

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
September 2005

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

Commingling ID # CO050603

Operator Information:

License #: 8802
Name: COBRA OIL & GAS CORPORATION
Address: P O BOX 8206
City/State/Zip: WICHITA FALLS, TX 76307-8206
Contact Person: RORY EDWARDS
Phone #: 940-716-5100

Well Information:

API #: 15 - 025-21326-0000
Lease Name: TAYLOR 23 Well #: 1
Spot: - C - SE - SW Sec. 34 Twp. 34 S. R. 24 East
County: CLARK West
Feet from North / South Line of Section: 660
Feet from East / West Line of Section: 1980

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

Formation: CHESTER BASAL SAND (Perfs): 5724' - 5754'
Formation: CHESTER LIME (Perfs): 5487' - 5508'
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

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

Formation: CHESTER BASAL SAND BOPD: 10 MCFPD: 300 BWPD: 0
Formation: CHESTER LIME BOPD: _____ MCFPD: 400 BWPD: 2
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 as required in K.A.R. 82-3-135a(b).

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 Texas)
)
County of Wichita)

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: Rory Edwards
Printed Name: RORY EDWARDS
Title: MGR, DRLG & PROD

Subscribed & sworn to before me this 28th day of April, 2006

Notary Public: Sharon Fletcher
My Commission Expires: June 22, 2007

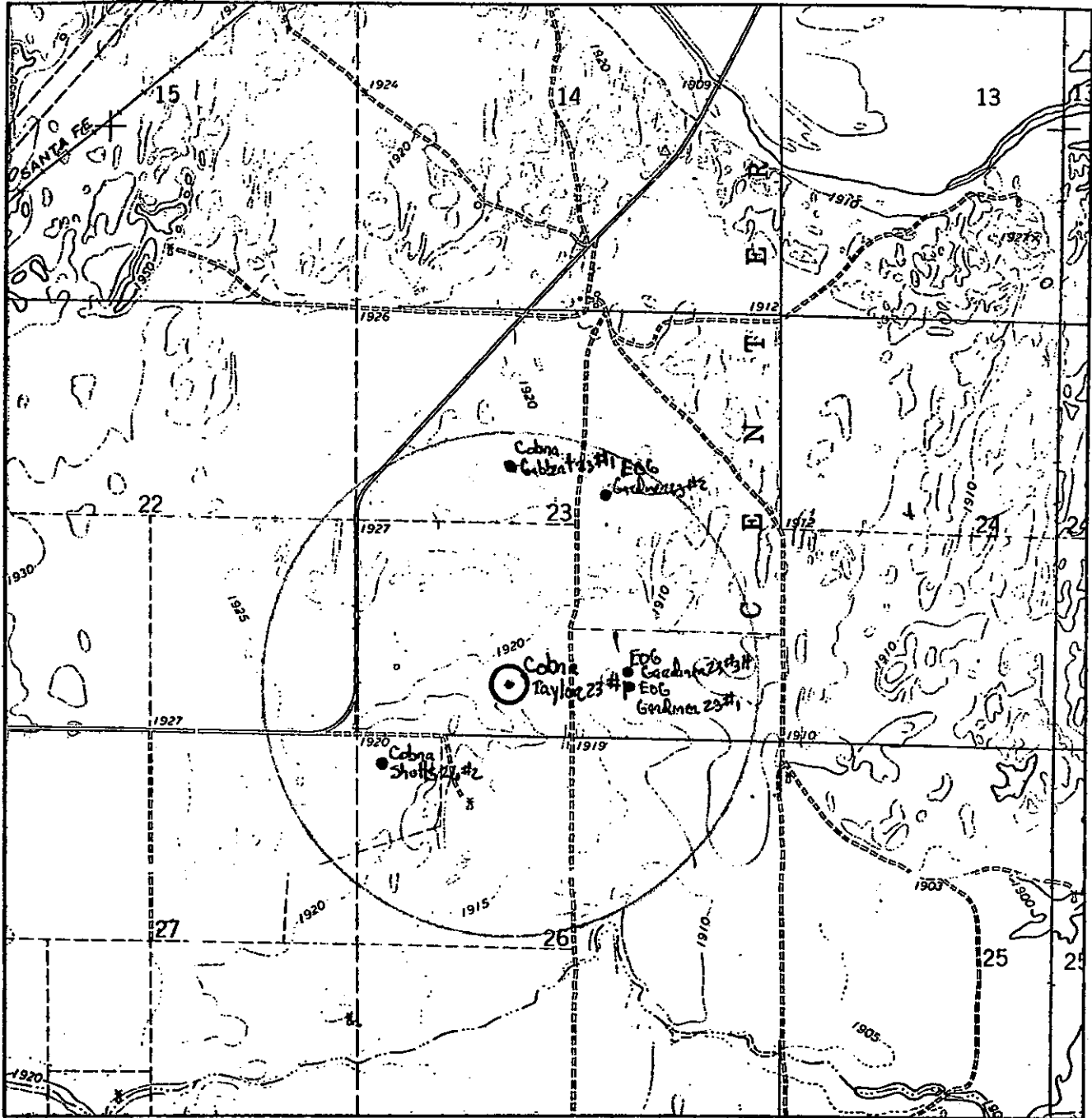
KCC Office Use Only
 Denied Approved
KCC Date Received: 5-1-06 15-Day Periods Ends: 6-10-06
Approved By: DPW Date: 6-23-06

