

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 # CO120603

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 #: 15-099-23877 0000  
Lease Name: Enegren Well #: 7-2  
Spot: \_\_\_\_\_ Sec. 2 Twp. 31 S. R. 17  East  
County: Labette  West  
Feet from  North /  South Line of Section: 1840  
Feet from  East /  West Line of Section: 1910

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

Formation: Summit (Little Osage Shale) (Perfs): 568-571 13 shots  
Formation: Excello Shale & Mulky Coal (Perfs): 590-596 25 shots  
Formation: Iron Post Coal (Perfs): 626-628 9 shots  
Formation: Croweburg Coal & V Shale (Perfs): 650-653 13 shots  
Formation: \_\_\_\_\_ (Perfs): \_\_\_\_\_

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

Formation: Little Osage Shale BOPD: 0 MCFPD: 5 BWPD: 15  
Formation: Excello Shale & Mulky Coal BOPD: 0 MCFPD: 35 BWPD: 50  
Formation: Iron Post Coal BOPD: 0 MCFPD: 5 BWPD: 10  
Formation: Croweburg Coal BOPD: 0 MCFPD: 5 BWPD: 10  
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.

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:

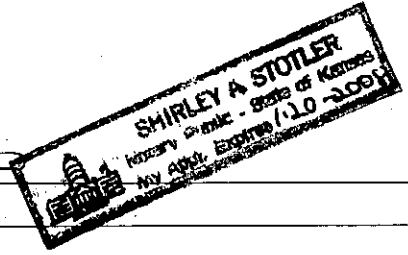
- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

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

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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: Jola, KS 66749  
Contact Person: Jim Stegeman  
Phone #: 913-236-0016

Well Information:

API #: 15 - 099-23877  
Lease Name: Enegren Well #: 7-2  
Spot: \_\_\_\_\_ Sec. 2 Twp. 31 S. R. 17  East  
County: Labette  West  
Feet from  North /  South Line of Section: 1840  
Feet from  East /  West Line of Section: 1910

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

Formation: Mineral Coal (Perfs): 691-694 13 shots  
Formation: TEBO/ WEIR Coal (Perfs): 756-760 17 shots  
Formation: AW Coal (Perfs): 926-928 9 shots  
Formation: BW Coal (Perfs): 934-936 9 shots  
Formation: L. Warner & Riverton Coal (Perfs): 981-991 41 shots

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

Formation: Mineral BOPD: 0 MCFPD: 5 BWPD: 10  
Formation: TEBO BOPD: 0 MCFPD: 2 BWPD: 5  
Formation: Weir BOPD: 0 MCFPD: 3 BWPD: 5  
Formation: AW/BW BOPD: 0 MCFPD: 5/5 BWPD: 5/5  
Formation: L. Warner & Riverton Coal BOPD: 0 MCFPD: 5/5 BWPD: 15/15

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:

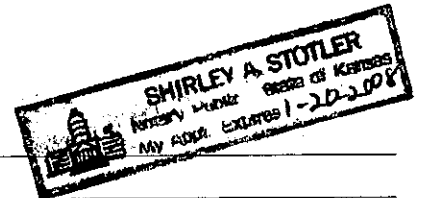
- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

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 20 06  
Notary Public: Shirley A Stotler  
My Commission Expires: 1-20-2008

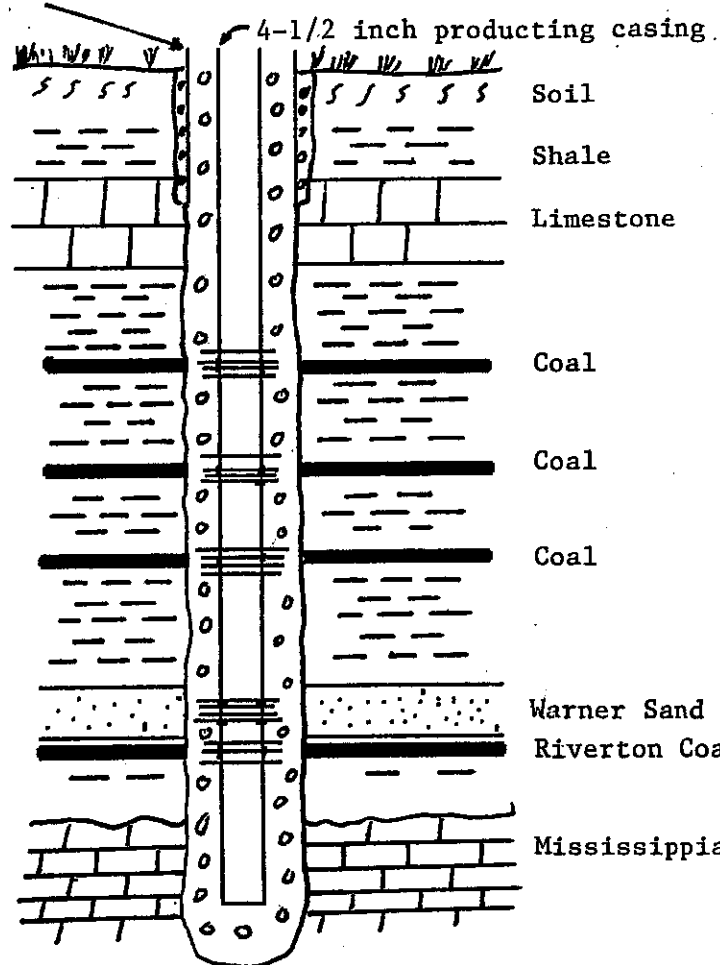
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**KCC Office Use Only**  
 Denied  Approved  
KCC Date Received: \_\_\_\_\_ 15-Day Periods Ends: \_\_\_\_\_  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

