

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

(See Instructions on Reverse Side)

Type Test:

- Open Flow
 Deliverability

Test Date:
8/10/05

API No. 15
023-20622-0000

| | | | | | |
|---|----------------------|---------------------------------|----------------|--|------------------|
| Company Priority Oil & Gas LLC | | Lease Rhoades | | Well Number 2-8 | |
| County Cheyenne | Location AP/SW/SW | Section 8 | TWP 5S | RNG (E/W) 41 | Acres Attributed |
| Field Cherry Creek | | Reservoir Beecher Island | | Gas Gathering Connection Priority Oil & Gas LLC | |
| Completion Date 072805 | | Plug Back Total Depth 1580.9 | | Packer Set at | |
| Casing Size 4.5 in | Weight 10.5 # | Internal Diameter 4.052 | Set at 1594 | Perforations 1421 | To 1456 |
| Tubing Size NONE | 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 .69 | | % Nitrogen 4.69 | |
| Vertical Depth(H) 1615 | | Pressure Taps | | (Meter Run) (Prover) Size | |
| Pressure Buildup: Shut in 08/09 20 05 at 2:17 (AM) (PM) Taken 20 at (AM) (PM) | | | | | |
| Well on Line: Started 08/10 20 05 at 2:45 (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 | .500 | | | | | 257 | 271.4 | | | | |

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FLOW STREAM ATTRIBUTES

| Plate Coefficient (F _c) (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 _{ti} | Deviation Factor F _{pv} | Metered Flow R (Mcfd) | GOR (Cubic Feet/ Barrel) | Flowing Fluid Gravity G _m |
|--|--|--|-------------------------------|--|----------------------------------|-----------------------|--------------------------|--------------------------------------|
| | | | | | | | | |

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(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

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

| | | | | | | | |
|--|---|---|---|--|--|---------|--|
| (P _c) ² - (P _d) ² or (P _c) ² - (P _w) 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: $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_d^2} \right]$ | Backpressure Curve Slope = "n" ----- or Assigned Standard Slope | n x LOG $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_d^2} \right]$ | 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 reports are true and correct. Executed this the 4th day of November, 20 05.

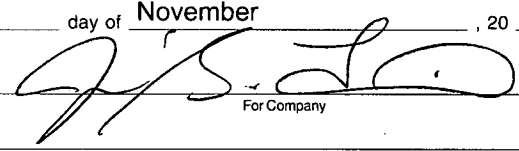
Witness (if any)

For Commission

For Company

Checked by

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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 Rhoades 2-8 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: 11/04/05

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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.

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4-24 Raile Aug. '05 EFM Report.txt

EFM Report

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Report Period      07-31-05 to 08-30-05   Run Selected      AGA #1
Meter Run Id.     4-24 Raile                          Tag              Id.             K0305-06
Station Name      Cherry Creek                          Customer Name     NONE
Operator          LOI                                    Contract Hour     8
Report Date       Sep 09 16:37:12 2005   Report Disk       ...-24 Raile
Aug.aga
Time Download     Sep 09 16:27:44 2005   Fisher ID        Fisher FCD
Version Name      W68123   Ver 1.20         Time Created     Aug 25, 2003 9:27
ROM Serial #
    
