

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
15-007-23562-00-00

Company Lotus Operating Company, LLC		Lease Wetz		Well Number 5	
County Barber	Location S2 N2 NW	Section 36	TWP 34S	RNG (E/W) 12W	Acres Attributed 10
Field Stranathan		Reservoir Mississippi		Gas Gathering Connection ONEOK	
Completion Date 8/2/2010		Plug Back Total Depth 4957		Packer Set at none	
Casing Size 5 1/2	Weight 14#	Internal Diameter 5.012	Set at 5000	Perforations 4735	To 4783
Tubing Size 2 7/8"	Weight 6.5#	Internal Diameter 2.441	Set at 4837	Perforations	To
Type Completion (Describe) Acid & Frac		Type Fluid Production oil & water		Pump Unit or Traveling Plunger? Yes / No yes	
Producing Thru (Annulus / Tubing) Annulus		% Carbon Dioxide		% Nitrogen	
Vertical Depth(H)		Pressure Taps		Gas Gravity - G _g .6434	
				(Meter Run) (Prover) Size	

Pressure Buildup: Shut in 11/21 20 10 at 10:00 AM (AM) (PM) Taken 11/22 20 10 at 10:00 am (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 Prover Pressure psig (P _m)	Pressure Differential in Inches H ₂ O	Flowing Temperature t	Well Head Temperature t	Casing Wellhead Pressure (P _w) or (P _i) or (P _c)		Tubing Wellhead Pressure (P _w) or (P _i) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						160	174.4				
Flow											

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _b) (F _v) 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_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 _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: $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_a^2} \right]$	Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope	n x LOG $\left[\frac{P_c^2 - P_w^2}{P_c^2 - P_a^2} \right]$	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 13 day of December, 20 10.

Witness (if any)

For Commission

For Company

Checked by

RECEIVED

FEB 15 2011

KCC WICHITA

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 Lotus Operating Company, 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 Wetz #5 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: 12/13/2010

Signature: 

Title: Managing Member

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.

PRODUCTION REPORT

LOTUS OPERATING CO., L.L.C.

Office (316) 262-1077 Fax (316) 219-1217

Wetz Lease

Section 36-T34S-R12W

Barber County, Kansas

8/16/10 1.67 BO, 63 MCFG
8/17/10 3.34 BO, 63 MCFG
8/18/10 0 BO, 63 MCFG
8/19/10 1.67 BO, 81 MCFG Open up #5 casing to sales line late afternoon.
8/20/10 6.68 BO, 128 MCFG CP: 160#
8/21/10 42 BO (mostly wtr), 96 MCFG. CP: 95#. Fluid pushing junk out of HT and broke line on top of stock tank + pushed water going into stock. Shut well down. Will clean out heater treater, repair lines and start well back up Monday.
8/22/10 0 BO, 88 MCFG
8/23/10 0 BO, 171 MCFG. Repair lines, add pressure to HT to push wtr to the SWD. Start PU back up.
8/24/10 1.67 BO, 185 MCFG. CP: 165#, good color at bleeder.
8/25/10 13 BO, 185 MCFG, CP: 160#. Better oil cut at bleeder.
8/26/10 40 BO, 210 MCFG. CP: 160#.
8/27/10 53 BO, 99 MCFG, CP: 150# Look for problem. ONEOK's whopper stopper shut of. Open up.
8/28/10 52 BO, 188 MCFG, CP: 120#
8/29/10 47 BO, 208 MCFG, CP: 130#
8/30/10 55 BO, 208 MCG, CP: 130#
8/31/10 55 BO, 206 MCFG, CP: 130#
9/1/10 62 BO, 214 MCFG, CP: 130#
9/2/10 58 BO, 208 MCFG, CP: 130#
9/3/10 42 BO, 202 MCFG, CP: 130#
9/4/10 47 BO, 192 MCFG, CP: 130#
9/5/10 50 BO, 184 MCFG, CP: 130#
9/6/10 40 BO, 160 MCFG, CP: 130#
9/7/10 32 BO, 152 MCFG, CP: 130#
9/8/10 35 BO, 149 MCFG, CP: 110#
9/9/10 34 BO, 148 MCFG, CP: 110#
9/10/10 35 BO, 120 MCFG, CP: 110#
9/11/10 10 BO, 99 MCFG, CP: 100#. Belts off and broke. New one to be put on Monday and start.
9/12/10 0 BO, 101 MCFG,
9/13/10 1.67 BO, Gas not read yet, Repaired belts and start at noon. Pressured up on the pump - took 2 strokes to 600# and held.
9/14/10 33 BO, 155 MCFG, CP: 110#
9/15/10 32 BO, 131 MCFG, CP: 105#
9/16/10 33 BO, 125 MCFG, CP: 105#
9/17/10 41 BO, 133 MCFG, CP: 105#
9/18/10 28 BO, 133 MCFG, CP: 105#
9/19/10 30 BO, 133 MCFG, CP: 105#
9/20/10 28 BO, 133 MCFG, CP: 105# Fluid level shot shows fluid 234' above perms. Pump is set about 13' below perms and there is still a lot of gas in the tubing. As soon as we can get a pulling unit, we'll sand pump the hole clean and lower the pump to improve efficiency.

