

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 120605

Operator Information:

License #: 5150
Name: Colt Energy, Inc.
Address: PO Box 388, 1112 Rhode Island Rd.,
City/State/Zip: Iola, KS 66749
Contact Person: Jim Stegeman
Phone #: 913-236-0016

Well Information:

API #: 15 - 23-878 15099-23878-0000
Lease Name: Tedstrom Well #: 9-2
Spot: SE - NW - NE - SE Sec. 2 Twp. 31 S. R. 17 East
County: Labette West
Feet from North / South Line of Section: 2070 ft
Feet from East / West Line of Section: 780 ft

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

Formation: Summit (Little Osage Shale) (Perfs): 585-588 13 shots
Formation: Mulky Coal & Excello Shale (Perfs): 608-704 25 shots
Formation: Iron Post Coal (Perfs): 643-645 9 shots
Formation: Croweburg Coal & V Shale (Perfs): 667-671 17 shots
Formation: Mineral Coal (Perfs): 709-711 9 shots

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

Formation: Summit (Little Osage Shale) BOPD: 0 MCFPD: 5 BWPD: 10
Formation: Excello Shale & Mulky Coal BOPD: 0 MCFPD: 35 BWPD: 50
Formation: Iron Post Coal BOPD: 0 MCFPD: 5 BWPD: 10
Formation: Croweburg Coal & V Shale BOPD: 0 MCFPD: 5 BWPD: 10
Formation: Mineral Coal BOPD: 0 MCFPD: 5 BWPD: 10

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.

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:

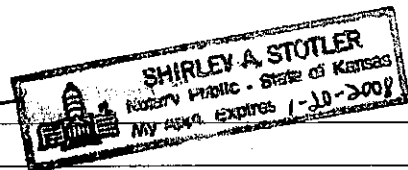
- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Kansas)
County of Allen)

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: Jim Stegeman
Printed Name: Jim Stegeman
Title: Manager of Geology



Subscribed & sworn to before me this 29th day of November, 2006
Notary Public: Shirley A. Stotler
My Commission Expires: 1-20-2008

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: [Signature] Date: 2-9-07

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
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July 2006

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

Operator Information:

License #: 5150
Name: Colt Energy, Inc.
Address: PO Box 388, 1112 Rhode Island Rd.,
City/State/Zip: Iola, KS 66749
Contact Person: Jim Stegeman
Phone #: 913-236-0016

Well Information:

API #: 15-23-878 15-099-23878-000
Lease Name: Tedstrom Well #: 9-2
Spot: SE - NW - NE - SE Sec. 2 Twp. 31 S. R. 17 East West
County: Labette
Feet from North / South Line of Section: 2070 ft
Feet from East / West Line of Section: 780 ft

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

Formation: <u>Tebo shale and coal</u>	(Perfs): <u>773-777</u> <u>17</u> shots
Formation: <u>AW Coal</u>	(Perfs): <u>948-951</u> <u>13</u> shots
Formation: <u>BW Coal</u>	(Perfs): <u>955-958</u> <u>13</u> shots
Formation: <u>L. Warner SS.</u>	(Perfs): <u>1006-1012</u> <u>25</u> shots
Formation: <u>Riverton Coal</u>	(Perfs): <u>1014-1016</u> <u>9</u> shots

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

Formation: <u>Tebo shale and coal</u>	BOPD: <u>0</u>	MCFPD: <u>5</u>	BWPD: <u>5</u>
Formation: <u>AW Coal</u>	BOPD: <u>0</u>	MCFPD: <u>5</u>	BWPD: <u>5</u>
Formation: <u>BW Coal</u>	BOPD: <u>0</u>	MCFPD: <u>5</u>	BWPD: <u>5</u>
Formation: <u>L. Warner SS.</u>	BOPD: <u>0</u>	MCFPD: <u>5</u>	BWPD: <u>5</u>
Formation: <u>Riverton Coal</u>	BOPD: <u>0</u>	MCFPD: <u>5</u>	BWPD: <u>10</u>

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.

