

DWWD

For KCC Use: 6-9-08
Effective Date: 2
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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: 6-2-08
month day year

OPERATOR: License# 5214 ✓
Name: Lario Oil & Gas Company
Address 1: 301 S. Market
Address 2: _____
City: Wichita State: KS Zip: 67202
Contact Person: Jay Schweikert
Phone: 316-265-5611

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

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

If OWWO: old well information as follows:

Operator: Pickrell Drilling Co.
Well Name: Young F-2-32 Young "U" 1
Original Completion Date: June 1977 Original Total Depth: 3855'

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

Spot Description: _____
NE SE NE Sec. 33 Twp. 27 S. R. 5 E W
(1/4/4) 1,650 feet from N / S Line of Section
330 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: Young F Well #: 2-33 RE
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

Nearest Lease or unit boundary line (in footage): 990'
Ground Surface Elevation: 1450' 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: 150'
Depth to bottom of usable water: 180'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 208' already set

Length of Conductor Pipe (if any): none
Projected Total Depth: 4100'

Formation at Total Depth: Kinderhook
Water Source for Drilling Operations:

Well Farm Pond Other: _____
DWR Permit #: 20060051

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes 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 correct to the best of my knowledge and belief.

Date: 5/5/08 Signature of Operator or Agent: Jay Schweikert Title: Operations Engineer

For KCC Use ONLY
API # 15 - 095-20585-00-01
Conductor pipe required None feet
Minimum surface pipe required 208 feet per ALT I II
Approved by: [Signature] 6-4-08
This authorization expires: 6-4-09
(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
Signature of Operator or Agent: _____

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KANSAS CORPORATION COMMISSION

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

MAY 16 2008

CONSERVATION DIVISION
WICHITA, KS

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 - 095-20585-00-0
 Operator: Lario Oil & Gas Company
 Lease: Young F
 Well Number: 2-33 RE
 Field: Wildcat

Location of Well: County: Kingman
1,650 feet from N / S Line of Section
330 feet from E / W Line of Section
 Sec. 33 Twp. 27 S. R. 5 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - NE - SE - NE

Is Section: Regular or Irregular

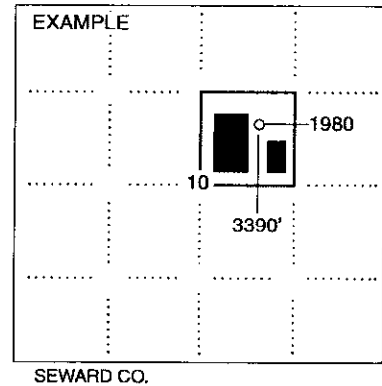
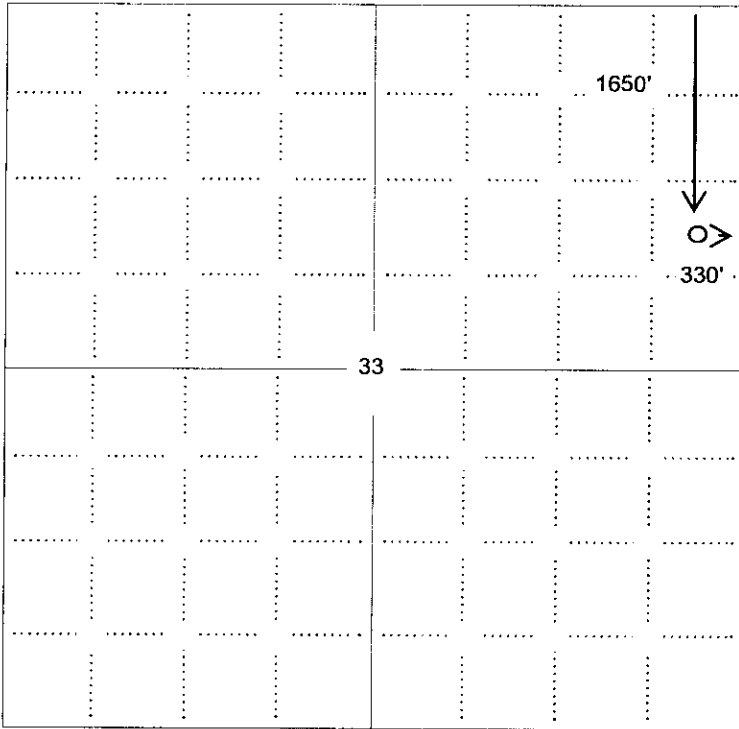
If Section is Irregular, locate well from nearest corner boundary.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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 S. Market		Wichita KS 67202
Contact Person: Jay Schweikert		Phone Number: 316-265-5611
Lease Name & Well No.: Young F 2-33 RE		Pit Location (QQQQ): NE SE NE
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: 7,100 (bbls)	Sec. 33 Twp. 27 R. 5 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,650 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input checked="" type="checkbox"/> East / <input 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): <u>100</u> Length (feet) <u>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit		
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 <u>1044</u> feet Depth of water well <u>65</u> feet		Depth to shallowest fresh water <u>19</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> 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: <u>Bentonite Mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Allow for evaporation. Fill in and cover pits.</u> 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.		
Date: <u>5-5-08</u>		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>5/6/08</u> Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> <small>72 H2S</small>
Permit Date: <u>6/4/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

