

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 PKC  
Type of Well: D & A Docket #: \_\_\_\_\_  
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)  
The plugging proposal was approved on: 10-02-08 (Date)  
by: Bruce Basye (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 - 063-21736-00-00  
Lease Name: Ottley  
Well Number: 1-7  
Spot Location (QQQQ): 65'N - 15'E - NW-SW - SE NE  
2080 Feet from  North /  South Section Line  
1140 Feet from  East /  West Section Line  
Sec. 7 Twp. 13 S. R. 31  East  West  
County: Gove  
Date Well Completed: D & A  
Plugging Commenced: 10-03-08  
Plugging Completed: 10-03-08

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'   | 310.10' | 8 5/8" new 23# | 298.10' | 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 220 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 2500' with 25 sacks. 2nd plug @ 1570' with 100 sacks. 3rd plug @ 360' with 40 sacks.

4th plug @ 40' with 10 sacks to surface. Plug mouse hole with 15 sacks. Plug rat hole with 30 sacks.

Job complete @ 9:15 a.m. on 10-03-08 by Allied Cementing (tk #043785)

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 October, 20 08

Renee Kasselmann My Commission Expires: 7-15-09  
Notary Public

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

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION

SOUTHWIND DRILLING, INC.  
PLUGGING ORDERS AND REPORTS

Lease: Ottley 1-7

Plugging received from KCC representative:

Name: Bruce Basye Date 10-02-08 Time 9:00 AM

1<sup>st</sup> plug @ 2500 ft. 25 sx. Stands: 40 1/2

2nd plug @ 1570 ft. 100 sx. Stands: 25

3rd plug @ 360 ft. 40 sx. Stands: 6

4th plug @ 40 ft. 10 sx. Stands: \_\_\_\_\_

5th plug @ \_\_\_\_\_ ft. \_\_\_\_\_ sx. Stands: \_\_\_\_\_

Mousehole 15 sx.

Rahole 30 sx.

Total Cement used: 220 sx.

Type of cement 60/40 P02 4% bel 1/4# FloSeal Per Sack

Plug down @ 9:15 AM 10-03-08 By Allied

Call KCC When Completed:

Name: Bruce Basye Date 10-06-08 Time 9:30 AM

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., LLC. 043785

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:  
OAKLEY

|                                    |                   |                                       |                  |             |                            |                          |                           |
|------------------------------------|-------------------|---------------------------------------|------------------|-------------|----------------------------|--------------------------|---------------------------|
| DATE <u>10-3-08</u>                | SEC. <u>7</u>     | TWP. <u>13S</u>                       | RANGE <u>31W</u> | CALLED OUT  | ON LOCATION <u>6:30 AM</u> | JOB START <u>8:15 AM</u> | JOB FINISH <u>9:15 AM</u> |
| LEASE <u>OAKLEY</u>                | WELL # <u>1-7</u> | LOCATION <u>OAKLEY 115-3E-125-W4S</u> |                  |             | COUNTY <u>GOVE</u>         | STATE <u>KS</u>          |                           |
| OLD OR NEW (Circle one) <u>NEW</u> |                   |                                       |                  | <u>INTO</u> |                            |                          |                           |

CONTRACTOR SOUTHHEAD DRILL RIG #

TYPE OF JOB PIA

HOLE SIZE 2 3/4" T.D. 4750'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4 1/2" DEPTH 2500'

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER SAME

CEMENT AMOUNT ORDERED  
220 SKS 60/40/2 4/8 gel 1/4" FLO-SEAL

|                     |                          |   |              |                |
|---------------------|--------------------------|---|--------------|----------------|
| COMMON              | <u>132 SKS</u>           | @ | <u>15.45</u> | <u>2039.40</u> |
| POZMIX              | <u>88 SKS</u>            | @ | <u>8.00</u>  | <u>704.00</u>  |
| GEL                 | <u>8 SKS</u>             | @ | <u>20.80</u> | <u>166.40</u>  |
| CHLORIDE            |                          | @ |              |                |
| ASC                 |                          | @ |              |                |
| <u>FLO-SEAL 55#</u> |                          | @ | <u>2.50</u>  | <u>137.50</u>  |
| HANDLING            | <u>230 SKS</u>           | @ | <u>2.40</u>  | <u>552.00</u>  |
| MILEAGE             | <u>100 PER SK / MILE</u> |   |              | <u>368.00</u>  |
| TOTAL               |                          |   |              | <u>3967.30</u> |

