

For KCC Use:
 Effective Date: 8-1-07
 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

**8-10-07
 CORRECTED**
Not attached

Expected Spud Date 8-23-07
 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# 33350
 Name: Southwind Drilling, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input checked="" type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input 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: Triple D Drilling, Inc.
 Well Name: Casley #1
 Original Completion Date: 5-11-1970 Original Total Depth: 3860'

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____ -30' E of
 Bottom Hole Location: _____
 KCC DKT #: _____

*** WAS: 600' FWL, SW-SW
 IS: 360' FWL, 30' E of W2-SW-SW**

-30' E of ****AMENDED LOCATION**

Spot W2 SW SW Sec. 1 Twp. 28 S. R. 5
 East West
 **660 feet from N / S Line of Section
 **360 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Kingman
 Lease Name: Casley Well #: 3-1 RE
 Field Name: Broadway
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian
 Nearest Lease or unit boundary: 660'
 Ground Surface Elevation: 1409 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: 45'
 Depth to bottom of usable water: 180'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: already @ 210' w/200 sx.
 Length of Conductor Pipe required: None
 Projected Total Depth: 4200'
 Formation at Total Depth: Kinderhook
 Water Source for Drilling Operations:
 Well Farm Pond Other _____
 it #: _____

(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:

AUG 10 2007

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.

CONSERVATION DIVISION
 WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
 Date: 8/9/07 Signature of Operator or Agent: Jay Schweikert Title: Jay G. Schweikert, Operations Engineer

For KCC Use ONLY
 API # 15 - 095-20180-00-01
 Conductor pipe required None feet
 Minimum surface pipe required 210 feet per Alt. 1
 Approved by: Jan 7-27-07 / Pat 8-10-07
 This authorization expires: 1-27-08
(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: _____

1
28
SW

CONNECTED

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

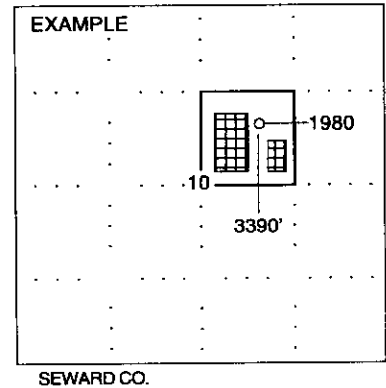
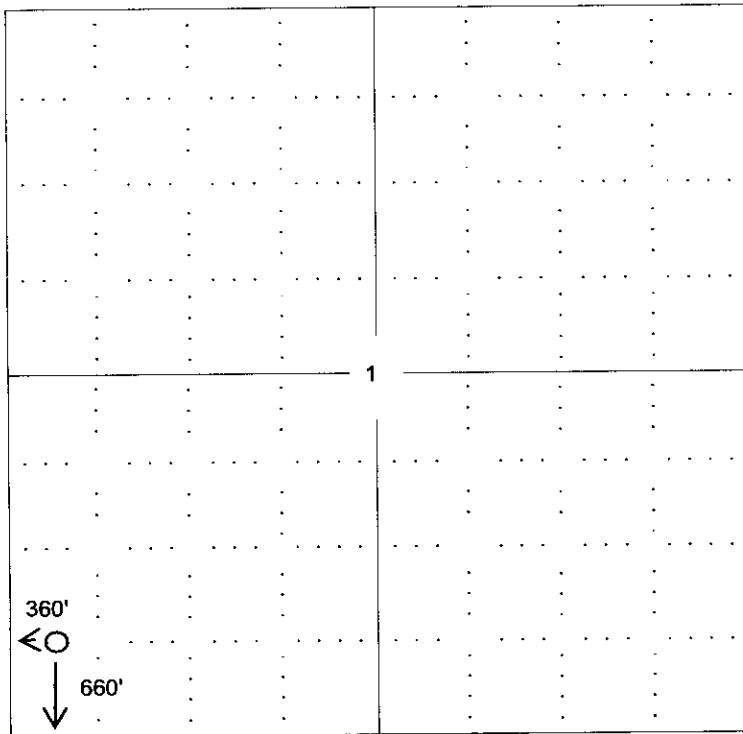
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 095-20180-0001
 Operator: Lario Oil & Gas Company
 Lease: Casley
 Well Number: 3-1 RE
 Field: Broadway
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: W2 - SW - SW

Location of Well: County: Kingman
 **660 _____ feet from N / S Line of Section
 **360 _____ feet from E / W Line of Section
 Sec. 1 Twp. 28 S. R. 5 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.)

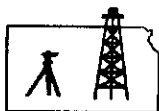


NOTE: In all cases locate the spot of the proposed drilling locaton.

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).

15095-20180-00-01



ROBINSON SERVICES

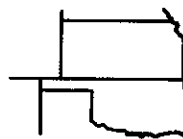
Oil Field & Construction Staking

P.O. Box 2324

Garden City, Kansas 67846

Office/Fax: (620) 276-6159

Cell: (620) 272-1499



r080707-w
PLAT NO.

6982
INVOICE NO.

Lario Oil & Gas Company

OPERATOR

Kingman County, KS

COUNTY

1 28s 5w
Sec. Twp. Rng.

