

OWWO

For KCC Use:

Effective Date: 8-5-08
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: 6-27-08
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 Company, 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: Natural Gas & Oil Company
Well Name: Kroeker #1
Original Completion Date: 2-3-60 Original Total Depth: 3802'

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

Spot Description:
NW - NW - NW Sec. 34 Twp. 27 S. R. 5 E W
330 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 G Well #: 2-34 RE
Field Name: Evan Mound South
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

Nearest Lease or unit boundary line (in footage): 330'
Ground Surface Elevation: 1458 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: 263' 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: 6-16-08 Signature of Operator or Agent: Jay Schweikert Title: Operations Engineer

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY
API # 15 - 095-00111-00-01
Conductor pipe required None feet
Minimum surface pipe required 263 feet per ALT. I II
Approved by: [Signature] 7-31-08
This authorization expires: 7-31-09
(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:

34 27 5 E W

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 - 095-00111-00-01
 Operator: Lario Oil & Gas Company
 Lease: Young G
 Well Number: 2-34 RE
 Field: Evan Mound South

Location of Well: County: Kingman
 330 feet from N / S Line of Section
 330 feet from E / W Line of Section
 Sec. 34 Twp. 27 S. R. 5 E W

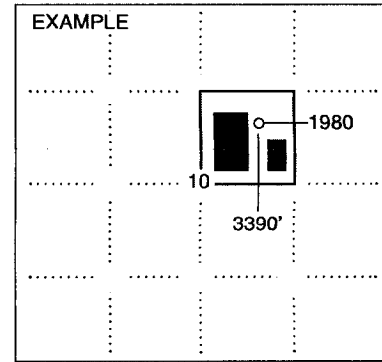
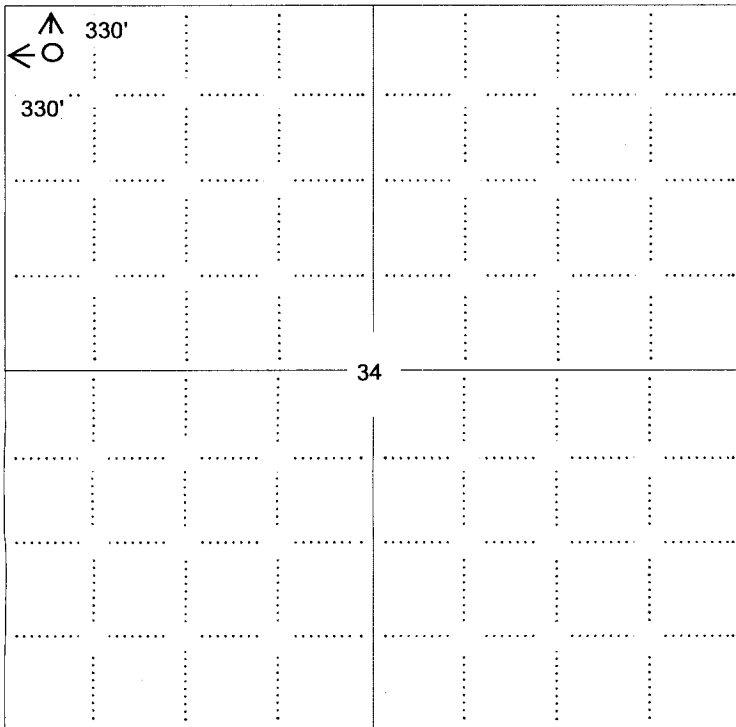
Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - NW - NW - NW

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 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 G 2-34 RE		Pit Location (QQQQ): _____ NW _____ NW _____ NW Sec. <u>34</u> Twp. <u>27</u> R. <u>5</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>330</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>330</u> 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: 7,100 (bbls)	
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. <u>6-16-08</u> Date		RECEIVED KANSAS CORPORATION COMMISSION JUN 17 2008 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: <u>6/17/08</u> Permit Number: _____		Permit Date: <u>7/31/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

KS-095-0011-00-01

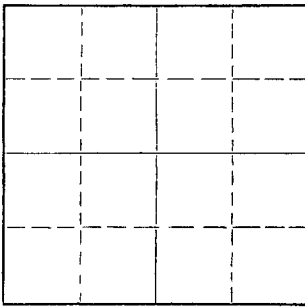
15-095-00111-00-00

STATE OF KANSAS
STATE CORPORATION COMMISSION

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
212 North Market, Insurance Bldg.
Wichita, Kansas

WELL PLUGGING RECORD

Kingman County, Sec. 34 Twp. 27S Rge. (E) 5 (W)
Location as "NE/CNW/SW" or footage from lines NW NW NW
Natural Gas and Oil Company



Locate well correctly on above
Section Plat

Lease Owner _____
Lease Name Kroeker Well No. 1
Office Address P. O. Box 105 - Great Bend, Kansas
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed 1-30 19 60
Application for plugging filed 1-30 19 60
Application for plugging approved Verbal - 1-30 19 60
Plugging commenced 1-31 19 60
Plugging completed 1-31 19 60
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 Fred W. Hampel
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3802 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"	263	-0-

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.

Mud to 240 feet
1/4 sack hulls, plug, 18 sacks cement through drill pipe
mud to 35 feet
1/4 sacks hulls, plug, 10 sacks cement to surface.
Bridge rat hole and put in 2 sacks dry cement
Complete 1:00 P.M. January 31, 1960.

RECEIVED
STATE CORPORATION COMMISSION

FEB 2 1960

CONSERVATION DIVISION
Wichita, Kansas

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

Name of Plugging Contractor Strata Drilling, Inc.
Address P. O. Box 355 - Great Bend, Kansas

STATE OF KANSAS, COUNTY OF BARTON, ss.
I, J. B. Steele, Jr. (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) J. B. Steele, Jr.
P. O. Box 105 - Great Bend, Kansas
(Address)

SUBSCRIBED AND SWORN TO before me this 1st day of February, 19 60

My commission expires July 27, 1963 Notary Public.



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

July 31, 2008

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

RE: Drilling Pit Application
Young G Lease Well No. 2-34RE
NW/4 Sec. 34-27S-05W
Kingman County, Kansas

Dear Mr. Schweikert:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. Please file form CDP-5, 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Haynes".

Kathy Haynes

Environmental Protection and Remediation Department

Cc: File

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