### EQUIPMENT

PUMP TRUCK CEMENTER TERRY

# 423-281 HELPER ALLEN

BULK TRUCK

# 377 DRIVER WILL

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

### REMARKS:

- 25 SKS AT 2500'
- 100 SKS AT 1570'
- 40 SKS AT 360'
- 10 SKS AT 40'
- 30 SKS RAT HOLE
- 15 SKS MOUSE HOLE

THANK YOU

CHARGE TO: LARGO OIL & GAS

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

### SERVICE

|                      |              |                             |
|----------------------|--------------|-----------------------------|
| DEPTH OF JOB         | <u>2500'</u> |                             |
| PUMP TRUCK CHARGE    |              | <u>1185.00</u>              |
| EXTRA FOOTAGE        | @            |                             |
| MILEAGE              | <u>16 MI</u> | @ <u>7.12</u> <u>112.00</u> |
| MANIFOLD             | @            |                             |
| TOTAL <u>1297.00</u> |              |                             |

### PLUG & FLOAT EQUIPMENT

|                             |             |  |
|-----------------------------|-------------|--|
| <u>8 3/4" DRY HOLE PLUG</u> | <u>40 #</u> |  |
|                             | @           |  |
|                             | @           |  |
|                             | @           |  |
|                             | @           |  |
| TOTAL <u>40.00</u>          |             |  |

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Frank Rome

SIGNATURE Frank Rome

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 09 2008  
CONSERVATION DIVISION  
WICHITA, KS

# SOUTHWIND DRILLING, INC.

## RIG #1

PO Box 276, Ellinwood, KS 67526  
Office Phone 620-564-3800, Fax 620-564-3845

### DRILLING REPORT

Ottley #1-7

Location: 2080' FNL & 1140' FEL  
API#: 15-063-21736-00-00

Section 7-13S-31W  
Gove County, Kansas

OWNER: \_\_\_\_\_ : Lario Oil & Gas Company  
CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMMENCED: 09-24-08  
COMPLETED: 10-03-08

TOTAL DEPTH: Driller: 4750'  
Logger: 4748'

Ground Elevation: 2984'  
KB Elevation: 2994'

### LOG:

|       |   |       |                 |
|-------|---|-------|-----------------|
| 0'    | - | 655'  | Clay/Shale      |
| 655'  | - | 2130' | Clay/Sand/Shale |
| 2130' | - | 2489' | Shale           |
| 2489' | - | 2513' | Anydrite        |
| 2513' | - | 2860' | Shale           |
| 2860' | - | 4750' | Lime/Shale      |
|       |   | 4750' | RTD             |

### CASING RECORDS

#### Surface casing – 8 5/8"

Ran 7 joints of 23# new 8 5/8" surface casing. Tally @ 298.10'. Set @ 310.10'. Cement with 175 sacks of 60/40 Poz, 3% calcium chloride, 1/4# floseal. Cement did circulate. Plug down @ 2:45 a.m. on 09-25-08 by Basic (tk #20409)

#### Production casing – 5 1/2"

None – plugged the well

### DEVIATION SURVEYS

|                |   |       |
|----------------|---|-------|
| 3/4 degree (s) | @ | 312'  |
| 1/2 degree (s) | @ | 4075' |
| 1 degree (s)   | @ | 4598' |
| 1 degree (s)   | @ | 4750' |

