

KANSAS CORPORATION COMMISSION
ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST
(See Instructions on Reverse Side)

Type Test: Open Flow Test Date: 3/17/2011 API No. 15-085-21526-0001
 Deliverability

Company		Lease			Well Number	
American Energies Corporation		Townley			1	
County	Location	Section	TWP	RNG (E/2)	Acres Attributed	
Kingman	W/2 W/2 NE	10	27S	7W		
Field		Reservoir		Gas Gathering Connection		
McCutcheon Field		Mississippi		American Energies Pipeline		
Completion Date		Plug Back Total Depth		Packer Set At		
8/14/1991		3881'		None		
Casing Size	Weight	Internal Diameter	Set at	Perforations	To	
4 1/2"	10.5#	4.060"	3881	3779	3883	
Tubing Size	Weight	Internal Diameter	Set at	Perforations	To	
2 3/8"	6.5	2"				
Type Completion (Describe)		Type Fluid Production		Pumping Unit or Traveling Plunger? Yes/No		
Single		Saltwater		Traveling Plunger and Barrel		
Producing Thru (Annulus/Tubing)		% Carbon Dioxide		% Nitrogen		Gas Gravity - Gg
Annulus						
Vertical Depth (H)		Pressure Taps		(Meter Run)(Prover) Size		

Pressure Buildup: Shut In 3/18/2011 at 2:00 p.m. (AM)(PM) Taken 17-Mar 2011 at 2:00 p.m. (AM)(PM)
Well On Line: Started 17-Mar 2011 at 2:00 p.m. (AM)(PM) Taken 2011 at (AM)(PM)

OBSERVED SURFACE DATA

Static Dynamic Property	Orifice Size (Inches)	Coke One Meter Prover Pressure (psig (Pm))	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature	Casing Wellhead Pressures (P _w) or (P _a) or (P _c)		Tubing Wellhead Pressures (P _w) or (P _a) or (P _c)		Duration Hours	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-in						80		0		24	80
Flow											

FLOW STREAM ATTRIBUTES

Pipe Coefficient (N) (F _s) mcf/d	Coke One Meter or Prover Pressure psia	Press Extension √PmXh	Gravity Factor F _g	Flowing Temperature F ₁₁	Deviation Factor F _{ps}	Metered Flow R (mcf/d)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_w)₂= _____ (P_w)₁= _____ P_w= _____ % (P_w-14.4)+14.4= _____ (P_w)₂=0.207 (P_w)₁= _____

(P _w) ₂ -(P _w) ₁ or (P _w) ₂ -(P _w) ₁	(P _w) ₂ -(P _w) ₁	Choose formula 1 or 2: 1. P _w 2-P _w 2 2. P _w 2-P _w 2 divided by P _w 2-P _w 2	LOG of Formula 1. or 2. and divide by: [P _w 2-P _w 2]	Backpressure Curve Slope = "n" or Assigned Standard Slope	N X LOG []	Antilog	Open Flow Deliverability Equals R X Antilog (mcf/d)

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 17th day of March 2011

Witness (if any)

For Commission

Bay Conradi

For Company

Checked by

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JUN 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 American Energy Corp 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 Townley #1 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: 3-17-2011

Signature: Ray Conditio
Title: Regional Supervisor

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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