

RELEASED

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

JAN 04 2005

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

FROM CONFIDENTIAL

ORIGINAL

Operator: License # 5214  
Name: Lario Oil & Gas Company  
Address: 301 S. Market Street  
City/State/Zip: Wichita, KS 67207  
Purchaser: Eott  
Operator Contact Person: Jay G. Schweikert  
Phone: (316) 265-5611  
Contractor: Name: Murfin Drilling Company, Inc.  
License: 30606  
Wellsite Geologist: Tim Lauer

API No. 15 - 051-25187-00-00  
County: Ellis  
e2 se ne Sec. 32 Twp. 15 S. R. 17  East  West  
1980 feet from N (circle one) Line of Section  
330 feet from E (circle one) Line of Section

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Errol Engel Well #: 1-32  
Field Name: \_\_\_\_\_  
Producing Formation: Arbuckle

If Workover/Re-entry: Old Well Info as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening  Re-perf.  Conv. to Enhr./SWD  
 Plug Back \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) \_\_\_\_\_ Docket No. \_\_\_\_\_

Elevation: Ground: 1882 Kelly Bushing: 1887  
Total Depth: 3550 Plug Back Total Depth: 3501  
Amount of Surface Pipe Set and Cemented at 1026 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If Yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

01/24/03 02/04/03 02/24/03  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

Drilling Fluid Management Plan Errol Engel 4.1.03  
(Data must be collected from the Reserve Pit)  
Chloride content 12,000 ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

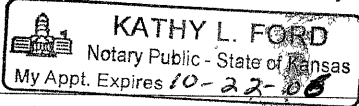
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Jay G. Schweikert  
Title: Operations Engineer Date: 03/26/03

Subscribed and sworn to before me this 26<sup>th</sup> day of March

19 2003  
Notary Public: Kathy L Ford  
Date Commission Expires: 10-22-06



**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

Operator Name: Lario Oil & Gas Company Lease Name: Errol Engel Well #: 1-32  
 Sec. 32 Twp. 15 S. R. 17  East  West County: Ellis

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  GR-CDL/CNL DIL/MEL SONIC	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Heebner Shale</td> <td>3119</td> <td>-1231</td> </tr> <tr> <td>Toronto</td> <td>3136</td> <td>-1249</td> </tr> <tr> <td>Lansing</td> <td>3168</td> <td>-1281</td> </tr> <tr> <td>B/ Kansas City</td> <td>3397</td> <td>-1510</td> </tr> <tr> <td>Arbuckle</td> <td>3434</td> <td>-1547</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Heebner Shale	3119	-1231	Toronto	3136	-1249	Lansing	3168	-1281	B/ Kansas City	3397	-1510	Arbuckle	3434	-1547
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample																				
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Lansing	3168	-1281																				
B/ Kansas City	3397	-1510																				
Arbuckle	3434	-1547																				

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Conductor	17.5"	13-3/8"	48	83	Common	80	2% CC
Surface	12-1/4"	8-5/8"	24	1026	60/40 Pz/Cm	500	3% CC+2% Gel
Production	7-7/8"	5-1/2"	14	3542	AA-2 Comn	125	10% Salt+8%FL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input checked="" type="checkbox"/> Plug Off Zone	3450-3462	Common	50	none

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
				Depth
2	3436 - 3440		250 gal 15% MCA	3436-40
4	3440 - 3444		750 gal 15% NEFE	3436-44

TUBING RECORD		Size <u>2-7/8"</u>	Set At <u>3499</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>03/11/03</u>		Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. <u>15</u>	Gas Mcf <u>tstm</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio <u>NA</u>	Gravity

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

*(If vented, Sumit ACO-18.)*

METHOD OF COMPLETION Production Interval

ALLIED CEMENTING CO., INC.  
 P.O. BOX 31  
 RUSSELL, KS 67665  
 PH (785) 483-3887  
 FAX (785) 483-5566

CONFIDENTIAL

KCC  
 MAR 26 2003  
 CONFIDENTIAL

ORIGINAL

\*\*\*\*\*  
 \* INVOICE \*  
 \*\*\*\*\*

Invoice Number: 089059

Invoice Date: 01/29/03

RELEASED

Sold Lario Oil & Gas Company  
 To: P. O. Box 784  
 Hays, KS  
 67601

RECEIVED  
 JAN 4 2005  
 MAR 28 2003 FROM CONFIDENTIAL  
 KCC WICHITA

AFE # 02-132

Cust I.D.....: Lario  
 P.O. Number...: Errol Engel #1  
 P.O. Date.....: 01/29/03

