

For KCC Use: 8-8-04
 Effective Date: 4
 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 August 20, 2004
month day year

Spot Approx. 165' N of
N2 SW Sec. 32 Twp. 12 S. R. 31
 East West

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

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2145 feet from (S) (circle one) Line of Section
1320 feet from (W) (circle one) Line of Section
 Is SECTION Regular Irregular?

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

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

KCC WICHITA

County: Gove
 Lease Name: W&E Farms Well #: 1-32
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Lansing, KC, Cherokee, Mississippian

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

Nearest Lease or unit boundary: 495 ft
 Ground Surface Elevation: 2960 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: 160 ft
 Depth to bottom of usable water: 1610 ft

Surface Pipe by Alternate: 1 X 2
 Length of Surface Pipe Planned to be set: 240 ft

Length of Conductor Pipe required: none
 Projected Total Depth: 4800 ft
 Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
 Well Farm Pond Other

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

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

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

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

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: 7/30/04 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer
 Jay G. Schweikert

For KCC Use ONLY
 API # 15 - 063-21586-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 210 feet per Alt. → (2)
 Approved by: RJP 8-3-04
 This authorization expires: 2-3-05
 (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.

321231W

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: W&E Farms
 Well Number: 1-32
 Field: Wildcat

Number of Acres attributable to well: 20
 QTR / QTR / QTR of acreage: _____ - N2 - SW

Approx 165' N of

Location of Well: County: Gove
 _____ 2145 feet from S / N (circle one) Line of Section
 _____ 1320 feet from E W (circle one) Line of Section
 Sec. 32 Twp. 12 S. R. 31 East West

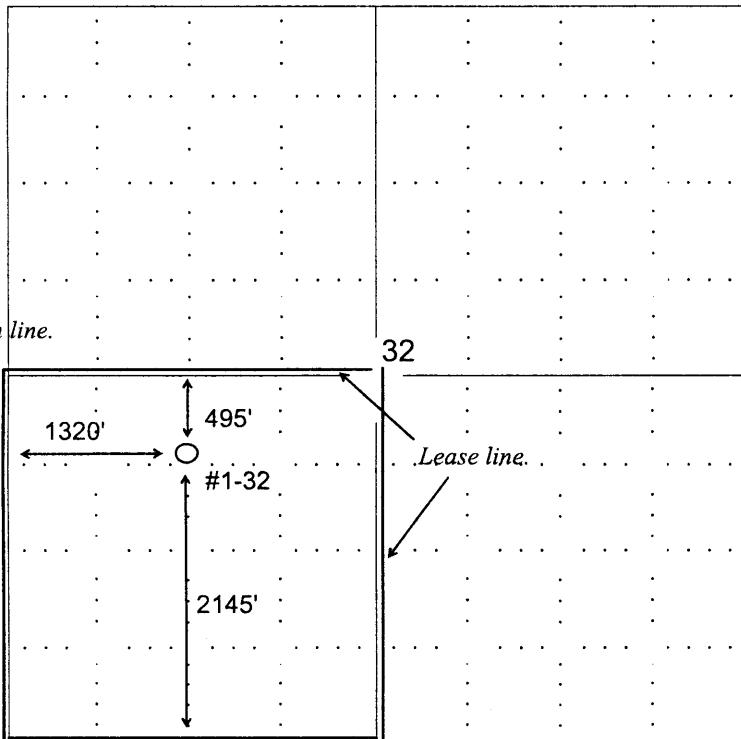
Is Section Regular or _____ Irregular

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

Section corner used: ___ NE ___ NW ___ SE ___ SW

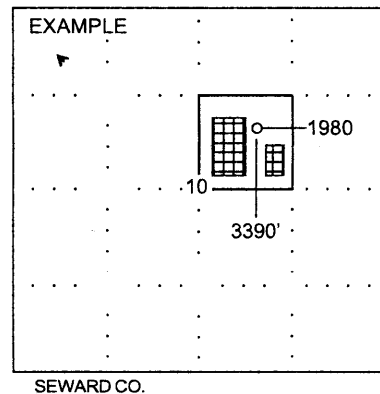
PLAT

*(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.

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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).