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION  
WICHITA, KS

| MORNING DRILLING REPORT   |                            |  | Email to: Jay Schweikert, Michael Rusco, Debbie Bastian |  |            |  |
|---|----------------------------|--|---|--|------------|--|
| Southwind Drilling, Inc.<br>PO Box 276<br>8 North Main<br>Ellinwood, KS 67526<br>620-564-3800 |                            | Wellsite Geologist:<br>Brad Rine<br>316-250-5941 (mobile)<br>316-262-5418 (work) |   | WELL NAME  |            | Ottley #1-7  |
| Rig #1 Phone Numbers  |                            |  |   | LOCATION   |            | 2080' FNL & 1140' FEL<br>Sec. 7-13S-31W<br>Gove County, KS |
| 620-794-2075  | Rig Cellular (Dog house)   |  |   | Lario Oil & Gas Company<br>301 South Market<br>Wichita, KS 67202<br>316-265-5611 |            |  |
| 620-794-2078  | Geologist Trailer Cellular |  |   |  |            |  |
| 620-617-7324  | Tool Pusher Cellular       | Frank Rome   |   | ELEVATION  | G.L. 2984' | K.B. 2994'   |
|   |                            |  |   | API# 15-063-21736-00-00  |            |  |

**Driving Directions:** From Gove: 18 miles West, 1 1/2 miles South on County Line Road, North East into.

Day 1 Date 09-24-08 Wednesday Survey @ 312' = 3/4 degree

Moved Rig #1 on location

Spud @ 5:30 p.m.

Ran 3.00 hours drilling (0.50 drill rat hole, 2.50 drill 12 1/4"). Down 21.00 hours (10.00 move/rig up, 1.00 dummy trip, .25 jet, 1.50 connection, .25 trip, .25 survey, .25 circulate, 1.00 wait on cementers, 2.25 run casing/cement, 4.25 wait on cement)

Mud properties: wt. 9.3, vis. 38

Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00

Wt. on bit: 15,000, 150 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 312') = 2.50 hrs. - 312'

1" fuel = 37.75 gals.

Fuel usage: 75.50 gals (29" used 2") start @ 31"

Ran 7 joints of 23# new 8 5/8" surface casing. Tally @ 298.10'. Set @ 310.10'. Cement with 175 sacks of 60/40 Poz, 3% calcium chloride, 1/4# floseal. Cement did circulate. Plug down @ 2:45 a.m. on 09-25-08 by Basic (tk #20409)

Day 2 Date 09-25-08 Thursday

7:00 am - Waiting on cement @ 312'

Ran 15.25 hours drilling. Down 8.75 hours (3.75 wait on cement, .50 drill plug, .25 rig repair, .75 jet, 3.00 connection, .50 rig check)

Mud properties: fresh water

Daily Mud Cost = \$839.30. Mud Cost to Date = \$839.30

Wt. on bit: 25,000, 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 312') = 2.50 hrs. - 312'

7 7/8" bit #1 (in @ 312') = 15.25 hrs. - 1818'

Fuel usage: 302.00 gals (74" used 8") 29" + 53" delivered = 82"

Day 3 Date 09-26-08 Friday Anhydrite (2489' - 2513')

7:00 am - Drilling @ 2130'

Ran 20.25 hours drilling. Down 3.75 hours (.75 rig check, 1.25 jet, 1.75 connection)

Mud properties: fresh water

Daily Mud Cost = \$3,846.90. Mud Cost to Date = \$4,686.20

Wt. on bit: 33,000, 85 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 312') = 2.50 hrs. - 312'

7 7/8" bit #1 (in @ 312') = 35.50 hrs. - 2863'

Fuel usage: 339.75 gals (65" used 9")

