

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 120601

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 - 125-30780 0000
Lease Name: L. Peterson Well #: 11-20
Spot: E/2 - SW - Sec. 20 Twp. 33 S. R. 17 East
County: Montgomery West
Feet from North / South Line of Section: 1350 ft
Feet from East / West Line of Section: 1980 ft

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

Formation: Excello Shale & Mulky Coal (Perfs): 574-580 25 shots
Formation: Iron Post Coal (Perfs): 604-606 9 shots
Formation: Croweburg Coal & V Shale (Perfs): 637-640 13 shots
Formation: Mineral Coal (Perfs): 684-687 13 shots
Formation: L. Warner SS. & Riverton Coal (Perfs): 1012-1018 25 shots

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

Formation: Excello Shale & Mulky Coal BOPD: 0 MCFPD: 20 BWPD: 30
Formation: Iron Post Coal BOPD: 0 MCFPD: 3 BWPD: 10
Formation: Croweburg Coal & V Shale BOPD: 0 MCFPD: 3 BWPD: 10
Formation: Mineral Coal BOPD: 0 MCFPD: 3 BWPD: 10
Formation: L. Warner SS. & Riverton Coal BOPD: 0 MCFPD: 10 BWPD: 20

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:

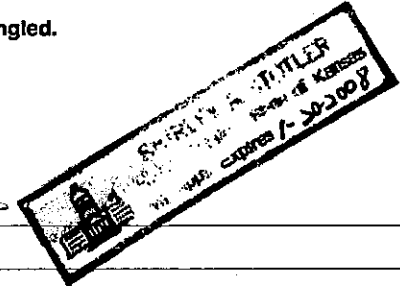
- 5. Well construction diagram of subject well.
- 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

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. Titler
My Commission Expires: 1-30-2008

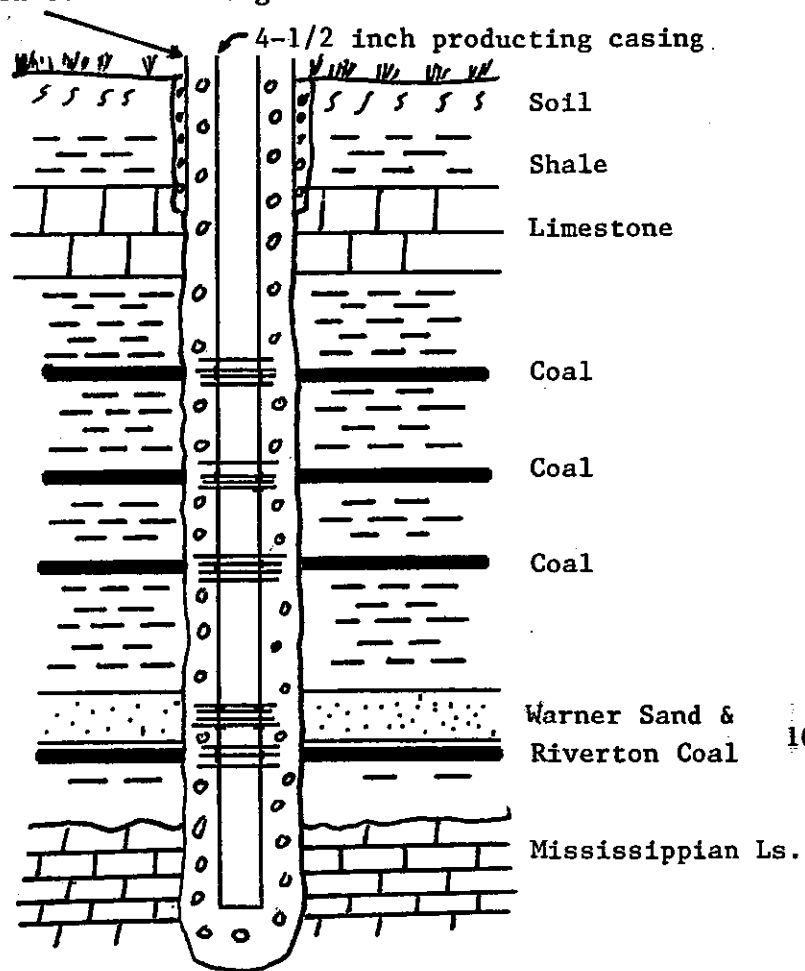
Protests may be filed by any party having a valid interest in the application. Protests must be in writing and comply with K.A.R. 82-3-135b and must be filed within 15 days of publication of the notice of application.

