

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

(See Instructions on Reverse Side)

- Open Flow
 Deliverability

Test Date:
6/03/10

API No. 15
023-21214-00-00

Company Priority Oil & Gas LLC		Lease DeGood		Well Number 2-28	
County Cheyenne	Location SE NE NW	Section 28	TWP 4S	RNG (E/W) 40	Acres Attributed
Field Cherry Creek		Reservoir Beecher Island		Gas Gathering Connection Kinder Morgan	
Completion Date 03/18/10		Plug Back Total Depth 1423'		Packer Set at	
Casing Size 4.5 in	Weight 10.5 #	Internal Diameter 4.50"	Set at 1424'	Perforations 1247'	To 1285'
Tubing Size N/A	Weight	Internal Diameter	Set at	Perforations	To
Type Completion (Describe) co2 Frac		Type Fluid Production none		Pump Unit or Traveling Plunger? Yes / (No)	
Producing Thru (Annulus / Tubing) casing		% Carbon Dioxide		% Nitrogen	
Vertical Depth(H)		Pressure Taps		(Meter Run) (Prover) Size	
Pressure Buildup: Shut in 06/03 20 10 at 2:10 (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)		Well on Line: Started 06/04 20 10 at 2:15 (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)			

OBSERVED SURFACE DATA

Duration of Shut-in **24** Hours

Static / Dynamic Property	Orifice Size (inches)	Circle one: Meter Prover Pressure psig (Pm)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _w) or (P _i) or (P _c)		Tubing Wellhead Pressure (P _w) or (P _i) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In											
Flow	.375					181	195.4				

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _b) (F _p) Mcfd	Circle one: Meter or Prover Pressure psia	Press Extension $\sqrt{P_m \times h}$	Gravity Factor F _g	Flowing Temperature Factor F _t	Deviation Factor F _{pv}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

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

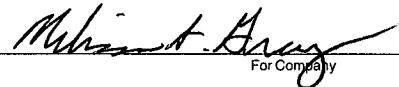
$(P_c)^2 - (P_a)^2$ or $(P_c)^2 - (P_d)^2$	$(P_c)^2 - (P_w)^2$	Choose formula 1 or 2: 1. $P_c^2 - P_a^2$ 2. $P_c^2 - P_d^2$ divided by: $P_c^2 - P_w^2$	LOG of formula 1. or 2. and divide by: $P_c^2 - P_w^2$	Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope	n x LOG []	Antilog	Open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

Open Flow Mcfd @ 14.65 psia Deliverability Mcfd @ 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, 20 10

Witness (if any)

For Commission



For Company

Checked by

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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.

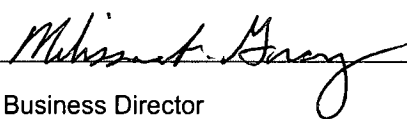
I hereby request a one-year exemption from open flow testing for the DeGood 2-28 gas well on the grounds that said well:

(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: 
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 15:17:06 Operator: LOI

EFM Report Information

Report Data File C:\Documents and Settings\Kevin Andrews\Desktop\Dent Wells May '10\2-28 Degood May '10\A1G2.emf

