KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

| Type Test: | | | | (| See Instruc | ctions on Rev | erse Side | a) | | | | |
|--|--------|--|--|---|---------------------------------|---|--|---|---|--|------------------------------|---|
| Open Flow Deliverabilty | | | Test Date | Test Date: | | | API No. 15 15-023-21091-00-00 | | | | | |
| Company FOUNDATION ENERGY MANAGEMENT, I | | | LLC | | Lease RUEB F | Lease RUEB FARM | | | | Well Number 21-16B | | |
| County Location CHEYENNE W2-NE-NW | | | Section 16 | | | TWP 3S | | /W) | | Acres Attributed | | |
| Field CHERRY CREEK | | | | Reservoir NIOBRA | | | Gas Gathering Cor KINDER MORGA | | | | | |
| Completion Date 9/9/2008 | | | | Plug Bac 1702' | k Total Dep | oth | Packer S | | Set at | | | |
| Casing Size Weight 7", 4½" 17#, 10.5# | | | Internal I 6.538", | | | Set at 363', 1745' | | orations O' | то 1584' | то 1584' | | |
| Tubing Size Weight 2-3/8" 4.7# | | | Internal [1.995" | | Set a | Set at 1610' | | erations | То | То | | |
| Type Completic | | escribe) | | | Type Fluid Production SALTWATER | | | Pump Unit or Traveling Plunger? Yes / No YES - PUMP UNIT | | | | |
| Producing Thre | u (And | nulus / Tubin | g) | % C | arbon Diox | ide | - | % Nitrog | jen | Gas G | ravity - (| 3 ₉ |
| Vertical Depth | (H) | | | | Pres | ssure Taps | | | - | (Meter | Run) (Pi | rover) Size |
| Pressure Build | up: | Shut in | 3 2 | 0_15 at 9 | :30 AM | . (AM) (PM) | Taken | | 20 | at | (| AM) (PM) |
| Well on Line: | | Started 1/1 | 42 | 0 <u>15</u> at 9 | :30 AM | 30 AM (AM) (PM) Taken 20 at (AM) (PM) | | | | | | |
| | | | | | OBSERVE | ED SURFACE | DATA | | | Duration of Shut | in_25 | Hours |
| Static / Orifice Dynamic Size Property (inches) | | Circle one: Meter Prover Pressi psig (Pm) | Pressure Differential in Inches H ₂ 0 | Flowing Temperature t | Well Head Temperature t | Wellhead F | Casing Wellhead Pressure (P _w) or (P _I) or (P _c) psig psia | | Tubing ead Pressure r (P ₁) or (P _c) psia | Duration (Hours) | Liquid Produced (Barrels) | |
| Shut-In | | | | | | | 125 | psig | | | | |
| Flow | | | | | | <u> </u> | | | | | | |
| | г— | | T | | FLOW STE | REAM ATTRI | BUTES | | | | | |
| Plate Coefficient (F _b) (F _p) Mcfd | | Circle one: Meter or ver Pressure psia | Press Extension ✓ P _m x h | Grav Fact F _g | or | Flowing Temperature Factor F ₁₁ | Fa | iation ctor pv | Metered Flor R (Mcfd) | GOR (Cubic Feet/ Barrel) | | Flowing Fluid Gravity G _m |
| | | | | <u> </u> | | | <u> </u> | | | | | |
| (P _c) ² = | _: | (P _w) ² = | : | (OPEN FLO | | /ERABILITY) % (P | CALCUL , - 14.4) + | | : | (P _a) (P _d) | ² = 0.2 | 07 |
| $(P_c)^2 - (P_a)^2$ or $(P_c)^2 - (P_d)^2$ | (P | (P _w)² - (P _w)² | Choose formula 1 or 2 1. P _c ² - P _c ² 2. P _c ² · P _d ² divided by: P _c ² - P _c ² | LOG of formula 1. or 2. and divide | P. 2 - P. 2 | Slop- Ass | sure Curve e = "n" origned rd Slope | n x | roe [| Antilog | Deli Equals | en Flow verability R x Antilog Mcfd) |
| | | | | | | | | | | | | |
| | | | | | | | | | <u> </u> | | | |
| Open Flow | | | Mcfd @ 14. | • | | Deliverabi | | | | Mcfd @ 14.65 ps | | |
| The under | = | - | | and correct | t. Executed | • | <u>_</u> | | ne above repo EBRUARY | ort and that he ha | | ledge of 20 <u>15</u> . |
| | | Witness (| fany) | | | 0 9 2015 | | | For | Company | | |
| | | For Comm | ilssion | | CONSERV | ATION DIVISION CHITA, KS | | | Che | cked 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 RUEB FARM 21-16B |
|---|
| 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 |
| Received KANSAS CORPORATION COMMISSION Signature: Wichita, KS Signature: OPERATIONS ASSISTANT 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.