

OWWO

For KCC Use: Effective Date: 1-10-07 District # 2 SGA? [X] Yes [] No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1

December 2002

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 December, 21 2006 month day year

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

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

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

If OWWO: old well information as follows: Operator: Petroleum Inc. Well Name: McCormick B #1 Original Completion Date: 06/04/64 Original Total Depth: 4545

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

Spot SW NW Sec. 28 Twp. 29S S. R. 06 1980 feet from N / S Line of Section 660 feet from E / W Line of Section Is SECTION [X] Regular [] Irregular?

(Note: Locate well on the Section Plat on reverse side) County: Kingman Lease Name: Graber Well #: 1-28 RE Field Name: Rosedale Is this a Prorated / Spaced Field? [] Yes [X] No Target Formation(s): Mississippian & Simpson Nearest Lease or unit boundary: 660 Ground Surface Elevation: 1520 est. feet MSL Water well within one-quarter mile: [] Yes [X] No Public water supply well within one mile: [] Yes [X] No Depth to bottom of fresh water: 120 Depth to bottom of usable water: 180 Surface Pipe by Alternate: [X] 1 [] 2 Length of Surface Pipe Planned to be set: 8-5/8" already set @ 269' w/ 200 sks Length of Conductor Pipe required: None Projected Total Depth: 4545 ft. Formation at Total Depth: Simpson Water Source for Drilling Operations: [] Well [X] Farm Pond Other: DWR Permit #: (Note: Apply for Permit with DWR [X]) Will Cores be taken? [] Yes [X] No If Yes, proposed zone:

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: 11/22/06 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer

For KCC Use ONLY API # 15 - 095-19032-00-01 Conductor pipe required None feet Minimum surface pipe required 269 feet per Alt. 1 Approved by: JGS-15-07 This authorization expires: 7-5-07 (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. - 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: RECEIVED Date: NOV 27 2006

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

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 - 095-19032-00-01
 Operator: Lario Oil & Gas Co.
 Lease: Graber
 Well Number: 1-28 RE
 Field: Rosedale
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: - SW - NW

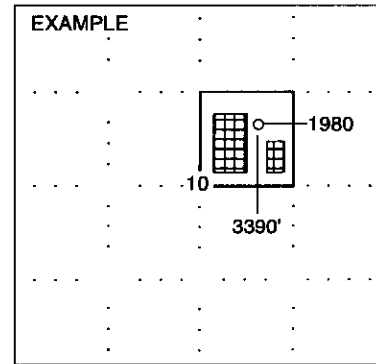
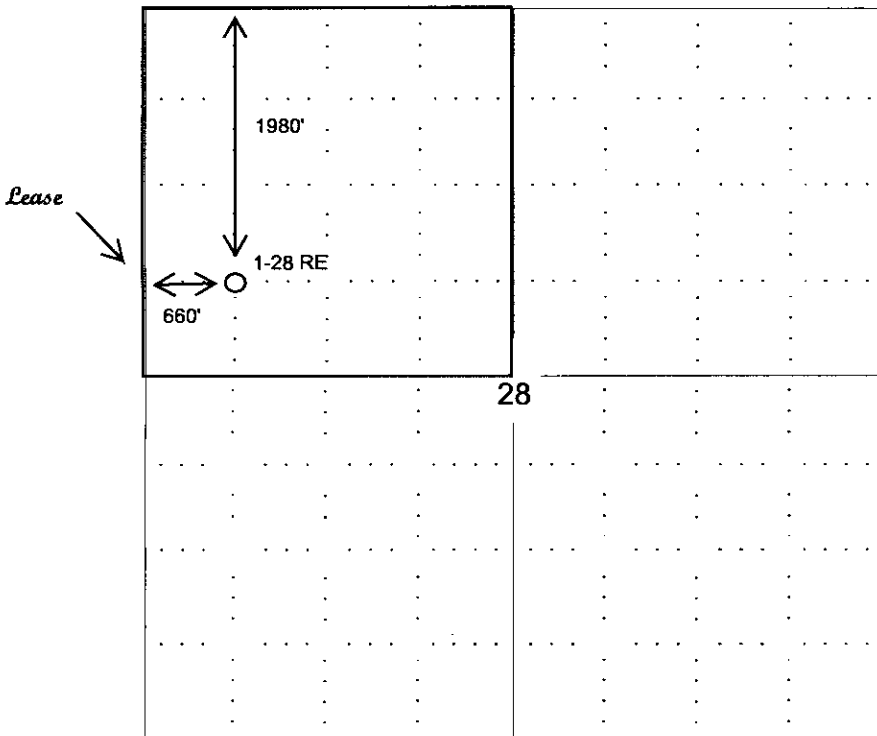
Location of Well: County: Kingman
1980 feet from N / S Line of Section
660 feet from E / W Line of Section
 Sec. 28 Twp. 29S S. R. 06 East West

