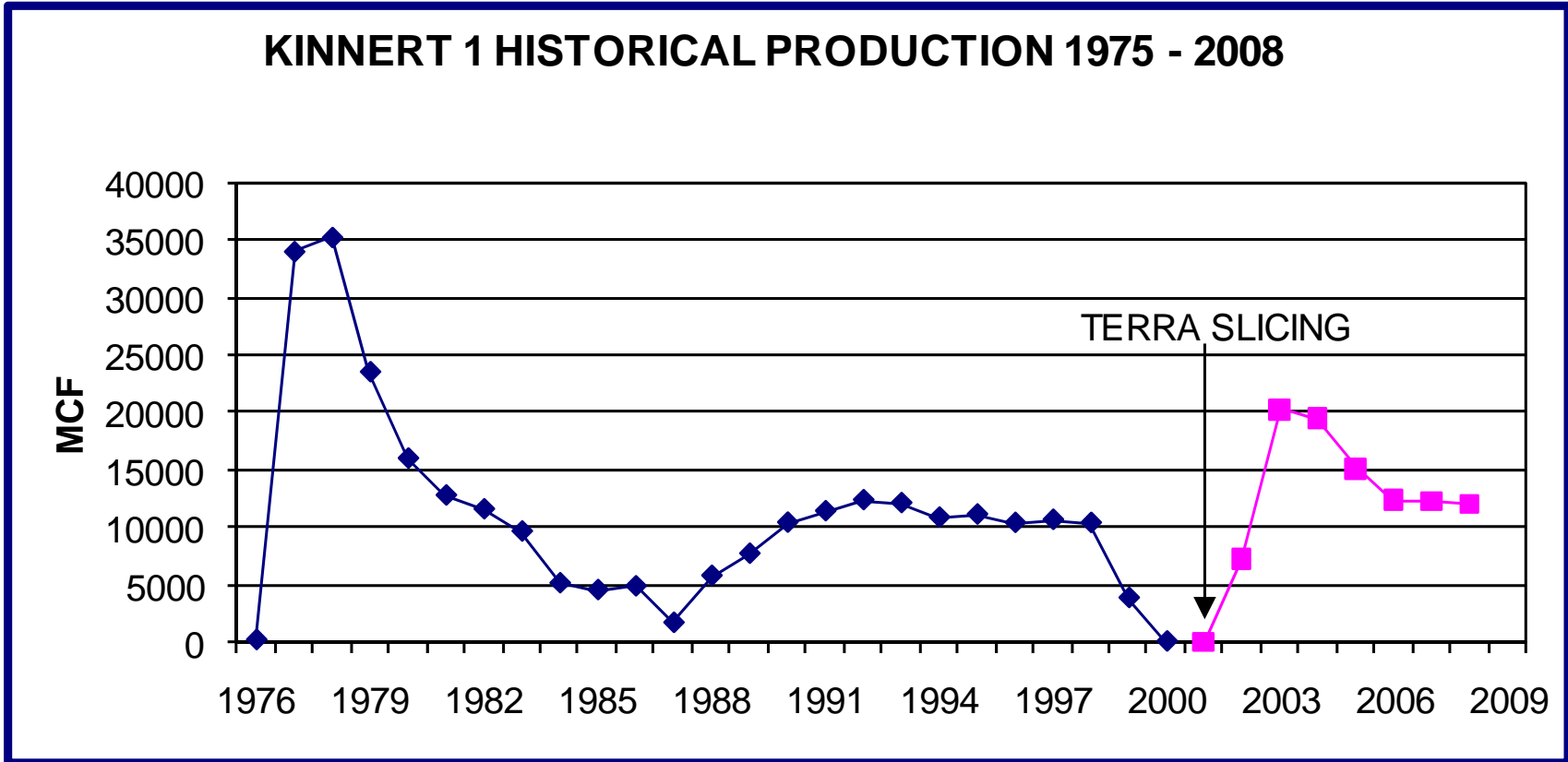
Total Gas Production

- 98,623 mcf (March 2003 to June 2008)
- Daily Production today = 31 mcf/d

Total Revenue

- \$592,000 (98,623 mcf X ~\$6/mcf) (inc. royalties & expenses)

Example A - Historical Production



The decline rate is shallower than during original production.

Approximately 50% decline over 4 years.

