

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 070603

Operator Information:

License #: 32639
Name: CORAL PRODUCTION CORP.
Address: 1600 STOUT ST., SUITE 1500
City/State/Zip: DENVER, CO 80202
Contact Person: JIM WEBER
Phone #: 303 623-3573, #103

Well Information:

API #: 15 - 163-23512-00-00
Lease Name: STEPP Well #: 1
Spot: W/2 - NW - SW - NW Sec. 6 Twp. 10 S. R. 18 East
County: ROOKS West
Feet from North / South Line of Section: 1620'
Feet from East / West Line of Section: 80'

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

Formation: TORONTO (Perfs): 3403'-3406'
Formation: LANSING (Perfs): 3445'-48'; 3458'-59'; 3462'-66'; 3475'-78'; 3503'-06'
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

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

Formation: TORONTO BOPD: 30 MCFPD: _____ BWPD: _____
Formation: LANSING BOPD: 15 MCFPD: _____ BWPD: _____
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.

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 _____)
County of _____)

ss:

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KANSAS CORPORATION COMMISSION
FEB 15 2007
CONSERVATION DIVISION
WICHITA, KS

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 R. Weber
Printed Name: JAMES R. WEBER
Title: PRESIDENT

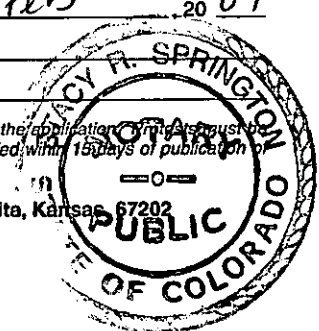
Subscribed & sworn to before me this 12 day of FEB, 20 07
Notary Public: Julie K. Quinn
My Commission Expires: 2/1/2009

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

KCC Office Use Only

Denied Approved
KCC Date Received: 2/12/07 15-Day Periods Ends: 2/23/07
Approved By: [Signature] Date: 2-23-07

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



AFFIDAVIT OF PUBLICATION

STATE OF KANSAS, ROOKS COUNTY: ss:

ROBERT L. HAMILTON, being first duly sworn, deposes and says: That he is the publisher of the STOCKTON SENTINEL, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Rooks County, Kansas, with a general paid circulation on a weekly basis in Rooks County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly published at least weekly 50 times a year; and has been admitted at the post office of Stockton, Kansas, in said County as second class matter.

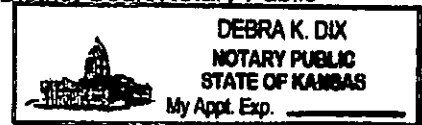
That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper one consecutive week(s), the first publication thereof being made as aforesaid on the 8th day of February, 2007, with subsequent publication being made on the following dates:

_____, 20____, _____ 20____
_____, 20____, _____, 20____
_____, 20____, _____, 20____

Robert L. Hamilton

Subscribed and sworn to before me this 8th day of February, 2007

Debra K. Dix
Clerk of the District Court/Notary Public



My Commission Expires: 11-5-09

Printer's Fees: \$ 29.04

Additional Copies: \$ _____

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FEB 1 2 2007

CORAL PRODUCTION CORP.

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KANSAS CORPORATION COMMISSION

FEB 15 2007

CONSERVATION DIVISION
WICHITA, KS

PUBLIC NOTICE

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

NOTICE OF FILING APPLICATION

RE: CORAL PRODUCTION CORPORATION - APPLICATION TO COMINGLE PRODUCTION FROM THE LANSING AND TORONTO FORMATIONS (K.A.R. 82-3-123A) IN THE STEPP #1 WELL, LOCATED IN W/2 NW/4 SW/4 NW/4 OF SECTION 6, T-10-S, R-18-W ROOKS COUNTY, KANSAS.

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

You, and each of you, are hereby notified that Coral Production Corporation has filed an application to comingle oil production from the Lansing and Toronto Formations in its Stepp #1 well, located in the W/2 NW/4 SW/4 NW/4 of Section 6, T-10-S, R-18-W, Rooks 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 Kansas within (15) days from the date of this 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.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

CORAL PRODUCTION CORPORATION
1600 Stout Street, Suite 1500
Denver, Colorado 80202
(303) 623-3573

KANSAS CORPORATION COMMISSION
130 S. Market, Room 2078
Wichita, Kansas 67202

(First Published in the Stockton Sentinel February 8, 2007 - 11)

AFFIDAVIT

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STATE OF KANSAS \
- SS.
County of Sedgwick /

FEB 08 2007

CORAL PRODUCTION CORP.