```

Daily Volume Report

| Energy | Flow | Avg (hw) | Average (Pf) | Avg Tf | OverFlow | Pressure | Volume |
|-----------------------------|--------|-------------|-----------------|-----------|----------|----------|---------|
| Accum Date,Time MMBTU | Mins | In H2O | PSI | Deg F | Constant | Ext'n | MCF |
| 08-06,08:00 | 0.0 | 0.00 | 5.37 | 52.00 | 65.59 | 0.00 | 0.001 |
| 08-07,08:00 | 840.0 | 125.54 | 66.20 | 33.82 | 67.04 | 99.65 | 93.528 |
| 08-08,08:00 | 1440.0 | 119.25 | 68.78 | 39.13 | 66.79 | 98.72 | 158.242 |
| 08-09,08:00 | 1440.0 | 119.58 | 67.75 | 41.73 | 66.59 | 98.22 | 156.963 |
| 08-10,08:00 | 1440.0 | 130.21 | 61.18 | 38.68 | 66.55 | 98.23 | 156.891 |
| 08-11,08:00 | 1440.0 | 130.44 | 60.51 | 37.70 | 66.59 | 97.87 | 156.425 |
| 08-12,08:00 | 1348.1 | 119.23 | 65.40 | 37.89 | 66.75 | 93.24 | 139.694 |
| 08-13,08:00 | 1052.7 | 107.15 | 71.33 | 33.00 | 67.33 | 91.96 | 108.618 |
| 08-14,08:00 | 1440.0 | 128.99 | 59.78 | 30.87 | 67.06 | 96.85 | 155.883 |
| 08-15,08:00 | 1440.0 | 125.75 | 58.96 | 32.67 | 66.96 | 95.08 | 152.780 |
| 08-16,08:00 | 1440.0 | 107.69 | 56.55 | 38.27 | 66.73 | 86.48 | 138.468 |
| 08-17,08:00 | 1440.0 | 90.37 | 55.17 | 41.21 | 66.70 | 78.42 | 125.521 |
| 08-18,08:00 | 1440.0 | 77.96 | 54.29 | 41.12 | 66.84 | 72.39 | 116.112 |
| 08-19,08:00 | 1440.0 | 70.27 | 53.06 | 44.51 | 66.69 | 68.10 | 108.977 |

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4-24 Raile Aug.'05 EFM Report.txt

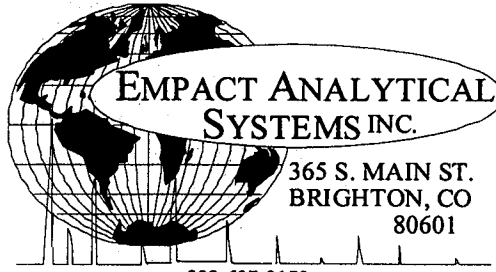
| | | | | | | | |
|-------------|--------|-------|-------|-------|-------|-------|---------|
| 107.943 | | | | | | | |
| 08-20,08:00 | 1440.0 | 66.58 | 52.09 | 43.30 | 66.80 | 65.80 | 105.482 |
| 104.480 | | | | | | | |
| 08-21,08:00 | 1440.0 | 61.31 | 51.35 | 43.62 | 66.83 | 62.78 | 100.698 |
| 99.742 | | | | | | | |
| 08-22,08:00 | 1440.0 | 58.60 | 51.31 | 40.73 | 67.06 | 61.36 | 98.753 |
| 97.815 | | | | | | | |
| 08-23,08:00 | 1440.0 | 56.11 | 50.96 | 38.18 | 67.26 | 59.87 | 96.642 |
| 95.724 | | | | | | | |
| 08-24,08:00 | 1440.0 | 52.83 | 50.61 | 41.17 | 67.10 | 57.94 | 93.301 |
| 92.415 | | | | | | | |
| 08-25,08:00 | 919.8 | 37.92 | 77.64 | 40.07 | 67.61 | 53.65 | 55.619 |
| 55.091 | | | | | | | |
| 08-26,08:00 | 1232.9 | 61.55 | 61.66 | 39.52 | 67.24 | 66.25 | 91.510 |
| 90.641 | | | | | | | |
| 08-27,08:00 | 1440.0 | 52.26 | 51.56 | 42.52 | 67.03 | 58.05 | 93.364 |
| 92.478 | | | | | | | |
| 08-28,08:00 | 1440.0 | 47.89 | 49.16 | 43.71 | 66.98 | 54.53 | 87.642 |
| 86.809 | | | | | | | |
| 08-29,08:00 | 1440.0 | 45.47 | 48.53 | 43.52 | 67.02 | 52.87 | 85.021 |
| 84.213 | | | | | | | |
| 08-30,08:00 | 1440.0 | 44.53 | 47.17 | 45.06 | 66.91 | 51.74 | 83.070 |
| 82.282 | | | | | | | |
| 08-31,08:00 | 1440.0 | 42.09 | 48.21 | 48.93 | 66.70 | 50.71 | 81.171 |
| 80.400 | | | | | | | |

=====
 Total 34193.6
 2813.405

2840.374

*****NO MORE DATA FOUND*****

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NATURAL GAS ANALYSIS

| | | | |
|----------------|-------------------------------|----------------|---------------------------|
| PROJECT NO. : | 0509049 | ANALYSIS NO. : | 02 |
| COMPANY NAME : | PRIORITY OIL & GAS | ANALYSIS DATE: | SEPTEMBER 11, 2005 |
| ACCOUNT NO. : | | SAMPLE DATE : | AUGUST 16, 2005 |
| PRODUCER : | | TO: | AUGUST 16, 2005 |
| LEASE NO. : | 4-24 | CYLINDER NO. : | 1129 |
| NAME/DESCRIP : | RAILE | | |

*****FIELD DATA*****

| | | | |
|----------------|-----------------------|----------------|--|
| SAMPLED BY : | K ANDREWS | AMBIENT TEMP.: | |
| SAMPLE PRES. : | 56 | GRAVITY : | |
| SAMPLE TEMP. : | 43 | VAPOR PRES. : | |
| COMMENTS : | SPOT PROBE | | |

| <u>COMPONENTS</u> | <u>NORM. MOLE%</u> | <u>GPM @ 14.65</u> | <u>GPM @ 14.73</u> |
|-------------------|------------------------|------------------------|------------------------|
| HELIUM | 0.08 | - | - |
| HYDROGEN | 0.04 | - | - |
| OXYGEN/ARGON | 0.04 | - | - |
| NITROGEN | → 3.87 | - | - |
| CO2 | → 0.54 | - | - |
| METHANE | 93.84 | - | - |
| ETHANE | 1.10 | 0.293 | 0.294 |
| PROPANE | 0.33 | 0.090 | 0.091 |
| ISOBUTANE | 0.06 | 0.020 | 0.020 |
| N-BUTANE | 0.06 | 0.019 | 0.019 |
| ISOPENTANE | 0.02 | 0.007 | 0.007 |
| N-PENTANE | 0.02 | 0.007 | 0.007 |
| HEXANES+ | 0.00 | 0.000 | 0.000 |
| TOTAL | 100.00 | 0.436 | 0.438 |

| | | |
|------------------|--------------|--------------|
| BTU @ 60 DEG F | 14.65 | 14.73 |
| GROSS DRY REAL = | 980.1 | 985.4 |
| GROSS WET REAL = | 962.9 | 968.3 |

RELATIVE DENSITY (AIR=1 @14.696 PSIA 60F): **0.5866** ←

COMPRESSIBILITY FACTOR : **0.99802**

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NOTE: REFERENCE GPA 2261(ASTM D1945), 2145, & 2172 CURRENT PUBLICATIONS