WELL DIAGRAM FOR ENEGREN 7-2

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20 ft 8 inch surface casing



Soil  
Shale  
Limestone  
Coal  
Coal  
Coal  
Warner Sand &  
Riverton Coal 981-991 ft. (41 shots)  
Mississippian Ls.

TOTAL DEPTH: 1091.8 ft.



<b>Name &amp; Address</b>	<b>Legal Description</b>	<b>Sec-Twn-Rge, County</b>
	<b>OPERATORS</b>	<b>Labette</b>
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 SW	1 - 31 - 17E 2 - 31 - 17E 11 - 31 - 17E 36 - 30 - 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	1 - 31 - 17E 2 - 31 - 17E 2 - 31 - 17E 2 - 31 - 17E
Layne Energy, Inc. 1900 Shawnee Mission Pkwy Mission Woods, KS	SW west of 169 Hwy & West 70 acres of S2 NW SE SW SE	2 - 31 - 17E 2 - 31 - 17E 3 - 31 - 17E 35 - 30 - 17E
	<b>LANDOWNERS</b>	
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 Pt S4 SE SE west of 169 Hwy	2 - 31 - 17 E 2 - 31 - 17E 35 - 30 - 17E
EldonJ & Carolyn A Linnebur 4 Dakota Lane Los Alamos, NM 87544	NW NW N3/4 SE SE west of 169 Hwy	2 - 31 - 17E 35 - 30 - 17E
Andy L & Mary Beth Wenino 137 27000 Rd Thayer, KS 66776	18 ac approx W2 NE NW	2 - 31 - 17E
Jay D. & Sharon Hicks 329 27000 Rd. Thayer, KS 66776-5152	SE SE east of RR Right of way	35 - 30 - 17E
Earl V. Ellis 510 W Walnut Cherryvale, KS 67335	S2 NW S2 NE east of RR Right of way	1 - 31 - 17E 2 - 31 - 17E
Allen C. & Judy Enegren 3825 NW 64th Oklahoma City, OK 73116	S2 NW S2 NE east of RR Right of way	1 - 31 - 17E 2 - 31 - 17E
Chester Fogleman 1250 20th Rd Thayer, KS 66776	S2 NW S2 NE east of RR Right of way	1 - 31 - 17E 2 - 31 - 17E

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Enegren 7-2

EXHIBIT "A"

cont.

Clifford Marvin & Rose Fogleman      S2 NW      1 - 31 - 17E  
 1250 20th Rd.      S2 NE east of RR Right of way      2 - 31 - 17E  
 Thayer, KS 66776

Thelma N.& Frank Houstey      S2 NW      1 - 31 - 17E  
 963 Corsicana Drive      S2 NE east of RR Right of way      2 - 31 - 17E  
 Oxnard, CA 93036

Ival M. Kirk      S2 NW      1 - 31 - 17E  
 P.O.Box 789950      S2 NE east of RR Right of way      2 - 31 - 17E  
 Wichita, KS 67278

Dorothy Todd      S2 NW      1 - 31 - 17E  
 705 South H Street      S2 NE east of RR Right of way      2 - 31 - 17E  
 Lakeview, OR 97630

Jerry and Donna Frazier      Lot in Morehead  
 1445 Hwy 169  
 Thayer, KS 66776

William Asmussen      Lot in Morehead  
 1830 10th Rd  
 Thayer, KS 66776

Randy and Roy, Williams      Lot in Morehead  
 1850 Nichols  
 Thayer, KS ~~66776~~ 66776

Rany and Lamont Williams      Lot in Morehead  
 1850 Nichols St.  
 Thayer, KS ~~66776~~ 66776

