

For KCC Use: S.4-04
 Effective Date: _____
 District #: 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 September 1999
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date May 24, 2004
month day year

Spot Approx. 140'W & 160'S of _____
 _____ S2 _____ SE Sec. 36 Twp. 11 S. R. 18 East West
 _____ 500 feet from (S) / (circle one) Line of Section
 _____ 1460 feet from (E) (circle one) Line of Section
 Is SECTION Regular _____ Irregular?

OPERATOR: License# 5214
 Name: Lario Oil & Gas Company
 Address: 301 South Market
 City/State/Zip: Wichita, KS 67202
 Contact Person: Jay G. Schweikert
 Phone: 316-265-5611

RECEIVED

APR 28 2004

KCC WICHITA

CONTRACTOR: License# 30606
 Name: Murfin Drilling Co., Inc.

(Note: Locate well on the Section Plat on reverse side)
 County: Ellis
 Lease Name: Marshall A Well #: 26
 Field Name: Bemis-Shutts

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Topeka, Lansing, KC, Arbuckle
 Nearest Lease or unit boundary: 500 ft

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; _____ # of Holes Other
 Other _____

Ground Surface Elevation: 2119 feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 180 ft
 Depth to bottom of usable water: 750 ft - 820
 Surface Pipe by Alternate: 1 2

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Length of Surface Pipe Planned to be set: 240 ft
 Length of Conductor Pipe required: none
 Projected Total Depth: 3700 ft
 Formation at Total Depth: Arbuckle

Directional, Deviated or Horizontal wellbore? Yes No

Water Source for Drilling Operations:
 Well _____ Farm Pond _____ Other X

If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.
 It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 4/27/04 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer
 Jay G. Schweikert

For KCC Use ONLY
 API # 15 - 051-25302-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. (2)
 Approved by: RJP 4.29.04
 This authorization expires: 10-29-04
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

- Remember to:**
- File Drill Pit Application (form CDP-1) with Intent to Drill;
 - File Completion Form ACO-1 within 120 days of spud date;
 - File acreage attribution plat according to field proration orders;
 - Notify appropriate district office 48 hours prior to workover or re-entry;
 - Submit plugging report (CP-4) after plugging is completed;
 - Obtain written approval before disposing or injecting salt water.

36
11
18

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

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____
 Operator: Lario Oil & Gas Company
 Lease: Marshall A
 Well Number: 26
 Field: Bemis-Shutts
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: _____ - S2 - SE

Location of Well: County: Ellis
 _____ 500 _____ feet from (S) N (circle one) Line of Section
 _____ 1460 _____ feet from (E) W (circle one) Line of Section
 Sec. 36 Twp. 11 S. R. 18 East West

Is Section Regular or _____ Irregular

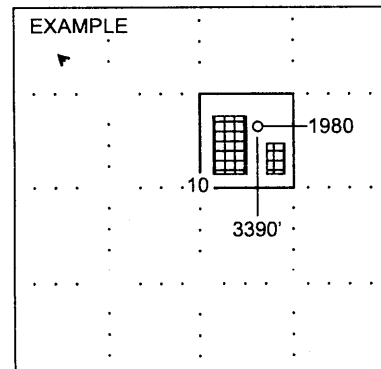
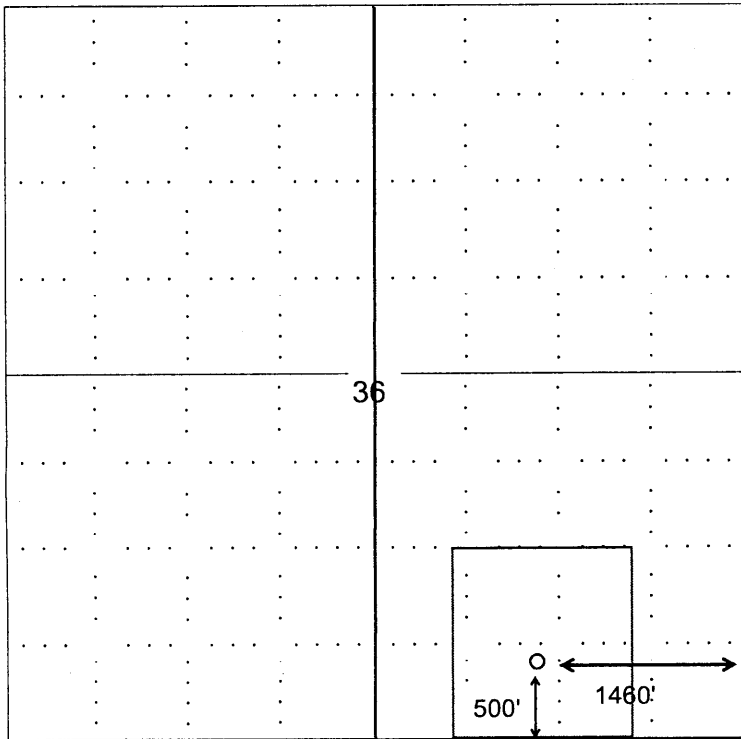
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ___NE ___NW ___SE ___SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



SEWARD CO.

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

Lease & Section line.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).