KCC Office Use Only
 Denied Approved
KCC Date Received: _____ 15-Day Periods Ends: _____
Approved By: 2-19-07 [Signature] Date: _____

WELL DIAGRAM FOR L. PETERSON 11-20

RECEIVED
DEC 04 2006
KCC WICHITA

20 ft 8 inch surface casing



Soil

Shale

Limestone

Coal

Coal

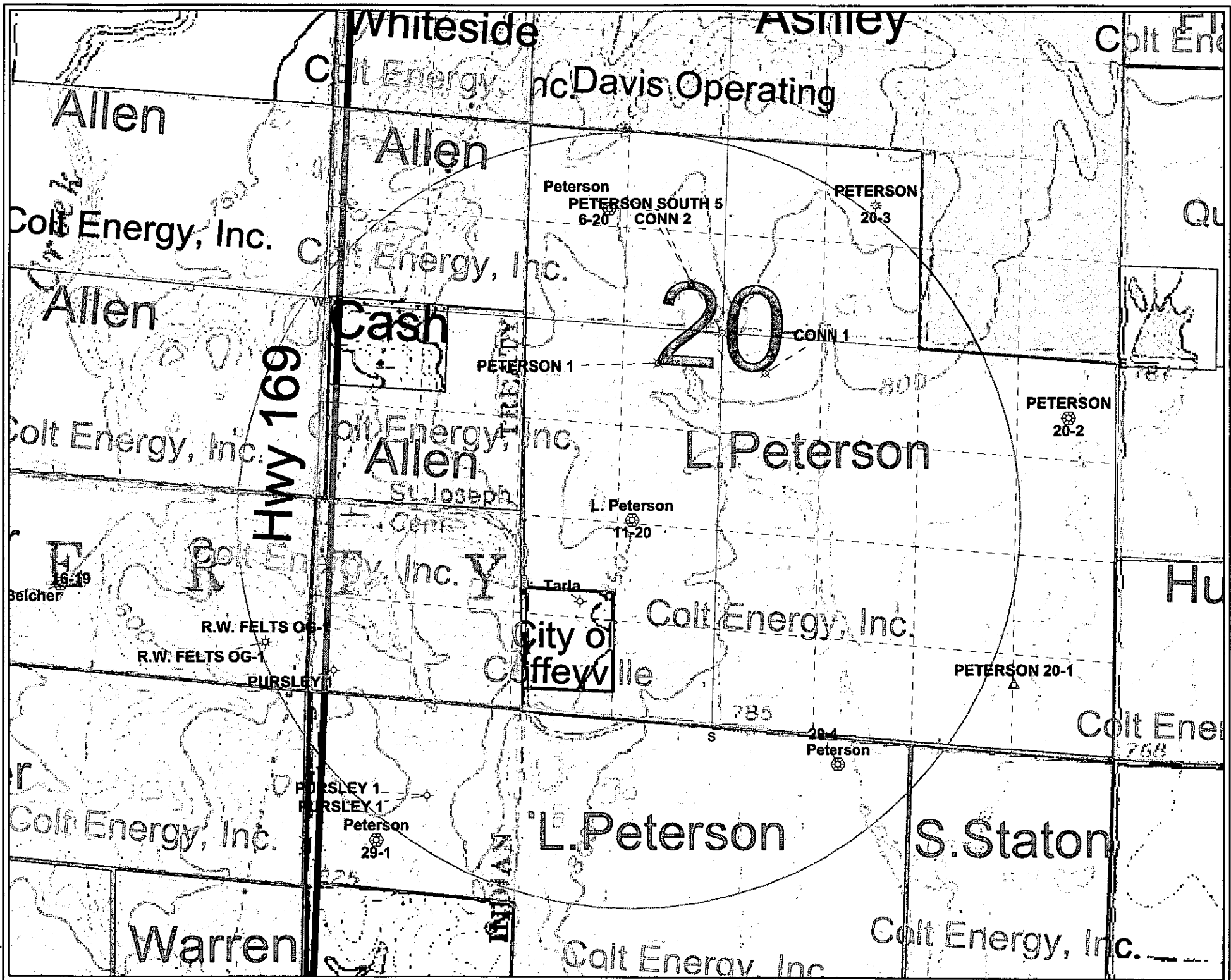
Coal

Warner Sand &
Riverton Coal

Mississippian Ls.

1012-1018 ft. (25 shots)

TOTAL DEPTH: 1083 ft.



Peterson 11-20 EXHIBIT "A"

Name & Address	Legal Description	Sec-Twn-Rge, County
	OPERATORS	
Davis Operating Company 2800 Mid-Continent Tower Tulsa, OK 74103	S2 S2 SE NE & N2 NE NE NW S2 SE	Labette 17 - 33 - 17E 20 - 33 - 17E 20 - 33 - 17E 18 - 33 - 17E
Colt Energy, Inc. PO Box 388 1112 Rhode Island Rd Iola, KS 66749	NW NW SE & SW NE SE NW & E2 SW minus Pt of SE SW S2NE & N2 SE SW SW E2 NE W2 NE & E2 NW & NW NW S2 SE N2 NE	20 - 33 - 17E 20 - 33 - 17E 20 - 33 - 17E 19 - 33 - 17E 20 - 33 - 17E 29 - 33 - 17E 29 - 33 - 17E 19 - 33 - 17E 30 - 33 - 17E
	LANDOWNERS	
Nikki D. & Tamara G. Cash RR 1 Box 136 Liberty, KS 67351-9171	N 586' W 786' NW SW	20 - 33 - 17E
Patricia Ann Shipley(Stonecipher) PO Box 93 Arlington, WA 98223	N2 NE	19 - 33 - 17E