Report Period 04/30/2010 to 05/30/2010 Run Selected Meter #1
 Meter Description 2-28 DeGood Meter Tag K0417-02
 Report Date 06/16/2010 10:26:20 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	733.583	30.3025	91.412	54.3810	37.9654	55.3276	25.5225	25.0912
05/02/2010 08:00	750.667	45.6658	73.669	56.1337	37.7480	62.8551	29.8302	29.3261
05/03/2010 08:00	743.617	47.0408	72.489	56.3464	38.0684	63.3210	29.5561	29.0566
05/04/2010 08:00	733.883	42.9361	77.111	62.9315	37.5521	62.0469	28.3246	27.8459
05/05/2010 08:00	750.633	40.8269	78.715	70.0005	37.1745	61.1518	28.1897	27.7133
05/06/2010 08:00	776.433	40.5190	78.881	60.3601	37.5579	60.9198	29.6552	29.1540
05/07/2010 08:00	699.417	40.3308	78.873	63.6342	37.5873	60.8341	26.6772	26.2263
05/08/2010 08:00	773.683	42.0657	77.909	51.8334	37.8809	61.7497	30.2017	29.6913
05/09/2010 08:00	766.283	40.8028	78.615	57.3017	37.6221	60.8753	29.0389	28.5481
05/10/2010 08:00	710.133	33.7462	86.418	65.9788	37.4591	57.4580	25.4791	25.0485
05/11/2010 08:00	730.633	41.7018	77.951	54.0506	37.8101	61.4878	28.0200	27.5464
05/12/2010 08:00	690.883	40.9233	79.071	52.6470	39.1071	61.2929	27.9071	27.4355
05/13/2010 08:00	699.700	41.3413	77.675	44.2503	38.7354	61.2011	27.8069	27.3369
05/14/2010 08:00	786.383	41.3332	78.078	54.8798	37.8323	61.2847	30.4991	29.9837
05/15/2010 08:00	713.767	39.1123	80.185	60.8112	37.7684	60.2970	27.5450	27.0795
05/16/2010 08:00	710.017	40.3159	78.710	53.2189	38.6581	60.7737	27.7956	27.3258
05/17/2010 08:00	796.717	39.3019	80.779	54.8012	37.8268	60.6268	30.6913	30.1727
05/18/2010 08:00	779.917	39.8282	79.176	65.4389	37.4215	60.5402	29.5225	29.0236
05/19/2010 08:12	658.533	42.0897	77.403	63.4237	38.7192	61.5729	26.2144	25.7714
05/20/2010 08:00	693.183	42.8139	77.207	55.3558	38.8583	62.0037	28.1659	27.6899
05/21/2010 08:00	789.317	43.7311	74.934	57.0014	37.6629	61.9320	30.8443	30.3230
05/22/2010 08:00	773.283	42.8365	75.810	66.9756	37.3148	61.5699	29.7227	29.2204
05/23/2010 08:00	772.000	30.8257	89.437	79.5891	37.1233	53.6144	25.2754	24.8483
05/24/2010 08:00	795.450	20.3296	100.417	73.8105	37.1841	46.7378	22.8334	22.4475
05/25/2010 08:00	777.317	18.0683	103.541	72.0577	37.4475	44.7202	21.7822	21.4140
05/26/2010 08:00	816.750	37.0912	81.284	62.9330	37.4818	-58.9120	30.2797	29.7679
05/27/2010 08:00	779.850	39.4987	79.987	69.5971	37.2540	60.2774	29.1795	28.6864
05/28/2010 08:00	793.833	39.5809	79.114	76.9424	37.0241	60.2360	29.5515	29.0521
05/29/2010 08:00	822.650	37.2259	81.367	79.1662	36.9818	59.2081	30.0403	29.5326
05/30/2010 08:00	792.183	21.1894	99.119	81.1105	37.0875	47.5233	23.3833	22.9881
05/31/2010 08:00	803.550	37.3819	82.160	68.5180	37.2885	59.5218	29.5529	29.0535
Total	23414.248						869.0882	854.4005

