

OWWO

For KCC Use: 9-15-08
Effective Date: _____
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: 10-3-08
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# 33350 ✓
Name: Southwind Drilling Company

Well Drilled For: Oil Enh Rec Gas 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: Branine #1
Original Completion Date: 1-1-63 Original Total Depth: 3830'

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

Spot Description: _____
_____ SW - SW Sec. 35 Twp. 27 S. R. 5 E W
(00000) 660 feet from N / S Line of Section
660 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: Hellen Well #: 1-35 RE
Field Name: Broadway

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian
Nearest Lease or unit boundary line (in footage): 660'

Ground Surface Elevation: 1430' 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: 45'
Depth to bottom of usable water: 180'
Surface Pipe by Alternate: I II

Length of Surface Pipe ~~Planned to be set:~~ 207' 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 #: _____

(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:

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KANSAS CORPORATION COMMISSION
SEP 09 2008
CONSERVATION DIVISION
WICHITA, KS

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: 9-8-08 Signature of Operator or Agent: Jay Schweikert Title: Operations Engineer

For KCC Use ONLY
API # 15 - 095-00489-00-01
Conductor pipe required None feet
Minimum surface pipe required 207 feet per ALT. I II
Approved by: but 9-10-08
This authorization expires: 9-10-09
(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: _____

35
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 - 095-00489-00-01
 Operator: Lario Oil & Gas Company
 Lease: Helten
 Well Number: 1-35 RE
 Field: Broadway

Location of Well: County: Kingman
 660 feet from N / S Line of Section
 660 feet from E / W Line of Section
 Sec. 35 Twp. 27 S. R. 5 E W

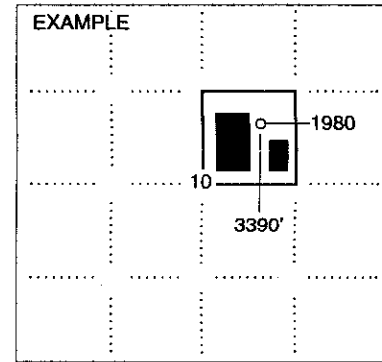
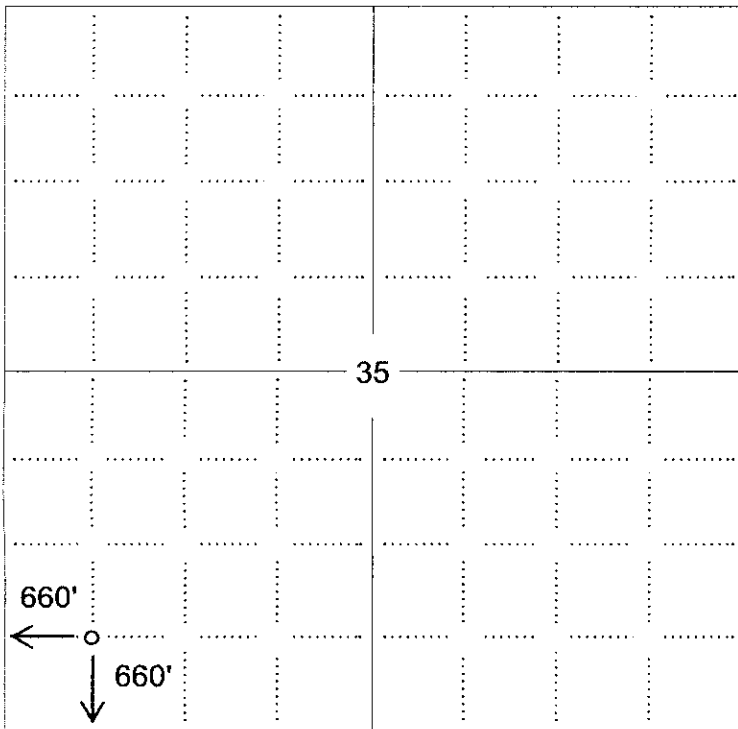
Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - _____ - SW - SW

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.

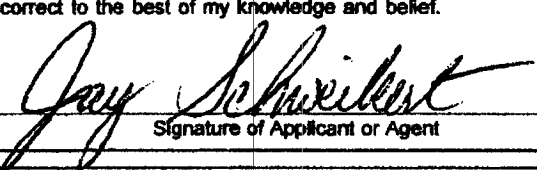
In plotting the proposed location of the well, you must show:

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.: Helten 1-35 RE		Pit Location (QQQQ): _____ 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 W/P 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 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		How is the pit lined if a plastic liner is not used? Bentonite
Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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.
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Distance to nearest water well within one-mile of pit <u>2333</u> feet Depth of water well <u>103</u> feet		Depth to shallowest fresh water <u>35</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		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>9/9/08</u> Permit Number: _____		Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> Permit Date: <u>9/9/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-095-00488-00-01



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

October 23, 2008

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

RE: Drilling Pit Application
Helten Lease Well No. 1-35 RE
SW/4 Sec. 35-27S-05W
Kingman County, Kansas

Dear Sir or Madam:

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 (316) 630-4000. 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 that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

Cc: File

15-095-00489-00-01

**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 landowner 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 landowner 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.

15 095 - 00489 - 20001

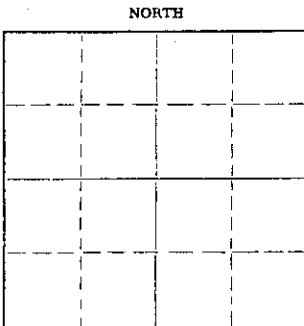
STATE OF KANSAS
OIL CORPORATION COMMISSION

Form CP-4

WELL PLUGGING RECORD

All Information Completely
Required Affidavit
or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

Kingman County, Sec. 35 Twp. 27 Rge. (E) 5 (W)
Location as "NE/CNWxSWx" or footage from lines. C SW SW
Lease Owner Pickrell Drilling Company
Lease Name Branine Well No. 1
Office Address 705 4th National Bank Bldg, Wichita 2, Kansas
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed January 4, 1963
Application for plugging filed January 4, 1963
Application for plugging approved January 4, 1963
Plugging commenced January 4, 1963
Plugging completed January 4, 1963
Reason for abandonment of well or producing formation Dry Hole



Locate well correctly on above
Section Flat

If a producing well is abandoned, date of last production _____ 19____
Was permission obtained from the Conservation Division or its agents before plugging was com-
menced? Yes

Name of Conservation Agent who supervised plugging of this well Gilbert P. Toman
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3830 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"	207'	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 hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to
_____ feet for each plug set.

Heavy mud to 180'. Set plug. Cemented with
20 sacks cement. Heavy mud to 40'. Set plug.
Cemented with 10 sacks cement to bottom of
cellar. Plugged rat hole with 2 sacks cement.

JAN 12 1963

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

Name of Plugging Contractor PICKRELL DRILLING COMPANY
Address 705 4th National Bank Building, Wichita 2, Kansas

STATE OF KANSAS, COUNTY OF SEDGWICK, ss.
C. W. SEBITS

owner of 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) *C. W. Sebits*
C. W. Sebits
705 4th National Bank, Wichita 2, Kansas
(Address)

SUBSCRIBED AND SWORN TO before me this 8th day of January 8, 1963

My commission expires June 21, 1966
Maxine Blackman
Notary Public.