

For KCC Use: 5-16-05  
Effective Date: 4  
District # \_\_\_\_\_  
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 April 23, 2005  
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# 30606  
Name: Murfin Drilling Co., Inc.

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

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 #: \_\_\_\_\_

**\* WELL LOCATION EXCEPTION GRANTED**  
**5-11-2005 (@S.CONS-221-WLE) 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: 3/21/05 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer  
Jay G. Schweikert

For KCC Use ONLY  
API # 15 - 051-25418-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt. + (2)  
Approved by: RSPS-11-05  
This authorization expires 11-11-05  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Spot \*\* NE SW Sec. 02 Twp. 12 S. R. 18  East  West  
2050 feet from (S) \*\* (circle one) Line of Section  
1850 feet from (W) (circle one) Line of Section  
Is SECTION  Regular  Irregular?

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

County: Ellis  
Lease Name: Walters A Well #: 2  
Field Name: Bemis-Shutts

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

Nearest Lease or unit boundary: 148 ft  
Ground Surface Elevation: 2086 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

Surface Pipe by Alternate: 1  2  
Length of Surface Pipe Planned to be set: 250 ft  
Length of Conductor Pipe required: none

Projected Total Depth: 3700 ft  
Formation at Total Depth: Arbuckle

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: \_\_\_\_\_

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

RECEIVED  
MAR 22 2005

KCC WICHITA

**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: Walters A  
 Well Number: 2  
 Field: Bemis-Shutts  
 Number of Acres attributable to well: 40  
 QTR / QTR / QTR of acreage: \*\* - NE - SW

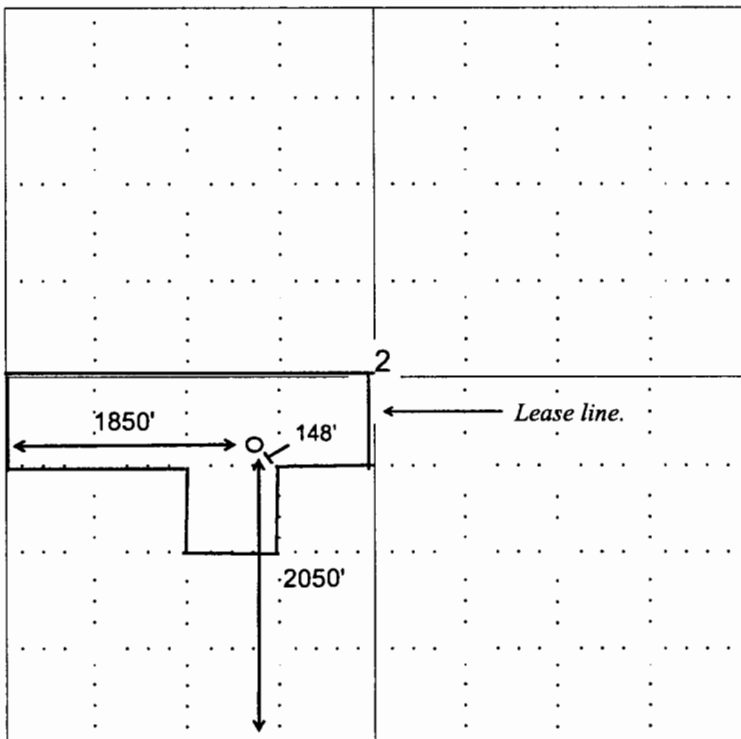
Location of Well: County: Ellis  
 \_\_\_\_\_  
2050 feet from (S) / N (circle one) Line of Section  
 \_\_\_\_\_  
1850 feet from E / (W) (circle one) Line of Section  
 Sec. 02 Twp. 12 S. R. 18  East  West

Is Section  Regular or \_\_\_\_\_ Irregular

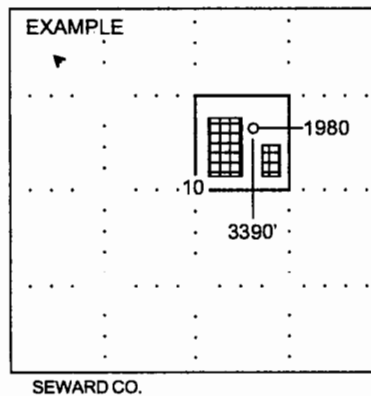
**If Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used: \_\_\_ NE \_\_\_ NW \_\_\_ SE \_\_\_ SW

**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.)



Section line.



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

**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).