

# KANSAS CORPORATION COMMISSION

## ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

(See Instructions on Reverse Side)

- Open Flow  
 Deliverability

Test Date:  
6/02/10

API No. 15  
023-21215-00-00

Company <b>Priority Oil &amp; Gas LLC</b>		Lease <b>DeGood</b>		Well Number <b>3-28</b>	
County <b>Cheyenne</b>	Location <b>NW NE NE</b>	Section <b>28</b>	TWP <b>4S</b>	RNG (E/W) <b>40</b>	Acres Attributed
Field <b>Cherry Creek</b>		Reservoir <b>Beecher Island</b>		Gas Gathering Connection <b>Kinder Morgan</b>	
Completion Date <b>03/18/10</b>		Plug Back Total Depth <b>1410'</b>		Packer Set at	
Casing Size <b>4.5 in</b>	Weight <b>10.5 #</b>	Internal Diameter <b>4.50"</b>	Set at <b>1411'</b>	Perforations <b>1246'</b>	To <b>1284'</b>
Tubing Size <b>N/A</b>	Weight	Internal Diameter	Set at	Perforations	To
Type Completion (Describe) <b>co2 Frac</b>		Type Fluid Production <b>none</b>		Pump Unit or Traveling Plunger? Yes / <b>No</b>	
Producing Thru (Annulus / Tubing) <b>casing</b>		% Carbon Dioxide		% Nitrogen	
Vertical Depth(H)		Pressure Taps		(Meter Run) (Prover) Size	
Pressure Buildup: Shut in <b>06/02</b>		20 <b>10</b> at <b>9:00</b>		(AM) <b>(PM)</b> Taken	
Well on Line: Started <b>06/03</b>		20 <b>10</b> at <b>10:00</b>		(AM) <b>(PM)</b> Taken	

### OBSERVED SURFACE DATA

Duration of Shut-in **25** Hours

Static / Dynamic Property	Orifice Size (inches)	Circle one: Meter Prover Pressure psig (Pm)	Pressure Differential in Inches H <sub>2</sub> O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P <sub>w</sub> ) or (P <sub>1</sub> ) or (P <sub>c</sub> )		Tubing Wellhead Pressure (P <sub>w</sub> ) or (P <sub>1</sub> ) or (P <sub>c</sub> )		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In											
Flow	<b>.375</b>					<b>224</b>	<b>238.4</b>				

### FLOW STREAM ATTRIBUTES

Plate Coefficient (F <sub>b</sub> ) (F <sub>p</sub> ) Mcfd	Circle one: Meter or Prover Pressure psia	Press Extension $\sqrt{P_m \times h}$	Gravity Factor F <sub>g</sub>	Flowing Temperature Factor F <sub>tt</sub>	Deviation Factor F <sub>pv</sub>	Metered Flow R (Mcf/d)	GOR (Cubic Feet/Barrel)	Flowing Fluid Gravity G <sub>m</sub>

### (OPEN FLOW) (DELIVERABILITY) CALCULATIONS

$(P_c)^2 =$  \_\_\_\_\_ :  $(P_w)^2 =$  \_\_\_\_\_ :  $P_o =$  \_\_\_\_\_ %  $(P_o - 14.4) + 14.4 =$  \_\_\_\_\_ :  $(P_a)^2 = 0.207$   
 $(P_d)^2 =$  \_\_\_\_\_

$(P_o)^2 - (P_a)^2$ or $(P_c)^2 - (P_o)^2$	$(P_c)^2 - (P_w)^2$	Choose formula 1 or 2: 1. $P_c^2 - P_a^2$ 2. $P_c^2 - P_o^2$ divided by: $P_c^2 - P_w^2$	LOG of formula 1, or 2, and divide by: $P_c^2 - P_w^2$	Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope	n x LOG [ ]	Antilog	Open Flow Deliverability Equals R x Antilog (Mcf/d)

Open Flow

Mcf/d @ 14.65 psia

Deliverability

Mcf/d @ 14.65 psia

The undersigned authority, on behalf of the Company, states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct. Executed this the 22nd day of September, 2010

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\_\_\_\_\_  
Witness (if any)

\_\_\_\_\_  
For Commission

*Melissa A. Gray*  
\_\_\_\_\_  
For Company

Checked by

**KCC WICHITA**

I declare under penalty of perjury under the laws of the state of Kansas that I am authorized to request exempt status under Rule K.A.R. 82-3-304 on behalf of the operator Priority Oil & Gas LLC and that the foregoing pressure information and statements contained on this application form are true and correct to the best of my knowledge and belief based upon available production summaries and lease records of equipment installation and/or upon type of completion or upon use being made of the gas well herein named.