Example B – Oil Zone Rejuvenation

Background

- Name: Moran 1. Drilled in 1969; dead in 2000
- API #15-165-20227 S30-T19S-R20W Kansas

Problem Statement

- Operator researched how to boost output, but could not find an economical well stimulation method

Solution

- Gen-1 tool to stimulate depleted oil zone in April 2003

Implementation Time

- 1 Day, excluding planning

Example B – Oil Zone Rejuvenation

Initial Production After Terra Slicing

- 8 bopd

Payout

- 7.1 months (100% working interest)
- 1,200 bbls @ \$43.57 (inc. royalties & expenses)

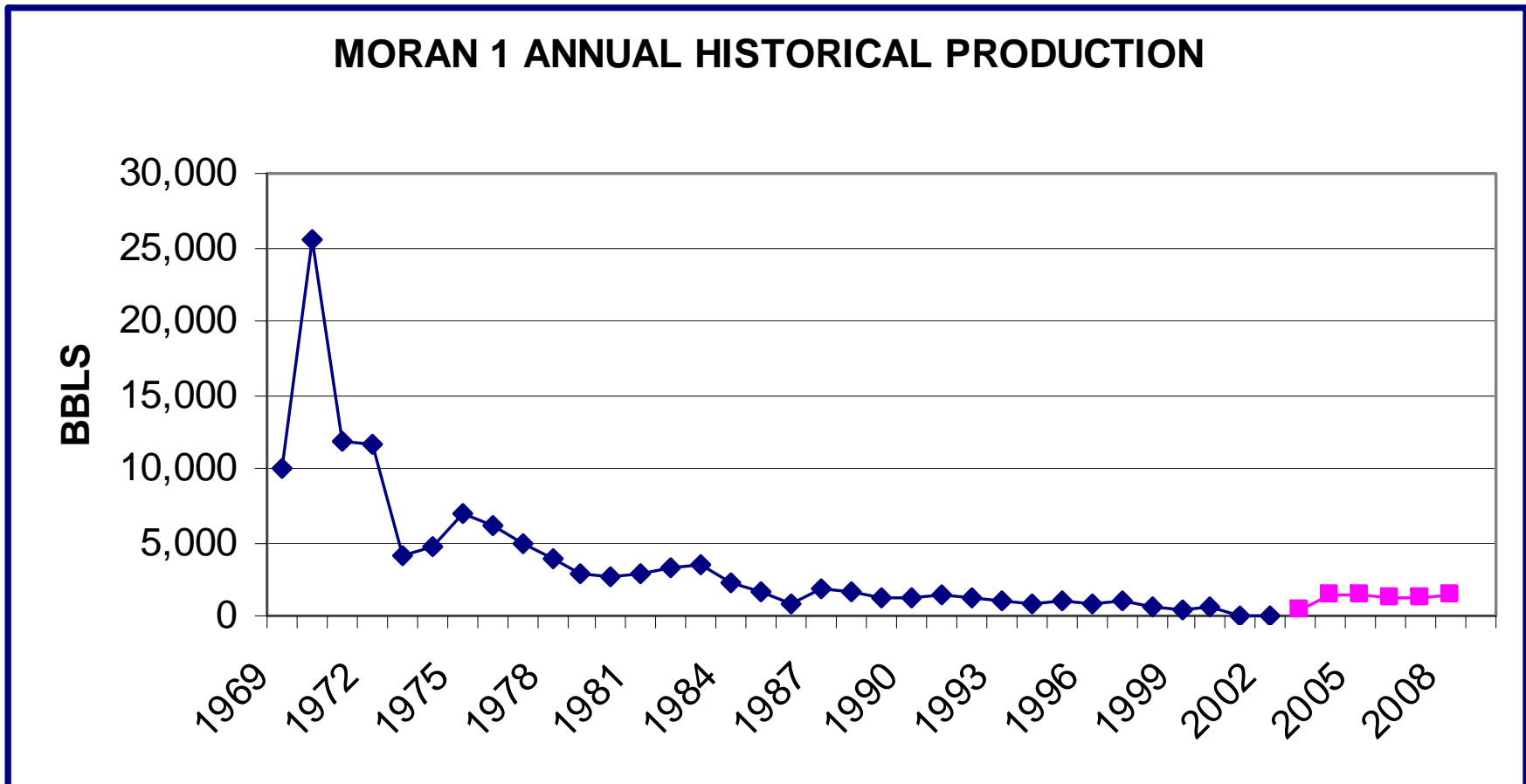
Total Oil Production

- 7,392 bbls (March 2003 to June 2008)
- Daily Production today = 8 bopd

Total Revenue

- \$407,000 (7,392 bbls X ~\$55.00/bbl) (inc. royalties & expenses)

Example B - Historical Production



The zone was very depleted when Terra Sliced in 2003.