Casley #3-1 RE

LEASE NAME

669' FSL - 361' FWL

LOCATION SPOT

SCALE: **1" = 1000'**

DATE: **Aug. 7th, 2007**

MEASURED BY: **Kent C.**

DRAWN BY: **Gabe Q.**

AUTHORIZED BY: **Jay S.**



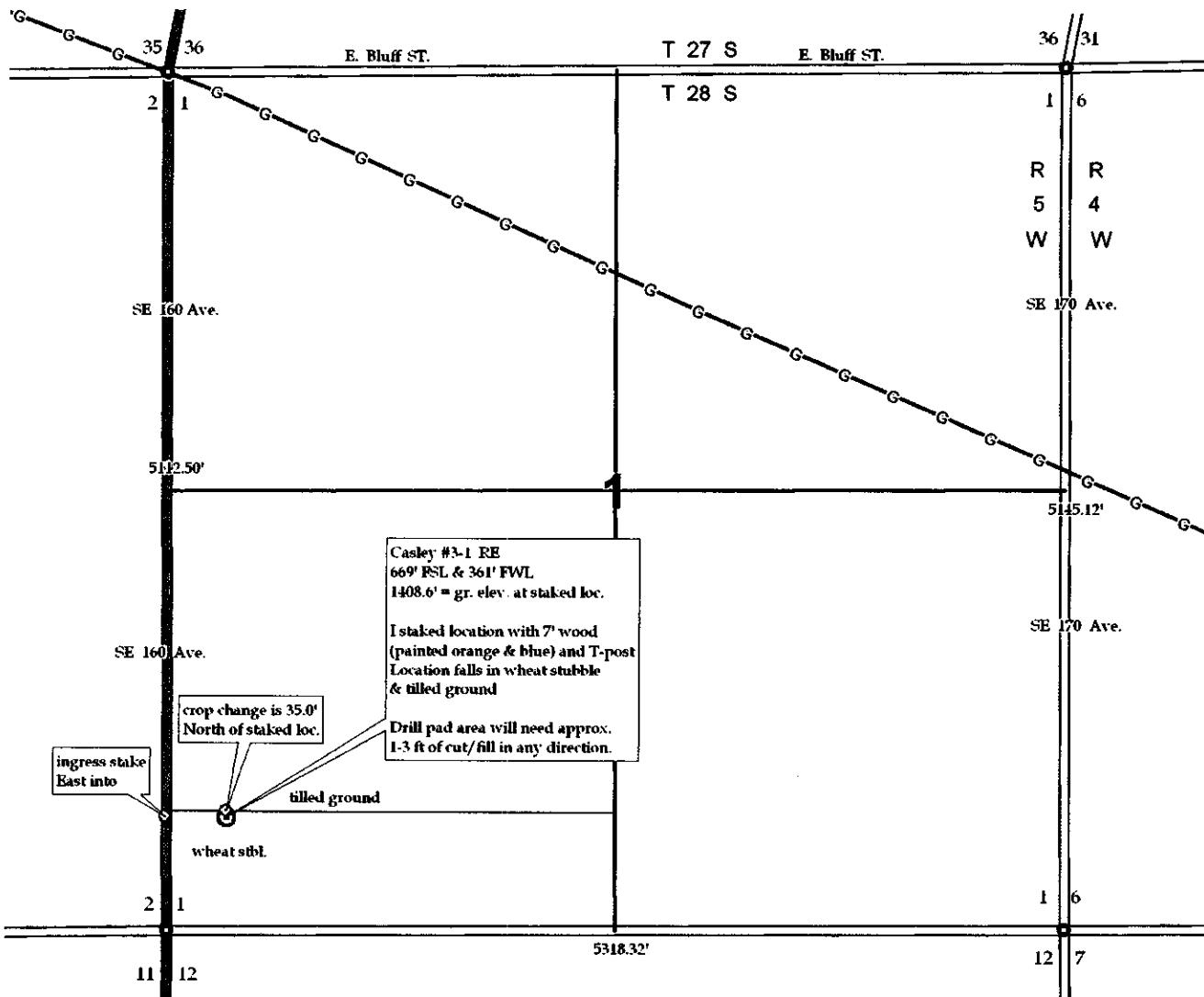
GR. ELEVATION: **1408.6'**

Directions: From the North side of Cheney, Ks (at the intersection of Main St & E 6th Ave.) - Now go 2.4 miles West on E 6th Ave to the SW corner of section 1-28w-5w - Now go 0.1 mile North to ingress stake East into - Now go 361' East into through wheat stubble into staked location.

Final ingress must be verified with land owner or Lario Oil & Gas Company.

This drawing does not constitute a monumented survey or a land survey plat

This drawing is for construction purposes only



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

AMENDED

Submit in Duplicate

CORRECTED

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.: Casley #3-1 RE		Pit Location (QQQQ): ~30' E of W2 SW SW
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 (bbbls)	Sec. 1 Twp. 28 R. 5 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 360 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Kingman County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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.
Distance to nearest water well within one-mile of pit 1683 feet Depth of water well 64 feet		Depth to shallowest fresh water 10 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.		
8/9/07 Date	Jay G. Schweikert Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION AUG 10 2007 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 8/10/07 Permit Number: _____ Permit Date: 8/10/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-095-2010-00-01