

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
 Deliverability

(See Instructions on Reverse Side)

Test Date:

API No. 15
15-023-20798-00-00

| | | | | | |
|--|---------------------|------------------------------------|---|------------------------------|----------------------|
| Company FOUNDATION ENERGY MANAGEMENT, LLC | | | Lease RAILE | | Well Number 41-31 |
| County CHEYENNE | Location NENE | Section 31 | TWP 3S | RNG (E/W) 41W | Acres Attributed |
| Field CHERRY CREEK | | Reservoir NIOBRARA | Gas Gathering Connection SOUTHERN STAR/KINDER MORGAN | | |
| Completion Date 8/27/2007 | | Plug Back Total Depth 1589' | Packer Set at | | |
| Casing Size 7", 4 1/2" | Weight 17#, 9.5# | Internal Diameter 6.538, 4.090 | Set at 302', 1645' | Perforations 1454' | To 1496' |
| Tubing Size 2-3/8" | Weight 4.7# | Internal Diameter 1.995" | Set at 1507' | Perforations | To |
| Type Completion (Describe) SINGLE (GAS) | | Type Fluid Production SALTWATER | Pump Unit or Traveling Plunger? Yes / No YES - PUMP UNIT | | |
| Producing Thru (Annulus / Tubing) ANNULUS | | % Carbon Dioxide | % Nitrogen | Gas Gravity - G _g | |
| Vertical Depth(H) | | Pressure Taps | | (Meter Run) (Prover) Size | |

Pressure Buildup: Shut in 1/28 2015 at 11:00 AM (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)
Well on Line: Started 1/29 2015 at 12:30 PM (AM) (PM) Taken _____ 20 _____ at _____ (AM) (PM)

OBSERVED SURFACE DATA

Duration of Shut-in 25.5 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 _o) | | Tubing Wellhead Pressure (P _w) or (P _t) or (P _c) | | Duration (Hours) | Liquid Produced (Barrels) |
|---------------------------|-----------------------|--|--|-----------------------|-------------------------|--|------|--|------|------------------|---------------------------|
| | | | | | | psig | psia | psig | psia | | |
| Shut-In | | | | | | | 95 | | | | |
| Flow | | | | | | | | | | | |

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 _t | Deviation Factor F _{pv} | Metered Flow R (Mcfd) | GOR (Cubic Feet/ Barrel) | Flowing Fluid Gravity G _m |
|--|--|---------------------------------------|-------------------------------|---|----------------------------------|-----------------------|--------------------------|--------------------------------------|
| | | | | | | | | |

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_s)² = 0.207

(P_d)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: $\left[\frac{P_c^2 - P_a^2}{P_c^2 - P_w^2} \right]$ | Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope | n x LOG $\left[\right]$ | 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 6 day of FEBRUARY, 20 15.

Received
KANSAS CORPORATION COMMISSION

Witness (if any) _____ For Commission _____ For Company _____ Checked by _____

FEB 09 2015

CONSERVATION DIVISION
WICHITA, KS

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 Foundation Energy Management, LLC 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 RAILE 41-31 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: 2/6/2015

Signature: 

Title: OPERATIONS ASSISTANT

Received
KANSAS CORPORATION COMMISSION

FEB 09 2015

CONSERVATION DIVISION
WICHITA, KS

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.