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

LEGAL PUBLICATION

Published in the Wichita Eagle on February 5, 2007 (2623254)
BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
RE: Coral Production Corporation - Application to co-mingle production from the Lansing and Toronto Formations (K.A.R. 82-3-123a) in the Stepp #1 well, located in W/2 NW/4 SW/4 NW/4 of Section 6, T-10-S, R-18-W, Rooks County, Kansas.
TO: All Oil & Gas Producers, Unleased Mineral Interest Owners, Landowners and all persons whomever concerned.
You, and each of you, are hereby notified that Coral Production Corporation has filed an application to co-mingle oil production from the Lansing and Toronto Formations in its Stepp #1 well, located in the W/2 NW/4 SW/4 NW/4 of Section 6, T-10-S, R-18-W, Rooks 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 Kansas within fifteen (15) days from the date of this 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. All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.
Coral Production Corporation
1600 Stout Street, Suite 1500
Denver, Colorado 80202
(303) 623-3573
Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, Kansas 67202

made as aforesaid on the 5th of

February A.D. 2007, with

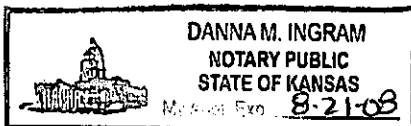
subsequent publications being made on the following dates:

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

5th day of February, 2007

Notary Public Sedgwick County, Kansas



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KANSAS CORPORATION COMMISSION
FEB 15 2007
CONSERVATION DIVISION
WICHITA, KS

Printer's Fee **\$82.00**

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

November 2, 2006

File copy

Dear Operator,

Your ACO-4 Application for Commingling is being returned to you for the following reason (see checked items):

- Re-file on current ACO-4 form (July 2006).** See enclosed, or can be found at <http://www.kcc.state.ks.us/conservation/forms>.
- ACO-4 Item 1 Missing)** Name of upper and lower limit of each production interval to be commingled.
- ACO-4 Item 2 Missing)** Estimated Amount of fluid production to be commingled from each interval.
- ACO-4 Item 3 Missing)** Plat map.
- ACO-4 Item 4 Missing)** Signed certificate showing service of the application to the offset leased and unleased mineral owners within ½ radius mile of the well pursuant to K.A.R. 82-3-135 a (b).
- ACO-4 Item 4 Missing)** Signed certificate of publication of the application in the official county newspaper and the Wichita Eagle newspaper pursuant to K.A.R. 82-3-135 a (d).
- ACO-4 Item 5 Missing)** Wireline log of the subject well,
- ACO-4 Item 6 Missing)** Complete ACO-1 (Well completion form) for the subject well.

Please return the form and attachments for processing.

Thank you.

KCC Production Department

**CORAL PRODUCTION CORPORATION
1600 STOUT STREET, SUITE 1500
DENVER, COLORADO 80202**

July 12, 2006

Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Form ACO-4; Commingling 82-3-123
Stepp #1
SW/4 Sec. 6, T-10-S, R-18-W,
Rooks County, Kansas

I, James R. Weber, President of Coral Production Corporation, do state under oath that the only offset operator to the Stepp well within a one-half mile radius is Coral Production Corporation. The working interest ownership of all land within a one-half mile radius of the Stepp well is contractually held by exactly the same working interest ownership as found in the Stepp well with the exception of the SE/4 of Section 36, T-9-S, R-19-W. This tract is not under lease at the present time and is owned by the following persons:

Robert L. McClellan
P. O. Box 248
Palco, Kansas 67657

Timothy and Lorie Griffin
2495 13 Road
Plainville, Kansas 67663

Service of Form ACO-4 was made to these persons listed above on July 12, 2006.

Affiant further states naught.

Date: July 12, 2006

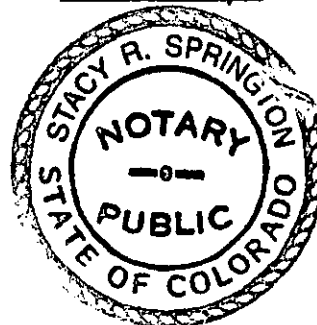
By: James R. Weber
James R. Weber, President
Coral Production Corporation

City and County of Denver)
State of Colorado)

Subscribed and sworn before me this 12th day of July, 2006.

Stacy R. Springston
Stacy R. Springston,
Notary Public

My commission expires: 2/1/2009



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JUL 17 2006
KCC WICHITA

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

February 23, 2007

Jim Weber
Coral Production Corp.
1600 Stout St., Suite 1500
Denver, CO 80202

**RE: Approved Commingling CO070603
Stepp #1, Sec. 6-T10S-R18W, Rooks County, Kansas
API No. 15-163-23512-00-00**

Dear Mr. Weber:

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 **July 17, 2006** concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **Toronto and Lansing** formations.

According to your application, the estimated current production from the **Toronto** source of supply is **30 BOPD, 0 Mcfpd and 0 BWPD**. The estimated current production from the **Lansing** source of supply is **15 BOPD, 0 Mcfpd and 0 BWPD**. The total estimated current production from all sources of supply in the subject well is **45 BOPD, 0 Mcfpd and 0 BWPD**.

Based upon the depth of the **Lansing** 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 **CO070603** 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