RECEIVED
MAY 01 2006
KCC WICHITA

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

Surveying and Mapping for the Energy Industry
6709 North Classen Blvd. Oklahoma City, OK 73116 www.topographic.com
Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

LOCATION & ELEVATION VERIFICATION MAP



Sec. 23 Twp. 34S Rng. 24W
County CLARK State KS
Operator COBRA OIL & GAS CORPORATION
Description 1980' FWL - 660' FSL
Lease TAYLOR 23 #1
Elevation 1915' Gr. at Stake
U.S.G.S. Topographic ENGLEWOOD
Quadrangle Map

Above Background Data from
U.S.G.S. Topographic Map
Scale: 1" = 2000'

Contour Interval 10'

This location has been very carefully staked on the ground according to the best official survey records, maps and photographs available to us, but its accuracy is not guaranteed. When elevation is shown hereon it is the ground elevation of the location stake.
Review this plat and inform us immediately of any possible discrepancy.

TOPOGRAPHIC

Surveying • Mapping • GIS • GPS

LAND SURVEYORS
OF OKLAHOMA

DEC 30 2005



P.O. BOX 8206
WICHITA FALLS,
TEXAS 76307-8206
TELEPHONE (940) 716-5100
PRODUCTION FAX (940) 716-5110
WELL LOG FAX (940) 716-5180
LAND FAX (940) 716-5210
ACCOUNTING FAX (940) 716-5150
EXPLORATION FAX (940) 716-5170

Kansas Corporation Commission
Conservation Division, Finney State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Taylor 23 #1
SW/4, Section 23-T34S-R24W
Clark County, Kansas

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MAY 01 2006
KCC WICHITA

Gentlemen:

Please find enclosed Cobra Oil & Gas Corporation's Application for Well Bore Commingling of Production for the captioned well. Included is Form CDP-5, ACO-1, ACO-4, plat designating one-half mile radius around well, list of wells within the one-half mile radius with operator, wireline logs and letter attesting copy of notice sent to offset operator. Cobra Oil & Gas Corporation is requesting to commingle the Basal Chester Sand and the Chester Lime. A packer with an "X" nipple will be set between the two intervals. Tubing will be run with a sliding sleeve. This will allow either zone to be shut in to test the remaining zone.

The Basal Chester Sand has been perforated and "broken down" with 1,500 gallons of acid. Larger stimulations are being scheduled for these zones. Tubing and a packer with an "X" nipple will be run and the zone flowed back until it cleans up. A plug will then be set in the "X" nipple, tubing pulled and the Chester Lime perforated and stimulated. Tubing will be run with a sliding sleeve and the zone flowed back until it cleans up. At that point, the plug will be pulled from the packer and the zones commingled.

Upon completion of this work, Form ACO-1 will be refiled to update with stimulation and production information. The reserve pits are in the process of being closed at this time. Form CDP-4 will be filed when closure is completed.

Cobra respectfully requests that all logs and other information provided, be kept confidential for a period of one year in accordance with Kansas Corporation Commission regulations. Thank you for your consideration of this request. Should you require additional information, please advise.

