15-035-24312-0000

## KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

| Type Test  | :                             |   |                                       | (   | See Instruc                         | tions on Re                              | verse Side                                  | )   |  |                               |  |  |
|--|-------------------------------|---|---------------------------------------|---|-------------------------------------|--|---|---|--|-------------------------------|--|--|
| □ Ор   | en Flow                       |   |                                       | Tool Date                                   |                                     |  |   | 40  | N- 45                                      |                               |  |  |
| De De  | liverabilt                    | у   |                                       | Test Date 2-15-20                           |                                     |  |   |   | No. 15<br>5 24312 <b>- 0</b> 4             | 100                           |  |  |
| Company<br>B-C Steel LLC                               |                               |   |                                       | Lease<br>Barger                             |                                     |  |   |   |  |                               | Well Number<br>#5                                  |  |
| County   | ·                             | Loca  | ition                                 | Section                                     |                                     | TWP                                      |   | RNG (E  | /W)  |                               | Acres Attributed                                   |  |
| Cowley ctr-E2-SE4                                      |                               |   | 3                                     |   | 32s                                 | 32s                                      |   |   |  |                               |  |  |
| Field<br>School Creek North                            |                               |   |                                       | Reservoir<br>Cleavela                       |                                     |  |   | Gas Gathering Connection Nat Gas                |  | ection                        |  |  |
| Completion Date 11-11-08                               |                               |   |                                       | Plug Back Total Depth<br>2514               |                                     |  |   | Packer \$                                       | Set at                                     |                               |  |  |
| Casing Size Weight 4.5 11.6                            |                               |   | Internal Diameter<br>4                |   |                                     | Set at <b>2514</b>                       |   | orations<br>8                                   | то<br>2450                                 |                               |  |  |
| Tubing Size Weight 2 3/8                               |                               |   | Internal Diameter<br>2                |   | Set at<br>2428                      |  | Perforations                                |   | То   |                               |  |  |
| Type Completion (Describe) Perforatd                   |                               |   |                                       | ,.  | Type Fluid Production Salt Water    |  |   | Pump Unit or Traveling Plunger? Yes / No<br>Yes |  |                               |  |  |
| Producing Thru (Annulus / Tubing) Annulus              |                               |   |                                       | % C   | % Carbon Dioxide                    |  |   | % Nitro   | gen  | Gas Gr                        | Gas Gravity - G                                    |  |
| Vertical D   |                               |   |                                       |   | Pres                                | ssure Taps                               |   |   |  | (Meter                        | Run) (Prover) Size                                 |  |
| Pressure   | Buildup                       | Shut in 2-  | 14 20                                 | 11 at 9                                     | :00                                 | (PM)                                     | Taken 2-                                    | 15  |  | 11 at 9:00                    | (PM)   |  |
| Well on Line:  |                               | Started20   |                                       |   |                                     | (AM) (PM) Taken 2-                       |   |   |  | 11 at 9:00                    | (AM)(PM)   |  |
|  |                               |   |                                       |   | OBSERVE                             | ED SURFAC                                |   |   | i i  | Duration of Shut-             | in 24 Hours  |  |
| Static / Onlice Dynamic Size                           |                               | Prover Press  | Differential                          | Flowing<br>Temperature                      | Well Head<br>Temperature            | Wellhead                                 | sing<br>Pressure<br>P.) or (P.)             | Wellhe  | Tubing<br>ead Pressure<br>r (P, ) or (P, ) | Duration<br>(Hours)           | Liquid Produced<br>(Barrels)                       |  |
| Property   | (inches                       | psig (Pm  | ) Inches H <sub>2</sub> 0             | <u> </u>                                    | t                                   | psig                                     | psia  | psig  | psta                                       |                               |  |  |
| Shut-tn<br>Flow  |                               |   |                                       |   |                                     | 160                                      |   |   |  |                               |  |  |
