

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 Energy LLC Lease: Boller Well Number: 80

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

Field: Gibson Pool Reservoir: Severy Sand Gas Gathering Connection: Nat Gas, LLC

Completion Date: 01-02-75 1725' Plug Back Total Depth: 3,470' Packer Set at: 1,563 1,568

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): Single (Gas) Type Fluid Production: none Pump Unit or Traveling Plunger? Yes / No

Producing Thru (Annulus / Tubing): 1725' % Carbon Dioxide: none % Nitrogen: none-flowing Gas Gravity - G_s: 8

Vertical Depth(H): 1725' Pressure Tops: _____ (Meter Run) (Prover) Size: _____

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 _____ at _____ (AM) (PM) Taken _____ at _____ (AM) (PM)

OBSERVED SURFACE DATA

Static / Dynamic Property	Orifice Size (Inches)	Casing and Meter Prover Pressure (psia)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _c) or (P _s) or (P _w)		Tubing Wellhead Pressure (P _t) or (P ₁) or (P ₂)		Duration of Shut-in (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-in		<u>101bs</u>				<u>10</u>	<u>24.4</u>				
Flow		<u>24.4</u>									

FLOW STREAM ATTRIBUTES

Plate Coefficient (F ₁) (F ₂) Mcfd	Casing and Meter Prover Pressure psia	Press Extension $\sqrt{P_w \times h}$	Gravity Factor F _g	Flowing Temperature Factor F _t	Deviation Factor F _d	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _s

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P₁)² = _____ : (P₂)² = _____ : P_w = _____ % (P_w - 14.4) + 14.4 = _____ : (P₁)² = 0.207 : (P₂)² = _____

$\frac{(P_1)^2 - (P_2)^2}{(P_1)^2 - (P_w)^2}$	$\frac{(P_1)^2 - (P_2)^2}{(P_1)^2 - (P_w)^2}$	Choose formula 1 or 2: 1. $P_w^2 - P_2^2$ 2. $P_1^2 - P_2^2$ divided by: $P_1^2 - P_w^2$	LOG of formula 1. or 2. and divide by: $P_1^2 - P_w^2$	Backpressure Curve Slope = "n" or Assigned Standard Slope	n x LOG	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)

Open Flow Mcfd @ 14.65 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 28th day of Jan. 2011

Witness (if any) _____
 For Company: Randall A. Borum
 For Commission: _____
 Checked by: _____

RECEIVED
 FEB 01 2011
 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 Boller 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: x Randall J. Bowen

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.

RECEIVED

FEB 01 2011

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- Oil Lease: No. of Oil Wells _____
- Gas Lease: No. of Gas Wells 1
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
- Entire Project: Yes No
- Number of Injection Wells _____

Field Name: Gibson Pool

** Side Two Must Be Completed.

Effective Date of Transfer: 01-28-11

KS Dept of Revenue Lease No.: 70320

Lease Name: Boller

NE SW-NW Sec. 7 -Twp. 35S R. 3 E W

Legal Description of Lease W 1/2 NW 1/4 7-35S-3E

County: Cowley

Production Zone(s): Severy Sand

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill PR, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. 30046

Contact Person: Donnie Jenkins Jr.

Past Operator's Name & Address: Donnie Jenkins Oper.

Phone: 620-446-1381

P.O. Box 956 Arkansas City, Ks.

Date: 01-28-11

Title: Owner/Operator

Signature: Don Jenkins

New Operator's License No. 32776

Contact Person: Randy Borum

New Operator's Name & Address: 4115 CR 1600

Phone: 620-254-0692

/Coffeyville, KS 67337

Oil / Gas Purchaser: Nat. Gas

(Peak Energy LLC)

Date: 01-28-11

Title: Owner/Operator

Signature: Randy Borum

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____
Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

DISTRICT _____	EPR _____	PRODUCTION _____	UIC _____
Mail to: Past Operator _____	New Operator _____	District _____	

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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KCC WICHITA