(conductor casing)

Due Date.: 02/28/03  
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common Chloride	80.00	SKS	6.6500	532.00	E
Handling	3.00	SKS	30.0000	90.00	E
Mileage (min.chq.)	80.00	SKS	1.1000	88.00	E
Conductor	1.00	MILE	100.0000	100.00	E
Mileage pmp trk	1.00	JOB	520.0000	520.00	E
	25.00	MILE	3.0000	75.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 1405.00  
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00  
 If Account CURRENT take Discount of \$ 140.50 Payments: 0.00  
 ONLY if paid within 30 days from Invoice Date Total...: 1405.00

OK to Pay

FEB 7 2003

HY	JS	KF	GV	SF	DM
PV					
OD					

*Jim Bullough*  
 2-6-03

BCP

**ALLIED CEMENTING CO., INC.**

P.O. BOX 31  
 RUSSELL, KS 67665  
 PH (785) 483-3887  
 FAX (785) 483-5566

**CONFIDENTIAL**

**ORIGINAL** \*\*\*\*\*

**INVOICE**  
 \*\*\*\*\*

**KCC**

Invoice Number: 089060

MAR 26 2003

Invoice Date: 01/29/03

**CONFIDENTIAL**

**RELEASED**

JAN 4 2005

**FROM CONFIDENTIAL**

Sold Lario Oil & Gas Company  
 To: P. O. Box 784  
 Hays, KS  
 67601

AFE #02-132

Cust I.D. ....: Lario  
 P.O. Number...: Errol Engel #1  
 P.O. Date....: 01/29/03

(Surface casing)

Due Date.: 02/28/03  
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	300.00	SKS	6.6500	1995.00	E
Pozmix	200.00	SKS	3.5500	710.00	E
Gel	10.00	SKS	10.0000	100.00	E
Chloride	15.00	SKS	30.0000	450.00	E
Handling	500.00	SKS	1.1000	550.00	E
Mileage (25)	25.00	MILE	20.0000	500.00	E
500 sks @\$ .04 per sk per mi					
Surface	1.00	JOB	870.0000	870.00	E
Mileage pmp trk	25.00	MILE	3.0000	75.00	E
Plug	1.00	EACH	100.0000	100.00	E
Centralizers	6.00	EACH	33.0000	198.00	E
Baffle Plate	1.00	EACH	45.0000	45.00	E

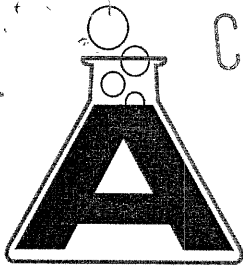
All Prices Are Net, Payable 30 Days Following Subtotal: 5593.00  
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00  
 If Account CURRENT take Discount of \$ 559.30 Payments: 0.00  
 ONLY if paid within 30 days from Invoice Date Total...: 5593.00

Acct.	Expl.	File	OK to pay
			<i>ya</i>
FEB 7 2003			
HY	JS	KF	GV
PV	<i>ya</i>		SF
OD			DM

**RECEIVED**  
 MAR 28 2003  
 KCC WICHITA

*Jim Bellamy*  
 2-6-03

*BCP*



CONFIDENTIAL

ACID

KCC  
MAR 26 2003

ORIGINAL

Acct.	Expl.	File	OK to Pay

**SALES OFFICE:**  
100 S. Main  
Suite #607  
Wichita KS 67202  
(316) 262-3699  
(316) 262-5799 FAX

**SALES & SERVICE OFFICE:**  
10244 NE Hiway 61  
P.O. Box 8613  
Pratt, KS 67124-8613  
(316) 672-1201  
(316) 672-5383 FAX

