

OPERATOR Coral Production Corp. DOCKET # 030503 DATE 03/25/05
 ADDRESS 1600 Stout St., #1500 OPERATOR'S LICENSE # 32639
Denver, Co. 80202 API NO. 15-05345-00-00 15-051-25345-000
 LEASE DeHaan WELL NO. 1
 QUARTER SW/4 SW/4 SEC 20 TWP 13-N RGE 16 E W X

COMINGLING 82-3-123

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- X 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.

- X 2. Names and upper and lower limits of the source of supply involved.

(NAME) <u>Lansing</u>	(PERFS) <u>3424-3427'; 3394-3396';</u>	
		<u>3380-3382'; 3295-3298';</u>
(NAME) <u>Lansing</u>	(PERFS) <u>3264-3270'; 3232-3235';</u>	
		<u>3226-3229'</u>
(NAME) <u>Arbuckle</u>	(PERFS) <u>open hole 3474-3482'</u>	

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

FORMATION <u>Lansing</u>	BOPD <u>11</u>	MCF <u> </u>	BHPD <u>12</u>
FORMATION <u>Arbuckle</u>	BOPD <u>11</u>	MCF <u> </u>	BHPD <u>12</u>
FORMATION <u> </u>	BOPD <u> </u>	MCF <u> </u>	BHPD <u> </u>
FORMATION <u> </u>	BOPD <u> </u>	MCF <u> </u>	BHPD <u> </u>
ESTIMATED COMBINED TOTAL <u> </u> BOPD <u>22</u> MCF <u> </u> BHPD <u>24</u>			

- X 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.

CORAL PRODUCTION CORP.

1600 STOUT STREET, SUITE 1500
DENVER, COLORADO 80202

Phone (303) 623-3573
Fax (303)623-2870

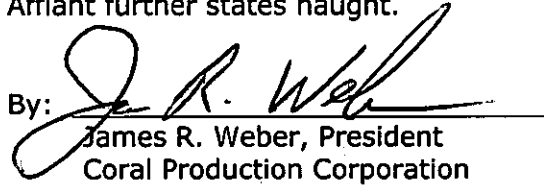
March 28, 2005

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

RE: Form ACO-4; Commingling 82-3-123
DeHaan#1, SE/4SW/4SW/4 Section 20,
T-13-S, R-16-W, Ellis County, Kansas
Herzog Field

I, James R. Weber, President of Coral Production Corporation, do state under oath that the two offset operator to the referenced well, being D-Oil, Inc., whose wells are located in the N/2NW/4 Section 29, T-13-S, R-16-W, and Damar Resources, Inc. whose wells are located in the NW/4 of Section 30, T-13-S, R-16-W, have both been notified of this Commingling application by certified mail dated March 28, 2005, receipt copies of which are attached hereto. The other offset acreage to the DeHaan lease is entirely owned by Coral Production Corporation and its partners and held by the same working interest ownership as found in the DeHaan well.

Affiant further states naught.

By: 
James R. Weber, President
Coral Production Corporation

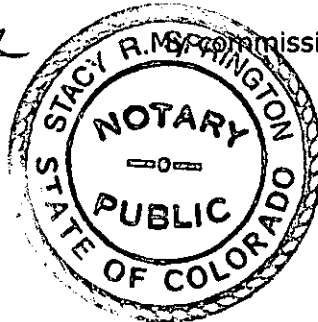
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City and County of Denver)

State of Colorado)

Subscribed and sworn before me this 28th day of March, 2005.


Notary Public



Commission expires: 2/1/2009

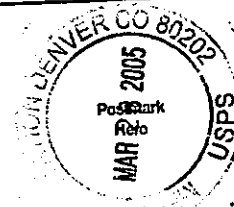
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 E265
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OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To D-Oil, Inc.
 Street, Apt. No.,
 or PO Box No. Box 278
 City, State, ZIP+4 Victoria, KS 67671
 PS Form 3800, January 2001 See Reverse for Instructions

9536
 4356
 E265
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U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage	\$
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Damar Resources Inc.
 Street, Apt. No.,
 or PO Box No. Box 70
 City, State, ZIP+4 Hays, KS 67601
 PS Form 3800, January 2001 See Reverse for Instructions

KANSAS

CORPORATION COMMISSION

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

May 10, 2005

Jim Weber
Coral Production Corporation
1600 Stout Street,
Suite #1500
Denver CO 80202

**RE: API No. 15-051-25345-00-00
DeHaan #1, SW NW 30-13-16W
Ellis County, Kansas**


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**. This application, which was received by the KCC on **March 30, 2005**, concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **LANSING-KANSAS CITY** and the **ARBUCKLE** formations.

According to your application, the estimated current production from the **LANSING-KANSAS CITY** source of supply is **11 BOPD** and **12 BWPD**. The estimated current production from the **ARBUCKLE** source of supply is **11 BOPD** and **11 BWPD**. The total estimated current production from all sources of supply in the subject well is **22 BOPD** and **24 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, which ended **April 15, 2005**.

