

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
K.A.R. 82-3-117**

Form CP-4
December 2003
Type or Print on this Form
Form must be Signed
All blanks must be Filled

Lease Operator: Lario Oil & Gas Company
 Address: 301 South Market, Wichita, KS 67202
 Phone: (316) 265-5611 Operator License #: 5214
 Type of Well: Oil & Gas D&A Docket #: _____
 (Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)
 The plugging proposal was approved on: 03-23-07 (Date)
 by: Greg Eves (KCC District Agent's Name)
 Is ACO-1 filed? Yes No If not, is well log attached? Yes No
 Producing Formation(s): List All (If needed attach another sheet)
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____

API Number: 15 - 095-22094-00-00
 Lease Name: Peterson
 Well Number: 1-26
 Spot Location (QQQQ): C - SW - SE - SE
330 Feet from North / South Section Line
990 Feet from East / West Section Line
 Sec. 26 Twp. 27 S. R. 6 East West
 County: Kingman
 Date Well Completed: D & A
 Plugging Commenced: 03-26-07
 Plugging Completed: 03-26-07

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
*see attached drilling report		0'	251'	8 5/8" new 23#	240.92'	0'

Describe in detail the manner in which the well is 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 depth placed from (bottom), to (top) for each plug set.

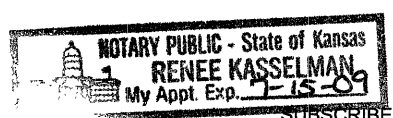
Plug well with 145 sacks of 60/40 Poz, 4% gel.
 1st plug @ 850' with 35 sacks. 2nd plug @ 400' with 35 sacks. 3rd plug @ 300' with 35 sacks.
 4th plug @ 60' with 25 sacks. Plug rat hole with 15 sacks.
 Job complete @ 12:00 pm on 03-26-07 by JetStar (tk #15794)

Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350
 Address: PO Box 276, Ellinwood, KS 67526

Name of Party Responsible for Plugging Fees: Lario Oil & Gas Company
 State of Kansas County, Barton, ss.

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on 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 is as filed, and the same are true and correct, so help me God.

(Signature) Todd E. Morgenstern
 (Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 6 day of April, 20 07
Renee Kasselmann My Commission Expires: 07-15-09
 Notary Public

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

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WICHITA, KS

**SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS**

Lease: PETERSON #1-26 (LARIO OIL + GAS)

Plugging received from KCC representative:

Name: GREG EVES Date 3-23-07 Time 4:00 P.M.

1st plug @ 850 ft. 35 sx. Stands: 14

2nd plug @ 400 ft. 35 sx. Stands: 6 1/2

3rd plug @ 300 ft. 35 sx. Stands: 5

4th plug @ 60 ft. 25 sx. Stands: 1

5th plug @ _____ ft. _____ sx. Stands: _____

Mousehole NA sx.

Rahole 15 sx.

Total Cement used: 145 sx.

Type of cement 60/40 Poz, 4% 96L

Plug down @ 12:00 P.M. 3-26-07 By JETSTAR, TRC # 15794

Call KCC When Completed:

Name: STEVE VON GIESON Date 3-26-07 Time 12:00 P.M.

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TREATMENT REPORT

Customer LARRO OIL & GAS	Lease No.	Date 3-26-07
Lease PETERSON	Well # 1-26	
Field Order # 1374	Station 12411 KIS	Casing
Type Job CPH NW	Formation	Depth
		County HOWARD
		State KS
		Legal Description 26-27-6

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	145x 60/40 P07	RATE	PRESS	ISIP
Depth	Depth	From	To	Pre-Pad	4% GEL	Max		5 Min.
Volume	Volume	From	To	Pad		Min		10 Min.
Max Press	Max Press	From	To	Frac		Avg		15 Min.
Well Connection	Annulus Vol.	From	To			HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush		Gas Volume		Total Load

Customer Representative LOW	Station Manager SCOTT	Treater CORNEY
Service Units 19807 1984 19825 19861		
Driver Names KC ROSE WILKINSON		

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
1000					ON LOCATION - TD - 4185
1030			10	5	35 SK AT 850
			9	5	10 bbl H ₂ O
			9	5	35 SK CEMENT
			9	5	9 bbl H ₂ O
1100			10	5	(2) 35 SK AT 400'
			9	5	10 bbl H ₂ O
			3	5	35 SK CEMENT
			3	5	3 bbl H ₂ O
1115			5	5	(3) 35 SK AT 300'
			9	5	5 bbl H ₂ O
			1	5	35 SK CEMENT
			1	5	1 bbl H ₂ O
1130			6	2	(4) 25 SK AT 60'
			4	2	CEMENT
			4	2	(5) 15 SK DW KAT HOLE
1700					TDB COMPLETE - THANKS KEVA