I hereby request a one-year exemption from open flow testing for the DeGood 3-28 gas well on the grounds that said well:

(Check one)

- is a coalbed methane producer
- is cycled on plunger lift due to water
- is a source of natural gas for injection into an oil reservoir undergoing ER
- is on vacuum at the present time; KCC approval Docket No. \_\_\_\_\_
- is not capable of producing at a daily rate in excess of 250 mcf/D

I further agree to supply to the best of my ability any and all supporting documents deemed by Commission staff as necessary to corroborate this claim for exemption from testing.

Date: 9/22/10

Signature: Melissa A. Gray  
Title: Business Director

**Instructions:** If a gas well meets one of the eligibility criteria set out in KCC regulation K.A.R. 82-3-304, the operator may complete the statement provided above in order to claim exempt status for the gas well.

At some point during the current calendar year, wellhead shut-in pressure shall have been measured after a minimum of 24 hours shut-in/buildup time and shall be reported on the front side of this form under **OBSERVED SURFACE DATA**. Shut-in pressure shall thereafter be reported yearly in the same manner for so long as the gas well continues to meet the eligibility criterion or until the claim of eligibility for exemption **IS** denied.

The G-2 form conveying the newest shut-in pressure reading shall be filed with the Wichita office no later than December 31 of the year for which it's intended to acquire exempt status for the subject well. The form must be signed and dated on the front side as though it was a verified report of annual test results.

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**EFM Report: A1G2 - Dent**

**Uploaded: 06/02/2010 15:31:48 Operator: LOI**

**EFM Report Information**

Report Data File C:\Documents and Settings\Kevin Andrews\Desktop\Dent Wells May '10\3-28 Degood May '10\A1G2.efm  
 Report Period 04/30/2010 to 05/30/2010 Run Selected Meter #1  
 Meter Description 3-28 DeGood Meter Tag K0417-03  
 Report Date 06/16/2010 10:28:44 Contract Hour 8

