

KANSAS CORPORATION COMMISSION ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

Type Test:

- Open Flow
 Deliverability

Test Date:

API No. 15
15-007-23566-0000

Company Lotus Operating Company, LLC		Lease Ladner		Well Number 1	
County Barber	Location W2 E2 SE SW	Section 35	TWP 34S	RNG (E/W) 12W	Acres Attributed 10
Field Stranathan		Reservoir Mississippi		Gas Gathering Connection ONEOK	
Completion Date 8/27/2010		Plug Back Total Depth 5220		Packer Set at NONE	
Casing Size 5 1/2	Weight 14#	Internal Diameter 5.012	Set at 5251	Perforations 4757	To 5136
Tubing Size 2 7/8"	Weight 6.5#	Internal Diameter 2.441	Set at 4927	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 12/17 at 10:00am (AM) (PM) Taken 12/18 at 10:00 am (AM) (PM)

Well on Line: Started _____ at _____ (AM) (PM) Taken _____ at _____ (AM) (PM)

OBSERVED SURFACE DATA

Duration of Shut-in _____ 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 _c)		Tubing Wellhead Pressure (P _w) or (P _t) or (P _c)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In						290	304.4				
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 _{tt}	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_a = _____ % (P_c - 14.4) + 14.4 = _____ : (P_a)² = 0.207
(P_a)² = _____

(P _c) ² - (P _a) ² or (P _c) ² - (P _w) ²	(P _c) ² - (P _w) ²	Choose formula 1 or 2: 1. P _c ² - P _a ² 2. P _c ² - P _w ² divided by: P _c ² - P _w ²	LOG of formula 1. or 2. and divide by: $P_c^2 - P_w^2$	Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope	n x LOG []	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 28 day of December, 20 10.

Witness (if any)

For Commission

For Company

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Checked 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 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 Ladner #1 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: 12/28/2010

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

#1 Ladner

Barber County, Kansas

10/1/10 Start up well.
10/2/10 0 BO, 16 MCFG, CP: 110#
10/3/10 0 BO, 67 MCFG, CP: 110#
10/4/10 0 BO, 40 MCFG, CP: 105#, Well was down – start.
10/5/10 - 0 BO, 26 MCFG, CP: 160#. Sped up this morning, Show of oil at the bleeder.
10/6/10 0 BO, 66 MCFG, CP: 175#. Fluid level shot: 3013' FIH. Change sheave: was 6 SPM, now 8 ½. Good show of oil at bleeder and oil in the sight glass on the WKO.
10/7/10 2 BO, 80 MCFG, CP: 210#
10/8/10 8 BO, 96 MCFG, CP: 210#
10/9/10 20 BO, 98 MCFG, CP: 210#
10/10/10 25 BO, 101 MCFG, CP: 200#
10/11/10 27 BO, 101 MCFG, CP: 215#
10/12/10 30 BO, 105 MCFG, CP: 220#
10/13/10 32 BO, 107 MCFG, CP: 220# Fluid level shot – 2400' FIH.
10/14/10 30 BO, 108 MCFG, CP: 230# Checking out the best way to speed up the well.
10/15/10 33 BO, 110 MCFG, CP: 230#
10/16/10 37 BO, 111 MCFG, CP: 235#
10/17/10 40 BO, 113 MCFG, CP: 240#
10/18/10 45 BO, 114 MCFG, CP: 245#
10/19/10 40 BO, 116 MCFG, CP: 140#. Well down, -took off engine and put to Koppitz. Put on an A-54 Arrow to handle the fluid and up the SPM. Went from 8 ½ to 11 ¼ SPM for now.
10/20/10 62 BO, 92 MCFG, CP: 240#
10/21/10 77 BO, 163 MCFG, CP: 270# 11 ½ SPM, 86' stroke and 2" pump = 80% is 370 BTF, 100% = 462 BTF.
10/22/10 95 BO, 191 MCFG, CP: 290#
10/23/10 117 BO, 199 MCFG, CP: 300# 4 hr well test: 22 BO, 52 BW = 24 hr: 132 BOPD, 312 BWPD, 444 BTF
10/24/10 110 BO, 205 MCFG, CP: 310#
10/25/10 136 BO, 212 MCFG, CP: 330#
10/26/10 113 BO, 237 MCFG, CP: 300#. Fluid level shot: 135' FIH – open up choke. CP: 170#
10/27/10 128 BO, 236 MCFG, CP: 150#
10/28/10 96 BO, 211 MCFG, CP: 140#
10/29/10 117 BO, 193 MCFG, CP: 160#. – speed up 11 ¾ from 10 ¼
10/30/10 117 BO, 226 MCFG, CP: 165#
10/31/10 112 BO, 228 MCFG, CP: 168#
11/1/10 109 BO, 226 MCFG, CP: #165#
11/2/10 96 BO, 194 MCFG, CP: 145#
11/3/10 108 BO, 196 MCFG, CP: 150#
11/4/10 102 BO, 201 MCFG, CP: 150#
11/5/10 37 BO, 135 MCFG, CP: 130# - trash in pump, knock loose.
11/6/10 68 BO, 164 MCFG, CP: 130#
11/7/10 85 BO, 125 MCFG, CP: 120#
11/8/10 125 BO, 157 MCFG, CP: 115#
11/9/10 104 BO, 199 MCFG, CP: 120# Fluid Level: 1137' FIH. Speed up.
11/10/10 25 BO, 145 MCFG, CP: 120# Pump gas locked. Knock loose, well went back to pumping.
11/11/10 47 BO, 139 MCFG, CP: 120#
11/12/10 77 BO, 137 MCFG, CP: 120#
11/13/10 83 BO, 127 MCFG. CP: 115#
11/14/10 83 BO, 131 MCFG, CP: 115#
11/15/10 83 BO, 135 MCFG, CP: 135# Pull pump, lower tubing, run in new pump.