Sincerely,

Cobra Oil & Gas Corporation

A handwritten signature in black ink that reads "Rory Edwards".

Rory Edwards
Manager of Drilling & Production

RE/bas

Enclosures
M:/Wpfiles/Rory/LTR1240

TAYLOR 23 #1 – C SE SW
SECTION 23, T34S, R24W
CLARK COUNTY, KANSAS

WELLS LOCATED WITHIN A ONE-HALF MILE RADIUS:

1. Shutts 26 #2 – Cobra Oil & Gas Corporation
2. Gardiner 23 #1 – EOG Resources, Inc.
3. Gardiner 23 #2 – 3817 NW Expressway, Suite 500
4. Gardiner 23 #3H – Oklahoma City, OK 73112
5. Gabbert 23 #1 – Cobra Oil & Gas Corporation

RECEIVED
MAY 01 2006
KCC WICHITA

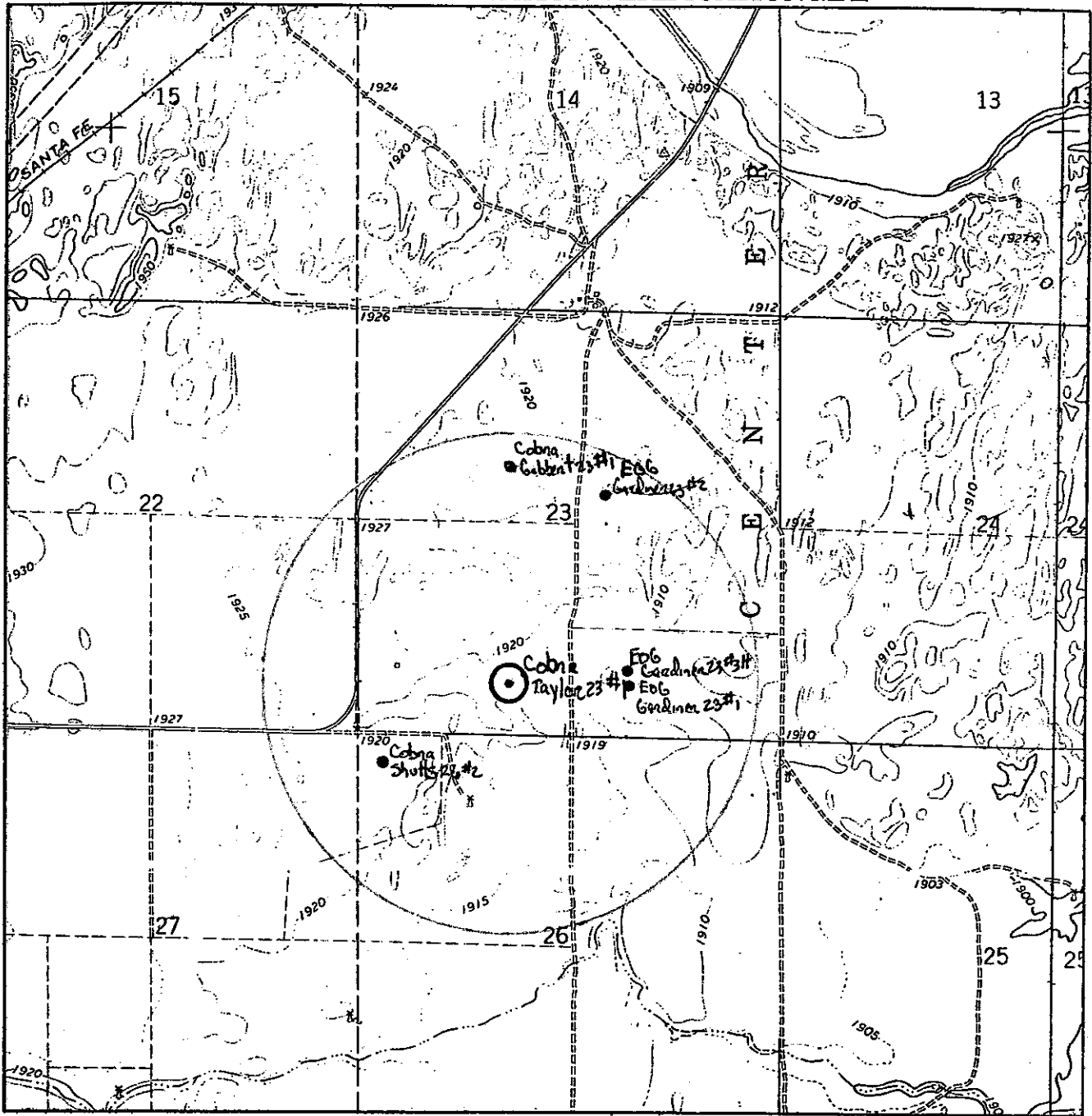
UNLEASED MINERAL OWNERS WITHIN A ONE-HALF MILE RADIUS:

NONE

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LOCATION & ELEVATION VERIFICATION MAP



Sec. 23 Twp. 34S Rng. 24W
 County CLARK State KS
 Operator COBRA OIL & GAS CORPORATION
 Description 1980' FWL - 660' FSL
 Lease TAYLOR 23 #1
 Elevation 1915' Gr. at Stake
 U.S.G.S. Topographic ENGLEWOOD
 Quadrangle Map

Above Background Data from
 U.S.G.S. Topographic Map
 Scale: 1" = 2000'

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TOPOGRAPHIC
 SURVEYING • MAPPING • GIS • GPS
 LAND SURVEYORS
 OF OKLAHOMA

DEC 30 2005



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WELL LOG FAX (940) 716-5180
LAND FAX (940) 716-5210
ACCOUNTING FAX (940) 716-5150
EXPLORATION FAX (940) 716-5170

April 28, 2006

Kansas Corporation Commission
Conservation Division, Finney State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Application for Well Bore Commingling of Production
Taylor 23 #1
SW/4, Section 23-T34S-R24W
Clark County, Kansas

Gentlemen:

Cobra Oil & Gas Corporation mailed a copy of the above captioned application to EOG Resources, Inc., 2817 NW Expressway, Suite 500, Oklahoma City, OK 73112 on April 28, 2006.

Should you require additional information, please advise.

Sincerely,

Cobra Oil & Gas Corporation

A handwritten signature in black ink that reads "Rory Edwards".

Rory Edwards
Manager of Drilling & Production

RE/bas

Enclosure
M:/Wpfiles/Rory/LTR1238

RECEIVED
MAY 01 2006
KCC WICHITA


COBRA
OIL & GAS CORPORATION

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TEXAS 76307-8206
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EXPLORATION FAX (940) 716-5170

April 28, 2006

EOG Resources, Inc.
Attn: Production Department
3817 NW Expressway, Suite 500
Oklahoma City, Oklahoma 73112

RE: Application for Commingling of Production
Gabbert 23 #1
Taylor 23 #1
Section 23, T34S, R24W
Clark County, Kansas

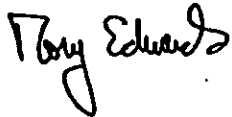
Gentlemen:

Enclosed are copies of Cobra Oil & Gas Corporation's Application for Well Bore Commingling of Production. The Taylor 23 #1 and Gabbert 23 #1 wells, are located in Section 23, T34S, R24W in Clark County, Kansas. Both wells will commingle production from the Basal Chester Sand and Chester Lime intervals in the well bore.

Should you require additional information, please advise.

Sincerely,

Cobra Oil & Gas Corporation



Rory Edwards
Manager of Drilling & Production

RE/bas

Enclosure
M:/Wpfiles/Rory/LTR1237

RECEIVED
MAY 01 2006
KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
September 2005

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

Commingling ID # _____

Operator Information:

License #: 8802
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City/State/Zip: WICHITA FALLS, TX 76307-8206
Contact Person: RORY EDWARDS
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API #: 15 - 025-21326-0000
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- _____ 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Texas)
County of Wichita)

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: Rory Edwards
Printed Name: RORY EDWARDS
Title: MGR, DRLG & PROD

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

Subscribed & sworn to before me this 28th day of April, 2006
Notary Public: Sharon Fletcher
My Commission Expires: June 22, 2007

RECEIVED
MAY 01 2006
KCC WICHITA

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 issue - weeks, that the first publication of said notice was

made as aforesaid on the 20th day of

May A.D. 2006, with

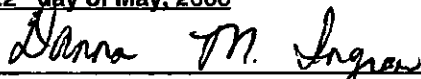
subsequent publications being made on the following dates:

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

22nd day of May, 2006



Notary Public Sedgwick County, Kansas



Printer's Fee \$44.00

LEGAL PUBLICATION

First Published in The Wichita Eagle on May 20, 2006 (2494555)

NOTICE OF PUBLICATION

On this date, May 20, 2006, Cobra Oil & Gas Corporation does hereby provide notice of its Application for Commingling of Production or Fluids for the Taylor 23 #1 well, by publication in the Wichita Eagle Newspaper. This well is located in C SE SW Sec 34, TWP 34S, R24W in Clark County, Kansas. Production from the Basal Chester Sand, 5,724 feet - 5,754 feet, and the Chester Lime, 5,487 feet - 5,508 feet, will be commingled in the well bore.

Once notice of application is published, the application shall be held in abeyance for fifteen (15) days pending the filing of any protest to the application. Any protest must be filed in writing, to the Kansas Corporation Commission, Oil & Gas Conservation Division, 130 S. Market, Room 2078, Wichita, Kansas 67202, within fifteen (15) days of production, reference Pocket Number CO050603.

RECEIVED
JUN 12 2006
KCC WICHITA

PROOF OF PUBLICATION

STATE OF KANSAS, CLARK COUNTY, ss.

..... Amber Worsell of lawful age,
being first duly sworn upon oath, says: That he is the Publisher of:

that said newspaper has been published at least weekly fifty (50) times a year and has been so published for at least five years prior to the first publication of the attached notice; that said paper was entered as second class mail matter at the post office of its publication; that said newspaper has a general paid circulation on a weekly basis in Clark County, Kansas, and is not a trade, religious or fraternal publication and has been printed and published in Minneola, Clark County, Kansas 67865

(Paste clipping of
notice here).

The attached was published on the following dates in a regular issue of said newspaper:

First Publication 5-25 , 06
Second Publication
Third Publication
Fourth Publication
Fifth Publication
Sixth Publication

RECEIVED
JUN 12 2006
KCC WICHITA

Printers Fee \$ 30.80

Public Notice...

(First published in The Clark County Clipper, Thursday, May 25, 2006-1tc) 12 day of

NOTICE OF PUBLICATION

On this date, May , 2006, Cobra Oil & Gas Corporation does hereby provide notice of its Application for Commingling of Production or Fluids for the Taylor 23 #1 well, by publication in the Clark County Clipper Newspaper. This well is located in C SE SW Sec 34, TWP 34S, R24W in Clark County, Kansas. Production from the Basal Chester Sand, 5,724 feet - 5,754 feet, and the Chester Lime, 5,487 feet - 5,508 feet, will be commingled in the well bore.

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KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

June 23, 2006

Rory Edwards
Cobra Oil & Gas Corporation
PO Box 8206
Wichita Falls, TX 76307-8206

RE: Approved Commingling CO 050603
Taylor 23 #1, Sec. 34, T. 34S, R. 17W, Clark County, Kansas
API No. 15-025-21326-00-00

Dear Mr. Edwards:

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**. This application, which was received by the KCC on May 1, 2006 concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **Chester Lime** and the **Chester Basal Sand** formations.

According to your application, the estimated current production from the **Chester Lime** source of supply is **400 MCFPD** and **2 BWPD**. The estimated current production from the **Chester Basal Sand** source of supply is **10 BOPD**, **300 MCFPD** and **0 BWPD**. The total estimated current production from all sources of supply in the subject well is **10 BOPD**, **700 MCFPD** and **2 BWPD**. Included in this application was operator verification that the offset operators had been formally notified of this application with proof of publication pursuant to K.A.R. 82-3-135 a (b)(d) was submitted. No protest had been filed within the 15-day protest period.

Based upon the depth of the **Chester Basal Sand** formation perforations, total oil production shall not exceed **200 BOPD** and total gas production shall not exceed **50%** of absolute open flow.

Docket Number **CO 050603** 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,

David P. Williams
Professional Geologist/KCC Production Supervisor

M:\PROD\Production_Shared\Prod_2006\AD-ORD\COMMINGLING\COBRA\CO 050603.doc