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:

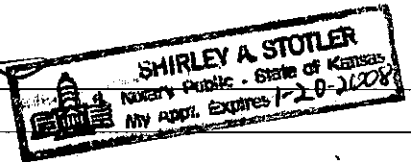
- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Kansas)
County of Allen)

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: Jim Stegeman
Printed Name: Jim Stegeman
Title: Manager of Geology



Subscribed & sworn to before me this 29th day of November, 2006
Notary Public: Shirley A. Stotler
My Commission Expires: 1-20-2008

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KCC Office Use Only

Denied Approved

KCC Date Received: _____ 15-Day Periods Ends: _____

Approved By: _____ Date: _____

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KCC WICHITA

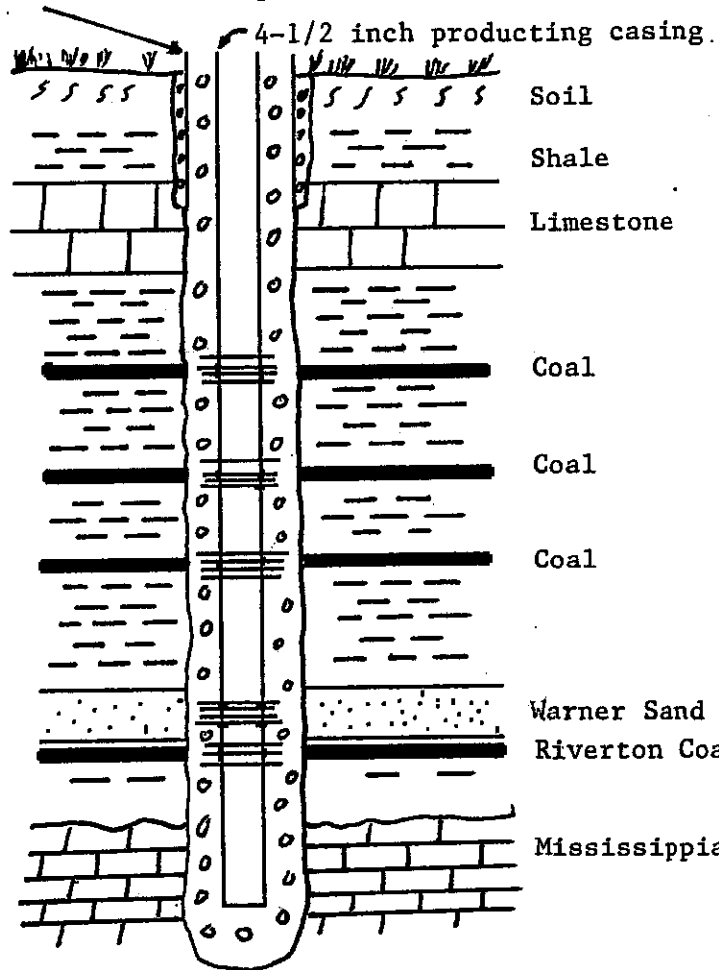
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WELL DIAGRAM FOR TEDSTROM 9-2

20 ft 8 inch surface casing



Soil

Shale

Limestone

Coal

Coal

Coal

Warner Sand & 1006-1012 ft (25 shots)

Riverton Coal 1014-1016 ft (9 shots)

Mississippian Ls.

TOTAL DEPTH: 1093.5 ft.