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KANSAS CORPORATION COMMISSION
MAY 06 2008
CONSERVATION DIVISION
WICHITA, KS

15-095-20585-00-01



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

June 4, 2008

Mr. Jay Schweikert
Lario Oil & Gas Company
301 S. Market
Wichita, KS 67202

Re: Drilling Pit Application
Young F Lease Well No. 2-33RE
NE/4 Sec. 33-27S-05W
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**. The fluids are to be removed from the reserve pit 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,

A handwritten signature in black ink that reads "Kathy Haynes". The signature is written in a cursive style.

Kathy Haynes
Environmental Protection and Remediation Department

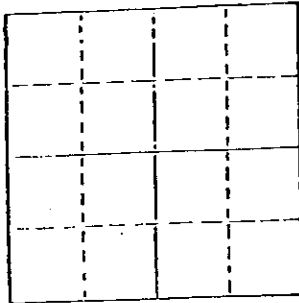
cc: File

15-095-20585-00-00

STATE OF KANSAS
CORPORATION COMMISSION

WELL PLUGGING RECORD

Make All Information Completely
Required Affidavit
Mail or Deliver Report to
Conservation Division
State Corporation Comm.
245 North Water
Wichita, KS 67202



Locate well correctly on above
Section Plot

Kingman County, Sec. 33 Twp. 27S Rge. 5W E/W
Location as "NE/CNW/SW" or footage from lines
NE SE NE
Lease Owner PICKRELL DRILLING COMPANY
Lease Name YOUNG "U" Well No. 1
Office Address 205 LITWIN BLDG., WICHITA, KS. 67202
Character of Well (Completed as Oil, Gas or Dry Hole)
DRY HOLE
Date Well completed 6-29-77 19
Application for plugging filed 6-29-77 19
Application for plugging approved 6-29-77 19
Plugging commenced 6-29-77 19
Plugging completed 6-29-77 19
Reason for abandonment of well or producing formation
DRY HOLE
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 Jasper H. Metz
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3855
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	208	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 hold. If cement or other
plugs were used, state the character of same and depth placed, from _____ feet to
_____ feet for each plug set.

35 sacks at 200'
10 sacks at 40'
5 sacks in Rat Hole Comp. 12AM 6-29-77

(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor PICKRELL DRILLING COMPANY

STATE OF KANSAS COUNTY OF SEDGWICK, ss.
C. W. SEBITS (employee of owner) or (owner or operator)
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.

(Signature) BY: C. W. SEBITS

205 LITWIN BLDG., WICHITA, KS. 67202
(Address)

SUBSCRIBED AND SWORN TO before me this 15 day of July, 19 77

My commission expires _____

Jo Ann Sarver
Notary Public.