SERVICE CELL ACIDIZING - FRACTURING - CEMENTING

DEL	MH	MJ	SO	DN
File	Expl	D.P.	FILE	
FEB 14 2003				
SH	BA	MB	SH	BA
AK	MP	LD	AK	MP
			KW	

Invoice

Bill to:	LARIO OIL P.O. Box 784 Hays, KS 67601	Invoice	902011	Invoice Date	2/6/03	Order	5745	Order Date	2/3/03
		<b>Service Description</b>							
		Longstring Casing							
		AFE #02-132							
		<b>Lease</b>				<b>Well</b>			
		Errorf Engel				1-32			
<b>AFE</b>	<b>CustomerRep</b>	<b>Treater</b>	<b>Well Type</b>	<b>Purchase Order</b>	<b>Terms</b>				
	B. Sander	T. Seba	New Well		Net 30				

ID.	Description	UOM	Quantity	Unit Price	Price
D205	AA2 (COMMON)	SK	125	\$13.19	\$1,648.75 (T)
D203	60/40 POZ (COMMON)	SK	20	\$7.84	\$156.80 (T)
C195	FLA-322	LB	95	\$7.50	\$712.50 (T)
C221	SALT (Fine)	GAL	746	\$0.25	\$186.50 (T)
C194	CELLFLAKE	LB	30	\$2.00	\$60.00 (T)
F101	TURBOLIZER, 5 1/2"	EA	8	\$71.00	\$568.00 (T)
F143	TOP RUBBER CEMENT PLUG, 5 1/2"	EA	1	\$70.00	\$70.00 (T)
F191	GUIDE SHOE-REGULAR, 5 1/2"	EA	1	\$185.00	\$185.00 (T)
F231	FLAPPER TYPE INSERT FLOAT VALVES, 5 1/2"	EA	1	\$165.00	\$165.00 (T)
F291	CEMENT SCRATCHERS CABLE TYPE, 5 1/2"	EA	10	\$44.00	\$440.00 (T)
C141	CC-1, KCL SUBSTITUTE	GAL	5	\$40.00	\$200.00 (T)
C302	MUD FLUSH	GAL	500	\$0.75	\$375.00 (T)
E107	CEMENT SERVICE CHARGE	SK	145	\$1.50	\$217.50
E100	HEAVY VEHICLE MILEAGE - 1 WAY	MI	100	\$3.25	\$325.00
E104	PROPPANT / BULK DELIV SERVICES/TON MILE, \$200 MIN	TM	680	\$1.30	\$884.00
R208	CASING CEMENT PUMPER, 3501-4000' 1ST 4 HRS ON LOC	EA	1	\$1,680.00	\$1,680.00
R701	CEMENT HEAD RENTAL	EA	1	\$250.00	\$250.00

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KCC WICHITA

RELEASED

JAN 04 2005

Jim Bullocky  
2-7-03

FROM CONFIDENTIAL

<b>Sub Total:</b>	\$8,124.05
<b>Discount:</b>	\$2,843.42
<b>Discount Sub Total:</b>	\$5,280.63
<b>Taxes:</b>	\$195.23
<b>Total:</b>	\$5,475.86

Tax Rate: 6.30%

(T) Taxable Item

PLEASE REMIT TO Acid Services, LLC, Dept No 1131, Tulsa, OK 74182

Accounts become past due the last day of the month following billing. Interest rate 1.5% per month (18% per year) on past due accounts.

**ALLIED CEMENTING CO., INC.**

P.O. BOX 31  
 RUSSELL, KS 67665  
 PH (785) 483-3887  
 FAX (785) 483-5566

**CONFIDENTIAL**

**KCC**

**MAR 26 2003**

**ORIGINAL**

\*\*\*\*\*  
 \* INVOICE \*  
 \*\*\*\*\*

**CONFIDENTIAL**

Invoice Number: 089240

Invoice Date: 02/21/03

**RELEASED**

**JAN 04 2005**

**FROM CONFIDENTIAL**

Sold Lario Oil & Gas Company  
 To: P. O. Box 784  
 Hays, KS  
 67601

Cust I.D. ....: Lario  
 P.O. Number...: Errol Engel #1  
 P.O. Date....: 02/21/03  
 (Completion)  
 AFE #02-132