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Ladner Prod report cont:

11/16/10 4 BO, 44 MCFG, CP: 120# Start well @ 8:30 AM
11/17/10 58 BO, 138 MCFG, CP: 115#
11/18/10 78 BO, 114 MCFG, CP: 120#
11/19/10 153 BO, 184 MCFG, CP: 140#
11/20/10 5 BO, 172 MCFG, CP: 110# Shut in, well not pumping. Evaluate on Sunday.
11/21/10 0 BO, 37 MCFG, CP: not read. Start well up @ 11 AM. Downhole pump was gas locked. Well pumping OK
11/22/10 73 BO, 170 MCFG, CP: 120#.
11/23/10 70 BO, 148 MCFG, CP: 110#. Well down- start
11/24/10 101 BO, 130 MCFG, CP: 120#
11/25/10 52 BO, 146 MCFG, CP: 110#
11/26/10 12 BO, 32 MCFG, CP: 85# Well down - start
11/27/10 68 BO, 130 MCFG, CP: 120#
11/28/10 109 BO, 148 MCFG, CP: 120#
11/29/10 118 BO, 196 MCFG, CP: 140# Well was down a few hrs re-plumbing the gas to the engine.
11/30/10 23 BO, 166 MCFG, CP: 140#
12/1/10 27 BO, 64 MCFG, CP: 120# Pump gas locked, knocked loose.
12/2/10 79 BO, 140 MCFG, CP: 120#
12/3/10 120 BO, 161 MCFG, CP: 130#
12/4/10 35 BO, 121 MCFG, CP: 130#. Pump gas locked, knocked loose.
12/5/10 18 BO, 82 MCFG, CP: 120# Pump gas locked, knocked loose.
12/6/10 18 BO, 109 MCFG, CP: 120#
12/7/10 18 BO, 98 MCFG, CP: 115# Fluid level shot: 1073' FIH
12/8/10 77 BO, 140 MCFG, CP: 120
12/9/10 107 BO, 150 MCFG, CP: 120#
12/10/10 107 BO, 172 MCFG, CP: 135# Fluid level shot: 103' FIH.
12/11/10 62 BO, 211 MCFG, CP: 130#
12/12/10 27 BO, 124 MCFG, CP: 110#... Gas locked - knocked loose, started pumping.
12/13/10 27 BO, 126 MCFG, CP: 120# Slowed the well down.
12/14/10 52 BO, 157 MCFG, CP: 115# SPM @ 7 1/2
12/15/10 78 BO, 145 MCFG, CP: 130#
12/16/10 83 BO, 145 MCFG, CP: 120#
12/17/10 55 BO, 165 MCFG, CP: 120#. Pumped gas locked. Leave SI 24 hrs for State Gas Test.
12/18/10 0 BO, 61 MCFG.
12/19/10 0 BO, 0 MCFG.
12/20/10 0 BO, 32 MCFG Got #1 started back up.
12/21/10 25 BO, 57 MCFG, CP: 130#
12/22/10 60 BO, 0 MCFG, CP: 130# Dump valve leaking - repair
12/23/10 75 BO, 44 MCFG, CP: 130#
12/24/10 37 BO, 92 MCFG, CP: 80# Well down - start
12/25/10 70 BO, 116 MCFG, CP: 150#
12/26/10 90 BO, 58 MCFG, CP: 150#
12/27/10 12 BO, 133 MCFG, CP: 145# Well down - start
12/28/10 65 BO, 138 MCFG, CP: 150#
12/29/10 82 BO, 168 MCFG, CP: 150#
12/30/10 82 BO, 156 MCFG, CP: 150#
12/31/10 62 BO, 176 MCFG, CP: 150#
1/1/11 64 BO, 156 MCFG, CP: 150#
1/2/11 43 BO, 147 MCFG, CP: 130#
1/3/11 5 BO, 54 MCFG, CP: 130#. Work on switching pumping units.
1/4/11 2 BO, 0 MCFG, #1 CP: 130#
1/5/11 3 BO, 14 MCFG, #1 CP: 130#
1/6/11 19 BO, 119 MCFG, #1 CP: 145#, #2 CP: 130# - start #2 Ladner
1/7/11 33 BO, 246 MCFG, #1 CP: 130#, #2 CP: 140# - #2 is all water at the bleeder this morning.
1/8/11 75 BO, 184 MCFG, #1 CP: 130#, #2 CP: 140#
1/9/11 68 BO, 176 MCFG, #1 CP: 150#, #2 CP: 140# - #2 down - can't start - ONEOK's gas line pressure up

