

OPERATOR Jones Gas Corporation DOCKET # CO 100501 DATE _____
 ADDRESS P O Box 970 OPERATOR'S LICENSE # 32654
Wichita, KS 67201-0970 API NO. 15- 125-30824-00-00
 LEASE H. McDaniel D WELL NO. #2
 QUARTER NE SEC 28 TWP 31 RGE 15 W ^{E X}

COMMINGLING 82-3-123

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1. Description of the well.
A plat showing:
- a) Location of subject well.
 - b) Location of other wells on the lease.
 - c) Location of offsetting wells and operator's name.
2. Names and upper and lower limits of the source of supply involved.

(NAME) Weir (PERFS) 997' - 1001'
 (NAME) Bartlesville Sand (PERFS) 1048'-1052';1090'-1094'
 (NAME) _____ (PERFS) _____

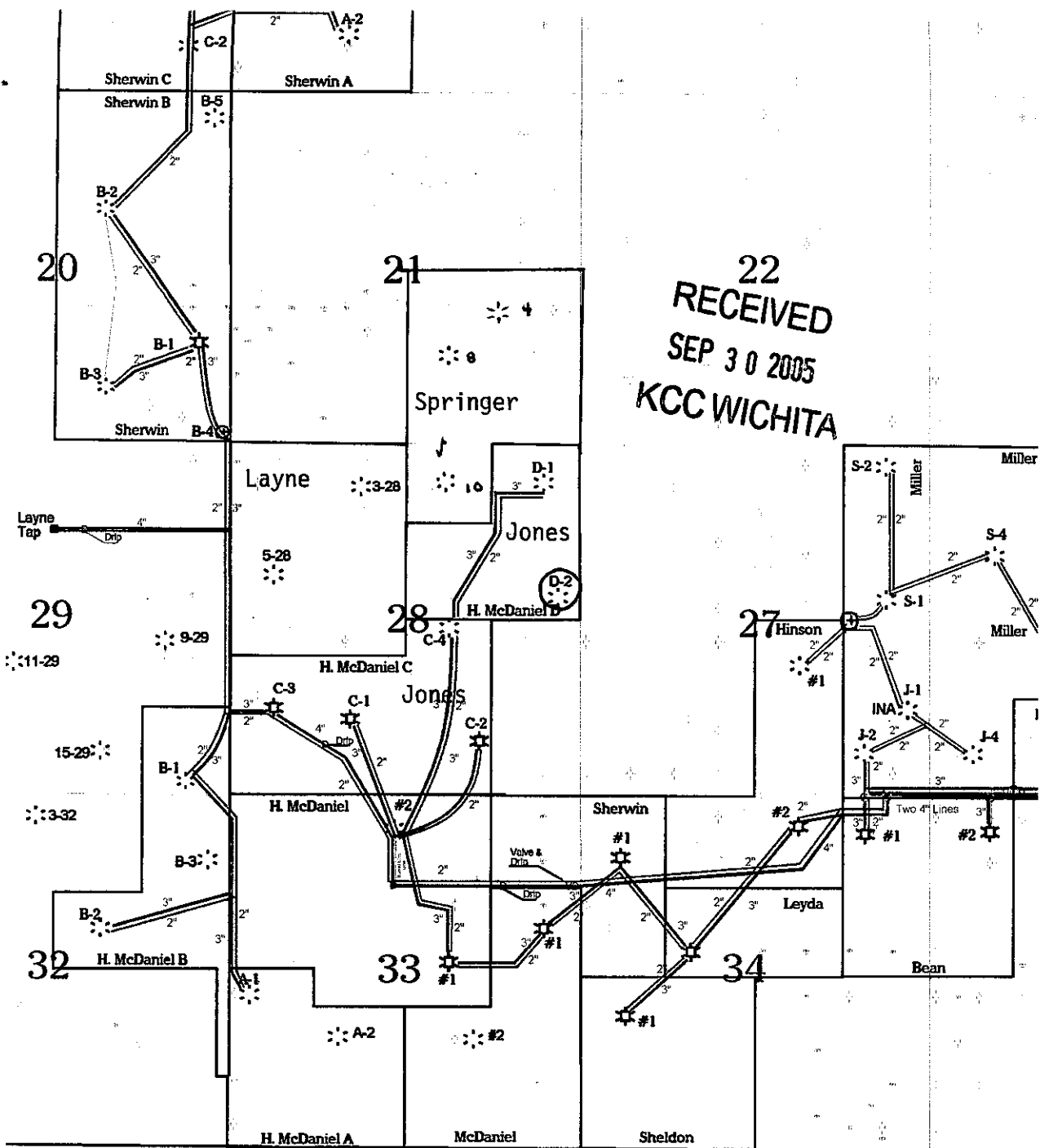
3. Wireline log of the subject well. ✓
 4. A complete ACO-1 form.
 5. Expected production, oil-gas-water, for each source of supply.

