KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

| Type Tes | t: oen Flo | ow | 0.1.2 | | (Test Date | | tions on Rev | erse Side | • | No. 15 | | | |
|---|---------------------------------------|--|---|---|---|-------------|--|--|---|----------------------|--|---|--|
| De | liveral | oilty | | | lest Date. | | | | 15-023-20817-00-00 | | | | |
| Company FOUNDATION ENERGY MANAGEMENT, LLC | | | | | | | Lease ZWEYGARDT | | | Well Number 42-34 | | | |
| County Location CHEYENNE NE-SE-NE | | | | Section 34 | | TWP 3S | | | W) | А | Acres Attributed | | |
| Field CHERRY CREEK | | | | Reservoir NIOBRARA | | | | Gas Gathering Connection SOUTHERN STAR/KINDER MORGAN | | BAN | | | |
| Completion Date 2/22/2008 | | | | Plug Bac 1555' | k Total Dept | th | | Packer S | iet at | | | | |
| Casing S 7", 41/2" | Casing Size Weight 7", 4½" 17#, 11.6# | | | | Internal [6.538", | | | Set at 316', 1597' | | rations B' | To 1398' | | |
| Tubing S 2-3/8"" | Tubing Size Weight 2-3/8"" 4.7# | | | | Internal [1.995" | Diameter | Set a 1422 | | Perforations | | То | | |
| Type Completion (Describe) SINGLE (GAS) | | | | | d Production | n | | Pump Unit or Travelin YES - PUMP UN | | | | | |
| Producing Thru (Annulus / Tubing) ANNULUS | | | | | % Carbon Dioxide | | | | % Nitrog | en | Gas Gra | Gas Gravity - G _g | |
| Vertical E | Pepth(I | - 1) | | | | Pres | sure Taps | | | | (Meter R | un) (Prover) Size | |
| Pressure | Buildu | ıp: | Shut in _1/28 | 3 2 | 0_15 at 7 | :30 AM | (AM) (PM) | Taken | • • | 20 | at | (AM) (PM) | |
| Well on Line: Started 1/29 | | | | 20 | 2015_ at7:30 AM (AM) | | | Taken | | 20 | at | (AM) (PM) | |
| | | | | | | OBSERVE | D SURFACE | DATA | | - | Duration of Shut-in | 24.0 Hours | |
| Static / Dynamic Property | Siz | Size Meter Differential Differe | | | Flowing Well Head Temperature t t | | Casing Wellhead Pressure (P _w) or (P _t) or (P _c) | | Tubing Wellhead Pressure (P_w) or (P_l) or (P_c) | | Duration Liquid Produ (Hours) (Barrels) | | |
| Shut-In | ps | | psig (Fili) | Inches H ₂ 0 | | | psig | psia 62 | psig | psia | - | | |
| Flow | | | | | | | | | | | | | |
| | | | | | | FLOW STF | REAM ATTRI | BUTES | | | | | |
| Plate Coefficcient (F _b) (F _p) Mcfd | | Pro | Circle one: Meter or Prover Pressure pSia Press Extension Pm x h | | Gravity Factor F _g | | Temperature Fa | | viation Metered Flow actor R F _{p.} (Mcfd) | | y GOR (Cubic Fee Barrel) | Flowing Fluid Gravity G _m | |
| | | | | | (OPEN EL | DUN (DELLIV | | 011011 | | | | | |
| (P _c) ² = | | • | (P _w) ² = | | | | ' ERABILITY) % (P. | | | | (P _a) ² (P _d) ² | = 0.207 = | |
| $(P_c)^2 - (P_a)^2$ or $(P_o)^2 - (P_d)^2$ | | (P _c) ² - (P _w) ² | | Choose formula or 2: 1. $P_c^2 - P_n^2$ 2. $P_c^2 - P_d^2$ divided by: $P_c^2 - P_w^2$ | 2. P ² - P ² and divide | | Backpressure Curve Slope = "n" | | ln x i OG | | Antilog | Open Flow Deliverability Equals R x Antilog (Mcfd) | |
| | | | | | | | ļ | | | | | | |
| Open Flow Mcfd @ 14.65 psia | | | | | | Deliverabi | lity | Mcfd @ 14.65 psia | | | | | |
| | | _ | = | behalf of the | - | | • | | | · · | rt and that he has | knowledge of | |
| | | | Witness (if | any) | KANS | | TION COMMISSI | | | | Company | | |
| | | | For Commi | ssion | | FEB 0 | 9 2 015 – | | | Chec | ked 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 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 ZWEYGARDT 42-34 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. |
| Received KANSAS CORPORATION COMMISSION Ignature: FEB 0 9 2015 Title: OPERATIONS ASSISTANT 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.