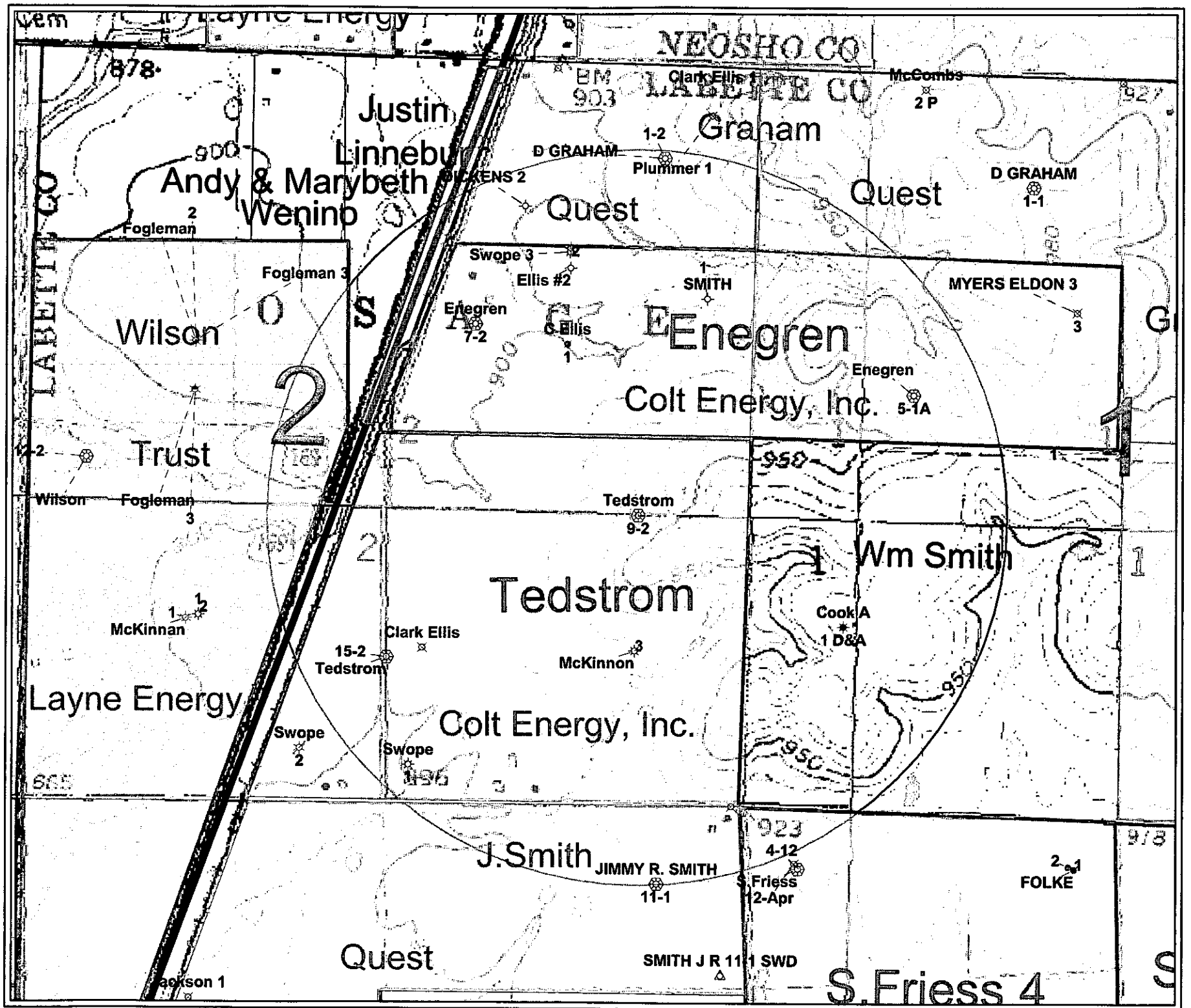


EXHIBIT "A"

Name & Address	Legal Description	Sec-Twn-Rge, County
OPERATORS		
Quest Cherokee, LLC 9520 North May Avenue ste 300 Oklahoma City, OK 73120	N2 NW N2 NE east of railroad r/w & 169 Hwy N2 NE	Labette 1 - 32 - 17E 2 - 31 - 17E 11 - 31 - 17E
Layne Energy, Inc. 1900 Shawnee Mission Pkwy Mission Woods, KS	SW west of 169 Hwy & West 70 acres of S2 NW	2 - 31 - 17E 2 - 31 - 17E
Colt Energy, Inc. PO Box 388 1112 Rhode Island Rd Iola, KS 66749	S2 NW SE S2 NE east of railroad r/w E2 SW east of railroad r/w NW	1 - 31 - 17E 2 - 31 - 17E 2 - 31 - 17E 2 - 31 - 17E 12 - 31 - 17E
LANDOWNERS		
William H. Smith 25005 Brown Rd Cherryvale, KS 67335	SW	1 - 31 - 17E
Justin L & Margaret L Linnebur 1609 10th Road Thayer, KS 66776	East 20 acres NW NE west of 169 Hwy r/w	2 - 31 - 17 E
EldonJ & Carolyn A Linnebur 4 Dakota Lane Los Alamos, NM 87544	NW NW	2 - 31 - 17E
Andy L & Mary Beth Wenino 137 27000 Rd Thayer, KS 66776	18 ac approx W2 NE NW	2 - 31 - 17E
Robert W. Tedstrom 170 26000 Rd Cherryvale, KS 67335	SE E2 SW east of RR Right of way	2 - 31 - 17E 2 - 31 - 17E
Harley R. & Helen Tedstrom 2307 N. Sherwood Dr. Valdosta, GA 31602-2139	SE E2 SW east of RR Right of way	2 - 31 - 17E 2 - 31 - 17E

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Tedstrom #9-2 - wells within 1/2 mile

