

KANSAS CORPORATION COMMISSION

ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
 Deliverability

(See Instructions on Reverse Side)

24 Shut In Test

Test Date: 10/22/2014

API No. 15
15-189-22571-0000

| | | | | | |
|---|-----------------------------|---|--|------------------------------|----------------------|
| Company PALMER OIL, INC. | | Lease JOYCE | | Well Number #14-1 | |
| County STEVENS | Location SW-SW-NW | Section 14 | TWP 31S | RNG (E/W) 36W | Acres Attributed |
| Field CAVE WEST | | Reservoir ATOKA | Gas Gathering Connection ANDARKO PETROLEUM CORP. | | |
| Completion Date 03/10/2007 | | Plug Back Total Depth 6192 | Packer Set at NONE | | |
| Casing Size 4.50 | Weight 10.50 | Internal Diameter 4.052 | Set at 6396 | Perforations 5530 | To 5536 |
| Tubing Size 2.375 | Weight 4.70 | Internal Diameter 1.995 | Set at 6189 | Perforations | To |
| Type Completion (Describe) GAS | | Type Fluid Production FORMATION WATER | Pump Unit or Traveling Plunger? | | Yes / No X |
| Producing Thru (Annulus / Tubing) TUBING | | % Carbon Dioxide | % Nitrogen | Gas Gravity - G _g | |
| Vertical Depth(H) | | Pressure Taps | | (Meter Run) (Prover) Size | |
| Pressure Buildup: Shut in 10/22 20 14 at 9:09 AM (AM) (PM) Taken 10/23 20 14 at 9:15 PM (AM) (PM) | | | | | |
| Well on Line: Started _____ 20 _____ at _____ (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM) | | | | | |

OBSERVED SURFACE DATA

Duration of Shut-in _____ 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 _e) | | Tubing Wellhead Pressure (P _w) or (P _i) or (P _e) | | Duration (Hours) | Liquid Produced (Barrels) |
|---------------------------|-----------------------|--|--|-----------------------|-------------------------|--|------|--|------|--------------------|---------------------------|
| | | | | | | psig | psia | psig | psia | | |
| Shut-In | | | | | | 220 | | | | Received | |
| Flow | | | | | | 150 | | | | DEC 15 2014 | |

FLOW STREAM ATTRIBUTES

CONSERVATION DIVISION

| 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) | WICHITA, KS | | Flowing Fluid Gravity G _m |
|--|--|---------------------------------------|-------------------------------|--|----------------------------------|-----------------------|--------------------------|--|--------------------------------------|
| | | | | | | | GOR (Cubic Feet/ Barrel) | | |
| | | | | | | | | | |

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

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

| (P _c) ² - (P _a) ² or (P _c) ² - (P _d) ² | (P _d) 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: $\frac{P_c^2 - P_a^2}{P_c^2 - P_w^2}$ | 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 12 day of DECEMBER, 20 14.

Witness (if any)

For Commission

Shelley Case

Gus Schwaderer
Checked by

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 JOYCE #14-1 gas well on the grounds that said well:

Received
KANSAS CORPORATION COMMISSION

DEC 15 2014

CONSERVATION DIVISION
WICHITA, KS

(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: 12/12/2014

Signature: 
Title: WELL OPERATIONS 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.