FORMATION	BOPD	MCF	BWPD
<u>Weir</u>	_____	<u>20</u>	<u>25</u>
<u>Bartlesville Sd</u>	_____	<u>30</u>	<u>80</u>
_____	_____	_____	_____
_____	_____	_____	_____

ESTIMATED COMBINED TOTAL _____ BOPD _____ MCF 50 BWPD 105

6. Application shall be supported by an Affidavit and shall contain a certificate showing service of a copy of the application without attachments to the offsetting operators. You are responsible for this. Unless waivers are obtained, applications are held for fifteen days to give offsetting operators time to file objections. If waivers are obtained, applications can be processed immediately. If objections are filed, applications are then set for hearing.

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JONES GAS CORPORATION
 Sycamore Field Area

WELL STATUS
 PROD P&A TYPE

- ⊙ ACTIVE GAS
- ⊙ OIL
- ⊙ GAS
- ⊙ O&G
- ⊙ DRY
- ⊙ SALT WATER

LEGEND

○ = Road Crossing

GAS	WATER
2"	2"
3"	3"
4"	4"


AFFIDAVIT

This Affidavit is made to certify that I, George R. Jones, President, of Jones Gas Corporation, did serve a copy of the ACO-4 Commingling Application for the H. McDaniel D #2 Well, located in the NE/4 Section 28, Township 31 South, Range 15 East, Montgomery County, Kansas, to the following offset Operators, on this 29th Day of September, 2005:


Layne Energy Operating LLC
1900 Shawnee Mission Parkway
Mission Woods, KS 66205

Lee A. Springer
3321 CR 5800
Independence, KS 67301

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George R. Jones



Date

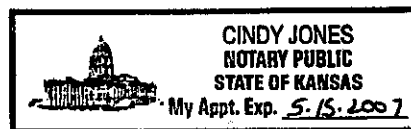
Subscribed and sworn to before me this 29th day of September, 2005.



Notary Public

My Commission Expires:

May 15, 2007



SECTION 1: (C)

Location of Offsetting Wells and Operator's Names:

NW/4 Section 28-31-15E

NW NE Sec. 28-31-15E (Springer 10) Operated by Lee A. Springer

C. SW/4 NW/4 Sec. 28-31-15E (F. Smith 5-28) Operated by Layne Energy Operating
LLC

SW NE NW NW Sec. 28-31-15E (Fred Smith 3-28) Operated by Layne Energy
Operating LLC

SE/4 Section 21-31-15E

NW SW SE Sec. 21-31-15E (Springer 8) Operated by Lee Springer

SW NE SE Sec. 21-31-15E (Springer 4) Operated by Lee Springer

W/2 Sec. 27 & E/3 SE/4 Sec. 28-31-15E

No know wells

S/2 and W/2 SE/4 Sec. 28-31S-15E

All wells owned and operated by Jones Gas Corporation

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KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

December 8, 2005

George Jones
Jones Gas Corporation
PO Box 970
Wichita KS 67201-0970

RE: Approved Commingling CO 100501
H.McDaniel "D" #2, NE/4, Sec. 28, T.31S, R.15E, Montgomery County, Kansas
API No. 15-125-30824-00-00

Dear Mr. Jones:


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 **September 30**, concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **Weir** and the **Bartlesville Sand** formations.

According to your application, the estimated current production from the **Weir** source of supply is **200 MCFGPD** and **25 BWPD**. The estimated current production from the **Bartlesville Sand** source of supply is **30 MCFGPD** and **80 BWPD**. The total estimated current production from all sources of supply in the subject well is **50 MCFGPD** and **105 BWPD**. Included in this application was operator verification that the offset operators had been formally notified of this application. No protest had been filed within the 15-day protest period.

Based upon the depth of the **Bartlesville Sand** formation perforations, total oil production shall not exceed **100 BOPD** and total gas production shall not exceed **50%** of open flow.

Docket Number **CO 100501** 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,



Robert Petersen

Geologist/KCC Production

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