

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
July 2006

APPLICATION FOR COMMINGLING OF
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # CO 010704

Operator Information:

License #: 33017
Name: Davis Operating Company
Address: 2800 Mid-Continent Tower
City/State/Zip: Tulsa, OK 74103
Contact Person: Autumn R. Minnick
Phone #: (918) 587-7782

Well Information:

API #: 15-125-31078-00-00
Lease Name: Ashley Well #: 1-20
Spot: -C -SE -NE Sec. 20 Twp. 33 S. R. 17 East West
County: Montgomery
Feet from North / South Line of Section: 1980
Feet from East / West Line of Section: 660

1. Name and upper and lower limit of each production interval to be commingled:

Formation: Riverton (Perfs): 967-970
Formation: Mississippi (Perfs): 988-998
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:

Formation: Riverton BOPD: 0 MCFPD: 2 BWPD: 53
Formation: Mississippi BOPD: 0 MCFPD: 1 BWPD: 10
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____

3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

4. Signed certificate showing service of the application and affidavit of publication as required in K.A.R. 82-3-135a.

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WICHITA, KS

For Commingling of PRODUCTION ONLY, include the following:

- 5. Wireline log of subject well.
- 6. Complete Form ACO-1 (Well Completion form) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

BOBI POSEY
Tulsa County
Notary Public in and for
State of Oklahoma
Commission # 00010443 Exp 07-10-08

State of _____)
County of _____)

SS:

VERIFICATION: I hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.

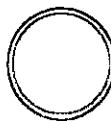
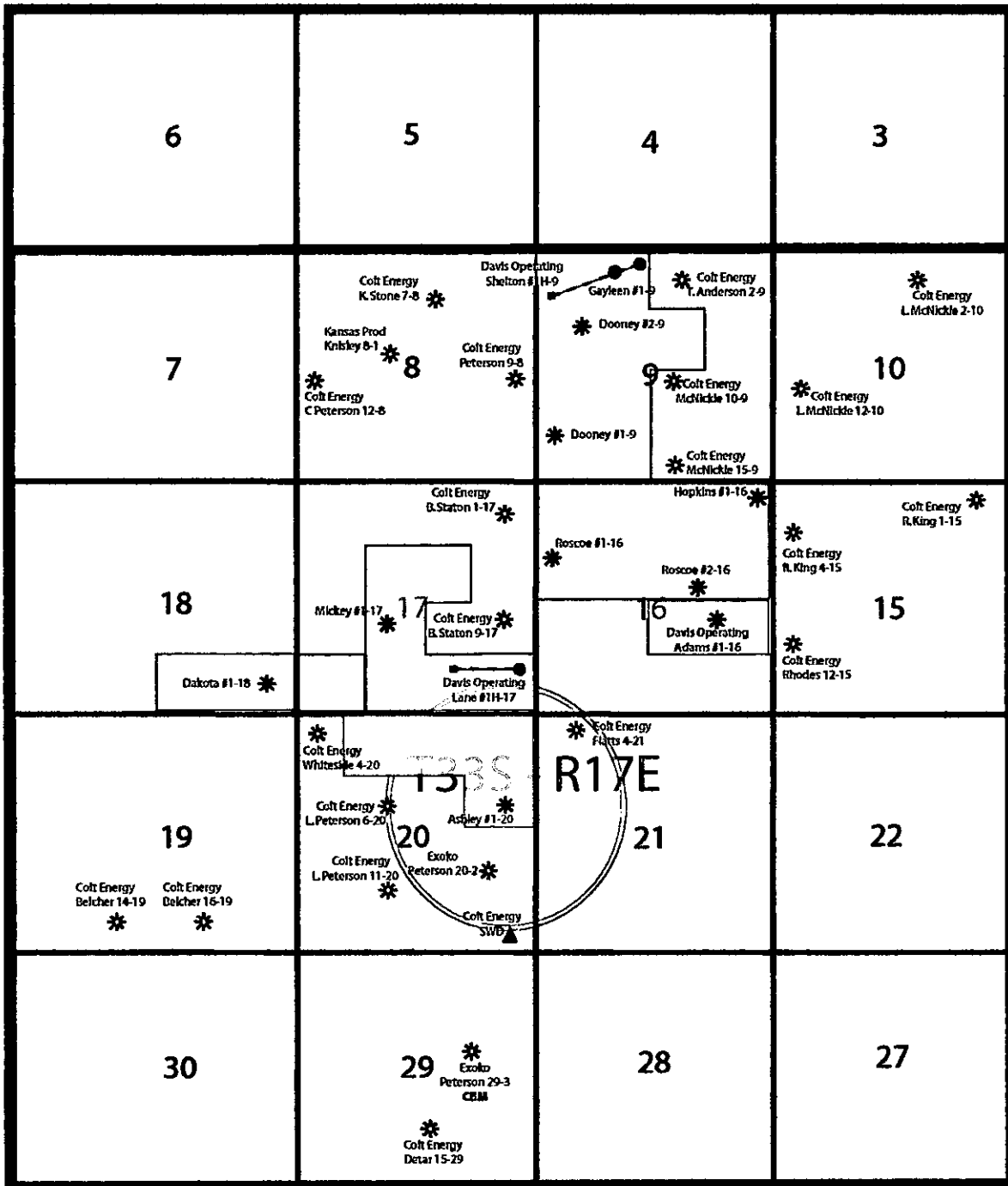
Signature: Autumn R. Minnick
Printed Name: Autumn R. Minnick
Title: Geologist

