

C0061217

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
March 2009

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

Commingling ID # _____

OPERATOR: License # 3988
Name: Slawson Exploration Co., Inc.
Address 1: 204 N Robinson, Ste 2300
Address 2: _____
City: OKC State: OK Zip: 73102 + _____
Contact Person: Steve Slawson
Phone: (405) 232 0201

API No. 15 - 193-20845-00-00
Spot Description: _____
NW SE SW NE Sec. 23 Twp. 10 S. R. 34 East West
335 Feet from North / South Line of Section
1,760 Feet from East / West Line of Section
County: Thomas
Lease Name: James AY Well #: 2

1. Name and upper and lower limit of each production interval to be commingled:
Formation: Johnson (Perfs): 4651'-54', 4660'-68', 4684'-88'
Formation: Myrick Station (Perfs): 4526'-36', 4542'-47', 4560'-66'
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:
Formation: Johnson BOPD: 4 MCFPD: 0 BWPD: 7
Formation: Myrick Station BOPD: 35 MCFPD: 0 BWPD: 1
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. Previously Filed with ACO-1: Yes No
- 6. Complete Form ACO-1 (Well Completion form) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

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

AFFIDAVIT: I am the affiant and 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: [Signature]
Printed Name: Steve Slawson
Title: VP - Operations

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JUN 28 2012
KCC WICHITA

KCC Office Use Only
 Denied Approved
15-Day Periods Ends: 7/11/2012
Approved By: _____ Date: _____

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.

22

SE/4 Slawson
Owner=John James
804 Central Ave.
Nebraska City, NE 68410

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SECI #1 James AY

SECI #1 James BE

SW/4 Slawson
Owner=John James
804 Central Ave.
Nebraska City, NE 68410

SE/4 Slawson
Owner=John James
804 Central Ave.
Nebraska City, NE 68410

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SECI #1 Soucie K

SW/4 Slawson
Owner=Epard Farms
1380 County Road 21
Colby, Ks 67701-9130

James #2

Murfin E. Farms #1

**NE/4 Murfin until 8/3/2011
Slawson at 8/4/2011**

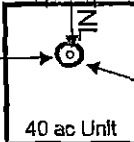
Owner=Epard Farms
1380 County Road 21
Colby, Ks 67701-9130

SECI #1 Hills Trust I

NW/4 Slawson

2620 FWL'

Owner=Mike Moses
1601 County Rd T
Colby, Ks 67701



NE/4 Slawson

Proposed SECI #2 Hills Trust I
Owner=John James
804 Central Ave.
Nebraska City, NE 68410

NW/4 Russell Oil

Owner=Raymond Ward Dumler
14545 Inverness St.
Olathe, KS 66061

27

SE/4 Slawson
Owner=Epard Farms
1380 County Road 21
Colby, Ks 67701-9130

26

SW/4 Slawson
Owner=Mike Moses
1601 County Rd T
Colby, Ks 67701

Open ?

Owner=Mike Moses
1601 County Rd T
Colby, Ks 67701

25

SW/4 Russell Oil

Owner=Raymond Ward Dumler
14545 Inverness St.
Olathe, KS 66061

34

35

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Slawson Exploration Co., Inc.

Thomas County, Ks
County Line West Prospect
Hills Trust #2 Unit

| | | |
|-----------|----------------|-------------|
| Map Panel | C.I. = | 6/1/2011 |
| | Scale 1:21120. | 3" = 1 mile |

AFFIDAVIT OF MAILING

I, Steve Slawson , VP Operations, hereby swear that on the date below a copy of the Application for Commingling of Production (KCC ACO-4) James AY #2 was mailed to the following parties:

Landowner: Mike and Cynthia Moses
1601 County Rd T
Colby KS 67701

James Family LLC
804 Central Ave
Nebraska City, NE 68410

Offset Operators: Russell Oil
14545 Inverness St
Olathe, KS 66061

Murfin Oil
250 N Water, #300
Wichita, KS 67202

Signed [Signature]
Date 6/26/2012

This instrument was acknowledged before me on 6/26/12
by Steve Slawson, Slawson Exploration Co., Inc.