|  |                               |   |                                       |   | FLOW STI                            | REAM ATTR                                | IBUTES                                      | 1.  |  |                               |  |  |
| Plate  |                               | Cinde one:  |                                       |   |                                     | Flowing                                  |   |   |  |                               | Flowing  |  |
| Coeffiecient   |                               | Meter or<br>Prover Pressure<br>psia                             | Press Extension P <sub>m</sub> xh     | Grav<br>Fact<br>F <sub>c</sub>              | tor                                 | Temperature<br>Factor<br>F <sub>II</sub> |   | Deviation N Factor F                            |  | W GOR<br>(Cubic Fe<br>Barrel) | et/ Fluid  |  |
|  |                               |   |                                       |   |                                     |  |   |   |  |                               |  |  |
|  |                               |   |                                       | •   | OW) (DELIV                          | /ERABILITY                               | •   |   |  | -                             | r <sup>2</sup> = 0.207                             |  |
| (P <sub>c</sub> ) <sup>2</sup> =                       |                               | : (P <sub>w</sub> ) <sup>2</sup>                                | =:                                    | P <sub>d</sub> =                            |                                     | % (1                                     | P <sub>c</sub> - 14.4) +                    | 14.4 =_   | <del></del> :                              | (P <sub>d</sub> )             | l <sup>2</sup> =                                   |  |
| (P <sub>c</sub> )²- (I<br>or<br>(P <sub>c</sub> )²- (I | P <sub>0</sub> ) <sup>2</sup> | (P <sub>c</sub> ) <sup>2</sup> - (P <sub>m</sub> ) <sup>2</sup> |                                       | LOG of<br>formula<br>1. or 2.<br>and divide | P <sub>2</sub> 2 - P <sub>2</sub> 2 | Sto<br>As                                | rssure Curve<br>pe = "n"<br>- cr<br>rsigned | . n x   | roe  | Antžog                        | Open Flow Deliverability Equals R x Artilog (Mcfd) |  |
| <del></del>  |                               |   | divided by: Pt - Pt                   | by:   | <u> </u>                            | Stand                                    | lard Slope                                  |   |  |                               | ,  |  |
|  |                               |   |                                       |   |                                     |  |   |   |  |                               |  |  |
| Open Flor  | W                             |   | Mcfd @ 14.6                           | 65 psia                                     |                                     | Deliverat                                | odity                                       |   |  | Mcfd @ 14.65 ps               | ia   |  |
| The c  | undersig                      | ned authority,  | on behalf of the                      | Company, s                                  | tates that h                        | ne is duly au                            | uthorized t                                 | o make ti                                       | ne above repo                              | ort and that he ha            | as knowledge of                                    |  |
| he facts s   | tated the                     | erein, and that   | said report is true                   | and correc                                  | t. Executed                         | this the 2                               | 1   | day of _C                                       | December                                   |                               | , 20 <u>11</u> .                                   |  |
|  |                               | Witness   | (il eany)                             |   |                                     | _  | -J  | 1   | Fort                                       | Company S                     | RECEIVED   |  |
| ·····  |                               | For Corr  | · · · · · · · · · · · · · · · · · · · |   |                                     | -  |   |   |  | cheed by                      | JAN 03 2012  |  |
|  |                               |   |                                       |   |                                     |  |   |   | _/-  |                               | KCC WICHITA  |  |

|                    | ler penalty of perjury under the laws of the state of Kansas that I am authorized to request der Rule K.A.R. 82-3-304 on behalf of the operator B-C Steel LLC |
|--------------------|---|
| and that the foreg | going pressure information and statements contained on this application form are true and   |
| correct to the bes | t of my knowledge and belief based upon available production summaries and lease records  |
| · ·                | allation and/or upon type of completion or upon use being made of the gas well herein named.  |
| I hereby requ      | est a one-year exemption from open flow testing for the Barger #5   |
| gas well on the gr | rounds that said well:  |
| (Check             | anna)   |
| (0100)             | 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  |
| H                  | is on vacuum at the present time; KCC approval Docket No.   |
| Ī                  | is not capable of producing at a daily rate in excess of 250 mcf/D  |
| لسحما              |   |
| _                  | e to supply to the best of my ability any and all supporting documents deemed by Commission y to corroborate this claim for exemption from testing.           |
| Date: 12-21-11     | <del></del>   |
|                    | Signature:  Title: General manager  |

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.

JAN 03 2012