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION  
WICHITA, KS

|   |                            |  |   |  |            |  |
|---|----------------------------|--|---|--|------------|--|
| <b>MORNING DRILLING REPORT</b>  |                            |  | Email to: Jay Schweikert, Michael Rusco, Debbie Bastian |  |            |  |
| Southwind Drilling, Inc.<br>PO Box 276<br>8 North Main<br>Ellinwood, KS 67526<br>620-564-3800 |                            | Wellsite Geologist:<br>Brad Rine<br>316-250-5941 (mobile)<br>316-262-5418 (work) |   | WELL NAME  |            | Ottley #1-7  |
| Rig #1 Phone Numbers  |                            |  |   | LOCATION   |            | 2080' FNL & 1140' FEL<br>Sec. 7-13S-31W<br>Gove County, KS |
| 620-794-2075  | Rig Cellular (Dog house)   |  |   | Lario Oil & Gas Company<br>301 South Market<br>Wichita, KS 67202<br>316-265-5611 |            |  |
| 620-794-2078  | Geologist Trailer Cellular |  |   |  |            |  |
| 620-617-7324  | Tool Pusher Cellular       | Frank Rome   |   | ELEVATION  | G.L. 2984' | K.B. 2994'   |
|   |                            |  |   | API# 15-063-21736-00-00  |            |  |

**Driving Directions:** From Gove: 18 miles West, 1 ½ miles South on County Line Road, North East into.

Day 10 Date 10-03-08 Friday

7:00 am – Waiting on cementers to plug the well @ 4750'  
Ran 0.00 hours drilling. Down 8.00 hours (1.25 lay down pipe, 1.00 plug, 5.75 tear down/move rig)

Fuel usage: 37.75 gals (58" used 1")

Plug well with 225 sacks of 60/40 Poz, 4% gel, ¼# floseal per sack.  
1<sup>st</sup> plug @ 2500' with 25 sacks. 2<sup>nd</sup> plug @ 1570' with 100 sacks. 3<sup>rd</sup> plug @ 360' with 40 sacks.  
4<sup>th</sup> plug @ 40' with 15 sacks to surface. Plug rat hole with 30 sacks. Plug mouse hole with 15 sacks.  
Job complete @ 9:15 a.m. on 10-03-08 by Allied Cementing (tk #0437585).

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION  
WICHITA, KS

|   |                            |  |   |  |   |  |
|---|----------------------------|--|---|--|---|--|
| <b>MORNING DRILLING REPORT</b>  |                            |  | Email to: Jay Schweikert, Michael Rusco, Debbie Bastian |  |   |  |
| Southwind Drilling, Inc.<br>PO Box 276<br>8 North Main<br>Ellinwood, KS 67526<br>620-564-3800 |                            | Wellsite Geologist:<br>Brad Rine<br>316-250-5941 (mobile)<br>316-262-5418 (work) |   | WELL NAME<br>Ottley #1-7   |   |  |
| Rig #1 Phone Numbers  |                            |  |   | LOCATION<br>2080' FNL & 1140' FEL<br>Sec. 7-13S-31W<br>Gove County, KS           |   |  |
| 620-794-2075  | Rig Cellular (Dog house)   |  |   | Lario Oil & Gas Company<br>301 South Market<br>Wichita, KS 67202<br>316-265-5611 |   |  |
| 620-794-2078  | Geologist Trailer Cellular |  |   |  |   |  |
| 620-617-7324  | Tool Pusher Cellular       | Frank Rome   |   | ELEVATION  | G.L. 2984'    K.B. 2994'    API# 15-063-21736-00-00 |  |

**Driving Directions:** From Gove: 18 miles West, 1 1/2 miles South on County Line Road, North East into.

Day 7                      Date 09-30-08                      Tuesday

7:00 am – Drilling @ 4322'  
Ran 16.25 hours drilling. Down 7.75 hours (.50 connection, .25 jet, 1.00 rig repair, .50 rig check, 2.00 CTCH, 1.25 CFS @ 4588', 1.50 CFS @ 4598', .75 short trip)  
Mud properties: wt. 9.3, vis. 49, water loss 8.8  
Daily Mud Cost = \$361.95. Mud Cost to Date = \$7,734.45  
Wt. on bit: 35,000, 75 RPM, 900# pump pressure  
12 1/4" bit #1 (in @ 0' out @ 312') = 2.50 hrs. - 312'  
7 7/8" bit #1 (in @ 312') = 98.50 hrs. - 4286'  
  
Fuel usage: 339.75 gals (31" used 9")

