

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

(See Instructions on Reverse Side)

Type Test:

- Open Flow
 Deliverability

Test Date:
July 1st 2011

API No. 15
15-159-22482 - 00-00

Company American Energies Corporation			Lease Lionheart #1		Well Number #1
County Rice	Location S/2 NW SW	Section 18	TWP 20S	RNG (E/W) 7W	Acres Attributed
Field Lyons field		Reservoir Mississippi	Gas Gathering Connection American Energies Pipeline		
Completion Date 6/15/2006		Plug Back Total Depth 3346	Packer Set at none		
Casing Size 4 1/2	Weight 10.5	Internal Diameter 4	Set at 3325	Perforations 3252	To 3278
Tubing Size 2 3/8	Weight	Internal Diameter	Set at	Perforations	To
Type Completion (Describe) Single		Type Fluid Production SW	Pump Unit or Traveling Plunger? Yes / No pumping unit		
Producing Thru (Annulus / Tubing) Tubing		% Carbon Dioxide	% Nitrogen	Gas Gravity - G _g	
Vertical Depth(H) 3346		Pressure Taps Flange		(Meter Run) (Prover) Size 2"	
Pressure Buildup: Shut in 7/1 20 11 at 10:40 am (AM) (PM) Taken 7/2 20 11 at 11:30am (AM) (PM)					
Well on Line: Started 7/2 20 11 at 11:30am (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)					

OBSERVED SURFACE DATA

Duration of Shut-in **24** Hours

Static / Dynamic Property	Orifice Size (inches)	Circle one: Meter Prover Pressure psig (P _m)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _w) or (P ₁) or (P _e)		Tubing Wellhead Pressure (P _w) or (P ₁) or (P _e)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						450	465			24	
Flow											

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _o) (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 _T	Deviation Factor F _{pv}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_e)² = _____ : (P_w)² = _____ : P_d = _____ % (P_e - 14.4) + 14.4 = _____ : (P_e)² = 0.207
(P_d)² = _____

(P _e) ² - (P _d) ² or (P _e) ² - (P _w) ²	(P _e) ² - (P _w) ²	Choose formula 1 or 2: 1. P _e ² - P _d ² 2. P _e ² - P _w ² divided by: P _e ² - P _w ²	LOG of formula 1, or 2, and divide by: $\frac{P_e^2 - P_w^2}{P_e^2 - P_d^2}$	Backpressure Curve Slope = "n" or Assigned Standard Slope	n x LOG $\left[\frac{P_e^2 - P_w^2}{P_e^2 - P_d^2} \right]$	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 2nd day of July, 20 11.

Witness (if any)

For Commission

Bay Corradie

For Company

Checked by

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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 Energies 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 Lionheart #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: 7-6-2011

Signature: Barry Considine
 Title: Pipeline 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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RUN DATE: 06/26/2012
 TIME: 1:42:57PM
 USER ID: MARY

American Energies Corporation
Production Management System
Prod Hist w/Notes & Chart

PAGE NO: 6
 REPORT: PM64302.rpt
 CO. ID.: AEC

WELL: 10801029

LIONHEART 1 GU

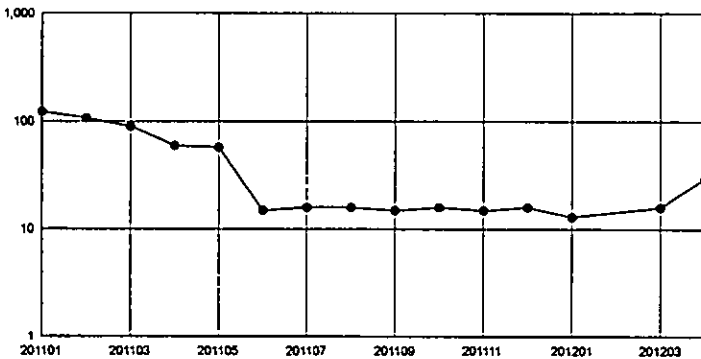
NRI: 0.41437500

AMERICAN ENERGIES CORPORATION Share

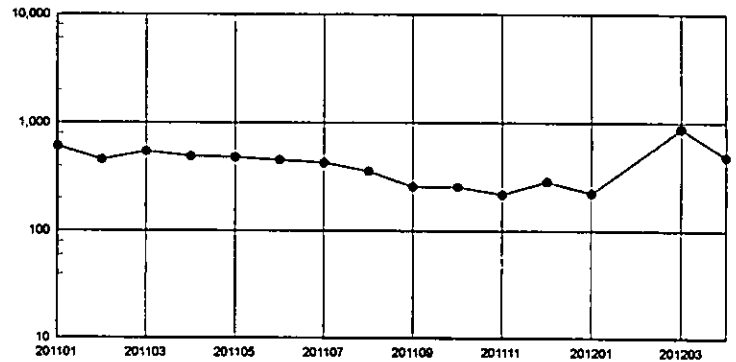
Date Mo/Yr	Days Prod	Oil Prod	Average BOPD	Oil Sold	Gas Prod	Average MCFPD	Gas Sold	Water	NRI Oil Prod	NRI Oil Sales	NRI Gas Sales
01/2011	31	0	0.00	0.00	612	19.74	612	124	0.00	0.00	253.60
02/2011	27	0	0.00	0.00	459	17.00	459	108	0.00	0.00	190.20
03/2011	30	0	0.00	0.00	549	18.30	549	90	0.00	0.00	227.49
04/2011	30	0	0.00	0.00	494	16.47	494	60	0.00	0.00	204.70
05/2011	29	0	0.00	0.00	484	16.69	484	58	0.00	0.00	200.56
06/2011	30	0	0.00	0.00	457	15.23	457	15	0.00	0.00	189.37
07/2011	31	0	0.00	0.00	431	13.90	431	16	0.00	0.00	178.60
08/2011	31	0	0.00	0.00	360	11.61	360	16	0.00	0.00	149.18
09/2011	30	0	0.00	0.00	258	8.60	258	15	0.00	0.00	106.91
10/2011	31	0	0.00	0.00	257	8.29	257	16	0.00	0.00	106.49
11/2011	30	0	0.00	0.00	218	7.27	218	15	0.00	0.00	90.33
12/2011	31	0	0.00	0.00	289	9.32	289	16	0.00	0.00	119.75
01/2012	25	0	0.00	0.00	224	8.96	224	13	0.00	0.00	92.82
02/2012	0	0	0.00	0.00	0	0.00	0	0	0.00	0.00	0.00
03/2012	31	0	0.00	0.00	886	28.58	886	16	0.00	0.00	367.14
04/2012	30	0	0.00	0.00	489	16.30	489	30	0.00	0.00	202.63
TOTAL		0	0.00	0.00	6,467	14.47	6,467	608	0.00	0.00	2,679.76

NOTES: American Energies took over operations from CMX, Inc. on 2/1/2008.
 Well is located in the S/2 NW SW of Section 18-T20S-R7W, Rice County, KS
 Spud Date: 5/21/06, TD: 3350', KB: 1648
 API #15-159-22482
 Well produces approximately 5 BWPD. Water from this well is trucked by Outlaw Trucking
 03/2011 - Flow Hours
 05/2011 - Flow Hours
 01/2012 - Flow Hours
 02/2012 - No production reported.

OIL & Water PRODUCTION



GAS PRODUCTION



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