

6/18/09

**CONFIDENTIAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
September 1999  
Form Must Be Typed

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Operator: License # 5214  
Name: Lario Oil & Gas Company **KCC**  
Address: 301 S. Market  
City/State/Zip: Wichita, KS 67202  
Purchaser: \_\_\_\_\_  
Operator Contact Person: Jay G. Schweikert  
Phone: ( 316 ) 265-5611  
Contractor: Name: Duke Drilling  
License: 5929  
Wellsite Geologist: Steve Davis

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SIOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening  Re-perf.  Conv. to Enhr./SWD  
 Plug Back \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) \_\_\_\_\_ Docket No. \_\_\_\_\_

2-23-07 3-2-07 4-12-07  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

API No. 15 - 095-22079 **60-00**  
County: Kingman  
NW SE SE Sec. 1 Twp. 28 S. R. 5  East  West  
990 feet from (S) N (circle one) Line of Section  
990 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Casley Well #: 2-1  
Field Name: Broadway

Producing Formation: Mississippian  
Elevation: Ground: 1407' Kelly Bushing: 1415'  
Total Depth: 4050' Plug Back Total Depth: 3985'  
Amount of Surface Pipe Set and Cemented at 252 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

**Drilling Fluid Management Plan** AFI NH 12-9-08  
(Data must be collected from the Reserve Pit)  
Chloride content 28,000 ppm Fluid volume 900 bbls  
Dewatering method used Evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Jay Schweikert  
Title: Jay G. Schweikert, Operations Engineer Date: 6/18/07  
Subscribed and sworn to before me this 18<sup>th</sup> day of June  
20 07.  
Notary Public: KATHY L. FORD My Appt. Expires 10-22-10  
Date Commission Expires: 10-22-10

**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
**JUN 20 2007**

Operator Name: Lario Oil & Gas Company Lease Name: Casley Well #: 2-1  
 Sec. 1 Twp. 28 S. R. 5  East  West County: Kingman

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>LSS/SDL/DSN/HRI/MICRO</b>	<input checked="" type="checkbox"/> Log <input type="checkbox"/> Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Name</th> <th>Top</th> <th>Datum</th> </tr> </thead> <tbody> <tr> <td>Heebner</td> <td>2636</td> <td>-1221</td> </tr> <tr> <td>Lansing</td> <td>2909</td> <td>-1494</td> </tr> <tr> <td>Stark Shale</td> <td>3307</td> <td>-1892</td> </tr> <tr> <td>Hush Sh</td> <td>3332</td> <td>-1917</td> </tr> <tr> <td>BKC</td> <td>3373</td> <td>-1958</td> </tr> <tr> <td>Pawnee</td> <td>3511</td> <td>-2096</td> </tr> <tr> <td>Cherokee Sh</td> <td>3565</td> <td>-2150</td> </tr> <tr> <td>Mississippian</td> <td>3734</td> <td>-2319</td> </tr> </tbody> </table>	Name	Top	Datum	Heebner	2636	-1221	Lansing	2909	-1494	Stark Shale	3307	-1892	Hush Sh	3332	-1917	BKC	3373	-1958	Pawnee	3511	-2096	Cherokee Sh	3565	-2150	Mississippian	3734	-2319
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Mississippian	3734	-2319																										

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12.25	8-5/8"	23#	252'	60/40 Poz	190	2% gel, 3% CC
Production	7.875"	5 1/2"	15.5#	4028	Class H	175	10% gyp, 10# salt, *
					60/40 Poz	25	4% gel + .4% SMS

ADDITIONAL CEMENTING / SQUEEZE RECORD *5# Kalseal, .5% FL-160, .7% GB + DF				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing				
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	3795' - 3804'	500 gal 15% NEFE	3795'-3804'
6	3736' - 3744'	720 bbls x-linked gel, 189,000 scf Nitrogen & 44,300# sd	3736'-44
6	3767' - 3775'		3767'-75'

TUBING RECORD		Size <u>2-3/8"</u>	Set At <u>3730'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>5-10-07</u>		Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. <u>0.1</u>	Gas Mcf <u>12</u>	Water Ebls. <u>129</u>	Gas-Oil Ratio	Gravity <u>36</u>

Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

Production Interval \_\_\_\_\_



**SALES OFFICE:**  
 100 S. Main  
 Suite #607  
 Wichita, Ks. 67202  
 316-262-3699  
 316-262-5799 FAX

**SALES & SERVICE OFFICE:**  
 10244 NE. Hwy 61  
 P.O. Box 8613  
 Pratt, Ks. 67124-8613  
 620-672-1201  
 620-672-5383 FAX

**SALES & SERVICE OFFICE:**  
 1700 S. Country Estates Rd.  
 P.O. Box 129  
 Liberal, Ks. 67905-0129  
 620-624-2277  
 620-624-2280 FAX

## Invoice

<b>Bill to:</b> Lario Oil & Gas Co. P.O. Box 307 Kingman, KS 67068	5138011	<b>Invoice</b>	<b>Invoice Date</b>	<b>Order</b>	<b>Station</b>
		702158	02/23/07	16002	Pratt
<b>Service Description</b>					
Cement					
		<b>Lease</b>	<b>Well</b>	<b>Well Type</b>	
		Casley	2-1	New Well	
		<b>AFE</b>	<b>PO</b>	<b>Terms</b>	
		07-001		Net 30	
<b>CustomerRep</b>			<b>Treater</b>		
John			Kevin Gordley		

**KCC**  
**JUN 18 2007**  
**CONFIDENTIAL**

ID.	Description	UOM	Quantity	Unit Price	Price
D203	60/40 POZ	SK	190	\$10.71	\$2,034.90 (T)
C310	CALCIUM CHLORIDE	LBS	492	\$1.00	\$492.00 (T)
C194	CELLFLAKE	LB	41	\$3.70	\$151.70 (T)
F163	WOODEN CEMENT PLUG, 8 5/8"	EA	1	\$88.90	\$88.90 (T)
E100	HEAVY VEHICLE MILEAGE - 1 WAY	MI	100	\$5.00	\$500.00
E107	CEMENT SERVICE CHARGE	SK	190	\$1.50	\$285.00
E104	PROPPANT / BULK DELIV SERVICES/TON MILE, \$200 MIN	TM	410	\$1.60	\$656.00
R200	CASING CEMENT PUMPER, 0-300' 1ST 4 HRS ON LOC.	EA	1	\$924.00	\$924.00
R701	CEMENT HEAD RENTAL	EA	1	\$250.00	\$250.00
E101	CAR, PICKUP OR VAN MILEAGE - 1 WAY	MI	50	\$3.00	\$150.00

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**JUN 20 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

Kingman County & State Tax Rate: 5.30%  
 (T) Taxable Item

**Sub Total:** \$5,532.50  
**Discount:** \$950.64  
**Discount Sub Total:** \$4,581.86  
**Taxes:** \$121.47  
**Total:** \$4,703.33

*RC*  
 MAR 05 2007  
*[Signature]*

*BCP*

*BS*  
*2-28-07*

**PLEASE REMIT TO Acid Services, LLC, Dept No 1131, Tulsa, OK 74182**

Accounts are past due net 30 days following the date of invoice. Finance charge of 1 1/2% per month or 18% annual percentage rate will be charged on all past due accounts. Customer agrees not to withhold payment of any Invoice, or assert any right of offset, recoupment or any other defense to payment of any Invoice, on account of any right that you may now or hereafter have to payment from us, except for claims arising out of such Invoice because of defects in the specific services described in such Invoice. Additionally, you hereby waive any right that you may have under any state, federal or other law to assert

Allied Cementing Co., Inc  
P.O. Box 31

Russell, KS 67665

\*\*\*\*\*  
\* \* \* \* \*  
\* I N V O I C E \*  
\* \* \* \* \*  
\*\*\*\*\*

Invoice Number: 106816

Invoice Date: 03/07/07

Sold Lario Oil & Gas Company  
To: P. O. Box 307  
Kingman, KS  
67068

**KCC**  
**JUN 18 2007**  
**CONFIDENTIAL**

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**

**JUN 20 2007**

**CONSERVATION DIVISION**  
**WICHITA, KS**

Cust I.D.....: Lario  
P.O. Number...: Casley 2-1 (APE# 07-005)  
P.O. Date.....: 03/07/07