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 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
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Lario Oil & Gas Company		License Number: 5214
Operator Address: 301 South Market		Wichita, KS 67202
Contact Person: Jay G. Schweikert		Phone Number: (316) 265 - 5611
Lease Name & Well No.: Graber #1-28 RE		Pit Location (QQQQ): _____ SW _____ NW Sec. 28 Twp. 29S R. 06 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1980 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 660 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Kingman County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4500 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 4490 feet Depth of water well 62 feet		Depth to shallowest fresh water 30 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Bentonite Mud Number of working pits to be utilized: 2 Abandonment procedure: Allow for evaporation. Fill in & cover pits. Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
11/22/06 Date	 Signature of Applicant or Agent Jay G. Schweikert	

15-095-1903A-00-01

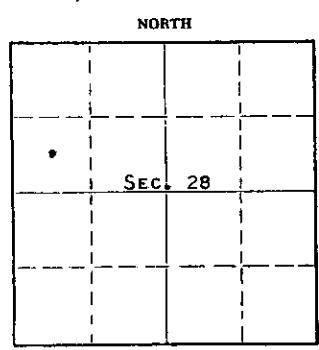
KCC OFFICE USE ONLY			
Date Received: 11/27/06	Permit Number: _____	Permit Date: _____	Lease based: <input type="checkbox"/> Yes <input type="checkbox"/> No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOV 27 2006
KCC WICHITA

All Information Completely
As Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

Graber 1-28 22

WELL PLUGGING RECORD



Locate well correctly on above
Section Flat

KINGMAN County, Sec. 28 Twp. 29s Rge. 6 (R) (W)
Location as "NE/CNWxSWx" or footage from lines. G SW NW
Lease Owner PETROLEUM, INC.
Lease Name MCCORMICK "B" Well No. 1
Office Address R.R. #2, GREAT BEND, KANSAS
Character of Well (completed as Oil, Gas or Dry Hole) DRY HOLE
Date well completed 5-29-1964
Application for plugging filed 5-29-1964
Application for plugging approved 5-29-1964
Plugging commenced 5-29-1964
Plugging completed 5-29-1964
Reason for abandonment of well or producing formation NO PRODUCIBLE FORMATIONS

If a producing well is abandoned, date of last production - 19 -
Was permission obtained from the Conservation Division or its agents before plugging was commenced? YES

Name of Conservation Agent who supervised plugging of this well ARCHIE ELYING
Producing formation - Depth to top - Bottom - Total Depth of Well 4545 Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
				8-5/8"	269'	NONE

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

MUDDER UP WITH HEAVY MUD TO 250', FOLLOWED BY WOODEN PLUG. PLACED 1/4 SACK HULLS ON TOP OF PLUG, FOLLOWED BY 30 SACKS CEMENT. MUDDER UP WITH HEAVY MUD TO 40', FOLLOWED BY WOODEN PLUG, 1/4 SACK HULLS AND 15 SACKS CEMENT TO BASE OF WELL CELLAR.

RECEIVED
STATE CORPORATION COMMISSION
JUN 11 1964
CONSERVATION DIVISION
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor GARVEY DRILLING CO.
Address R.R. #2, GREAT BEND, KANSAS

STATE OF KANSAS, COUNTY OF BARTON, ss.
MONTE CHADD (employee of owner) or (~~owner~~) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God. MONTE CHADD, DIST. PROD. SUPT.
(Signature) _____
R.R. #2, GREAT BEND, KANSAS
(Address)

SUBSCRIBED AND SWORN TO before me this 10TH day of JUNE 19 64
My commission expires SEPTEMBER 23, 1967
Richard C. Jones Notary Public.

RECEIVED
NOV 27 2006
KCC WICHITA

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

January 5, 2007

Mr. Jay G. Schweikert
Lario Oil & Gas Co.
301 South Market
Wichita, KS 67202

Re: Drilling Pit Application
Graber Lease Well No. 1-28RE
NW/4 Sec. 28-29S-06W
Kingman County, Kansas

Dear Mr. Schweikert:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and lined with bentonite. **Steel working pits are to be used.** The free fluids must be removed within 72 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,


Kathy Haynes

Environmental Protection and Remediation Department

cc: Doug Louis