Day 8                      Date 10-01-08                      Wednesday                      DST #2 (4562'-4598')  
Johnson formation  
Recovered 45' mud  
  
Survey @ 4598' = 1 degree

RTD = 4750'  
LTD = 4748'

7:00 am – CTCH for DST #2 @ 4598'  
Ran 9.25 hours drilling. Down 14.75 hours (8.00 trip, .25 survey, 1.25 CTCH, 1.00 CFS @ 4636', .75 CFS @ 4730', .25 connection, .25 rig check, 3.00 DST #2)  
Mud properties: wt. 9.4, vis. 70, water loss 8.0  
Daily Mud Cost = \$1,504.00. **Total Mud Cost = \$9,238.45**  
Wt. on bit: 35,000, 80 RPM, 900# pump pressure  
12 1/4" bit #1 (in @ 0' out @ 312') = 2.50 hrs. - 312'  
7 7/8" bit #1 (in @ 312' out @ 4750') = 107.75 hrs. - 4438'  
  
Fuel usage: 264.25 gals (24" used 7")

Day 9                      Date 10-02-08                      Thursday                      Survey @ 4750' = 1 degree

7:00 am – CFS @ 4750'  
Ran 0.00 hours drilling. Down 24.00 hours (4.50 trip, .25 survey, 1.50 CTCH, .50 CFS @ 4750', 5.00 lost circulation @ 4750', 4.00 log, 2.50 wait on orders, 2.25 lay down pipe, 1.00 nipple down, 2.50 wait on cementers)  
  
Fuel usage: 75.50 gals (59" used 2") 24" + 37" delivered = 61"

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 09 2008  
CONSERVATION DIVISION  
WICHITA, KS

|   |                            |  |   |  |            |  |
|---|----------------------------|--|---|--|------------|--|
| <b>MORNING DRILLING REPORT</b>  |                            |  | Email to: Jay Schweikert, Michael Rusco, Debbie Bastian |  |            |  |
| Southwind Drilling, Inc.<br>PO Box 276<br>8 North Main<br>Ellinwood, KS 67526<br>620-564-3800 |                            | Wellsite Geologist:<br>Brad Rine<br>316-250-5941 (mobile)<br>316-262-5418 (work) |   | WELL NAME  |            | Ottley #1-7  |
| Rig #1 Phone Numbers  |                            |  |   | LOCATION   |            | 2080' FNL & 1140' FEL<br>Sec. 7-13S-31W<br>Gove County, KS |
| 620-794-2075  | Rig Cellular (Dog house)   |  |   | Lario Oil & Gas Company<br>301 South Market<br>Wichita, KS 67202<br>316-265-5611 |            |  |
| 620-794-2078  | Geologist Trailer Cellular |  |   |  |            |  |
| 620-617-7324  | Tool Pusher Cellular       | Frank Rome   |   | ELEVATION  | G.L. 2984' | K.B. 2994'   |
|   |                            |  |   | API# 15-063-21736-00-00  |            |  |

**Driving Directions:** From Gove: 18 miles West, 1 ½ miles South on County Line Road, North East into.

Day 10 Date 10-03-08 Friday

7:00 am – Waiting on cementers to plug the well @ 4750'  
Ran 0.00 hours drilling. Down 8.00 hours (1.25 lay down pipe, 1.00 plug, 5.75 tear down/move rig)

Fuel usage: 37.75 gals (58" used 1")

Plug well with 225 sacks of 60/40 Poz, 4% gel, ¼# floseal per sack.  
1<sup>st</sup> plug @ 2500' with 25 sacks. 2<sup>nd</sup> plug @ 1570' with 100 sacks. 3<sup>rd</sup> plug @ 360' with 40 sacks.  
4<sup>th</sup> plug @ 40' with 15 sacks to surface. Plug rat hole with 30 sacks. Plug mouse hole with 15 sacks.  
Job complete @ 9:15 a.m. on 10-03-08 by Allied Cementing (tk #0437585).

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION  
WICHITA, KS