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LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-27-07 DAY NUMBER 12 Depth (At Report Time) 4185 FT. (M. I
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 0 FT. OPERATIONS (At Report Time): _____
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 4185 FT. WT. 9.3 VIS. 52 cp
 P.V. 7 Y.P. 18 GELS 16/46 CAKE 1 PH 10.5 WL 8.2
 SAND Trace % CHLORIDES 6,500 CALCIUM 40 SOLIDS 6.4 % LIQUIDS 93.6
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree, 3810' = 1/2 degree, 4185 = 1/2 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 22 CUM FEET 3930
 HRS TODAY 1 3/4 CUM HRS 131 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS _____	TRIP _____	SURVEY _____	CORING _____
DOWN TIME _____	REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____	BOPS _____	CIRC _____	WOC _____
MIX & BUILD MUD _____	JET & CONN _____	RUN CSG & CMT _____	
PLUG WELL <u>4</u>	TEAR DOWN <u>4</u>		
DRILLING CO. TIME (total) <u>135</u>		LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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Plug well with 145 sacks of 60/40 Poz, 4% gel
1st plug @ 850' with 35 sacks, 2nd plug @ 400' with 35 sacks, 3rd plug @ 300' with 35 sacks,
4th plug @ 60' with 25 sacks to surface. Plug rat hole with 15 sacks. No mouse hole.
Job complete @ 12:00 pm on 03-26-07 by Jet Star (tk #15794)

RTD = 4185'
 LTD = 4188'

Fuel usage: 69.00 gals. (33" used 2")

DAILY MUD COST \$ 141.35

DAILY WELL COST \$ _____

CUM MUD COST \$ 9,400.88

CUM WELL COST \$ _____

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CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-26-07 DAY NUMBER 11 Depth (At Report Time) 4185 FT. (M. L)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 22 FT. OPERATIONS (At Report Time): Plugging the well
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 4185 FT. WT. 9.3 VIS. 52 cp
 P.V. 7 Y.P. 18 GELS 16/46 CAKE 1 PH 10.5 WL 8.2
 SAND Trace % CHLORIDES 6.500 CALCIUM 40 SOLIDS 6.4 % LIQUIDS 93.6
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree, 3810' = 1/2 degree, 4185 = 1/2 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 22 CUM FEET 3930
 HRS TODAY 1 3/4 CUM HRS 131 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>1 3/4</u>	TRIP <u>7 1/4</u>	SURVEY <u>1/4</u>	CORING _____
DOWN TIME _____	REAM _____	LOGGING <u>4</u>	D.S.T. <u>3</u>
REPAIR RIG _____	BOPS _____	CIRC <u>3 1/4</u>	WOC _____
MIX & BUILD MUD _____	JET & CONN _____	RUN CSG & CMT _____	
PLUG WELL <u>1</u>	WAIT ON ORDERS <u>1 1/2</u>	NIPPLE DOWN <u>2</u>	
DRILLING CO. TIME (total) <u>135</u>	LARIO CO. TIME (total) _____		

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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3 1/4 CFS @ 4182'. 4185'

DST #3 (4170' - 4185')
Simpson Sand formation
Recovered 3240' saltwater

RTD = 4185'
LTD = 4188'

Fuel usage: 241.50 gals. (35" used 7")

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DAILY MUD COST \$ 1,052.32

CUM MUD COST \$ 9,259.53

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-25-07 DAY NUMBER 10 Depth (At Report Time) 4163 FT. (M. I.)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 284 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 3920 FT. WT. 8.9 VIS. 52 cp
 P.V. 18 Y.P. 19 GELS 18/48 CAKE 1 PH 10.5 WL 8.2
 SAND Trace % CHLORIDES 7,000 CALCIUM 40 SOLIDS 3.8 % LIQUIDS 96.2
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree, 3810' = 1/2 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 284 CUM FEET 3908
 HRS TODAY 22 CUM HRS 129 1/4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>22</u> TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>3/4</u> REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG <u>3/4</u> BOPS _____	CIRC <u>1/2</u> _____	WOC _____
MIX & BUILD MUD _____	JET & CONN _____	RUN CSG & CMT _____
PLUG WELL _____	WAIT ON ORDERS _____	NIPPLE DOWN _____
DRILLING CO. TIME (total) <u>133 1/4</u>	LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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Fuel usage: 241.50 gals. (42" used 7")