**Daily Volume Report**

Date/Time	Flow Minutes	Avg (hw) In H2O	Avg (Pf) PSI	Avg (Tf) DEG F	Multiplier Value	Pressure Extension	Volume Accum MCF	Energy Accum MMBTU
05/01/2010 08:00	1440.00	50.6990	84.912	48.8370	37.5157	69.4546	62.5433	61.4864
05/02/2010 08:00	1440.00	63.6537	74.277	50.2475	37.3454	74.5171	66.7884	65.6597
05/03/2010 08:00	1440.00	65.6672	72.246	50.1000	37.3276	74.8002	67.0104	65.8780
05/04/2010 08:00	1440.00	59.4701	78.268	56.1686	37.1706	73.6124	65.6645	64.5547
05/05/2010 08:00	1440.00	58.1589	79.060	58.4519	37.1036	73.1561	65.1413	64.0405
05/06/2010 08:00	1440.00	49.5997	86.148	54.2655	37.3265	69.3595	62.1000	61.0505
05/07/2010 08:00	1440.00	57.3129	79.029	54.1165	37.2651	72.5978	64.9310	63.8337
05/08/2010 08:00	1440.00	59.0208	77.533	48.1780	37.4648	73.0820	65.7122	64.6016
05/09/2010 08:00	1440.00	55.8895	80.820	51.6728	37.3664	72.1435	64.6872	63.5940
05/10/2010 08:00	1440.00	53.2267	82.294	57.8709	37.1565	70.7935	63.1319	62.0650
05/11/2010 08:00	1440.00	57.9169	78.173	50.6197	37.3806	72.6485	65.1751	64.0736
05/12/2010 08:00	1440.00	57.5597	78.586	49.1728	37.4398	72.5903	65.2269	64.1246
05/13/2010 08:00	1440.00	57.5106	78.401	43.4166	37.6574	72.4862	65.5114	64.4043
05/14/2010 08:00	1440.00	57.4920	78.323	51.2088	37.3630	72.4434	64.9602	63.8624
05/15/2010 08:00	1440.00	55.6489	79.985	55.1928	37.2320	71.9019	64.2505	63.1646
05/16/2010 08:00	1440.00	55.8973	79.484	50.7106	37.3944	71.8843	64.5133	63.4230
05/17/2010 08:00	1440.00	54.6460	80.609	52.0734	37.3555	71.5055	64.1066	63.0232
05/18/2010 08:00	1440.00	56.3358	79.121	59.2656	37.0766	72.0206	64.0870	63.0039
05/19/2010 08:00	1440.00	58.9484	76.471	57.2858	37.1188	72.6060	64.6813	63.5882
05/20/2010 08:00	1440.00	59.1703	76.245	52.6703	37.2863	72.6507	65.0128	63.9141
05/21/2010 08:00	1440.00	61.0671	74.404	52.9892	37.2552	73.0354	65.3031	64.1995
05/22/2010 08:00	1440.00	59.0808	76.801	64.3201	36.8629	72.8016	64.4083	63.3198
05/23/2010 08:00	1440.00	30.6453	99.025	70.1138	36.8969	54.5127	48.1471	47.3334
05/24/2010 08:00	1440.00	27.7991	101.424	69.6914	36.9271	55.3828	49.0505	48.2216
05/25/2010 08:00	1440.00	28.5506	100.462	61.8873	37.2120	55.7071	49.7686	48.9275
05/26/2010 08:00	1440.00	55.2955	78.812	58.5122	37.1038	71.0020	63.2270	62.1585
05/27/2010 08:00	1440.00	58.3163	76.303	64.6356	36.8523	71.9281	63.6190	62.5438
05/28/2010 08:00	1440.00	54.8810	79.674	70.9082	36.6668	71.2660	62.7129	61.6530
05/29/2010 08:00	1440.00	52.4982	81.584	72.6671	36.6270	70.4500	61.9273	60.8807
05/30/2010 08:00	1440.00	36.4496	94.163	72.1237	36.7748	61.2359	54.1105	53.1960
05/31/2010 08:00	1440.00	52.4286	81.095	62.6316	36.9836	70.1996	62.3073	61.2543
<b>Total</b>	<b>44640.00</b>						<b>1939.8169</b>	<b>1907.0341</b>

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**EFM Report: A1G2 - Dent**

**Uploaded: 07/02/2010 15:02:30 Operator: LOI**

EFM Report Information

Report Data File C:\Documents and Settings\Kevin Andrews\My Documents\Priority Oil & Gas\POG 2010 EFM  
 Production\POG June '10 EFM Production\Dent Wells June '10\3-28 Degood June '10\A1G2.efm  
 Report Period 05/31/2010 to 06/29/2010 Run Selected Meter #1  
 Meter Description 3-28 DeGood Meter Tag K0418-01  
 Report Date 08/20/2010 13:25:27 Contract Hour 8

