

KANSAS CORPORATION COMMISSION

ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test: Open Flow Deliverability (See Instructions on Reverse Side)

Test Date: 01-26-11

API No. 15-035-19384-0000
#2

Company: Peak Engery LLC Lease: Boller Well Number: 80

County: Cowley Location: Ark City Section: 7 TWP: 35-S RING (E/W): 3-E Acres Attributed: 80

Field: Gibson Pool Reservoir: Severy Sand Gas Gathering Connection: 1"

Completion Date: 01-02-75 Plug Back Total Depth: 1725' Packer Set at: 3,470'

Casing Size: 4 1/2 Weight: 10.50 Internal Diameter: 4" Set at: 1,725 Perforations: 1,563 To: 1,568

Tubing Size: 2 3/8 Weight: 4.71b Internal Diameter: 2" Set at: 1,540 Perforations: none To: none

Type Completion (Describe): tubing Type Fluid Production: none Pump Unit or Travelling Plunger? Yes / No

Producing Thru (Annulus / Tubing): 1725' % Carbon Dioxide: 950 % Nitrogen: none Gas Gravity - G_v: 950

Vertical Depth(H): 1725' Pressure Taps: none (Meter Run) (Prover) Size: 950

Pressure Buildup: Shut in 01-25-2011 at 12:00 (AM) (PM) Taken 24hr. 01-26-11 at 12:00 (AM) (PM)

Well on Line: Started 20 at 20 (AM) (PM) Taken 20 at 20 (AM) (PM)

OBSERVED SURFACE DATA

Static / Dynamic Property	Orifice Size (Inches)	Casing or Prover Pressure (psig) (Pm)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _c) or (P _c) or (P _c)		Tubing Wellhead Pressure (P _t) or (P _t) or (P _t)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-in		101bs									
Flow		24.4									

FLOW STREAM ATTRIBUTES

Plate Coefficient (F ₁) (F ₂) Mcfd	Casing or Prover Pressure (psia)	Press Extension $\sqrt{P_m \times h}$	Gravity Factor F _g	Flowing Temperature Factor t ₁₁	Deviation Factor F _{pr}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _v

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_c)² = _____ (P_t)² = _____ P_a = _____ % (P_c - 14.4) + 14.4 = _____ (P_t)² = 0.207 (P_a)² = _____

(P _c) ² - (P _t) ² or (P _c) ² - (P _a) ²	(P _t) ² - (P _a) ²	Check formula 1 or 2: 1. P _c ² - P _t ² 2. P _c ² - P _a ² divided by: P _c ² - P _a ²	LOG of formula 1. or 2. and divide by: P _c ² - P _a ²	Backpressure Curve Slope = "n" or Assigned Standard Slope	n x LOG []	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)

Open Flow Mcfd @ 14.85 psia Deliverability Mcfd @ 14.85 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 28th day of Jan. 2011

Witness (if any)

For Company

For Commission

Checked by

RECEIVED
316-337-6392
FEB 13 2012
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 Peak Energy 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 #2 Boiler 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: 01-28-11

Signature: y Randall J. Boerum

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.

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FEB 13 2012

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