

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

(See Instructions on Reverse Side)

Type Test:

- Open Flow
 Deliverability

Test Date:
June 1st 2011

API No. 15
15-079-20427-00-00

Company American Energies Corporation		Lease Schrag C		Well Number 1	
County Harvey	Location NE NW	Section 17	TWP 22S	RNG (E/W) 2W	Acres Attributed
Field Harmac		Reservoir Mississippi		Gas Gathering Connection American Energies Pipeline	
Completion Date 7/25/1980		Plug Back Total Depth 3270		Packer Set at	
Casing Size 5 1/2	Weight 15.5	Internal Diameter 5	Set at 3270	Perforations 3156	To 3196
Tubing Size 2 3/8	Weight 4.5	Internal Diameter 2	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 4.09	
Vertical Depth(H) 3270		Pressure Taps Flange		Gas Gravity - G _g 0.6766	
Pressure Buildup: Shut in 6/1 20 11 at 12:50 pm (AM) (PM) Taken 6/2 20 11 at 2:30p (AM) (PM)		Well on Line: Started 6/2 20 11 at 2:30 pm (AM) (PM) Taken			

OBSERVED SURFACE DATA Duration of Shut-in **24** 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 _i) or (P _c)		Tubing Wellhead Pressure (P _w) or (P _i) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						178	193			24	
Flow											

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _p) (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 _{dv}	Metered Flow R (Mcfd)	GOR (Cubic Feet/ Barrel)	Flowing Fluid Gravity G _m

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

$(P_e)^2 =$ _____ : $(P_w)^2 =$ _____ : $P_o =$ _____ % $(P_c - 14.4) + 14.4 =$ _____ : $(P_e)^2 = 0.207$
 $(P_o)^2 =$ _____

$(P_e)^2 - (P_w)^2$ or $(P_e)^2 - (P_o)^2$	$(P_e)^2 - (P_w)^2$	Choose formula 1 or 2: 1. $P_e^2 - P_w^2$ 2. $P_e^2 - P_o^2$ divided by $P_e^2 - P_w^2$	LOG of formula 1, or 2, and divide by: $P_e^2 - P_w^2$	Backpressure Curve Slope = "n" Assigned Standard Slope	n x LOG	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)

Open Flow Mcfd @ 14.85 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 June, 20 11.

Witness (if any) _____ For Commission _____
 _____ For Company **Barry Connelley** RECEIVED
 Checked by _____ JUN-27 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 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 Schrag C 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: 6-10-2011

Signature: Barry Conradi
 Title: Regulate 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.

RECEIVED
JUN 27 2012
KCC WICHITA

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: 8
 REPORT: PM64302.rpt
 CO. ID: AEC

WELL : 10401025 SCHRAG C

NRI: 0.84765625
 AMERICAN ENERGIES CORPORATION Share

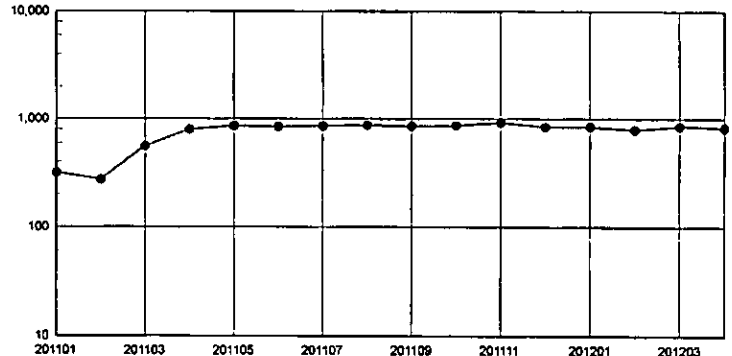
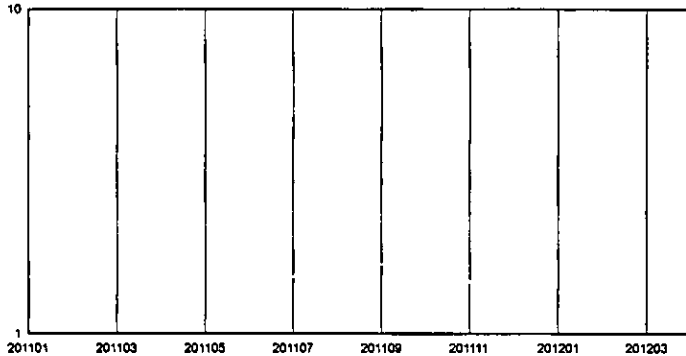
Date Mo/Yr	Days Prod	Oil Prod	Average BOPD	Oil Sold	Gas Prod	Average MCFPD	Gas Sold	Water	NRI Oil Prod	NRI Oil Sales	NRI Gas Sales
01/2011	31	0	0.00	0.00	317	10.23	317	0	0.00	0.00	268.71
02/2011	28	0	0.00	0.00	274	9.79	274	0	0.00	0.00	232.26
03/2011	25	0	0.00	0.00	563	22.52	563	0	0.00	0.00	477.23
04/2011	30	0	0.00	0.00	799	26.63	799	0	0.00	0.00	677.28
05/2011	27	0	0.00	0.00	864	32.00	864	0	0.00	0.00	732.38
06/2011	30	0	0.00	0.00	846	28.20	846	0	0.00	0.00	717.12
07/2011	29	0	0.00	0.00	860	29.66	860	0	0.00	0.00	728.98
08/2011	30	0	0.00	0.00	873	29.10	873	0	0.00	0.00	740.00
09/2011	30	0	0.00	0.00	858	28.60	858	0	0.00	0.00	727.29
10/2011	31	0	0.00	0.00	868	28.00	868	0	0.00	0.00	735.77
11/2011	28	0	0.00	0.00	927	33.11	927	0	0.00	0.00	785.78
12/2011	31	0	0.00	0.00	845	27.26	845	0	0.00	0.00	716.27
01/2012	31	0	0.00	0.00	852	27.48	852	0	0.00	0.00	722.20
02/2012	28	0	0.00	0.00	796	28.43	796	0	0.00	0.00	674.73
03/2012	29	0	0.00	0.00	860	29.66	860	0	0.00	0.00	728.98
04/2012	30	0	0.00	0.00	835	27.83	835	0	0.00	0.00	707.79
TOTAL		0	0.00	0.00	12,237	26.15	12,237	0	0.00	0.00	10,372.77

NOTES: Pumper - Rory Rierson
 Location - C NW NE Section 17-T22S-R2W, Harvey County, KS
 API #15-079-20427

This well was acquired in Schulz acquisition 1/1/03.
 Well produces no water.

- 03/2011 - Installed new C-46 motor.
- 03/2011 - Flow Hours
- 05/2011 - Installed new pumping unit. Weather/Roads, Chemical Treatment
- 07/2011 - CHEMICAL TREATMENT
- 08/2011 - CHEMICAL TREATMENT
- 11/2011 - CHEMICAL TREATMENT
- 01/2012 - Connections leaking - tightened connections at top of separator.
- 02/2012 - MOTOR FROZE
- 03/2012 - CHEMICAL TREATMENT

GAS PRODUCTION



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