The decline rate is relatively flat.

Example C – Halting the Grim Reaper

Background

- Drilled in 1986; completed lower (high porosity) zone 7595' – 7644'
- 1986 - 1990 Total production = 379,790 mcf from lower zone
- Dead in 1990; well to be P&A'ed
- API 04-011-20373 S18-T14N-R1E MDB&M Colusa County, CA

Problem Statement

- Well was to be P&A'ed and our challenge was to show our technology would work on low porosity zone, when other technologies could not

Solution

- Used Generation 2 Terra Slicing tool in June 2005
- Terra Sliced new zone 7148' – 7163'

Implementation Time

- 1 day, not including planning

Example C – Halting the Grim Reaper

Initial Production After Terra Slicing

- 650 mcf/d

Payout

- 15 days
- 7,000 mcf x \$9.66 (inc. royalties & expenses)

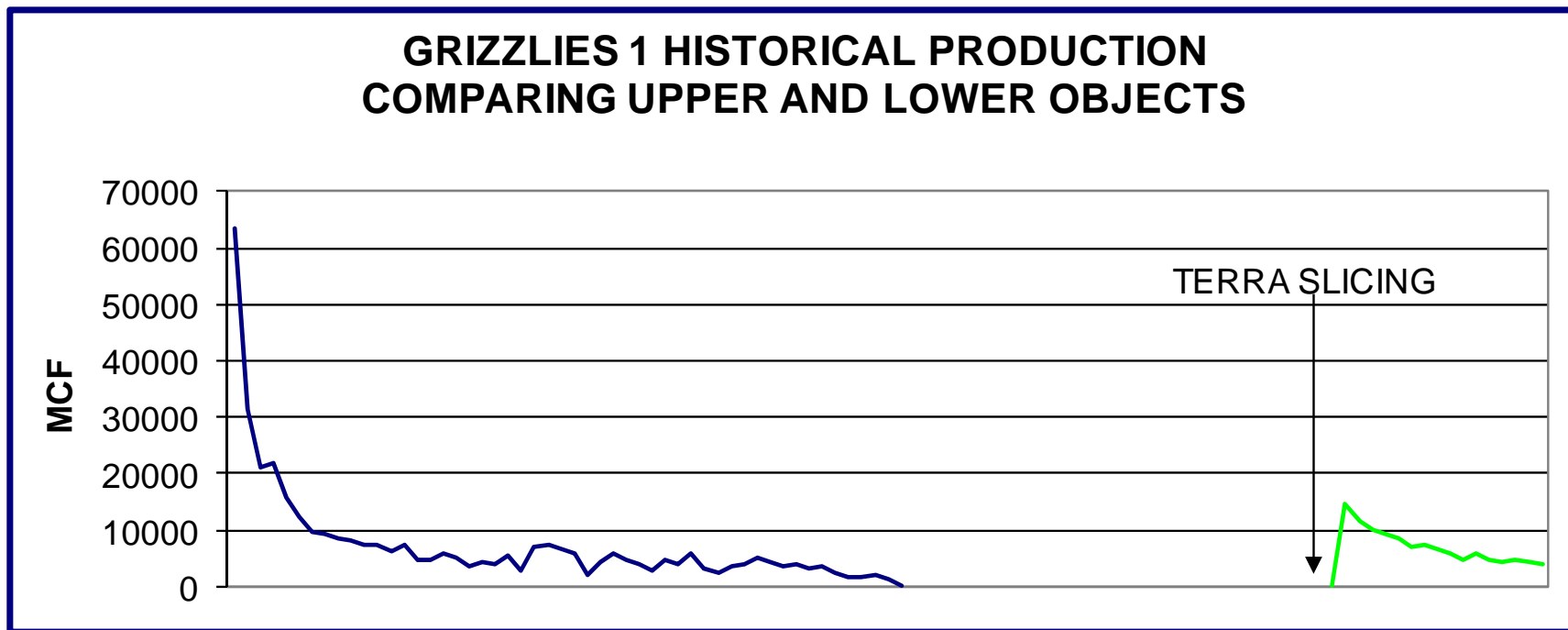
Total Gas Production

- 176,165 mcf (Sept 2005 to June 2008)
- Daily Production today = ~110 mcf/d

Total Revenue

- \$1,233,150 (176,165 mcf x \$7.00/mcf) (inc. royalties & expenses)

Grizzlies 1 – Comparative Production



Again, the decline rate due to Terra Slicing is much shallower.

Grizzlies 1 - Daily Production since Terra Slicing

Grizzlies 1 09/05 - 07/08

