

OWWO

RECEIVED

For KCC Use: 7-14-04
Effective Date: 7-14-04
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JUL 01 2004
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 July 28, 2004
month day year

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

CONTRACTOR: License# 5929
Name: Duke Drilling Co., Inc.

Spot SE - NE - NE Sec. 10 Twp. 28 S. R. 5
990 feet from 5 / N (circle one) Line of Section
330 feet from E / W (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Kingman
Lease Name: Fearey Well #: 2 RE
Field Name: (New Pool Class)

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 330 ft

Ground Surface Elevation: 1418 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: 50 ft

Depth to bottom of usable water: 180 ft

Surface Pipe by Alternate: 1 X 2

* Length of Surface Pipe Planned to be set: 160' of 8-5/8" in place; cmt w/110 sks

Length of Conductor Pipe required: NONE

Projected Total Depth: 4000 ft

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well X Farm Pond Other

DWR Permit #: 20020077

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

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

If OWWO: old well information as follows:
Operator: Beardmore Drilling Co.
Well Name: Wulf #1
Original Completion Date: 12/19/54 Original Total Depth: 3850

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

SURFACE CASING EXCEPTION
GRANTED 7-9-2004

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: 6/30/04 Signature of Operator or Agent: Jay G. Schweikert Operations Engineer

For KCC Use ONLY
API # 15 - 095-01478-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 160' feet per Alt. 1
Approved by: RJP 7-9-04
This authorization expires: 1-9-04
(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.

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

10 28 SW

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: Fearey
 Well Number: 2 RE
 Field: (New Field Class)
 Number of Acres attributable to well: 80
 QTR / QTR / QTR of acreage: SE - NE - NE

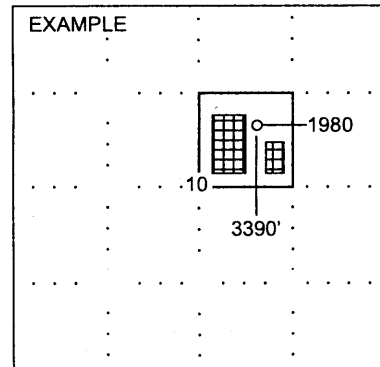
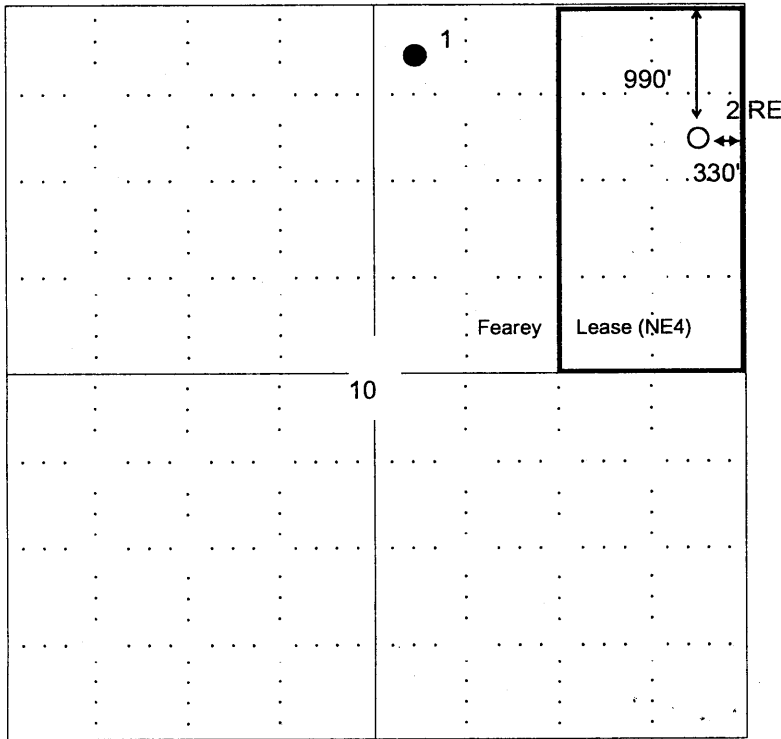
Location of Well: County: Kingman
 _____ feet from S N (circle one) Line of Section
 _____ feet from E / W (circle one) Line of Section
 Sec. 10 Twp. 28 S. R. 5 East West

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.)



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 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: (CO-7 for oil wells; CG-8 for gas wells).