Based upon the depth of the **ARBUCKLE** formation perforations, total oil production shall not exceed **100 BOPD** and total gas production shall not exceed **50%** of open flow. Docket Number **CO 030503** 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,



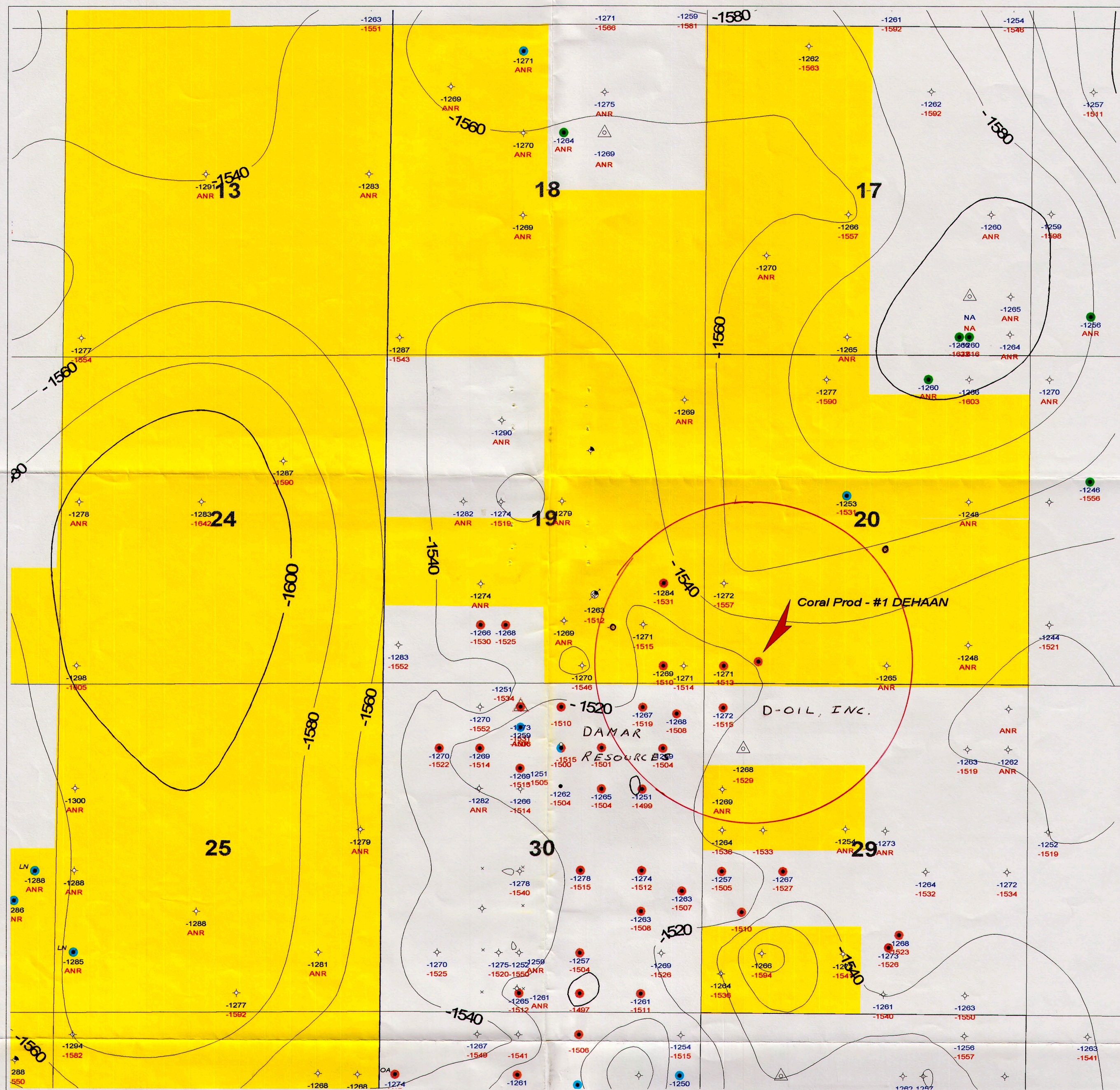
Robert Petersen

Geologist/KCC Production

DepartmentM:\PROD\Production_Shared\Prod_2005\AD-ORD\COMMINGLING\Coral Production Co\CO 030503.doc

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

Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us



Arbuckle Structure - (Lansing and Arbuckle Datums)

CI = 20'

CORAL PRODUCTION CORPORATION



1600 STOUT ST, SUITE 1500 DENVER, COLORADO 80202
PHONE 303.623.3573 FAX 303.623.2870

#1 DEHAAN
Sec. 20 - T13S - R16W
Ellis County, Kansas

*New Pool - Separation by 3D Seismic,
Arbuckle Datums and Producing Horizon*



Coral Controlled Acreage

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