DAILY MUD COST \$ 230.61

CUM MUD COST \$ 8,207.21

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-24-07 DAY NUMBER 9 Depth (At Report Time) 3879 FT. (M. L
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 69 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 3810 FT. WT. 9.2 VIS. 48 cp
 P.V. 11 Y.P. 15 GELS 13/35 CAKE 1 PH 10.5 WL 8.0
 SAND Trace % CHLORIDES 5,000 CALCIUM 40 SOLIDS 6.1 % LIQUIDS 93.9
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree, 3810' = 1/2 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 69 CUM FEET 3624
 HRS TODAY 2 1/4 CUM HRS 107 1/4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>2 1/4</u>	TRIP <u>11</u>	SURVEY _____	CORING _____
DOWN TIME _____	REAM _____	LOGGING _____	D.S.T. <u>4 3/4</u>
REPAIR RIG <u>1</u>	BOPS _____	CIRC <u>5</u>	WOC _____
MIX & BUILD MUD _____	JET & CONN _____	RUN CSG & CMT _____	
DRILLING CO. TIME (total) <u>111 1/4</u>	LARIO CO. TIME (total) _____		

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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5 Circulate @ 3824', 3835', & CTCH

DST #1 (3798'-3810')
Mississippi formation
Recovered 62' watery mud with oil specks

DST #2 (3808'-3835')
Mississippi formation
Recovered 30' muddy cut water and 260' salt water (35% mud)

Fuel usage: 172.50 gals. (49" used 5")

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WICHITA, KS

DAILY MUD COST \$ 0.00

CUM MUD COST \$ 7,976.60

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-23-07 DAY NUMBER 8 Depth (At Report Time) 3810 FT. (M. I
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 237 FT. OPERATIONS (At Report Time): On bottom with DST #1
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 3569 FT. WT. 9.2 VIS. 50 cp
 P.V. 8 Y.P. 24 GELS 13/40 CAKE 1 PH 7.0 WL 10.2
 SAND Trace % CHLORIDES 4.000 CALCIUM 40 SOLIDS 6.2 % LIQUIDS 93.8
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree, 3810' = 1/2 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 237 CUM FEET 3555
 HRS TODAY 12 CUM HRS 105 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>12</u>	TRIP <u>4 3/4</u>	SURVEY <u>1/4</u>	CORING _____
DOWN TIME <u>1/2</u>	REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____	BOPS _____	CIRC <u>4</u>	WOC _____
MIX & BUILD MUD _____	JET & CONN <u>1/2</u>	LARCO CO. TIME (total) _____	RUN CSG & CMT _____
DRILLING CO. TIME (total) <u>109</u>			

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
_____	_____	_____	_____

4 Circulate @ 3787', 3802', 3810'

DST #1 (3798'-3810')
Mississippi formation

Fuel usage: 276.00 gals. (54" used 8")

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CONSERVATION DIVISION
WICHITA, KS

DAILY MUD COST \$ 0.00

CUM MUD COST \$ 7,976.60

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-22-07 DAY NUMBER 7 Depth (At Report Time) 3573 FT. (M. L
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 348 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 3569 FT. WT. 9.2 VIS. 50 cp
 P.V. 8 Y.P. 24 GELS 13/40 CAKE 1 PH 7.0 WL 10.2
 SAND Trace % CHLORIDES 4.000 CALCIUM 40 SOLIDS 6.2 % LIQUIDS 93.8
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 348 CUM FEET 3318
 HRS TODAY 20 CUM HRS 93 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>20</u>	TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>3/4</u>	REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____	BOPS _____	CIRC <u>2 1/4</u>	WOC _____
MIX & BUILD MUD _____	JET & CONN <u>1</u>	LARCO CO. TIME (total) _____	RUN CSG & CMT _____
DRILLING CO. TIME (total) <u>97</u>			

REMARKS (Include BOP tests, casing and cementing description):

HOURS _____	OPERATIONS _____	HOURS _____	OPERATIONS _____
<u>2 1/4 CFS @ 3386' and 3435'</u>			

Fuel usage: 345.00 gals. (62" used 10")