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EFM Report: A1G2 - Dent

Uploaded: 07/02/2010 14:45:39 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\2-28 Degood June '10\A1G2.efm
 Report Period 05/31/2010 to 06/29/2010 Run Selected Meter #1
 Meter Description 2-28 DeGood Meter Tag K0418-01
 Report Date 08/20/2010 13:21:48 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	791.817	41.2050	77.506	73.9921	37.1511	60.9471	29.8932	29.3880
06/02/2010 08:00	789.517	37.9032	80.601	77.8053	37.0834	58.3135	28.2626	27.7850
06/03/2010 08:00	750.900	40.6293	77.285	70.8917	37.6899	60.4763	28.6973	28.2123
06/04/2010 08:00	367.367	42.3952	74.686	72.8464	36.6720	60.9118	13.6650	13.4341
06/05/2010 08:00	411.983	80.8371	84.617	80.6796	37.1549	88.5899	22.3285	21.9511
06/06/2010 08:00	804.350	80.9661	82.910	75.5022	37.7918	88.0332	44.8449	44.0870
06/07/2010 08:00	757.217	81.3182	81.945	71.4172	37.0229	87.8327	40.8092	40.1195
06/08/2010 08:00	776.983	81.1445	84.021	71.1021	38.3424	88.5222	43.4762	42.7414
06/09/2010 08:00	770.350	81.0423	82.446	71.1165	37.1582	87.8643	42.3795	41.6632
06/10/2010 08:00	782.533	81.2558	82.294	71.2328	37.0732	87.8973	42.4284	41.7113
06/11/2010 08:00	805.033	58.8130	93.296	78.5711	37.0060	75.0429	36.7444	36.1234
06/12/2010 08:00	720.700	39.4910	104.029	74.8967	37.3874	67.0871	30.6766	30.1582
06/13/2010 08:00	645.650	74.6264	86.373	58.3547	37.6077	85.9665	34.4568	33.8745
06/14/2010 08:00	809.533	83.4131	81.017	59.6224	37.4843	88.4608	44.7636	44.0070
06/15/2010 08:00	781.233	85.4985	79.156	63.2228	37.3698	88.7083	43.1072	42.3787
06/16/2010 08:00	811.717	86.0864	79.913	73.2146	36.8566	89.2660	44.4309	43.6800
06/17/2010 08:00	830.900	79.8874	81.898	78.4814	36.7749	86.9810	44.0763	43.3314
06/18/2010 08:00	797.733	77.5730	83.986	76.3104	36.8753	86.6292	42.4606	41.7430
06/19/2010 08:00	796.350	70.4139	87.721	74.9996	36.9216	83.5859	40.8238	40.1338
06/20/2010 08:00	804.833	62.7725	92.280	76.3599	36.9977	81.1748	39.9269	39.2521
06/21/2010 08:00	828.967	63.9446	91.864	73.6930	37.0862	81.3789	41.1469	40.4516
06/22/2010 08:00	749.783	74.3958	85.337	76.5390	36.8767	85.4019	39.5352	38.8671
06/23/2010 08:00	777.017	77.6487	83.004	78.1767	36.8434	86.2777	41.0225	40.3293
06/24/2010 08:00	811.117	77.4381	85.493	72.4377	37.1273	87.0473	44.0492	43.3048
06/25/2010 08:00	801.950	76.5420	84.687	76.6699	36.8489	86.3097	42.2810	41.5665
06/26/2010 08:00	820.600	67.7318	88.660	83.6841	36.8559	82.4462	41.0793	40.3851
06/27/2010 08:00	800.550	76.7110	85.377	81.2419	36.7904	86.6300	42.5498	41.8307
06/28/2010 08:00	805.817	78.7374	82.484	76.3130	36.7783	86.6022	42.8711	42.1466
06/29/2010 08:00	810.883	79.0408	85.878	79.8014	36.7250	87.9885	43.1562	42.4269
06/30/2010 08:00	782.267	79.4580	82.487	82.1515	36.7264	86.9241	41.4384	40.7381
Total	22795.650						1157.3815	1137.8217

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EFM Report: A1G2 - Dent

Uploaded: 08/03/2010 17:25:23 Operator: LOI

EFM Report Information

Report Data File C:\Documents and Settings\Kevin Andrews\Desktop\POG July '10 Production\Dent Well Production July '10\2-28 DeGood July '10\Dent_A1G2_2010-08-03.efm