City of Coffeyville 102 W. Seventh Street Coffeyville, KS 67337	Pt SE SW approx 10 acres	20 - 33 - 17E
Charles & Judy Peterson RR 1 Liberty, KS 67351-9801	SE & SW NE SE NW & E2 SW minus Pt of SE SW	20 - 33 - 17E 20 - 33 - 17E
Jimmy Ray & Martha A. Peterson, Trustees 4502 Windy Hollow Dr. Kingwood, TX 77345	SE & SW NE SE NW & E2 SW minus Pt of SE SW	20 - 33 - 17E 20 - 33 - 17E

RECEIVED
DEC 04 2005
KCC WICHITA

RECEIVED
DEC 04 2008
KCC WICHITA

Peterson 11-20 - wells within 1/2 mile

Wellname	Location	Operator	Address
Peterson 6-20	SE,NW 20-33 S-17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Peterson 29-4	N2,NW,NE 29-33 S-17 E	Colt Energy, Inc.	PO Box 388 1112 Rhode Island Rd Iola, KS 66749
Tarla	SE,SW 20-33 S-17 E	Tarla Resources	na - dry and abandoned
Pursley #1	SW corner 20-33 S-17 E	Katex Oil, Inc.	na - dry and abandoned
Pursley #1	NW,NW 29-33 S-17 E	R.L.Orr	na - dry and abandoned
R.W.Felts OG-1	SE,SE,SE 19-33 S-17 E	State of Kansas	gas well - cannot find old wellbore
Conn 1	20 - 33 S - 17 E	Borum & Brown	intent
Conn 2	20 - 33 S - 17 E	Borum & Brown	intent
Peterson South 5	20 - 33 S - 17 E	S.A.Production Co.	intent
Peterson 1	20 - 33 S - 17 E	S.A.Production Co.	intent

