AUG 3 0 2007

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

(See Instructions on Reverse Side) Type Test: CONSERVATION DIVISION Open Flow WICHITA, KS Test Date: API No. 15 Deliverabilty 023-20486-0000 7/9/07 Well Number Company Lease Priority Oil & Gas LLC **Harkins** 4-29 TWP RNG (E/W) Acres Attributed County Location Section Cheyenne SE NE NE NW 29 48 41 Reservoir Gas Gathering Connection Field Priority Oil & Gas LLC Cherry Creek Beecher Island Completion Date Plug Back Total Depth Packer Set at 04/11/03 1354 Casing Size Weight Internal Diameter Perforations Set at To 10.5# 4.052 1364 1200 1236 4.5 in Tubing Size Weight Internal Diameter Set at Perforations To none Type Completion (Describe) Type Fluid Production Pump Unit or Traveling Plunger? co2 Frac none Gas Gravity - G Producing Thru (Annulus / Tubing) % Carbon Dioxide % Nitrogen casing .21 4.99 .5906 (Meter Run) (Prover) Size Vertical Depth(H) Pressure Taps 2 in. 7/9/07 10:57 20 Shut in (AM) (PM) Taken. ___ 20 ___ at ___ (AM) (PM) Pressure Buildup: 10:59 Well on Line: 20 (AM) (PM) Taken **OBSERVED SURFACE DATA** Duration of Shut-in Hours Circle one: Tubing Pressure Orifice Static / Flowing Well Head Liquid Produced Meter Differential Wellhead Pressure Wellhead Pressure Duration Size Temperature Dynamic Temperature Prover Pressure (P_w) or (P_t) or (P_c) (P_w) or (P_t) or (P_c) (Hours) (Barrels) (inches) Property t psig (Pm) Inches H₂0 psig Shut-In .500 104 118.4 Flow **FLOW STREAM ATTRIBUTES** Circle one: Flowing Flowing Plate Press Gravity Deviation Metered Flow GOR Meter or Temperature Coefficcient Fluid Extension (Cubic Feet/ Factor Factor Prover Pressure Gravity Factor $(F_b)(F_p)$ P_mxh F, F_{pv} (Mcfd) Barrel) psia Mcfd F,, G_m (OPEN FLOW) (DELIVERABILITY) CALCULATIONS $(P_a)^2 = 0.207$ $(P_c - 14.4) + 14.4 =$ $(P_d)^2 =$ Choose formula 1 or 2: Backpressure Curve Open Flow (P_c)² - (P_w)² (P_a)² - (P_a)² 1. P_c²-P_a² LOG of Slope = "n" Deliverability n x LOG -- or----Antiloa 2. P.2-P.2 Equals R x Antilog (P_c)² - (P_d)² Assigned and divide P.2-P.2 (Mcfd) divided by: P.2 - P.2 Standard Slope 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 31_ day of the facts stated therein, and that said report is true and correct. Executed this the ____ Witness (if any) For Commission Checked by

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CONSERVATION DIVISION WICHITA, KS
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 Harkins 4-29
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: 7/31/07
Signature: Muhan A. Dong Title: Business Manager

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.