Subscribed & sworn to before me this 19 day of January, 20 07
Notary Public: Bobi Posey
My Commission Expires: July 10, 2007

Protests may be filed by any party having a valid interest in the application. Protests must be in writing and comply with K.A.R. 82-3-135b and must be filed within 15 days of publication of the notice of application.

KCC Office Use Only
 Denied Approved
KCC Date Received: _____ 15-Day Periods Ends: _____
Approved By: _____ Date: _____

Mail with all required attachments and files to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



1/2 Mile Radius



Lease Boundary


Operators of Offsetting Wells


Colt Energy, Inc.
P.O. Box 388
Iola, KS 66749

Exoko, Inc.
P.O. Box 700246
Tulsa, OK 74170

Davis Operating Company

Montgomery County, Kansas
Commingle Plat

 DAVIS OPERATING WELL

 DAVIS LEASES

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CONSERVATION DIVISION
WICHITA, KS

Well Report

Ashley #1-20
Sec. 20-33S-17E
Montgomery County, OK

08/02/06

L&S drilled Ashley well to 1037' TD. Mulky showed 2" on $\frac{3}{4}$ " plate. Riverton showed 3" on $\frac{3}{4}$ " plate. Red Fork - no show. Mississippi slight odor top 10'. Total flow 28.3 mcf. Squirrel sand - no show.

Superior open hole logs done. Wireline TD 1041'.

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WICMITA, KS

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION OF DAVIS)
OPERATING COMPANY FOR AN ORDER PERMITTING) Docket No.
THE COMMINGLING OF PRODUCTION IN ITS ASHLEY)
#1-20 WELL, MONTGOMERY COUNTY, KANSAS) License No. 33017

NOTICE OF APPLICATION FOR COMMINGLING OF PRODUCTION

TO: ALL OIL AND GAS OPERATORS, LESSEES, OWNERS OF UNLEASED MINERAL INTERESTS, AND ALL OTHER PERSONS WHOMSOEVER CONCERNED:

You, and each of you, are hereby notified that Davis Operating Company has filed with the Kansas Corporation Commission an Application for an Order permitting the commingling of production from the Riverton Coal and Mississippi Formations in its Ashley #1-20 well located 1980 feet from the North line and 660 feet from the East line in Section 20, Township 33 South, Range 17 East, Montgomery County, Kansas.

You are further notified that unless a protest is received by the Kansas Corporation Commission, Oil and Gas Conservation Division, 130 South Market, Room 2078, Wichita, KS 67202-3802, within fifteen (15) days after publication of this Notice, the Application may be granted without a hearing. If written protest is timely received, you are further notified that this Application will be heard before the State Corporation Commission in the Commission's Hearing Room at the above address in Wichita, Kansas, on March 15, 2007, at 10:00 a.m., or as soon thereafter as said Application may be reached.

All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Ralph R. Brock #04654
Michael Lennen #08505
MORRIS, LAING, EVANS, BROCK
& KENNEDY, CHARTERED
300 N. Mead, Suite 200
Wichita, KS 67202-2722
Telephone: 316 262-2671
Attorneys for Davis Operating Company

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JAN 25 2007

CONSERVATION DIVISION
WICHITA, KS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 25th day of January, 2007, copies of the Application and of the Notice of Application for Commingling of Production to which this Certificate is attached were mailed to the following party at its address as designated, to-wit:

Colt Energy, Inc.
P O Box 388
Iola KS 66749

which is the only operator or lessee of record of leases within a one-half mile radius of the Ashley #1-20 well. There are no owners of unleased minerals of record of acreage within a one-half mile radius of the Ashley #1-20 well.


Ralph R. Brock

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FEB 19 2007

CONSERVATION DIVISION
WICHITA, KS

MONTGOMERY COUNTY Chronicle

P.O. Box 156 - 115 N. Labette - Cherryvale, KS 67335 - (620) 336-2100

AFFIDAVIT OF PUBLICATION

Andrew R. Taylor of lawful age, being duly sworn, deposes and says he or she represents the publisher of:

Montgomery County Chronicle
P.O. Box 156 - 115 N. Labette
Cherryvale, KS 67335

a weekly newspaper in the City of Cherryvale, County of Montgomery, State of Kansas, and of general circulation in said county and which has been admitted to the U.S. Mail as a second class matter in said county, and which said newspaper has been continuously and uninterruptedly published in said county during the period of one year immediately prior to the first publication of the notice hereinafter mentioned.