DAILY MUD COST \$ 1,684.96

CUM MUD COST \$ 7,976.60

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

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CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-21-07 DAY NUMBER 6 Depth (At Report Time) 3225 FT. (M. L.)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Lime/Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 635 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 3234 FT. WT. 9.0 VIS. 41 cp
 P.V. 6 Y.P. 18 GELS 7/30 CAKE 1 PH 10.5 WL 10.0
 SAND Trace % CHLORIDES 4.000 CALCIUM Heavy SOLIDS 4.8 % LIQUIDS 95.2
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 30/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 635 CUM FEET 2970
 HRS TODAY 20 3/4 CUM HRS 73 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>20 3/4</u> TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>3/4</u> REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____ BOPS _____	CIRC _____	WOC _____
MIX & BUILD MUD <u>3/4</u>	JET & CONN <u>1 3/4</u>	RUN CSG & CMT _____
DRILLING CO. TIME (total) <u>77</u>	LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS _____	OPERATIONS _____	HOURS _____	OPERATIONS _____
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1 3/4 displace @ 2693'

Fuel usage: 345.00 gals. (72" used 10")

DAILY MUD COST \$ 1,525.28

CUM MUD COST \$ 6,291.64

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

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CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-20-07 DAY NUMBER 5 Depth (At Report Time) 2590 FT. (M. I.)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 745 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 2600 FT. WT. 9.6 VIS. 29 cp
 P.V. Y.P. GELS CAKE PH 7 WL LIQUIDS
 SAND Trace % CHLORIDES 62,000 CALCIUM Heavy SOLIDS 5.6 % LIQUIDS 94.4
 LCM / TYPE Remarks
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 25/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT FT. TODAY 745 CUM FEET 2335
 HRS TODAY 20 1/2 CUM HRS 52 1/4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull)
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull)
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. Stroke (in.) SPM Psi. Output (gpm)

Description Of BHA
 Weight of DC's in Mud/Air: /
 D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH
 ANNULAR VELOCITIES (ft/min) DRILL PIPE DRILL COLLARS
 Length of BHA (FT.) 382' Number of DC's/ ID / OD / /

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>20 1/2</u> TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>3/4</u> REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG <u>1/4</u> BOPS _____	CIRC _____	WOC _____
MIX & BUILD MUD _____	JET & CONN <u>2 1/2</u> RUN CSG & CMT _____	
DRILLING CO. TIME (total) <u>56 1/4</u>	LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
_____	_____	_____	_____

Fuel usage: 379.50 gals. (82" used 11") 72" + 21" delivered = 93"

DAILY MUD COST	\$ <u>3,169.61</u>	CUM MUD COST	\$ <u>4,766.36</u>
DAILY WELL COST	\$ _____	CUM WELL COST	\$ _____

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CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-19-07 DAY NUMBER 4 Depth (At Report Time) 1845 FT. (M. I.)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 801 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN 1044 FT. WT. 9.6 VIS. 27 cp
 P.V. _____ Y.P. _____ GELS _____ CAKE _____ PH 7 WL _____
 SAND Trace % CHLORIDES 100,000 CALCIUM Heavy SOLIDS 3.3 % LIQUIDS 96.7
 LCM / TYPE _____ Remarks _____
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 25/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 801 CUM FEET 1590
 HRS TODAY 20 3/4 CUM HRS 31 3/4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____
 D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>20 3/4</u> TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>3/4</u> REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____ BOPS _____	CIRC _____	WOC _____
MIX & BUILD MUD _____	JET & CONN <u>2 1/2</u>	RUN CSG & CMT _____
DRILLING CO. TIME (total) <u>35 3/4</u>	LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS _____	OPERATIONS _____	HOURS _____	OPERATIONS _____
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Fuel usage: 345.00 gals. (72" used 10")

DAILY MUD COST \$ 0.00

CUM MUD COST \$ 1,596.75

DAILY WELL COST \$ _____

CUM WELL COST \$ _____

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CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-18-07 DAY NUMBER 3 Depth (At Report Time) 1044 FT. (M. I)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Shale G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 789 FT. OPERATIONS (At Report Time): Drilling
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN _____ FT. WT. 9.6 VIS. 29 cp
 P.V. _____ Y.P. _____ GELS _____ CAKE _____ PH 7 WL _____
 SAND Trace % CHLORIDES 100.000 CALCIUM _____ SOLIDS 3.3 % LIQUIDS 96.7
 LCM / TYPE _____ Remarks Freshwater
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 20/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 789 CUM FEET 789
 HRS TODAY 11 CUM HRS 11 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 760 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____

D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>11</u>	TRIP _____	SURVEY _____	CORING _____
DOWN TIME <u>1/4</u>	REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG <u>5 3/4</u>	BOPS _____	CIRC _____	WOC <u>3 3/4</u>
MIX & BUILD MUD _____	_____	JET & CONN <u>2 3/4</u>	RUN CSG & CMT _____
DRILL PLUG <u>1/2</u>	_____	_____	_____
DRILLING CO. TIME (total) <u>15</u>		LARIO CO. TIME (total) _____	

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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Test BOP @ 400#, hel for 10 minutes, OK.

