

For KCC Use: 4-29-07
Effective Date: 4
District # _____
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date May 14, 2007
month day year

OPERATOR: License# 5214 ✓
Name: Lario Oil & Gas Company
Address: 301 S. Market
City/State/Zip: Wichita, KS 67202
Contact Person: Jay G. Schweikert
Phone: 316-265-5611
CONTRACTOR: License# 5822 ✓
Name: VAL Energy, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> QWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

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 #: _____

Spot ~45' S of
N2 NE SE SW Sec. 10 Twp. 13 S. R. 31 ☐ East ☒ West
1110 feet from ☐ N / ☒ S Line of Section
2310 feet from ☐ E / ☒ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Gove
Lease Name: Stevenson Trust Well #: 1-10
Field Name: Wildcat
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): Lansing, Cherokee & Mississippian
Nearest Lease or unit boundary: 1110'
Ground Surface Elevation: 2950' est. 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: 160'
Depth to bottom of usable water: 1350'
Surface Pipe by Alternate: ☐ 1 ☒ 2
Length of Surface Pipe Planned to be set: 260'
Length of Conductor Pipe required: None
Projected Total Depth: 4800'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
☐ Well ☐ Farm Pond ☒ Other X
DWR Permit #: _____

(Note: Apply for Permit with DWR ☒)

Will Cores be taken? ☐ Yes ☒ No
If Yes, proposed zone: _____

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

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: 4/11/07 Signature of Operator or Agent: Jay Schweikert Title: Jay G. Schweikert, Operations Engineer

For KCC Use ONLY

API # 15 - 063-21659-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. XO 2
Approved by: 4-24-07
This authorization expires: 10-24-07
(This authorization void if drilling not started within 6 months of approval 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


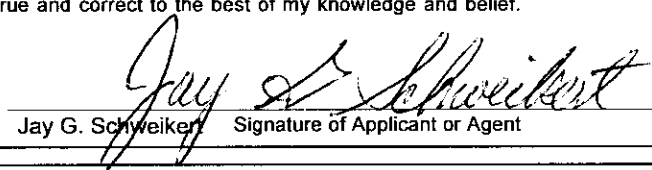
Signature of Operator or Agent: _____
Date: _____

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

**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 S. Market, Wichita, KS 67202		
Contact Person: Jay G. Schweikert		Phone Number: (316) 265 - 5611
Lease Name & Well No.: Stevenson Trust #1-10		Pit Location (QQQQ): N2 NE SE SW Sec. 10 Twp. 13S R. 31 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1110 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Gove 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: 7100 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input 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): 100 Length (feet) 100 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. <div align="center">RECEIVED KANSAS CORPORATION COMMISSION APR 24 2007 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet	Depth to shallowest fresh water 160 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. <div style="display: flex; justify-content: space-between; align-items: center;"><div style="text-align: center;"> Date 4/14/07</div><div style="text-align: center;"> Jay G. Schweikert Signature of Applicant or Agent</div></div>		
KCC OFFICE USE ONLY		
Date Received: 4/24/07 Permit Number: _____ Permit Date: 4/24/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

15-063-21659-000