Legal notice publication printed for one (1) week, first published on Feb. 1, 2007 and again on _____

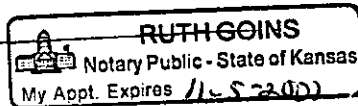
The affiant further says that he or she has personal knowledge of the statements above set forth and that they are true.

Viola Long signature

State of Kansas, Montgomery County
Subscribed and sworn to before me this 8 day of Feb, 2007

Ruth Goins (Notary Public)

My appointment expires _____



(Published in the Montgomery County Chronicle on Thursday, Feb. 1, 2007)

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION OF DAVIS OPERATING COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF PRODUCTION IN ITS ASHLEY #1-20 WELL, MONTGOMERY COUNTY, KANSAS

Docket No.
License No. 33017

NOTICE OF APPLICATION FOR COMMINGLING OF PRODUCTION

TO: ALL OIL AND GAS OPERATORS, LESSEES, OWNERS OF UNLEASED MINERAL INTERESTS, AND ALL OTHER PERSONS WHOMSOEVER CONCERNED:

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Michael Lennen #08505
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300 N. Mead, Suite 200
Wichita, KS 67202-2722
Telephone: 316-262-2671
Attorneys for Davis Operating Co.

AFFIDAVIT

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FEB 19 2007

**CONSERVATION DIVISION
WICHITA, KS**

STATE OF KANSAS \
- SS.
County of Sedgwick /

Nicole Mandina, of lawful age, being first duly sworn, deposeth and saith: That she is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle for 1 issues - weeks, that the first publication of said notice was

made as aforesaid on the 29th of

January A.D. 2007 , with

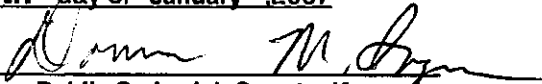
subsequent publications being made on the following dates:

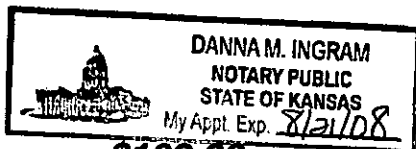
And affiant further says that she has personal knowledge of the statements above set forth and that they are true.



Subscribed and sworn to before me this

29th day of January , 2007


Notary Public Sedgwick County, Kansas



Printer's Fee \$102.00

LEGAL PUBLICATION

Published in the Wichita Eagle on January 29, 2007 (2619777) BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS IN THE MATTER OF THE APPLICATION OF DAVIS OPERATING COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF PRODUCTION IN ITS ASHLEY #1-20 WELL, MONTGOMERY COUNTY, KANSAS Docket No.

License No. 33017 **NOTICE OF APPLICATION FOR COMMINGLING OF PRODUCTION TO ALL OIL AND GAS OPERATORS, LESSEES, OWNERS OF UNLEASED MINERAL INTERESTS, AND ALL OTHER PERSONS WHOMSOEVER CONCERNED:** You, and each of you, are hereby notified that Davis Operating Company has filed with the Kansas Corporation Commission an Application for an Order permitting the commingling of production from the Riverton Coal and Mississippi Formations in its Ashley #1-20 well located 1980 feet from the North line and 660 feet from the East line in Section 20, Township 33 South, Range 17 East, Montgomery County, Kansas.

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Wichita, KS 67202-2722
Telephone: 316 262-2671
Attorneys for Davis Operating Company

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

February 19, 2007

Autumn R. Minnick
Davis Operating Company
2800 Mid-Continent Tower
Tulsa, OK 74103

RE: Approved Commingling CO010704
Ashley 1-20, Sec. 20-T33S-R17E, Montgomery County, Kansas
API No. 15-125-31078-00-00

Dear Ms Minnick:

Your "Application for Commingling" (ACO-4) for the above described well has been technically reviewed and approved by the Kansas Corporation Commission (KCC) per **K.A.R. 82-3-123a**. Notice was examined and found to be proper per **K.A.R. 82-3-135a**. No protest had been filed within the 15-day protest period. This application, which was received by the KCC on **January 25, 2007** concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **Riverton and Mississippi** formations.

According to your application, the estimated current production from the **Riverton** source of supply is **0 BOPD, 2 Mcfpd and 53 BWPD**. The estimated current production from the **Mississippi** source of supply is **0 BOPD, 1 Mcfpd and 10 BWPD**. The total estimated current production from all sources of supply in the subject well is **0 BOPD, 3 Mcfpd and 63 BWPD**.

Based upon the depth of the **Mississippi** formation perforations, total oil production shall not exceed **100 BOPD** and total gas production shall not exceed **50%** of the absolute open flow (AOF).

Docket Number **CO010704** has been assigned to this approved application. Please use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,



Rick Hestermann
Production Department