

KANSAS CORPORATION COMMISSION

ONE POINT STABILIZED OPEN FLOW OR DELIVERABILITY TEST

(See Instructions on Reverse Side)

Type Test:

- Open Flow
 Deliverability

Test Date:
6-20-11

API No. 15
15-023-21234-00-00

Company Lobo Production, Inc.		Lease Bandel		Well Number 1-7	
County Cheyenne	Location SE SE SE	Section 7	TWP 4	RNG (EW) 41	Acres Attributed
Field Benkelman		Reservoir Niobrara		Gas Gathering Connection Lobo Production, Inc.	
Completion Date 7-26-10		Plug Back Total Depth 1430		Packer Set at	
Casing Size 4.5	Weight 11.60	Internal Diameter	Set at 1434	Perforations 1326	To 1356
Tubing Size	Weight	Internal Diameter	Set at	Perforations	To

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Type Completion (Describe) Single Gas	Type Fluid Production	Pump Unit or Traveling Plunger?	Yes / No
Producing Thru (Annulus / Tubing) Annulus	% Carbon Dioxide	% Nitrogen	Gas Gravity - G _g
Vertical Depth(H) TD 1440'	Pressure Taps	(Meter Run) (Prover) Size 2" Meter Run	
Pressure Buildup: Shut in 6-20 20 11 at 8:00 (AM) (PM) Taken 6-23 20 11 at 10:00 (AM) (PM)			
Well on Line: Started 6-23 20 11 at 10:00 (AM) (PM) Taken 6-25 20 11 at 11:00 (AM) (PM)			

OBSERVED SURFACE DATA

Duration of Shut-In 74 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 ₁) or (P _o)		Tubing Wellhead Pressure (P _w) or (P ₁) or (P _o)		Duration (Hours)	Liquid Produced (Barrels)
						psig	psia	psig	psia		
Shut-In	.375	270				270	283.2			74	
Flow	.375	47	8	53	53	47	60.2			49	

FLOW STREAM ATTRIBUTES

Plate Coefficient (F _p) (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
.881	60.5	22	1.00	1.00	1.00	19.382	N/A	N/A

(OPEN FLOW) (DELIVERABILITY) CALCULATIONS

(P_o)² = 80.20 : (P_w)² = 3.624 : P_g = _____ % (P_o - 14.4) + 14.4 = _____ : (P_o)² = 0.207
(P_o)² = _____

(P _o) ² - (P _w) ² or (P _o) ² - (P _g) ²	(P _o) ² - (P _w) ²	Choose formula 1 or 2: 1. P _o ² - P _w ² 2. P _o ² - P _g ² divided by: P _o ² - P _w ²	LOG of formula 1, or 2, and divide by: $\left[\frac{P_o^2 - P_w^2}{P_o^2 - P_g^2} \right]$	Backpressure Curve Slope = "n" ----- or ----- Assigned Standard Slope	n x LOG $\left[\frac{P_o^2 - P_w^2}{P_o^2 - P_g^2} \right]$	Antilog	Open Flow Deliverability Equals R x Antilog (Mcfd)
79.993	76.576	1.0446	.01895	.850	.0161	1.0378	20.114

Open Flow 20.11 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 10 day of August, 20 11.

Richard A. Miller V.P.
For Company

Witness (if any)

For Commission

For Company

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 Lobo Production, Inc. 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 Bandel 1-7 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: 8/10/11

Signature: Richard A. Miller
Title: V.P.

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.

LOBO PRODUCTION, INC.

6715 Road 22 • Goodland, Kansas 67735
Tele: (785) 899-5684 • Fax (785) 899-5966
Email: jsanders@st-tel.net
Field Offices:
Goodland: (785) 899-7342
Benkelman: (785) 332-3299

August 16, 2011

KCC
Attn: Jim Hemmen
130 S. Market – Room 2078
Wichita, KS 67202

Jim,

Attached is Form G-2 for a well located in Cheyenne County that we recently brought online. If you should have any questions, you may contact our office at 785-899-5684.

Thank you,



Julie Crow
Administrative Assistant

Encl.

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