Report Period 06/30/2010 to 07/30/2010 Run Selected Meter #1
 Meter Description 2-28 DeGood Meter Tag K0418-01
 Report Date 09/19/2010 08:47:54 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	800.250	79.6370	82.9742	80.2804	36.7384	87.2000	42.7481	42.0257
07/02/2010 08:00	794.250	79.6078	82.2980	79.4766	36.7824	86.9259	42.1721	41.4594
07/03/2010 08:00	683.683	79.5025	81.2304	80.7680	36.8765	86.4512	35.7195	35.1159
07/04/2010 08:00	704.550	80.3107	81.2309	82.1289	37.3116	86.8528	37.5484	36.9138
07/05/2010 08:00	756.167	79.8678	81.2598	64.7024	37.2948	86.6350	40.5363	39.8513
07/06/2010 08:00	775.000	80.0903	82.5558	72.5199	37.0232	87.2075	41.9141	41.2057
07/07/2010 08:00	808.050	79.9784	80.1611	76.6314	36.8078	86.2498	42.9836	42.2572
07/08/2010 08:00	764.850	83.4647	80.7416	65.1888	37.2444	88.2967	42.3189	41.6037
07/09/2010 08:00	818.067	86.4150	80.0998	68.0504	37.0032	89.5684	44.8740	44.1157
07/10/2010 08:00	784.950	86.1126	81.2594	75.3029	36.9049	89.8673	43.1999	42.4698
07/11/2010 08:00	788.283	85.9526	81.3276	77.3342	36.7108	89.8505	43.1482	42.4190
07/12/2010 08:00	779.083	86.2165	80.0644	79.0887	36.7463	89.4535	42.8433	42.1193
07/13/2010 08:00	781.417	86.0983	80.5850	80.3424	36.6021	89.5923	42.4710	41.7532
07/14/2010 08:00	802.250	80.3476	83.4016	86.0840	36.5548	87.7035	42.3779	41.6617
07/15/2010 08:00	758.533	71.8301	87.2334	81.9836	36.7386	83.4046	38.3195	37.6719
07/16/2010 08:00	782.750	78.9508	84.6480	76.9209	37.2838	87.5915	43.0489	42.3214
07/17/2010 08:00	707.700	55.1368	97.6112	86.0271	36.7949	73.4528	32.0474	31.5058
07/18/2010 08:00	788.900	59.0196	94.0814	87.5142	36.5958	74.6611	35.8201	35.2147
07/19/2010 08:00	771.400	81.2077	82.5957	81.3064	36.7328	87.9440	41.3563	40.6574
07/20/2010 08:00	771.000	80.8512	82.5069	82.0163	38.0678	87.7027	43.1534	42.4241
07/21/2010 08:00	772.283	80.8149	82.2197	71.5647	37.4297	87.5517	42.1678	41.4551
07/22/2010 08:00	746.983	80.9853	81.2851	76.1385	36.9074	87.3103	39.6984	39.0275
07/23/2010 08:00	802.217	81.6890	81.5893	77.6275	36.7560	87.8401	42.7820	42.0590
07/24/2010 08:00	788.900	81.3541	81.8379	79.7739	36.6945	87.7548	42.3848	41.6685
07/25/2010 08:00	795.433	80.5937	83.8218	76.5318	36.8671	88.0733	42.7569	42.0343
07/26/2010 08:00	796.283	80.7322	81.9928	77.0607	36.8548	87.4510	42.3734	41.6573
07/27/2010 08:00	764.950	78.7386	83.8082	82.8930	36.6460	87.1209	40.7381	40.0496
07/28/2010 08:00	774.133	79.6976	82.9854	83.4626	36.6650	87.2595	41.2538	40.5566
07/29/2010 08:00	760.683	70.6898	87.3356	80.4666	36.8327	83.5745	38.5341	37.8829
07/30/2010 08:00	762.783	79.5992	82.2111	82.8830	36.6484	86.9162	40.0481	39.3712
07/31/2010 08:00	754.650	81.3678	80.3845	81.2992	37.2320	87.0892	39.9524	39.2772
Total	23940.431						1271.2907	1249.8059

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KCC WICHITA

IN ACCOUNT WITH

AMERICAN NATIONAL BANK
3033 E. FIRST AVENUE
DENVER, CO 80206

AUDIT CONFIRMATION

AS PART OF A REGULAR AND ROUTINE AUDIT WE ASK THAT YOU COMPARE THE INFORMATION SHOWN ON THIS STATEMENT WITH YOUR RECORDS. PLEASE REPORT ANY DISCREPANCY BY USING THE REVERSE SIDE OF THIS FORM AND RETURNING IN THE ENCLOSED ENVELOPE.

ACCOUNT TYPE: ENERGY
ACCOUNT NUMBER: 804017
ACCOUNT BALANCE: 2,735,856.00
DATE: 08/31/10

IF THIS INFORMATION AGREES WITH YOUR RECORD NO REPLY IS NECESSARY.

PRIORITY OIL & GAS
LIMITED LIABILITY COMPANY
PO BOX 27798
DENVER CO 80227-0798

CLIFTON GUNDERSON LLP
301 SW ADAMS SUITE 900
PEORIA, IL 61656-1835

REFERENCE: 100002

DATE: 08/31/10

REFERENCE: 100002

PAGE: 01

NOTE NUMBER: 804017
NOTE DATE: 07/02/01
ORIGINAL AMOUNT: .00
CURRENT BALANCE: 2,735,856.00
RATE: 7.5000

.....LAST PAYMENT.....
DATE: 08/24/10
AMOUNT: 8,943.66
PAYMENTS PAID:

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KCC WICHITA



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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Encl

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