RECEIVED

FEB 15 2011

KCC WICHITA

Wetz lse cont.

9/21/10 30 BO, 124 MCFG, CP: 105# Move in pulling unit, pull rods.
9/22/10 2 BO, 34 MCFG. Sand pumping well. Lowered sand by 50' Rain shut down operations.
9/23/10 3 BO, 30 MCFG
9/24/10 3 BO, 111 MCFG. Started #5 @ 4 PM
9/25/10 23 BO, 84 MCFG. Well shut down, think pump is stuck.
9/26/10 0 BO, 83 MCFG. CP: 90#.
9/27/10 0 BO, 144 MCFG, Re-start well @ 9 AM, apparently had trash in the pump. Pumping OK late PM.
9/28/10 3 BO, 97 MCFG, CP: 90#. Down - start. Drop pump 6"
9/29/10 3 BO, 114 MCFG, CP: 90#
9/30/10 23 BO, 100 MCFG, CP; 90#
10/1/10 8 BO, 80 MCFG, CP: 90#. Down - start, won't pump. Pump appears stuck. Will check out.
10/2/10 2 BO, 80 MCFG. Pulling unit to show up Monday.
10/3/10 0 BO, 80 MCFG
10/4/10 2 BO, 91 MCFG. Pull pump, pump had trash in it, run back in new pump.
10/5/10 12 BO, 135 MCFG. Well was trying to hang up when pumper was there. Moved in pulling unit, long stroke, seemed OK, didn't hang up. Put back on production.
10/6/10 18 BO, 126 MCFG, CP: 120#
10/7/10 17 BO, 120 MCFG, CP: 120#.
10/8/10 35 BO, 117 MCFG, CP: 120#
10/9/10 33 BO, 118 MCFG, CP: 120#
10/10/10 32 BO, 116 MCFG, CP: 120#
10/11/10 27 BO, 107 MCFG, CP: 120#
10/12/10 7 BO, 104 MCFG, CP: 120# - well was down - start
10/13/10 12 BO, 116 MCFG, CP: 120# - well was down - start
10/14/10 28 BO, 116 MCFG, CP: 110#
10/15/10 27 BO, 115 MCFG, CP: 105# Shot fluid level - 144 jts down, 38' above perms.
10/16/10 23 BO, 116 MCFG, CP: 105#
10/17/10 27 BO, 117 MCFG, CP: 108#
10/18/10 22 BO, 115 MCFG, CP: 105#
10/19/10 18 BO, 116 MCFG, CP: 108#. Removed Arrow A-54 (6 cylinder) and replaced w/ C-96 engine.
10/20/10 22 BO, 116 MCFG, #5 CP: 105#
10/21/10 20 BO, 116 MCFG, #5 CP: 105#
10/22/10 15 BO, 116 MCFG, #5 CP: 105#
10/23/10 17 BO, 115 MCFG, #5 CP: 108#
10/24/10 18 BO, 115 MCFG, #5 CP: 108#
10/25/10 15 BO, 111 MCFG, #5 CP: 120# - Line pressure are up.
10/26/10 15 BO, 113 MCFG, #5 CP: 108#
10/27/10 15 BO, 111 MCFG, #5 CP: 105#
10/28/10 17 BO, 111 MCFG, #5 CP: 108#
10/29/10 17 BO, 100 MCFG, #5 CP: 105#
10/30/10 10 BO, 111 MCFG, #5 CP: 113#, Gas line pressure up.
10/31/10 13 BO, 105 MCFG, #5 CP: 115#

We'll stop the reports in November. Looks as if the well has settled in. If there are any changes, I'll send out a report. Or call if there are any questions.

RECEIVED
FEB 15 2011
KCC WICHITA