RECEIVED
 DEC 04 2006
 KCC WICHITA

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

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/L	Mg mg/L	Na mg/L	K mg/L	Sr mg/L	HCO3 mg/L	SO4 mg/L	Cl mg/L	Br mg/L	I mg/L	B 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

• (First published in the Coffeyville Journal on Tuesday October 10, 2006)

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION

RE: Colt Energy, Inc. - Application for Commingling of Production and Fluid Production on the Peterson 11-20 located in Montgomery Co., Kansas.

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

You, and each of you, are hereby notified that Colt Energy, Inc. has filed an application for Commingling of Production and Fluid Production from the Excello Shale, Mulky Coal, Iron Post Coal, Crowburg Coal & V. Shale, Mineral, Warner SS, Riverton Coal Formations at the Peterson 11-20 well, located 1350FSL 1980FWL Section 20 Township 33 Range 17E, Montgomery 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.

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. PO Box 358 Iola, Kansas 66749 620-365-3111

Affidavit of Publication

SS.

I, Colt Cawa of lawful age, being first duly sworn, deposes, and says, that he is Classified Reg of THE COFFEYVILLE JOURNAL, that same is a daily newspaper; that said newspaper prior to the date of the first publication of notice hereinafter referred to and at the present time was and now is admitted to the mail as second class matter in Montgomery County, Kansas. That said newspaper is of general circulation in said County and has been continuously and uninterruptedly published in said county during the period of one year prior to the first publication hereinafter mentioned; that the notice, a true copy of which is hereto attached, was published in the regular and entire issue of each number of said newspaper for

One consecutive Tuesday

The first publication being October 10, 2006

And the last publication being October 10, 2006
And further affiant subscribes

Christina M. Alvidrez
Subscribed and sworn to before me this 16th day of

October, 06

CHRISTINA M. ALVIDREZ
Notary Public - State of Kansas
My Appt. Expires 1/24/09

Christina M. Alvidrez Notary Public.

My Appointment Expires March 30, 09

Printer's Fee \$ 33.48 Paid

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Milt Mounts, of lawful age, being first duly sworn, deposeseth 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.

[Handwritten Signature]

Subscribed and sworn to before me this

16th day of October, 2006

[Handwritten Signature: Danna M. Ingram]
Notary Public Sedgwick County, Kansas



Printer's Fee \$86.00

LEGAL PUBLICATION

Published in the Wichita Eagle on October 16, 2006 (2573172) BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION RE: Colt Energy, Inc. - Application for Commingling of Production and Fluid Production on the Peterson 11-20 located in Montgomery 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 Commingling of Production and Fluid Production from the Excelsior Shale, Mulky Coal, Iron Post Coal, Croweburg Coal & V Shale, Mineral, + Warner SS & Riverton Coal Formations of the Peterson 11-20 well, located 1350PSL 1920FWL Section 20 Township 33 Range 17E, Montgomery 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 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. 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 Topeka, Kansas 66749 620-365-3111

RECEIVED
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 CO120601
L. Peterson 11-20, Sec.20-T33S-R17E, Montgomery County, Kansas
API No. 15-125-30780-00-00

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

Formation	BOPD	MCFPD	BWPD
Excello Shale & Mulky Coal	0	20	30
Iron Post Coal	0	3	10
Croweburg Coal & V Shale	0	3	10
Mineral Coal	0	3	10
L. Warner SS & Riverton Coal	0	10	20

The total estimated current production from all sources of supply in the subject well is **0 BOPD, 39 Mcfpd and 80 BWPD**. Based upon the depth of the L. Warner SS & Riverton Coal 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 **CO120601** 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