Fuel usage: 276.00 gals. (82" used 8") 35" + 55" delivered = 90"

DAILY MUD COST \$ 1,596.75

CUM MUD COST \$ 1,596.75

DAILY WELL COST \$ _____

CUM WELL COST \$ RECEIVED

KANSAS CORPORATION COMMISSION

APR 09 2007

CONSERVATION DIVISION
WICHITA, KS

LARIO OIL & GAS COMPANY
DAILY DRILLING REPORT

DATE 03-17-07 DAY NUMBER 2 Depth (At Report Time) 255 FT. (M. L)
 LEASE PETERSON #1-26 LEGAL SW SE SE Sect. 26 27S 06W 330 FSL & 990 FEL
 COUNTY Kingman STATE Kansas RIG Southwind Drlg Rig 2
 FORMATION (At Report Time) Sand/Redbed G.L. ELEV. 1440 FT. KB ELEV 1449 FT.
 PROGRESS/24 HRS. 255 FT. OPERATIONS (At Report Time): Waiting on cement
 MUD RPT SAMPLE F.L. OR PIT DEPTH TAKEN _____ FT. WT. 9.5 VIS. 43 cp
 P.V. _____ Y.P. _____ GELS _____ CAKE _____ PH _____ WL _____
 SAND _____ % CHLORIDES _____ CALCIUM _____ SOLIDS _____ % LIQUIDS _____
 LCM / TYPE _____ Remarks Freshwater
 SURVEYS (DEPTH / DEVIATION / AZIM.) 255' = 3/4 degree

BIT NO. 1 MAKE Reed TYPE HP52 SN WP6910 JETS (3) 14's WOB/RPM 15/80
 SIZE 7 7/8" DEPTH IN 255' DEPTH OUT _____ FT. TODAY 0 CUM FEET _____
 HRS TODAY _____ CUM HRS _____ GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 PRIOR BIT NO. A MAKE Reed TYPE Retip SN Rerun JETS (3) 15's WOB/RPM all/120
 SIZE 12 1/4" DEPTH IN 0 DEPTH OUT 255 CUM FEET 255
 CUM HRS 4 GRADE (I/O/Dull Char/Loc/Brgs/G/Oth./Rea Pull) _____
 MUD PUMP No. 1 Liner (in.) 6 Stroke (in.) 14 SPM 60 Psi. 800 Output (gpm) 311
 MUD PUMP No. _____ Liner (in.) _____ Stroke (in.) _____ SPM _____ Psi. _____ Output (gpm) _____
 Description Of BHA _____

Weight of DC's in Mud/Air: _____ / _____
 D.P. SIZE / WT. 4 1/2" x-hole H.W.D.P. SIZE / WT. / TOTAL LENGTH _____
 ANNULAR VELOCITIES (ft/min) DRILL PIPE _____ DRILL COLLARS _____
 Length of BHA (FT.) 382' Number of DC's/ ID / OD _____ / _____ / _____

ACTIVITY LAST 24 HOURS IN CHRONOLOGICAL ORDER BEGINNING AT 7:00 A.M.

DRILLING HRS <u>4</u>	TRIP <u>1/4</u>	SURVEY <u>1/4</u>	CORING _____
DOWN TIME _____	REAM _____	LOGGING _____	D.S.T. _____
REPAIR RIG _____	BOPS _____	CIRC <u>1/4</u>	WOC <u>4 1/4</u>
MIX & BUILD MUD _____		JET & CONN <u>1</u>	RUN CSG & CMT <u>1 1/2</u>
DRILL RAT HOLE <u>3</u>	MOVE/RIG UP <u>9 1/2</u>		
DRILLING CO. TIME (total) <u>4</u>	LARIO CO. TIME (total) _____		

REMARKS (Include BOP tests, casing and cementing description):

HOURS	OPERATIONS	HOURS	OPERATIONS
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Spud @ 7:30 pm on 03-16-07

Ran 6 joints of 23# new 8 5/8" surface casing. Tally @ 240.92'. Set @ 251'. Cement with 190 sacks of 60/40 Poz, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 2:45 am on 03-17-07 by Allied Cementing (tk #32490).

Fuel usage: 138.00 gals. (35" used 4") Start @ 39" RECEIVED
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DAILY MUD COST \$ 0.00

DAILY WELL COST \$ _____

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 CONSERVATION DIVISION
 WICHITA, KS

CUM MUD COST \$ 0.00

CUM WELL COST \$ _____