Daily Volume Report

Date/Time	Flow Minutes	Avg (hw) In H2O	Avg (Pf) PSI	Avg (Tf) DEG F	Multiplier Value	Pressure Extension	Volume Accum MCF	Energy Accum MMBTU
06/01/2010 08:00	1440.00	57.8156	76.442	68.3372	36.7270	71.8795	63.3581	62.2873
06/02/2010 08:00	1440.00	51.2808	81.940	69.6205	36.7409	68.6402	60.5321	59.5091
06/03/2010 08:00	1440.00	57.5797	76.825	63.6955	36.8962	71.8747	63.6471	62.5715
06/04/2010 08:00	1440.00	59.7868	75.047	68.4448	36.7068	72.5363	63.9007	62.8208
06/05/2010 08:00	1440.00	80.9195	81.006	72.9158	36.4770	87.0519	76.2281	74.9399
06/06/2010 08:00	1440.00	88.4521	82.787	69.1229	36.5826	92.0279	80.7975	79.4321
06/07/2010 08:00	1440.00	88.4211	82.543	67.2470	36.6464	91.8943	80.8211	79.4552
06/08/2010 08:00	1440.00	88.4638	82.442	68.0520	36.6165	91.8680	80.7321	79.3677
06/09/2010 08:00	1440.00	89.1819	82.367	65.4271	36.7071	92.2039	81.2272	79.8545
06/10/2010 08:00	1440.00	89.0258	82.288	68.8360	36.5839	92.0841	80.8500	79.4837
06/11/2010 08:00	1337.77	42.0719	102.092	75.1732	36.6771	60.4533	49.2396	48.4074
06/12/2010 08:00	1440.00	41.4985	102.150	68.6210	36.9009	67.4991	59.7799	58.7696
06/13/2010 08:00	1440.00	83.3498	83.999	57.7713	37.0186	89.8160	79.7951	78.4466
06/14/2010 08:00	1440.00	89.8692	80.885	56.5000	37.0159	91.8324	81.5822	80.2034
06/15/2010 08:00	1440.00	92.7181	79.379	59.1168	36.8972	92.5283	81.9363	80.5516
06/16/2010 08:00	1440.00	94.9187	79.178	69.0124	36.5307	93.5179	81.9884	80.6028
06/17/2010 08:00	1440.00	86.0799	83.149	73.3370	36.4465	90.9156	79.5214	78.1774
06/18/2010 08:00	1440.00	84.7592	83.372	68.9391	36.6119	90.3611	79.3977	78.0558
06/19/2010 08:00	1440.00	71.7922	89.055	69.9982	36.6606	85.1777	74.9309	73.6646
06/20/2010 08:00	1440.00	65.9742	91.514	71.9965	36.6293	83.0191	72.9819	71.7485
06/21/2010 08:00	1440.00	66.1056	91.107	69.8670	36.6994	82.2812	72.4768	71.2519
06/22/2010 08:00	1440.00	81.2599	84.453	71.1925	36.5529	88.9427	78.0299	76.7111
06/23/2010 08:00	1440.00	83.1910	83.219	72.1490	36.5036	89.4496	78.3622	77.0379
06/24/2010 08:00	1440.00	82.5732	83.047	67.6651	36.6633	89.0369	78.3428	77.0188
06/25/2010 08:00	1440.00	81.9787	83.483	72.2532	36.5053	88.9174	77.9007	76.5842
06/26/2010 08:00	1440.00	72.5826	87.464	77.5952	36.3846	85.0646	74.2969	73.0413
06/27/2010 08:00	1440.00	82.1623	82.981	73.7263	36.4534	88.7844	77.6747	76.3620
06/28/2010 08:00	1440.00	84.2451	82.022	70.4025	36.5525	89.4529	78.4734	77.1472
06/29/2010 08:00	1440.00	85.0104	81.720	73.2527	36.4483	89.7151	78.4754	77.1492
06/30/2010 08:00	1440.00	85.0144	81.440	75.3279	36.3737	89.5843	78.2012	76.8796
<b>Total</b>	<b>43097.77</b>						<b>2245.4814</b>	<b>2207.5327</b>

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**EFM Report: A1G2 - Dent**

Uploaded: 08/04/2010 11:03:11 Operator: LOI

**EFM Report Information**

Report Data File C:\Documents and Settings\Kevin Andrews\Desktop\POG July '10 Production\Dent Well Production July '10\3-28 DeGood July '10\Dent\_A1G2\_2010-08-04.efm

Report Period 06/30/2010 to 07/30/2010 Run Selected Meter #1  
 Meter Description 3-28 DeGood Meter Tag K0418-01  
 Report Date 09/19/2010 08:51:25 Contract Hour 8