Notary [Signature]
00019220
EXP. 12/18/12
My Commission Expires
STATE OF OKLAHOMA

RECEIVED
JUN 28 2012
KCC WICHITA

AFFIDAVIT OF PUBLICATION
State of Kansas, Thomas County, ss:

Kylee Hunter, being first duly sworn, deposes and says:

that he/she is the Production Coordinator of

THE COLBY FREE PRESS

a daily newspaper printed in the state of Kansas, and published in and of general circulation in Thomas County, Kansas, with a general paid circulation on a yearly basis in Thomas County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is published at least 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Colby, 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 for 1 consecutive week(s)/days(s), the first publication thereof being made as aforesaid on the 11TH day of JUNE, 2012, with subsequent publications being made on the following dates:

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

Kylee Hunter

Subscribed and sworn to before me this 12TH day of JUNE, 2012

NOTARY PUBLIC - State of Kansas
EVAN P. BARNUM
My Appt. Exp. 8-1-13

[Signature]

Notary Public

My commission expires AUGUST 1, 2015
Publication Fee \$.....
Additional copies \$.....

Public Notice

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

RE: Slawson Exploration Co., Inc.-
Application for Commingling of
Production on the James AY #2, located
in Thomas 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
Slawson Exploration Co, Inc. has filed an
application for Commingling of Production
from the Johnson and the Myrick Station
Zones at the James AY #2 well located in
the NW SE SW SE of Sec. 23-10S-34W,
Thomas Co, KS.

Any persons who object to or protest this
application shall be required to file their
objections or protest 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
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.

Slawson Exploration Company, Inc.
204 N. Robinson, Ste 2300,
OKC, OK 73102
405-232-0201

(Published in the Colby Free Press on
Monday, June 11, 2012)

RECEIVED
JUN 28 2012
KCC WICHITA

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Mark Fletchall, 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 and published in the regular and entire Morning issue of said The Wichita Eagle for 1 issues, that the first publication of said notice was

made as aforesaid on the 1st of

June A.D. 2012, 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.

Mark Fletchall

Subscribed and sworn to before me this

1st day of June, 2012

PENNY L. CASE
Notary Public - State of Kansas
My Appt. Expires 5/28/2014

Penny L. Case
Notary Public Sedgwick County, Kansas

Printer's Fee : \$101.20

LEGAL PUBLICATION
PUBLISHED IN THE WICHITA EAGLE
JUNE 1, 2012 (3188043)
BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
RE: Slawson Exploration Co., Inc.- Application for Commingling of Production on the James AY #2, located in Thomas 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 Slawson Exploration Co., Inc. has filed an application for Commingling of Production from the Johnson and the Myrick Station Zones at the James AY 2 well located in the NW SE SW SE of Sec. 23-10S-34W, Thomas Co, KS.
Any persons who object to or protest this application shall be required to file their objections or protest 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 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.
Slawson Exploration Company, Inc.
204 N. Robinson, Ste 2300, OKC, OK
73102 405-232-0201.

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JUN 28 2012
KCC WICHITA

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



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Thomas E. Wright, Commissioner

Sam Brownback, Governor

July 13, 2012

Slawson Exploration Co., Inc.
204 N Robinson, Ste 2300
OKC, OK 73102

RE: Approved Commingling CO061217
James AY 2, Sec.23-T10S-R34W, Thomas County
API No. 15-193-20845-00-00

Dear Mr. Slawson:

Your Application for Commingling (ACO-4) for the above described well has been reviewed and approved by the Kansas Corporation Commission (KCC) per K.A.R. 82-3-123. 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 June 28, 2012, concerns approval to simultaneously produce from the following sources of supply through the same tubing string in the same wellbore:

| Source of Supply | Estimated Current Production | | | Perf Depth |
|------------------------------------|------------------------------|-------|------|---------------------------|
| | BOPD | MCFPD | BWPD | |
| Johnson | 4.0 | 0.0 | 7.0 | 4651-54, 4660-68, 4684-88 |
| Myrick Station | 35.0 | 0.0 | 1.0 | 4526-36, 4542-47, 4560-66 |
| Total Estimated Current Production | 39.0 | 0.0 | 8.0 | |

Based upon the depth of the Johnson formation perforations, total oil production shall not exceed 200 BOPD and total gas production shall not exceed 50% of the absolute open flow (AOF).

Commingling ID number CO061217 has been assigned to this approved application. Use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,

Rick Hestermann
Production Department