

For KCC Use: 629-04
 Effective Date: _____
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

PERMIT EXTENSION

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 20, 2004
month day year

Spot Approx. 130' W of
 S2 - SW - NW Sec. 02 Twp. 28 S. R. 5 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

2128 feet from N (circle one) Line of Section
530 feet from W (circle one) Line of Section
 Is SECTION Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side)
 County: Kingman
 Lease Name: Stringer Well #: 1-2

Field Name: Broadway
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

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

Type Equipment: Mud Rotary
 Air Rotary
 Cable

Nearest Lease or unit boundary: 330 ft
 Ground Surface Elevation: 1417 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: 150 ft
 Depth to bottom of usable water: 180 ft

Surface Pipe by Alternate: X 1 2
 Length of Surface Pipe Planned to be set: 280 ft

Length of Conductor Pipe required: None
 Projected Total Depth: 4100 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 #: _____

Permit Extension
 Request Received 12-21-04

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: 6/22/04 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer

For KCC Use ONLY
 API # 15 - 095-21895-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: RJP 6-24-04 / RJP 6-24-04
 This authorization expires: 12-24-04 / 12-24-05
 (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.

2
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SW