Wellname	Location	Operator	Address
Enegren 5-1A	SE,SW,NW 1 - 31 S - 17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Enegren 7-2	SW,NE 2 - 31 S - 17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Tedstrom 15-2	N2,S2,S2 2 - 31 S - 17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Graham 1-2	NE,NE 2 - 31 S - 17 E	Quest Cherokee,LLC	9520 North May Avenue Suite 300, Oklahoma City, OK 73120
Smith 11-1	NE,NE 11 - 31 S - 17 E	Quest Cherokee,LLC	9520 North May Avenue Suite 300, Oklahoma City, OK 73120
McKennon 3	SE,SE 2 - 31 S - 17 E	Bob Tedstrom	170 26000 Road, Cherryvale, KS 67335
C.Ellis #2	NW,SW,SE 2 - 31 S - 17 E	JR Finley **	old well monitored
Ellis #1	S of CNE 2 - 31 S - 17 E	West & Welch	Oil Well plugged
Swope #3	C NE 2 - 31 S - 17 E	West & Welch	old well not found
Swope #2	SE,SW 2 - 31 S - 17 E	West & Welch	old well not found
Swope #1	SW,SE 2 - 31 S - 17 E	Bob Tedstrom	170 26000 Road, Cherryvale, KS 67335
Cook A 1	W2,SW 1 - 31 S - 17 E	unknown	old well not found

Note: C. Ellis #2 Colt Energy, Inc. is the Operator

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KGS lab number	Project number	Site name	CO	Sample location	TRS location	Source zone	Sample date	Sp.C. uS/cm	TDS mg/L	pH lab	SiO2 mg/L
060024	CBM-012	Staton 1-17	MG	NE NE Sec. 17-33S-17E	33S-17E-17AA	Multi-zone	mid-Mar 2006	106,070	75,640	6.27	47.1
060025	CBM-013	Peterson 9-8	MG	NE SE Sec. 08-33S-17E	33S-17E-08DA	Colt Energy Inc., multi-zone	mid-Mar 2006	64,880	43,730	6.73	18.4
060026	CBM-014	L. Peterson 6-20	MG	SE NW Sec. 20-33S-17E	33S-17E-20BD	Colt Energy Inc., Miss.	mid-Mar 2006	87,670	60,170	6.91	7.2
060027	CBM-015	L. Peterson 11-20	MG	CE SW Sec. 20-33S-17E	33S-17E-20C (CE)	Colt Energy Inc., multi-zone	mid-Mar 2006	103,750	72,140	6.88	21.7
060028	CBM-016	Newland 13-19	LB	SW SW Sec. 19-31S-18E	31S-18E-19CC	Colt Energy Inc., multi-zone	mid-Mar 2006	54,770	34,580	7.05	28.8
060029	CBM-017	Southall #5-13	LB	Sec. 13-31S-17E	31S-17E-13	Colt Energy Inc., multi-zone	mid-Mar 2006	84,530	58,630	6.56	7.1
060030	CBM-018	King 5-26	LB	SW NW Sec. 26-31S-17E	31S-17E-26BC	Colt Energy Inc.	mid-Mar 2006	97,900	65,860	6.45	30.2
060031	CBM-019	S. Friess #4-12	LB	Sec. 12-31S-17E	31S-17E-12	Colt Energy Inc., multi-zone	mid-Mar 2006	85,960	60,170	6.60	33.8

KGS lab number	Project number	Site name	CO	Sample location
060024	CBM-012	Staton 1-17	MG	NE NE Sec. 17-33S-17E
060025	CBM-013	Peterson 9-8	MG	NE SE Sec. 08-33S-17E
060026	CBM-014	L. Peterson 6-20	MG	SE NW Sec. 20-33S-17E
060027	CBM-015	L. Peterson 11-20	MG	CE SW Sec. 20-33S-17E
060028	CBM-016	Newland 13-19	LB	SW SW Sec. 19-31S-18E
060029	CBM-017	Southall #5-13	LB	Sec. 13-31S-17E
060030	CBM-018	King 5-26	LB	SW NW Sec. 26-31S-17E
060031	CBM-019	S. Friess #4-12	LB	Sec. 12-31S-17E

Ca	Mg	Na	K	Sr	HCO3	SO4	Cl	Br	I	B
mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
2,215	1,509	24,620	66.1	449	391	<2.5	46,340	164	28.9	1.63
1,360	599	14,700	85.3	98	422	<2.5	26,580	70.8	1.96	7.69
1,956	837	19,970	86.4	134	515	<2.5	36,800	117	2.69	2.34
1,493	1,481	23,940	41.0	471	417	<2.5	44,130	354	5.58	<1.5
751	439	11,650	50.8	99	663	<2.5	21,150	91.7	1.36	3.00
1,316	1,172	19,540	35.8	629	364	<2.5	35,590	150	5.81	3.28
1,434	1,440	21,710	40.4	670	417	<2.5	40,140	175	2.87	<1.5
1,564	1,065	20,630	23.4	567	311	<2.5	35,970	147	3.64	<1.5

