

For KCC	Use:	
Effective	Date:	
District #		
SGA?	Yes No	

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1100650

Form C-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

	(5) days prior to commencing well Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R E W
OPERATOR 1' "	(Q/Q/Q/Q) feet from N / S Line of Section
OPERATOR: License#	feet from E / W Line of Section
Name:Address 1:	Is SECTION: Regular Irregular?
Address 2:	
City: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
CONTRACTOR: License#	Field Name:
Name:	Is this a Prorated / Spaced Field?
Name.	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: I I II
II OVVVO. Old Well IIIIOITIation as follows.	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
KCC DKT #:	(Note: Apply for Permit with DWR)
	Will Cores be taken? Yes No
	If Yes, proposed zone:
AFI	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	gging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:	
 Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on each 	5 5 .
The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into th	
4. If the well is dry hole, an agreement between the operator and the dis	
5. The appropriate district office will be notified before well is either plugg	, , , , , , , , , , , , , , , , , , , ,
6. If an ALTERNATE II COMPLETION, production pipe shall be cemente	
	33,891-C, which applies to the KCC District 3 area, alternate II cementing
must be completed within 30 days of the spud date or the well shall be	plugged. In all cases, NOTIFY district office prior to any cementing.
Note with a different and a aller	
Submitted Electronically	
For KCC Use ONLY	Remember to:
	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Minimum surface pipe requiredfeet per ALT. I	 File Completion Form ACO-1 within 120 days of spud date; File acreage attribution plat according to field proration orders;
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry;
/ ipprovod by	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
The second section of the sect	- Subitilit plugging report (CF -4) after plugging is completed (within 60 days).
This authorization expires:(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

_ Agent: _

- 11	WEII WIII	iot be drilled of peri	ilit ilas expireu (se	ee. aumonzeu expiration date)
р	lease che	ck the box below ar	d return to the ad	dress below.
	¬			

Well will not be drilled or Permit Expired	Date:
Signature of Operator or Agent:	



feet from

feet from

SEWARD CO. 3390' FEL

S Line of Section
W Line of Section

For KCC Use ONLY	
API # 15	

Operator: __ Lease: ____

Well Number: _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Location of Well: County: __

Field:							_ Se		Iwp		S. R			VV
Number of QTR/QTR/							15	Section:	Regula	ır or 🗌	Irregula	r		
							If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW							
	SI	how location	on of the v	vell. Show	footage to	the neare	PLAT est lease of	r unit bound	dary line. Si	how the p	oredicted	locations	of	
				ipelines an	d electrica	al lines, as	required b		as Surface					
		:	:	: : : :		: : : :	: : : :	:			LEG	END		
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2553 ft		: : :	: : :	<u> </u>		: : :	: :	: :			 ?⁼ <u> </u>		:	1980' FSL
		:	:			: :	:	:					:	

1323 ft.

NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

00650 Form CDP-1

May 2010

Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		License Number:				
Operator Address:						
Contact Person:		Phone Number:				
Lease Name & Well No.:			Pit Location (QQQQ):			
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) Area? Yes No		SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty Chloride concentration: mg/l(For Emergency Pits and Settling Pits only)			
Is the bottom below ground level?	Artificial Liner? Yes N	No	How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits):	Length (fee		Width (feet)			
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ilei		dures for periodic maintenance and determining any special monitoring.			
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:			
feet Depth of water well	feet	measured	well owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:				
Producing Formation:		Type of material utilized in drilling/workover:				
Number of producing wells on lease:		Number of working pits to be utilized:				
Barrels of fluid produced daily:		Abandonment	procedure:			
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill pits must be closed within 365 days of spud date.				
Submitted Electronically						
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS						
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No			



Kansas Corporation Commission Oil & Gas Conservation Division

1100650

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent)						
OPERATOR: License #	Well Location:						
Name:	SecTwpS. R East West						
Address 1:							
Address 2:	Lease Name: Well #:						
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of						
Contact Person:	the lease below:						
Phone: () Fax: ()							
Email Address:							
Surface Owner Information:							
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional						
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the						
Address 2:	county, and in the real estate property tax records of the county treasurer.						
City: State: Zip:+							
the KCC with a plat showing the predicted locations of lease roads, tank are preliminary non-binding estimates. The locations may be entered or	dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.						
owner(s) of the land upon which the subject well is or will be lo CP-1 that I am filing in connection with this form; 2) if the form I form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface owner.	Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. Acknowledge that, because I have not provided this information, the wher(s). To mitigate the additional cost of the KCC performing this I fee, payable to the KCC, which is enclosed with this form.						
If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1 will be returned.						
Submitted Electronically							

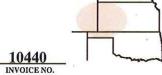


Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324

Garden City, Kansas 67846 Office/Fax: (620) 276-6159



001834

Cell: (620) 272-1499

Lario Oil & Gas Company

OPERATOR

18s 34w Rng.

Krause #1-7 LEASE NAME 1323' FSL - 2611' FEL (2553' FWL)

LOCATION SPOT

COUNTY

1" =1000' Oct. 31st, 2012 DATE STAKED:

Luke R. MEASURED BY:

Scott County, KS

SCALE:

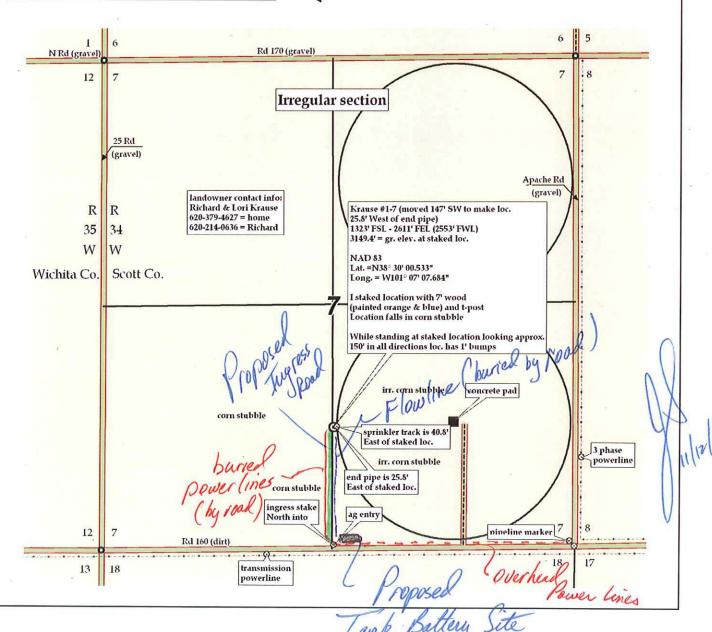
Luke R. DRAWN BY: AUTHORIZED BY: Jay S.

This drawing does not constitute a monumented survey or a land survey plat This drawing is for construction purposes only

3149.4' GR. ELEVATION:

Directions: From the South side of Modoc Ks at the intersection of Hwy 96 & Modoc Ln North - Now go 1 mile North on Modoc Ln - Now go 1.5 mile West on Rd 160 to the SE corner of section 7-18s-34w - Now go 0.5 mile West on Rd 160 to ingress stake North into - Now go 1323' North through corn stubble into staked location.

Final ingress must be verified with land owner or Operator.



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/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill ("C-1") form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns. 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/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

November 13, 2012

Jay Schweikert Lario Oil & Gas Company 301 S MARKET ST WICHITA, KS 67202-3805

Re: Drilling Pit Application Krause 1-7 S/2 Sec.07-18S-34W Scott County, Kansas

Dear Jay Schweikert:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.