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

| Type Tes | it: | | | | | See Instruct | tions on Hev | erse Side | " | | | | |
|---|---------------------------------------|---|--|---|---|----------------------------|--|---|---------------------------|--|---|---|--------------------------------------|
| <u> </u> | pen Flo eliverat | | ام انا | 1 | Test Date | n: D4.4 | · | | | No. 15 189-22573 - | -0000 | | |
| Company | У | | | tinTes | F 10/22/20 | U14 | Lease VERNA | | | 109-22573 | | Well Numbe | er |
| County STEVENS | | | Location NE-SE-SW | | Section 11 | | | TWP 34S | | W) | Acres Attributed | | |
| Field VERNA | | | | Reservoir ST. LOUIS | | | 38W Gas Gathering Connection ANDARKO PETROLEUM CORP. | | | | | | |
| Completion Date 05/25/2007 | | | | Plug Back Total Depth | | | Packer S | ., | | | | | |
| Casing Size 5.50 | | | Weigh 15.50 | | Internal C | Internal Diameter 4.950 | | Set at 6747 | | rations | To 6562 | | |
| Tubing Size | | | Weigh | | Internal I | Internal Diameter | | Set at | | rations | To | | |
| 2.375 Type Completion (Desc | | | 4.70 escribe) | | | d Production | n | | | Unit or Traveling Plunger? Yes / No | | | |
| OIL & GAS Producing Thru (Annulus / Tubing) | | | | | OIL & FORMATION WATER % Carbon Dioxide | | | PUMF % Nitrog | | Gas Gr | Gas Gravity - G | | |
| ANNUL Vertical E | | -n | | | | Praci | sure Taps | - | | | (Meter | Run) (Prove | or) Size |
| 707000.0 | | •, | | | | | • | | | | h | | |
| Pressure Buildup: | | | | | | | | | | | 14 at 2:00 P | | l) (PM) |
| Well on L | _ine: | | Started | 2 | 20 at | | (AM) (PM) | Taken | | 20 | at | (AM |) (PM) |
| | | | Circle one: | Pressure | 1 | OBSERVE | D SURFACE | | | Tubing | Duration of Shut- | in 24 | Hours |
| Static / Orifice Dynamic Size Property (Inches) | | e | Meter Prover Pressu psig (Pm) | Differential | Flowing Temperature t | Temperature Temperature | | Casing Wellhead Pressure (P _w) or (P _c) psig psia | | ad Pressure (P ₁) or (P ₂) | Duration Liquid P (Hours) (Bari Received | | els) |
| Shut-in | _ | | | † | | | 35 | paid | psig | psia | KANSAS CORPOR | TION COMMI | |
| Flow | | | | | _ | | 30 | | | | | 5 2014 | |
| | | | | r | | FLOW STR | EAM ATTRI | BUTES | | | CONSERVATI WICHI | ON DIVISION | N |
| Plate Coeffictient (F _b) (F _p) Mcfd | | Pro | Circle one: Meter or over Pressure psia | Press Extension √ P _m xh | Extension Fact | | or Temperature | | iation ctor : ev | Metered Flov R (Mcfd) | | et/ F | Flowing Fluid Gravity G _m |
| | | | | | | | | | | | | | |
| (P _c) ² = | | _: | (P _w) ² = | : | (OPEN FL | | ERABILITY) % (P _e | - 14.4) + | | <u> </u> | (P _a) | 2 = 0.207 2 = | _ |
| $(P_c)^2 - (P_a)^2$ or $(P_c)^2 - (P_g)^2$ | | (P _c) ² - (P _w) ² | | Choose formula t or t 1. $P_c^2 \cdot P_t^2$ 2. $P_c^2 \cdot P_d^2$ divided by: $P_c^2 \cdot P_w$ | LOG of formula 1, or 2. and divide | P2-P2 | Backpress Slope o Assig Standari | | n x | roe | Antilog | Open Flow Deliverability Equals R x Antilog (McId) | |
| | | | | | | | | | | | | <u> </u> | |
| Open Flor | w | | | Mcfd @ 14. | .65 psia | | Deliverabil | ity | | | Mcfd @ 14.65 ps | ia | |
| | | | | n behalf of the | | | · | | | e above repo | rt and that he ha | as knowledo | _ |
| | · · · · · · · · · · · · · · · · · · · | | Witness (i | fany) | | | _ | | Jul | ley (| Company Company | | |
| | | | For Comm | ission | | <u>.</u> | _ | | U/M | Chec | ked by | | |

| I declare under penalty of perjury under the latexempt status under Rule K.A.R. 82-3-304 on behalf | tws of the state of Kansas that I am authorized to request for the operator_PALMER OIL, INC. | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| and that the foregoing pressure information and st | tatements contained on this application form are true and | | | | | | | |
| correct to the best of my knowledge and belief base | ed upon available production summaries and lease records | | | | | | | |
| | etion or upon use being made of the gas well herein named. | | | | | | | |
| I hereby request a one-year exemption from ope | en flow testing for the VERNA #3-11 | | | | | | | |
| gas well on the grounds that said well: | Received KANSAS CORPORATION COMMISSION | | | | | | | |
| (Check one) | DEC 15 2014 | | | | | | | |
| is a coalbed methane producer | CONSERVATION DIVISION WICHITA, KS | | | | | | | |
| is cycled on plunger lift due to w | | | | | | | | |
| is a source of natural gas for inje | is a source of natural gas for injection into an oil reservoir undergoing ER | | | | | | | |
| is on vacuum at the present time | e; 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 | ty any and all supporting documents deemed by Commission | | | | | | | |
| staff as necessary to corroborate this claim for exe | · · · · · · · · · · · · · · · · · · · | | | | | | | |
| • | | | | | | | | |
| Date: 12/12/2014 | | | | | | | | |
| Jate: 12/12/2014 . | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Signature | e: Sheller Case | | | | | | | |
| Oignature | | | | | | | | |

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.