

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

(See Instructions on Reverse Side)

- Open Flow
 Deliverability

Test Date:
05-22-2012

API No. 15
095-22,252 - 00-00

Company American Energies		Lease Schwartz-Stuart 1-21			Well Number
County Kingman	Location NWNENESW	Section 21	TWP 27S	RNG (E/W) 7W	Acres Attributed
Field		Reservoir Miss	Gas Gathering Connection AEP		
Completion Date 05-11-12		Plug Back Total Depth		Packer Set at 3862'	
Casing Size 5 1/2	Weight	Internal Diameter	Set at 4200'	Perforations 3878'	To 3883'
Tubing Size 2 3/8	Weight	Internal Diameter	Set at 3863'	Perforations & Packer	To
Type Completion (Describe) Single		Type Fluid Production None	Pump Unit or Traveling Plunger? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Producing Thru (Annulus / Tubing) Tubing		% Carbon Dioxide .11	% Nitrogen 3.53	Gas Gravity - G _g .6693	
Vertical Depth(H)		Pressure Taps Flange		(Meter Run) (Prover) Size Meter Run	
Pressure Buildup: Shut in <u>5/19</u> 20 <u>12</u> at _____ (AM) (PM) Taken <u>5/22</u> 20 <u>12</u> at _____ (AM) (PM)					
Well on Line: Started <u>5/22</u> 20 <u>12</u> at _____ (AM) (PM) Taken <u>5/22</u> 20 <u>12</u> at _____ (AM) (PM)					

OBSERVED SURFACE DATA

Duration of Shut-in _____ Hours

Static / Dynamic Property	Orifice Size (inches)	Circle one: Meter or Prover Pressure psig (Pm)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _w) or (P _t) or (P _c)		Tubing Wellhead Pressure (P _w) or (P _t) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						0		800	815	72	
Flow	1.25	90	2"			0		660	675	1	4

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _b) (F _p) Mcfd	Circle one: Meter or Prover Pressure psia	Press Extension $\sqrt{P_m \times h}$	Gravity Factor F _g	Flowing Temperature Factor F _{tt}	Deviation Factor F _{pv}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m
-10.75	105					150		

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_c)² = 664 : (P_w)² = 456 : P_g = _____ % (P_c - 14.4) + 14.4 = _____ : (P_a)² = 0.207
(P_d)² = _____

(P _c) ² - (P _a) ² or (P _c) ² - (P _d) ²	(P _c) ² - (P _w) ²	Choose formula 1 or 2: 1. P _c ² - P _a ² 2. P _c ² - P _d ² divided by: P _c ² - P _w ²	LOG of formula 1, or 2, and divide by: $P_c^2 - P_w^2$	Backpressure Curve Slope = "n" ----- Assigned Standard Slope	n x LOG []	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)
664	208	3.19	.5	1.0	.5	3.16	474

Open Flow **474** 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 29 day of June, 20 12.

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JUL 05 2012

KCC WICHITA

Witness (if any)

For Commission

For Company

Checked by

Kenton Hupp

Schwartz
Stuart 1-21

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 American Energy PS 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 _____ 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: 5-22-2012

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Signature: Alan L DeGood
Title: President

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.

STATE OF KANSAS - CORPORATION COMMISSION
MULTIPOINT BACK PRESSURE TEST

FORM CG-1 Rev.

TYPE TEST: Initial Annual Special TEST DATE: 5-22-2012
 COMPANY American Energies LEASE Schwartz-Stuart 1-21 WELL NO:
 COUNTY Kingman LOCATION SECTION 21 TWP 27S RNG (E/W) 7W ACRES NWNENESW
 API WELL NUMBER 15- 095-22,252 RESERVOIR Miss PIPELINE CONNECTION AEP (NEKGG)
 COMPLETION DATE 5-11-12 PLUG BACK TOTAL DEPTH Packer SET AT 3862'
 CASING SIZE 5 1/2 WT. ID. SET AT 4200' PERF. 3878' TO 3883'
 TUBING SIZE 2 3/8 WT. ID. SET AT 3863' & Packer PERF. TO
 TYPE COMPLETION (Describe) TYPE FLUID PRODUCTION
 PRODUCING THRU Tubing RESERVOIR TEMPERATURE °F BAR PRESS -P, 14.4 Psia
 GAS GRAVITY - G_g .6693 % CARBON DIOXIDE .11 % NITROGEN 3.53 API GRAVITY OF LIQUID
 VERTICAL DEPTH (H) TYPE METER CONNECTION Flange (METER RUN) (PROVER) SIZE meter run
 REMARKS new well test

OBSERVED DATA								DURATION OF SHUT-IN		HR.
RATE NO.	ORIFICE SIZE in.	(METER) (PROVER) PRESSURE Psig	DIFF. (h _w) (h _d)	FLOWING TEMP t	WELL-HEAD TEMP. t	CSG WELLHEAD PRESS. Psig (P _w)(P _i)(P _c) Psia	TBG WELLHEAD PRESS. Psig (P _w)(P _i)(P _c) Psia	FLOW DURATION (HOURS)	LIQUID PROD. Bbls.	
SHUT IN	1 1/4	90	0			0	800# 815	72		
1	1 1/4	90	2"			0	660# 675	1 hour	4	
2	1 1/4	90	10"			0	580# 595	1 hour	2	
3	1 1/4	90	20"			0	520# 535	1 hour	4	
4	1 1/4	90	21"			0	500# 515	1 hour	4	
5										

