

OWWO

For KCC Use:
Effective Date: 3-12-06
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date March, 9, 2006
month day year

Spot NW - NW - SE Sec. 11 Twp. 28 S. R. 05
 East
 West
2310 feet from N / S Line of Section
2310 feet from E / W Line of Section

OPERATOR: License# 5214
Name: Lario Oil & Gas Co.
Address: 301 South Market
City/State/Zip: Wichita, KS 67202
Contact Person: Jay G. Schweikert
Phone: 316-265-5611

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MAR 02 2006

Is SECTION Regular Irregular?
County: Kingman
Lease Name: P. Brown B Well #: 1-11 RE
Field Name: Broadway East

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

CONSERVATION DIVISION
WICHITA, KS

this a Prorated / Spaced Field? Yes No

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

Target Formation(s): Mississippian
Nearest Lease or unit boundary: 330
Ground Surface Elevation: 1392 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
Depth to bottom of usable water: 180

If OWWO: old well information as follows:
Operator: Bennett & Roberts
Well Name: Goldsborough #1
Original Completion Date: 04/22/55 Original Total Depth: 3900

* Surface Pipe by Alternate: 1 2
Length of Surface Pipe ~~Planned to be set~~ existing @ 144'
Length of Conductor Pipe required: None
Projected Total Depth: 4000 ft.
Formation at Total Depth: Mississippian

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

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: _____

* TABLE 1 Exception GRANTED!

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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: 3/2/06 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer
Jay G. Schweikert

For KCC Use ONLY
API # 15 - 095-00088-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 144' feet per Alt. (2)
Approved by: DPW 3-2-06
This authorization expires: 9-2-06
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

- 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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 Well Not Drilled - Permit Expired
Signature of Operator or Agent: _____
Date: _____

11
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 Co.
 Lease: P. Brown B
 Well Number: 1-11 RE
 Field: Broadway East
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: NW - NW - SE

Location of Well: County: Kingman
2310 feet from N / S Line of Section
2310 feet from E / W Line of Section
 Sec. 11 Twp. 28 S. R. 05 East West

Is Section: Regular or Irregular

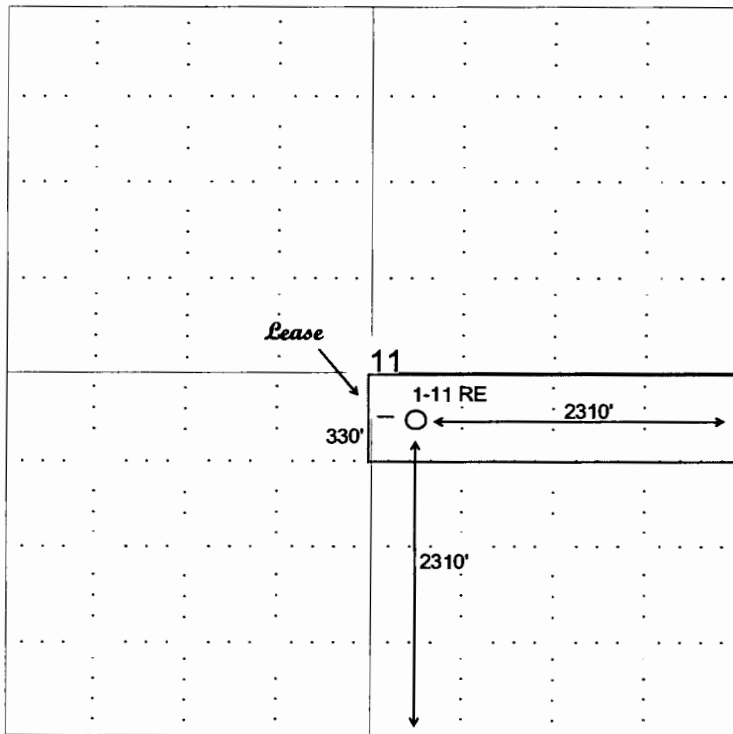
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

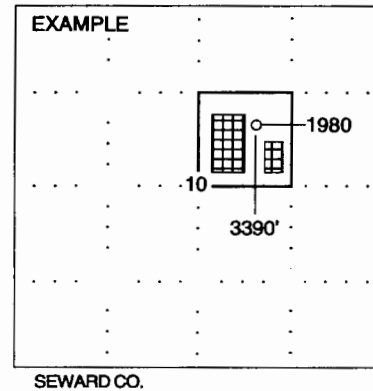
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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 WICHITA, KS



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

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
JOHN WINE, COMMISSIONER
ROBERT E. KREHBIEL, COMMISSIONER

March 7, 2006

Lario Oil & Gas Company
301 South Market
Wichita, KS 67202
Attn: Jay G. Schweikert

RE: Exception to Table I, Minimum Surface Casing Requirements
For the **P. Brown B #1-11 RE**, 2310' FSL & 2310' FWL,
11-28S-5W, Kingman County, Kansas

Dear Mr. Schweikert,


The Kansas Corporation Commission (KCC) has received your request dated March 2, 2006 for an exception to Table 1 surface pipe requirements for the above-referenced well. From the request, the KCC understands that Lario Oil & Gas desires to re-enter a plugged and abandoned well that had originally set 144' of surface casing instead of the Table 1, Alternate-1 completion minimum surface pipe requirement of 200' for this location.

Your request states Lario's intention that the well, if completed, will set a 2-stage collar on the production casing "around 250' and cemented back to the surface."

After review of this matter by technical staff, an exception is granted for the Table 1, Minimum Surface Casing Requirements with the following stipulations;

1. If a well is completed, **Lario Oil & Gas Company** will use a 2-stage collar and the production or long string casing nearest the formation wall shall be cemented from below 200' to surface with the cementing being performed concurrent with the setting of production casing.
2. In the event the well is dry and no production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Very Sincerely Yours,


M. L. Korphage
Director

cc: David P. Williams *OKDPW*
Doug Louis - Dist #2 *OKDL*

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