

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
Deliverability

Test Date: 07/01/10

API No. 15 181-20268

Company: LOBO PRODUCTION, INC. Lease: ARMSTRONG Well Number: 1-12A
County: SHERMAN Location: SW SW NW Section: 12 TWP: 8S RNG (E/W): 40 Acres Attributed:
Field: GOODLAND GAS FIELD Reservoir: NIOBRARA Gas Gathering Connection: LOBO PRODUCTION, INC.
Completion Date: 11/13/83 Plug Back Total Depth: 1231' Packer Set at:
Casing Size: 4.5 Weight: Internal Diameter: Set at 1301' Perforations: 1163' To 1190'
Tubing Size: Weight: Internal Diameter: Set at Perforations: To
Type Completion (Describe): SINGLE GAS Type Fluid Production: Pump Unit or Traveling Plunger? Yes / No
Producing Thru (Annulus / Tubing): % Carbon Dioxide % Nitrogen Gas Gravity - Gg .60
Vertical Depth(H): TD 1285' Pressure Taps: (Meter Run) (Prover) Size 2" METER RUN
Pressure Buildup: Shut in 07/01 20 10 at 07:40 (AM) (PM) Taken 07/02 20 10 at 07:50 (AM) (PM)
Well on Line: Started 20 at (AM) (PM) Taken 20 at (AM) (PM)

OBSERVED SURFACE DATA

Duration of Shut-in 24.17 Hours

Table with 10 columns: Static/Dynamic Property, Orifice Size, Meter/Prover Pressure, Pressure Differential, Flowing Temperature, Well Head Temperature, Casing Wellhead Pressure, Tubing Wellhead Pressure, Duration, Liquid Produced.

FLOW STREAM ATTRIBUTES

Table with 9 columns: Plate Coefficient, Meter or Prover Pressure, Press Extension, Gravity Factor, Flowing Temperature Factor, Deviation Factor, Metered Flow, GOR, Flowing Fluid Gravity.

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(Pc)² = : (Pw)² = : Pa = % (Pc - 14.4) + 14.4 = (Pg)² = 0.207 (Po)² =

Table with 8 columns for calculations: (Pc)² - (Pa)², (Pc)² - (Pw)², Choose formula 1 or 2, LOG of formula, Backpressure Curve, n x LOG, Antilog, Open Flow Deliverability.

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 23rd day of August, 20 10.

Witness (if any) For Commission

Signature: Richard A. Miller For Company Checked by

RECEIVED AUG 31 2010 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 LOBO PRODUCTION, INC.

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 ARMSTRONG 12-A 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: 08/23/10

Signature: Richard A. Miller

Title: OWNER/OPERATOR

**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.