KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION

Please TYPE Form and File ONE Copy

Form CP-1
September 2003
This Form must be Typed
Form must be Signed
All blanks must be Filled

API # 15 - 007-10373 -00-00 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued, indicate original spud or completion date 12-1-1957 Well Operator: Lotus Operating Co LLC KCC License #: 31980 (Owner / Company Name) (Operator's) Address: 100 S. Main Ste 420 Citv: Wichita State: Kansas Zip Code: 67202 __ Contact Phone: (316) 262 - 1077 Lease: Sterling "B" Well #: 15 Sec. 3236 Twp. 34s S. R. 13 County: Barber NW Spot Location / QQQQ 2810 2310 Feet (in exact footage) From North / ✓ South (from nearest outside section corner) Line of Section (Not Lease Line) From East / West (from nearest outside section corner) Line of Section (Not Lease Line) Oil Well D&A Cathodic Water Supply Well SWD Docket #_ ENHR Docket # _ Conductor Casing Size:_ Cemented with: Sacks Surface Casing Size: 8 5/8" ____ Set at: 301 Cemented with: 225 Production Casing Size: 5 1/2" __ Set at: 4874 Cemented with: 150 List (ALL) Perforations and Bridgeplug Sets: Miss: 4812-52 Elevation: 1459 (□G.L./ VK.B.) TD. 4874 PBTD: 4870 _ Anhydrite Depth: 838 (Stone Corral Formation) Condition of Well: √ Good Poor Casing Leak Junk in Hole Proposed Method of Plugging (attach a separate page if additional space is needed): As per KCC Rules and Regulations RECEIVED KANSAS CORPORATION COMMISSION OCT 0 2 2007 Is Well Log attached to this application as required? Yes V No Is ACO-1 filed? Yes V No If not explain why? Log on file with KCC and unknown if any type of ACO-1 is on file. CAMSERVATION DIVISION Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission. List Name of Company Representative authorized to be in charge of plugging operations: Robin Brown Phone: (620) 546 - 4801 Address: 100 S. Main, Ste 420 City / State: Wichita, Kansas 67202 Plugging Contractor: Plains LLC KCC License #: 4072 (Company Name) Address: PO Box 346, Ness City, KS Phone: (785) 798 2192 Proposed Date and Hour of Plugging (if known?): Nov 6, 2007 Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Age Date: 10/1/2007 Authorized Operator / Agent: (Signature)

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

LOTUS OPERATING COMPANY, L.L.C. 100 S MAIN STE 420 WICHITA, KS 67202-3737

October 11, 2007

Re: STERLING BLANCHE B #5 API 15-007-10373-00-00 36-34S-13W, 2310 FSL 2310 FEL BARBER COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after April 8, 2008. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,

Steve Bond

Production Department Supervisor

District: #1 210 E Frontview, Suite A Dodge City, KS 67801 (620) 225-8888