

KANSAS CORPORATION COMMISSION

ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
 Deliverability

(See Instructions on Reverse Side)

Test Date:
12/03/03

API No. 15
023-20376-0000

Company Priority Oil & Gas LLC		Lease Schultz		Well Number 1-17	
County Cheyenne	Location SW/NW/SE	Section 17	TWP 4S	RNG (E/W) 40	Acres Attributed
Field Cherry Creek		Reservoir Beecher Island		Gas Gathering Connection Kinder Morgan	
Completion Date 04/18/01		Plug Back Total Depth 1332		Packer Set at	
Casing Size 4.5 in	Weight 10.5 #	Internal Diameter 4.052	Set at 1373	Perforations 1234	To 1269
Tubing Size	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		Gas Gravity - G _g 587	
				(Meter Run) (Prover) Size	
Pressure Buildup: Shut in 12/02 20 03 at 2:59 (AM) (PM) Taken 20 at (AM) (PM)					
Well on Line: Started 12/03 20 03 at 3:10 (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 ₁) or (P _c)		Tubing Wellhead Pressure (P _w) or (P ₁) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In											
Flow	.500					170	184.4				

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _b) (F _v) 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 _{dv}	Metered Flow R (Mcfd)	GOR (Cubic Feet Barrel)	Flowing Fluid Gravity G _m

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MAY 17 2004
CONSERVATION DIVISION
WICHITA, KS

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_a)² = 0.207
(P_d)² =

(P_c)² = : (P_w)² = : P_d = % (P_c - 14.4) + 14.4 = :

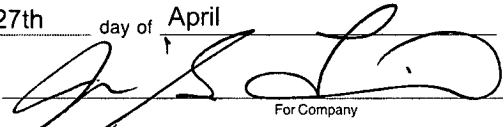
(P _c) ² - (P _a) ² or (P _c) ² - (P _d) ²	(P _c) ² - (P _w) ²	Choose formula 1 or 2: 1. P _c ² - P _a ² 2. P _c ² - P _d ² divided by: P _c ² - P _w ²	LOG of formula 1. or 2. and divide by: $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_a^2} \right]$	Backpressure Curve Slope = "n" -----or----- Assigned Standard Slope	n x LOG $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_a^2} \right]$	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 27th day of April, 20 04.

Witness (if any)

For Commission


 For Company

 Checked by

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 Schultz 1-17 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

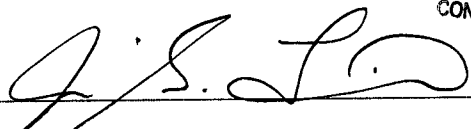
I further agree to supply to the best of my ability any and all supporting documents deemed by Commission staff as necessary to corroborate this claim for exemption from testing.

Date: 04/27/04

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CONSERVATION DIVISION
WICHITA, KS

Signature: 

Title: VP Operations

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.

NATURAL GAS ANALYSIS REPORT

Sampled by:
 Trilobite Testing, Inc.
 Hays, Kansas
 Scott City, Kansas
 Phone: 800-728-5369
 Fax: 785-625-5620

Analyzed by:
 Caraway Analytical, Inc
 P. O. Box 2137
 Liberal, Kansas 67905
 Phone: 620-624-5389
 Fax: 620-626-7108

Lab Number: 20020415	Analyzed: 02/01/02
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Sample From: Schultz 1-17	Pressure:	
Producer: Priority O&G	Temperature:	

Location: 17-4 40W	
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Time:	County: Cheyenne	
Sampler:	State: Kansas	
Source:	Formation: Niobrara	

	Mole %	GPM
Helium	He: 0.082	0.000
Hydrogen	H2: 0.000	0.000
Oxygen	O2: 0.000	0.000
Nitrogen	N2: 3.773	0.000
Carbon Dioxide	CO2: 0.092	0.000
Methane	C1: 94.348	0.000
Ethane	C2: 1.158	0.310
Propane	C3: 0.344	0.095
Iso Butane	iC4: 0.057	0.019
Normal Butane	nC4: 0.059	0.019
Iso Pentane	iC5: 0.017	0.006
Normal Pentane	nC5: 0.013	0.005
Hexanes Plus	C6+: 0.057	0.025

TOTAL: 100.000 0.478

Z Fact: 0.9981

SP.GR.: 0.5841

BTU (SAT): 976.8 @ 14.73 psia
 BTU (DRY): 994.1 @ 14.73 psia
 OCTANE RATING: 124.3

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KCC WICHITA

COMMENTS:

0.000