Affidavit of Publication

STATE OF KANSAS, LABETTE COUNTY, ss:

Elaine Pilkington, being first duly sworn, deposes and says: That she is Classified Manager of The Parsons Sun, a daily newspaper printed in the State of Kansas, and published in and of general circulation in said County, Kansas, with a general paid circulation on a weekly basis in Labette County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a daily published at least weekly 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Parsons in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for one consecutive day, the first publication thereof being made as aforesaid on the 11th day of October, 2006, with subsequent publications being made on the following dates:

Elaine Pilkington

Subscribed and sworn to before me this

17th day of October, 2006

[Signature]

My commission expires: August 16, 2010

Printer's fee \$ 36.96
Additional copies \$

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DEC 04 2006

KCC WICHITA



(Published in the Parsons Sun, October 11, 2006)
BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
RE: Colt Energy, Inc. - Application for Commingling of Production and Fluid Production on the Tedstrom 9-2 located in Labette Co., Kansas.

TO: All Oil and Gas Producers, Unleased Mineral Interest Owners, Landowners, and all persons whosoever concerned.

You, and each of you, are hereby notified that Colt Energy, Inc has filed an application for Commingling of Production and Fluid Production from the Summit, Excello Shale, Mulky Coal, Iron Post Coal, Croweburg & V Shale, Mineral, TEBO, AW, BW, L, Warner SS & Riverton Coal Formations at the Tedstrom 9-2 well, located 2070FSL 780FEL Section 2 Township 31 Range 17E, Labette County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of the publication.

These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.
Colt Energy, Inc.
P.O. Box 388
Iola, Kansas 66749
(620) 365-3111

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Milt Mounts, of lawful age, being first duly sworn, deposeth and saith: That he 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 consecutive issues - weeks, that the first publication of said notice was

made as aforesaid on the 16th day of

October A.D. 2006, with

subsequent publications being made on the following dates:

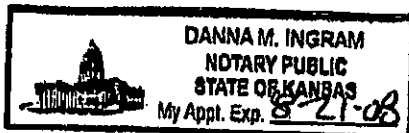
And affiant further says that _____ he has personal knowledge of the statements above set forth and that they are true.

[Handwritten Signature]

Subscribed and sworn to before me this

16th day of October, 2006

Notary Public Sedgwick County, Kansas



Printer's Fee \$86.00

LEGAL PUBLICATION

Published in the Wichita Eagle on October 16, 2006 (2573146) BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION RE: Colt Energy, Inc. - Application for Commingling of Production and Fluid Production at the Teedstrom 9-2 located in Labette Co., Kansas TO: All Oil and Gas Producers, Unleased (Mineral Interest) Owners, Landowners, and all persons whatsoever concerned. You, and each of you, are hereby notified that Colt Energy, Inc. has filed an application for Commingling of Production and Fluid Production from the Summit, Excello Shale, Aubrey Coal, Iron Post Coal, Croweburg & V Shale Minerals, TESCO, AW, BW, E, Warner SS & Riverbark Coal Formations at the Teedstrom 9-2 well, located 2070' SL 700' FEL Section 2 Township 31 Range 17E, Labette County, Kansas. Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of the publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing. All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly. Colt Energy, Inc. P.O. Box 368 Iola, Kansas 66749 620-365-3111

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KCC WICHITA

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

February 19, 2007

Jim Stegeman
Colt Energy, Inc.
PO Box 388
Iola, KS 66749

RE: Approved Commingling CO120605
Tedstrom 9-2, Sec.2-T31S-R17E, Labette County, Kansas API No. 15-099-23878-00-00

Dear Mr. Stegeman:

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 **December 4, 2006** concerns approval to simultaneously produce from the following **twelve** sources of supply through the same tubing string in the same wellbore:

Formation	BOPD	MCFPD	BWPD
Summit (Little Osage Shale)	0	5	10
Excello Shale & Mulky Coal	0	35	50
Iron Post Coal	0	5	10
Croweburg Coal & V Shale	0	5	10
Mineral Coal	0	5	10
Tebo Shale and Coal	0	5	5
AW Coal	0	5	5
BW Coal	0	5	5
L. Warner SS	0	5	5
Riverton Coal	0	5	10

The total estimated current production from all sources of supply in the subject well is **0 BOPD, 80 Mcfpd and 120 BWPD**. Based upon the depth of Riverton Coal 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 **CO120605** 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