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1/10/11 47 BO, 135 MCFG, #1 CP: 150#, #2 CP: down - #1 down, start - ONEOK's gas line pressure up
 1/11/11 67 BO, 138 MCFG, #1 CP: 130#, #2 CP: down - stuck pump/rod part?
 1/12/11 48 BO, 149 MCFG, #1 CP: 149#, #2 - start. Rod part.
 1/13/11 65 BO, 160 MCFG, #1 CP: 160#, #2 CP: 300# - all wtr at bleeder
 1/14/11 50 BO, 390 MCFG, #1 CP: 150#, #2 CP: 170#- down, rod part on 97th body - repaired - start - went down
 1/15/11 45 BO, 162 MCFG, #1 CP: 150#, #2 - down - engine won't start - mechanic called
 1/16/11 48 BO, 149 MCFG, #1 CP: 150#, #2 - SI
 1/17/11 48 BO, 85 MCFG, #1 CP: 170#, #2 CP: 160# - start
 1/18/11 23 BO, 123 MCFG, #1 CP: 140#, #2 - parted this AM - shot fluid level: 642' FIH. Put in 1 1/2" pump.
 1/19/11 25 BO, 83 MCFG, #1 CP: 120#, #2 CP: 120# - #1 down start
 1/20/11 5 BO, 116 MCFG, #1 CP: 120#, #2 CP: 120#
 1/21/11 17 BO, 68 MCFG, #1 CP: 120#, #2 CP: 120#
 1/22/11 22 BO, 179 MCFG, #1 CP: 120#, #2 CP: 120#
 1/23/11 43 BO, 177 MCFG, #1 CP: 130#, #2 CP: 120# - Trace of oil @ bleeder on #2
 1/24/11 45 BO, 146 MCFG, #1 CP: 125#, #2 CP: 120# - #1 down - start
 1/25/11 57 BO, 135 MCFG, #1 CP: 130#, #2 CP: 120# - Mostly #1 oil.
 1/26/11 53 BO, 149 MCFG, #1 CP: 130#, #2 CP: 120# - #2 had 15% oil cut.
 1/27/11 57 BO, 142 MCFG, #1 CP: 145#, #2 CP: 120# #2: 610' FIH - speed up from 6.75 to 7.5 SPM
 1/28/11 57 BO, 149 MCFG, #1 CP: 160#, #2 CP: 140# #2: 321' FIH
 1/29/11 92 BO, 118 MCFG, #1 CP: 130#, #2 CP: 120#
 1/30/11 68 BO, 168 MCFG, #1 CP: 130#, #2 CP: 120#
 1/31/11 27 BO, 150 MCFG, #1 CP: 130#, #2 CP: 120# #1 SI - gas locked - will start it up tomorrow.
 2/1/11 10 BO, 84 MCFG, #1 - down - weather, #2 CP: 120#
 2/2/11 8 BO, 85 MCFG, #1 Down - weather, #2 CP: 120#
 2/3/11 7 BO, 106 FG, #1 down, #2 CP: 90# Start #1
 2/4/11 27 BO, 130 MCFG, #1 CP: 140#, #2 CP: 120#
 2/5/11 27 BO, 236 MCFG, #1 CP: 130#, #2 CP: 120#
 2/6/11 27 BO, 169 MCFG, #1 CP: 130#, #2 CP: 120#
 2/7/11 35 BO, 159 MCFG, #1 CP: 130#, #2 CP: 120#
 2/8/11 38 BO, 142 MCFG, #1 CP: 130#, #2 CP: 120#
 2/9/11 40 BO, 125 MCFG, #1 CP: 130#, #2 CP: 120#
 2/10/11 42 BO, 540 MCFG - Meter froze off, #1 CP: 130#, #2 CP: 120#
 2/11/11 19 BO, 159 MCFG, #1 CP: 130#, #2 CP: 120#
 2/12/11 22 BO, 113 MCFG, #1 CP: 130#, #2 CP: 120#
 2/13/11 18 BO, 111 MCFG, #1 CP: 130#, #2 CP: 120#
 2/14/11

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