Due Date.: 03/23/03  
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	50.00	SKS	6.6500	332.50	T
CeMad	25.00	SKS	5.5000	137.50	T
Handling	100.00	SKS	1.1000	110.00	T
Mileage (25)	25.00	MILE	4.0000	100.00	T
100 sks @\$ .04 per sk per mi.					
Squeeze	1.00	JOB	630.0000	630.00	T
Mileage pmp trk	25.00	MILE	3.0000	75.00	T

All Prices Are Net, Payable 30 Days Following Subtotal: 1385.00  
 Date of Invoice. 1 1/2% Charged Thereafter. Tax..... 94.19  
 If Account CURRENT take Discount of \$ 138.50 Payments: 0.00  
 ONLY if paid within 30 days from Invoice Date Total..... 1479.19

**RECEIVED**

**MAR 28 2003**

**KCC WICHITA**

Acct.	Expl.	File	OK to Pay
			<i>[Signature]</i>
MAR 3 2003			

*ACP*

DEL	MH	MJ	SO	DN				
Prod	Expl	DY	FWE	KF	GV	SF	DM	

Rec'd	MAR - 5 2003	Acctg
ACTION	MB SH BA MB SH BA	INFO
	AK MP LD AK MP LD	
	KW	

*[Signature]*  
 2-27-03



CONFIDENTIAL

ORIGINAL

# ALLIED CEMENTING CO., INC. 11430

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT: R

KCC  
MAR 26 2003  
CONFIDENTIAL

DATE <u>2-14-02</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START <u>9:15 AM</u>	JOB FINISH <u>11:20 AM</u>
ERROL LEASE ENTEL	WELL # <u>1</u>	LOCATION <u>RIEGER IS 2 1/2 W N</u>		COUNTY <u>ELLIS</u>	STATE <u>KS</u>		

OLD OR NEW (Circle one)

CONTRACTOR PRATT WELL SERVICE OWNER \_\_\_\_\_  
 TYPE OF JOB SQUEEZE - Lower Arbuckle  
 HOLE SIZE \_\_\_\_\_ T.D. \_\_\_\_\_ CEMENT \_\_\_\_\_  
 CASING SIZE 5 1/2 DEPTH \_\_\_\_\_ AMOUNT ORDERED 100 COM  
 TUBING SIZE 2 1/2 DEPTH \_\_\_\_\_ 25" CEMAB  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_ COMMON 50 @ 6.45 332.50  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_ POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_ GEL \_\_\_\_\_ @ \_\_\_\_\_  
 PERFS. \_\_\_\_\_ CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_

CEMAB	25	@	5.50	137.50
HANDLING	100	@	1.10	110.00
MILEAGE	4 1/2	@	22.00	100.00
TOTAL				680.00

RELEASED  
JAN 04 2005  
FROM CONFIDENTIAL

DISPLACEMENT \_\_\_\_\_  
 EQUIPMENT \_\_\_\_\_  
 PUMP TRUCK CEMENTER MARK  
 # 345 HELPER DAVE  
 BULK TRUCK  
 # 213 DRIVER RON  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

### REMARKS:

TOOL C 3300 PERP. C 3450-62  
INIT RATE 1 1/2/min @ 1300# MIXED  
25 SILS STRUT 25 SILS STRAIGHT SQUEEZE  
TO 1200# - WASHED CLEAN PULLED 5  
ITS PRESSURE TO 1000#

### SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE	<u>630.00</u>		
EXTRA FOOTAGE	@		
MILEAGE	<u>25</u>	@	<u>3.00</u> <u>75.00</u>
PLUG	@		
TOTAL <u>705.00</u>			

CHARGE TO: LARZO  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

### FLOAT EQUIPMENT

TOTAL			
TAX			
TOTAL CHARGE	<u>1389.00</u>		
DISCOUNT	IF PAID IN 30 DAYS		

RECEIVED  
MAR 28 2003  
KCC WICHITA

To Allied Cementing Co., Inc.  
 You are hereby requested to rent cementing equipment and furnish cements and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE Brad Sander

Brad Sander  
 PRINTED NAME