Roy and Rany Williams      Lot in Morehead  
 1580 Nichols  
 Thayer, KS ~~66776~~ 66776

Bradley Fought      Lot in Morehead  
 1800 10th Rd.  
 Thayer, KS 66776

William and Gina Fought      Lot in Morehead  
 1800 10th Rd.  
 Thayer, KS 66776

W.A. Asmussen      Lot in Morehead  
 1830 10th Rd.  
 Thayer, KS 66776

Arolyn Heights, Inc.      Lot in Morehead

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BOX 945  
Chanute, KS 66720

Homer Wayne Pollock  
1090 Depot  
Thayer, KS 66776

Billy Fought  
1960 10th Rd.  
Thayer, KS 66776

Lot in Morehead

Lot in Morehead

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DEC 04 2005

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Enegren #7-2 - wells within 1/2 mile

Wellname	Location	Operator	Address
Tedstrom 15-2	S2,S2,N2 2-31 S-17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Tedstrom 9-2	NE,SE 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
McKennon 3	SE,SE 2-31 S-17 E	Bob Tedstrom	170 26000 Road, Cherryvale, KS 67335
Fogleman 3	SE,NW 2-31 S-17 E	Veeder Supply & Dev	old well not found
Fogleman 2	SE,NW 2-31 S-17 E	Veeder Supply & Dev	old well not found
C.Ellis #2	NW,SW,SE 2-31 S-17 E	JR Finley	old well monitored
Dickens #2	NW,NE 2-31 S-17 E	Nolan & Willis	D & A
Ellis #1	S of CNE 2-31 S-17 E	West & Welch	Oil Well plugged
Swope #3	CNE 2-31 S-17 E	West & Welch	old well not found
Smith #1	NE,SE,NE 2-31 S-17 E	Willis	D & A



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

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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:

Subscribed and sworn to before me this

17<sup>th</sup> day of October, 2006



My commission expires: August 16, 2010

Printer's fee \$ 37.80

Additional copies \$

 **RON TATE**  
Notary Public - State of Kansas  
My Appt. Expires

**RECEIVED**  
**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  
Commingleing of Production and Fluid  
Production on the Enegren 7-2 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 Commingleing of Production from the  
Summit, Excello Shale, Mulky Coal, Iron Post  
Coal, Croweburg & V Shale, Mineral, TEBO,  
Weir, AW/BW, L. Warner & Riverton Coal  
Formations at the Enegren 7-2 well, located  
1840FSL 1910FWL Section 2 Township 31  
Range 17E, Labette County, Kansas.  
Any person who objecto 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 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

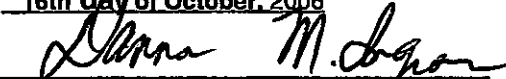
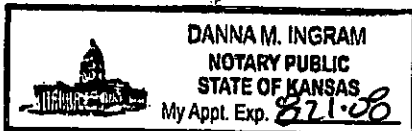
subsequent publications being made on the following dates:

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



Subscribed and sworn to before me this

16th day of October, 2006

  
Notary Public Sedgwick County, Kansas

Printer's Fee \$88.00

**LEGAL PUBLICATION**

Published in the Wichita Eagle  
on October 16, 2006 (2573170)  
BEFORE THE STATE CORPORATION  
COMMISSION OF THE STATE OF KANSAS  
**NOTICE OF FILING APPLICATION**  
RE: Colt Energy, Inc. - Application for  
Commingleing of Production and Fluid  
Production on the Enegren 7-2 located in  
Lafayette 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  
Commingleing of Production and Fluid  
Production from the Summit, Excello State,  
Mulky Coal, Iron Post Coal, Croweburg & V  
Shale, Mineral, TEBO, Welr, AW/BW, L  
Warner & Riverton Coal Formations at the  
Enegren 7-2 well, located 1840FSL 1910FWL  
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.  
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correlative rights or pollute the natural  
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through a summary proceeding. If valid  
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themselves accordingly.  
Colt Energy, Inc.  
P.O. Box 388  
Idola, Kansas 66749  
620-365-3111

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DEC 04 2006  
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 CO120603  
Enegren 7-2, Sec.2-T31S-R17E, Labette County, Kansas API No. 15-099-23877-00-00**

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 **thirteen** sources of supply through the same tubing string in the same wellbore:

Formation	BOPD	MCFPD	BWPD
Summit (Little Osage Shale)	0	5	15
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 Coal	0	2	5
Weir Coal	0	3	5
AW Coal	0	5	5
BW Coal	0	5	5
L. Warner	0	5	15
Riverton Coal	0	5	15

The total estimated current production from all sources of supply in the subject well is **0 BOPD, 80 Mcfpd and 145 BWPD**. Based upon the depth of L. Warner & 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 **CO120603** 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