

KANSAS CORPORATION COMMISSION

ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

Open Flow

Deliverability

24 Hour Shut In Test

Test Date: 10/26/2013

API No. 15
15-189-22640-0000

(See Instructions on Reverse Side)

| | | | | | |
|---|--------------------------------|---|-----------------------|--|-------------------|
| Company PALMER OIL, INC. | | Lease S & S | | Well Number #27-2 | |
| County STEVENS | Location SE-NW-SE-NE | Section 27 | TWP 32S | RNG (E/W) 36W | Acres Attributed |
| Field WALKEMEYER NORTH WEST | | Reservoir TORONTO | | Gas Gathering Connection ANDARKO PETROLEUM CORP. | |
| Completion Date 04/26/2010 | | Plug Back Total Depth 4182 | | Packer Set at NONE | |
| Casing Size 5.50 | Weight 15.5 | Internal Diameter 4.950 | Set at 6556 | Perforations 4153 | To 4163 |
| Tubing Size 2.375 | Weight 4.70 | Internal Diameter 1.995 | Set at 4179 | Perforations | To |
| Type Completion (Describe) GAS | | Type Fluid Production FORMATION WATER | | Pump Unit or Traveling Plunger? Yes / No NO | |
| Producing Thru (Annulus / Tubing) TUBING | | % Carbon Dioxide | | % Nitrogen | |
| Vertical Depth(H) | | Pressure Taps | | (Meter Run) (Prover) Size | |
| Pressure Buildup: Shut-in <u>10/26</u> 20 <u>13</u> at <u>9:50 AM</u> (AM) (PM) Taken <u>10/27</u> 20 <u>13</u> at <u>9:50 AM</u> (AM) (PM) | | | | | |
| Well on Line: Started _____ 20 _____ at _____ (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 (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 | | | | | | 45 | | | | | |
| Flow | | | | | | 30 | | | | | |

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 |
|--|--|--|-------------------------------|--|----------------------------------|-----------------------|--------------------------|--------------------------------------|
| | | | | | | | | |

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_a)² = 0.207

(P_o)² = _____

| | | | | |
|--|---|---|--|---|
| (P _c) ² = _____ | (P _w) ² = _____ | P _d = _____ % | (P _c - 14.4) + 14.4 = _____ | |
| (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" 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 29 day of OCTOBER, 20 13

Witness (if any)

For Commission

Shelley Case
For Company
Gus Schwaderer
Checked by

NOV 27 2013

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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 PALMER OIL, INC.

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.

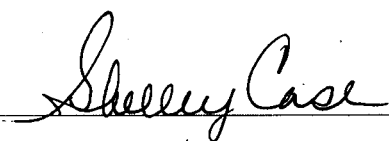
I hereby request a one-year exemption from open flow testing for the S & S #27-2 gas well on the grounds that said well:

(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: 10/29/2013

Signature: 
Title: PRODUCTION ASSISTANT

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.

KCC WICHITA

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