RATE OF FLOW CALCULATIONS									
RATE NO.	COEFFICIENT (F _b)(F _p) Mcfd	(METER) (PROVER) PRESSURE Psia	PRESS EXTENSION $\sqrt{P_{in} * h_w}$	GRAVITY FACTOR F _g	FLOWING TEMP FACTOR F _t	DEVIATION FACTOR F _{pv}	RATE OF FLOW Q Mcfd	GOR (ft ³ /Bbl)	G _m
1	10.75	105					150,000		
2	10.75	105					330,000		
3	10.75	105					470,000		
4	10.75	105					480,000		
5									

PRESSURE CALCULATIONS								
RATE NO.	P _i Psia	P _c Psia	P _w Psia	(P _c) ² THOUSANDS	(P _w) ² THOUSANDS	PLOTTING POINTS		% SHUT-IN (P _w - P _c) / (P _c - P _c)
						(P _c) ² - (P _w) ² THOUSANDS	Q Mcfd	
1	675	815	675	664	456	208	150	83
2	595	815	595	664	354	310	330	73
3	535	815	535	664	286	378	470	66
4	515	815	515	664	265	399	480	63
5								

INDICATED WELLHEAD OPEN FLOW Mcfd @ 14.65 Psia "n" = 1.000

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 herein, and that said report is true and correct. Executed this the 22 day of May 2012

Witness (if any) _____ RECEIVED _____ Alan L. DeGard For Company

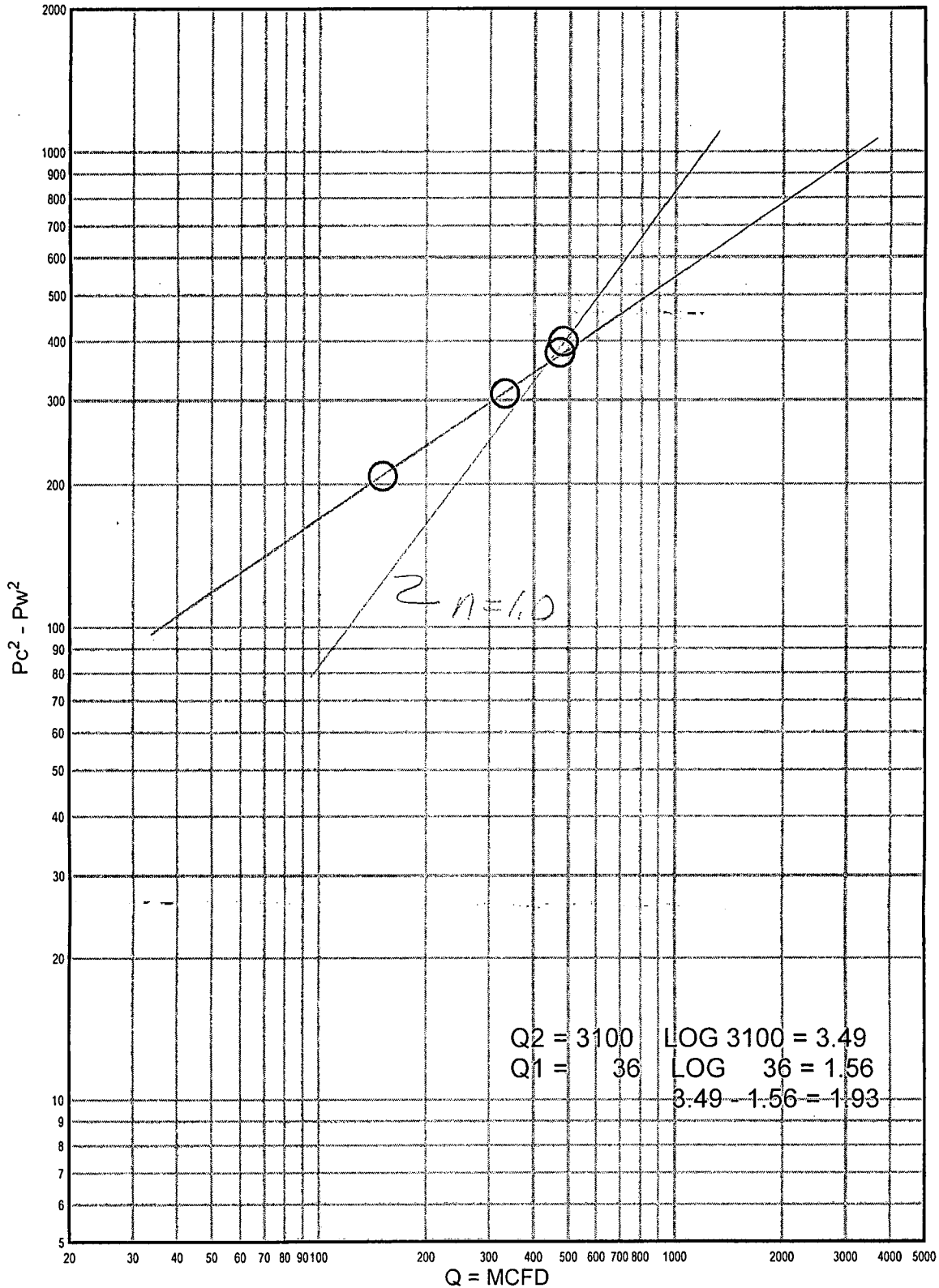
For Commission _____ JUL 05 2012 _____

Checked By _____ (Rev.10/96)

KCC WICHITA

AMERICAN ENERGIES CORPORATION

SCHWARTZ-STUART 1-21



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JUL 05 2012

KCC WICHITA