**Daily Volume Report**

Date/Time	Flow Minutes	Avg (hw) In H2O	Avg (Pf) PSI	Avg (Tf) DEG F	Multiplier Value	Pressure Extension	Volume Accum MCF	Energy Accum MMBTU
07/01/2010 08:00	1440.00	84.8999	81.1947	73.7640	36.4276	89.4079	78.1631	76.8421
07/02/2010 08:00	1440.00	84.8427	81.1147	74.9397	36.3843	89.3394	78.0108	76.6925
07/03/2010 08:00	1440.00	84.7891	80.8513	74.4798	36.4002	89.1860	77.9122	76.5954
07/04/2010 08:00	1440.00	85.2069	80.5331	74.1551	36.4081	89.2538	77.9864	76.6684
07/05/2010 08:00	1440.00	84.2319	80.3990	62.4482	36.8233	88.6788	78.3706	77.0461
07/06/2010 08:00	1440.00	84.6926	80.2105	68.1798	36.6171	88.8308	78.0630	76.7438
07/07/2010 08:00	1440.00	84.1871	80.2078	70.5660	36.5372	88.5638	77.6577	76.3452
07/08/2010 08:00	1440.00	83.9637	79.6366	63.1692	36.7937	88.1749	77.8621	76.5463
07/09/2010 08:00	1440.00	83.4910	79.5787	65.2431	36.7225	87.8988	77.4674	76.1582
07/10/2010 08:00	1440.00	83.1601	79.5983	69.6298	36.5699	87.7335	76.9994	75.6981
07/11/2010 08:00	1440.00	82.8788	79.5442	70.9995	36.5238	87.5595	76.7494	75.4524
07/12/2010 08:00	1440.00	83.0046	79.4292	72.9671	36.4536	87.5705	76.6105	75.3158
07/13/2010 08:00	1440.00	82.6143	79.3524	74.4814	36.4024	87.3283	76.2916	75.0023
07/14/2010 08:00	1440.00	78.9927	81.1890	80.8726	36.2094	86.1432	74.8678	73.6025
07/15/2010 08:00	1440.00	67.1637	86.2941	76.2255	36.4498	80.7771	70.6798	69.4853
07/16/2010 08:00	1440.00	76.9300	81.6128	73.2121	36.4850	85.2649	74.6617	73.3999
07/17/2010 08:00	1343.85	57.5507	90.6548	77.3900	36.4779	74.5846	60.9954	59.9646
07/18/2010 08:00	1401.63	63.2116	87.9934	79.4398	36.3665	77.0836	65.5540	64.4461
07/19/2010 08:00	1440.00	77.9140	81.1198	75.3756	36.4047	85.6164	74.8010	73.5369
07/20/2010 08:00	1440.00	77.2325	80.7725	75.6845	36.3950	85.0839	74.3171	73.0611
07/21/2010 08:00	1440.00	75.4621	80.6239	69.1406	36.6284	84.0351	73.8731	72.6246
07/22/2010 08:00	1440.00	83.8736	81.4330	71.5287	36.5106	88.9221	77.9220	76.6051
07/23/2010 08:00	1440.00	86.5561	81.6769	73.1595	36.4418	90.5061	79.1540	77.8163
07/24/2010 08:00	1440.00	84.4887	81.7357	75.2615	36.3783	89.4443	78.0884	76.7687
07/25/2010 08:00	1440.00	82.8040	81.5504	71.7847	36.5077	88.4634	77.5068	76.1969
07/26/2010 08:00	1440.00	81.0028	81.3339	72.4054	36.4921	87.3953	76.5389	75.2454
07/27/2010 08:00	1440.00	78.0883	81.8508	77.4125	36.3361	86.0428	75.0335	73.7654
07/28/2010 08:00	1440.00	77.5060	81.2940	77.3276	36.3406	85.4710	74.5415	73.2818
07/29/2010 08:00	1440.00	73.0993	83.7496	76.0872	36.4140	83.4808	72.9576	71.7246
07/30/2010 08:00	1440.00	78.2610	81.1780	77.4582	36.3318	85.8312	74.8374	73.5727
07/31/2010 08:00	1440.00	77.2681	80.0312	75.5148	36.3964	84.7628	74.0354	72.7842
Total	44505.48						2338.5096	2298.9887

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September 22, 2010

Jim Hemmen  
 Kansas State Corporation Commission  
 Finney State Office Building  
 130 S. Market Rm 2078  
 Wichita, KS 67202

RE: Resubmission of G-2 Forms with Production Data

Dear Mr. Hemmen,

Priority Oil & Gas LLC was denied Open Flow Testing Exemptions in July for the wells listed below because there was not enough production data accumulated to provide proof of the inability to produce less than 250 Mcf/day. Therefore we are now resubmitting the G-2 forms along with Electronic Flow Meter reports for each of the three wells for the production months of May 2010 through July 2010. These wells were brought online and began producing during the month of April 2010.

- DeGood 3-33
- DeGood 3-28
- DeGood 2-28

I have also made the appropriate corrections to the forms, as requested in your letter dated July 21st. I hope you find the information enclosed complete and to your satisfaction. Please let me know otherwise.

Thank you,

Melissa A. Gray  
 Business Director

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SEP 27 2010

KCC WICHITA

Encl

P.O. Box 27798  
 Denver, CO 80227-0798 USA  
 303.296.3435  
 fax 303.296.3436  
 Email PriorityOG@aol.com