KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

ARES Energy, Ltd., 405 N. Marienfeld, Suite 250, Midland, TX 79701 Rich 23-14 County Location Section TWP RNG (E/W) Acres Attributed Comanche NWSESW 23 32S 19W 160 Field Reservoir Gas Gathering Connection Oneok Colter Northwest Mississippian/Viola Oneok Completion Date Plug Back Total Depth Packer Set at 10-5-2000 6,080' None Casing Size Weight Internal Diameter Set at Perforations To	Type Test:	:					(:	See Instruc	tions on R	evei	rse Side)	ı						
Substantibility	Open Flow				Teet Nate	Toet Nata					API No. 15							
Net Country	Dei	liverab	ilty									033	3-21042-00	000				
Contranche	Company ARES Ene		d., 40	5 N. Marie	nfeld,	Suite 250, M	idland, TX 7	9701							-		mber	
Colter Northwest Mississippinar/Viola Oneook Completion Date (0.5-2000 6,080' None Peaker Set at None	County Location												-					
To-S-2000 Fig. 86 None	Field Colter N	North	wes	st					la				rering Conn	ection				
15.5# 4.95	•		e				_	Total Dep	oth				et at					
Tubing Size ### Weight 1.995* 4.70# 1.995* 6,035* 6,035* 6,035* 6,035* Pump Unit or Traveling Plunger? Yes / No Pumping Unit Producing That (Annulus / Tubing) % Carbon Dioxide Pressure Taps ### Weight 1.995* Annulus Pressure Taps ### Weight 1.900 ### Annulus ### Annulus ### Pressure Taps ### Annulus ### Annulus ### Pressure Taps ### Annulus ### Annulus ### Pressure Taps ### Annulus ### Ann	Casing Si 5-1/2"	ize)iameter			•	-						
Type Completion (Describe) Commingled (Gas) Water Pumping Unit Pumping Unit Preducing Truck (Annulus / Tubing) % Carbon Dioxide % Nitrogen Gas Gravity - Q, (Meter Run) (Prover) Size Pressure Taps (Meter Run) (Prover) Size (Meter Run) (Prover) Size Pressure Buildup: Shut in 9-14 20 11 at 9:00 (AM) (PM) Taken 9-15 20 11 at 9:00 (AM) (PM) Well on Line: Standed 9-15 20 11 at 9:00 (AM) (PM) Taken 20 at (AM) (PM) OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours Flow (Wellwase) OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours OBSERVED SURFACE DATA Observed Pressure (Repertment of Shut-in 24 Hours Observed Pressure (Repertment of Shut-in 24 Hours Observed Pressure (Repertment of Repertment of Reper	Tubing Si	ize		Wei	ghi						1	Perfo	rations		To			
Producing Thru (Annulus / Tubing) % Carbon Dioxide % Nitrogen Gas Gravity - Q. Annulus Vertical Depth(h) Pressure Taps (Meter Flun) (Prover) Size (Meter Flun) (Pr	Type Con			scribe)		,	Type Fluid	d Production						Plunger	? Yes	/ No	· · · · · · · · · · · · · · · · · · ·	
Pressure Buildup: Shut in 9-14 20 11 at 9:00 (AM) (PM) Taken 9-15 20 11 at 9:00 (AM) (PM) Taken 20 at (AM) (PM) (AM) (PM) (PM) (PM) (PM) (PM) (AM) (PM) (PM) (PM) (PM) (PM) (AM) (PM) (PM) (PM) (PM) (PM) (PM)					ng)			arbon Diox	ide						Gas Gra	ivity - G	, ,	
Well on Line: Started 9-15 20 11 at 9:00 (AM) (PM) Taken 20 at		_	1)					Pres	ssure Taps						(Meter F	lun) (Pi	over) Size	
Well on Line: Started 9-15 20 11 at 9:00 (AM) (PM) Taken 20 at				Q.	.1.1		11 Q	·00			Q	15		11	9:00			
Static / Orifice Open Frosture plag (Pm) Static / Orifice Open Frosture	Pressure	Buildu	p: 5	Shut in	46			00										
Static / Orifice Mater Differential Flowing Property (Inches) Pressure (Inches) Pressure (Inches) Pressure (Inches) Property (Inches) Pressure (Inches) Property (Inches) Property (Inches) Pressure (Inches) Pr	Well on L	ine:	,	Started 9	15	2	0 <u> </u> at <u> 9</u>	.00	_ (AM) (PM	1) Ta	aken		20	at _		(AM) (PM)	
Flowing Property Pressure Property Pressure Property								OBSERV	ED SURFA	CE	DATA	-		Duration	of Shut-i	n_24	Hours	
Properly (inches) Prover Pressure Inches H ₂ 0 1 1 1 Palg (Pm) Pal	Dynamic Size		-	Malar					Wellhead Pressure $(P_w) \propto (P_t) \propto (P_c)$		-			Dun	Duration		Liquid Produced	
FLOW STREAM ATTRIBUTES Plate Coefficient (F ₂) (F ₃) Mcfd Prossure pala Pressure Pressure pala Pressure Pressure pala Pressure pala Pressure Press				Prover Pressure									`	(Ho	(Hours)		(Barrels)	
FLOW STREAM ATTRIBUTES Plate Coefficient Meter or Prover Pressure Factor Facto	Shut-In							_		4								
Plate Coefficient (F ₁)(F ₂) Model Prover Pressure Press Extension Prover Pressure Press Extension E	Flow																	
Coefficient (F ₁)(F ₂) Prover Pressure pale (P ₂) ² =								FLOW ST	REAM ATT	RIB	UTES							
(P _c) ² = : (P _w) ² = : P _d = % (P _c -14.4) + 14.4 = : (P _d) ²	Coeffiecient (F _b) (F _p)		Meter or Prover Pressure			Extension	Fact	tor	Temperature Factor		Factor		R	1	(Cubic Feet/		Fluid Gravity	
(P _c) ² = : (P _w) ² = : P _d = % (P _c -14.4) + 14.4 = : (P _d) ²								<u>i_</u>										
Checked by Checke	(P _a) ² =		:	(P_)	'=	:	•	OW) (DELI		-			:				07	
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 26 day of			(P			I. P. 2 - P. 2	LOG of formula		Backpress		sure Curve		roa 📗	Ant	Antilog		Deliverability	
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 26 day of 4 day of 5 day of 5 day of 6 day of 6 day of 7 day of 8 day of 8 day of 8 day of 9 day of	(P _c) ² - (I	P _a) ²			,		and divide	P.* . P.*									_	
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 26 day of 4 day of 5 day of 5 day of 6 day of 6 day of 7 day of 8 day of 8 day of 8 day of 9 day of					_						-				· · ·			
the facts stated therein, and that said report is true and correct. Executed this the 26 day of January . 20 12 . Witness (it any) For Company RECEIVED	Open Flo	w			<u> </u>	Mcfd @ 14.	.65 psia		Deliver	abili	ty	1		Mcfd @	14.65 psi	a a		
For Commission Checked by			-						-					ort and th	at he ha			
FOI CONTESSION CHECKSU DY -				Witnes	a (il any	7				_			For	Company	£)EM	= N/E->	
				For Co	mmissio	n				_			Che	cked by			_	

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 ARES Energy, Ltd. 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 Rich 23-14
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: January 26, 2012
Signature: <u>Henry N. Claston</u> Title: Henry N. Clanton, Managing Partner

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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