Due Date.: 04/06/07  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	30.00	SKS	10.6500	319.50	T
Pozmix	20.00	SKS	5.8000	116.00	T
Gel	2.00	SKS	16.6500	33.30	T
SMS	17.00	LBS	1.9500	33.15	T
Salt	19.00	SKS	9.6000	182.40	T
KolSeal	875.00	LBS	0.7000	612.50	T
GypSeal	16.00	PER	23.3500	373.60	T
FL-160	82.00	LBS	10.6500	873.30	T
Gas Block	115.00	LBS	8.9000	1023.50	T
DeFoamer	25.00	PER	7.2000	180.00	T
Class H	175.00	SKS	12.7500	2231.25	T
Mud Clean	500.00	GAL	1.0000	500.00	T
Clapro	12.00	GAL	25.0000	300.00	T
Handling	288.00	SKS	1.9000	547.20	E
Mileage	40.00	MILE	25.9200	1036.80	E
288 sks @.09 per sk per mi					
Prod. casing	1.00	JOB	1675.0000	1675.00	E
Mileage pmp trk	40.00	MILE	6.0000	240.00	E
Head Rental	1.00	PER	100.0000	100.00	E
Rot. Head	1.00	PER	75.0000	75.00	E
Guide Shoe	1.00	EACH	160.0000	160.00	T

Continued ....

Subtotal: 10612.50

*BS*  
*3-12-07*

Allied.Cementing Co., Inc  
P.O. Box 31  
Russell, KS 67665

\*\*\*\*\*  
\* \* \* \* \*  
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**CONSERVATION DIVISION**  
**WICHITA, KS**

Cust I.D.....: Lario  
P.O. Number...: Casley 2-1  
P.O. Date.....: 03/07/07

Due Date.: 04/06/07  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
AFU Insert	1.00	EACH	250.0000	250.00	T
Centralizers	6.00	EACH	50.0000	300.00	T
TRP	1.00	EACH	65.0000	65.00	T

All Prices Are Net, Payable 30 Days Following  
Date of Invoice. 1 1/2% Charged Thereafter.  
If Account CURRENT take Discount of 1122.75  
ONLY if paid within 30 days from Invoice Date

Subtotal: 11227.50  
Tax.....: 400.34  
Payments: 0.00  
Total...: 11627.84

*al*  
*sc*  
*OK to Pay*

Acct.	Expl.	File	OK to Pay
SC			
KG			
HY			
EV			
QU			

**MAR 15 2007**

*al*  
*sc*  
*OK to Pay*

*ACP*

# ALLIED CEMENTING CO., INC

KCC  
JUN 18 2007  
CONFIDENTIAL

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

APR 20 2007

SERVICE POINT: 26164  
MEDICINE LODGE

DATE	3/2/07	SEC	01	TWP	28S	RANGE	OSW	CALLED OUT	8:45 AM	ON LOCATION	2:30 PM	JOB START	7:05 AM	JOB FINISH	11:09 AM
LEASE	CASLEY	WELL #	2-1	LOCATION	NORWICH, 7 NORTH				COUNTY	KINGMAN		STATE	KANSAS		
OLD OR NEW	(Circle one)		1 EAST, 6 NORTH, 1 EAST, 11 NORTH												

CONTRACTOR DUKE #2

TYPE OF JOB PRODUCTION CASING

HOLE SIZE 7 7/8" T.D. 4050'

CASING SIZE 5 1/2" 15.5# DEPTH 4028'

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

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

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

PRES. MAX 1200# MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 44.55'

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

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

DISPLACEMENT 9 1/2 BBLs. 2% KCL

EQUIPMENT

PUMP TRUCK # 372 CEMENTER KEVIN BRUNBARDI  
HELPER DARIN FRANKLIN

BULK TRUCK # 363-249 DRIVER RANDY MCKINNEY

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

SEE JOB LOG

CHARGE TO: LARIO OIL + GAS Co.

STREET P.O. Box 307

CITY KINGMAN STATE KANSAS ZIP 67068

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE [Signature]

OWNER LARIO OIL + GAS Co

CEMENT AMOUNT ORDERED 500 BBLs. MUD CLEAN  
50% 60-40-4 + 4% SMS

COMMON A	30	@ 10.65	319.50
POZMIX	20	@ 5.80	116.00
GEL	2	@ 16.65	33.30
CHLORIDE SMS	17#	@ 1.95	33.15
W-SALT	19	@ 9.60	182.40
KOL-SEAL	875#	@ .70	612.50
GUP-SEAL	16	@ 23.35	373.60
FL-160	82#	@ 10.65	873.30
GAS BLOCK	115#	@ 8.90	1023.50
DEFORMER	25#	@ 7.20	180.00
CLASS H	175	@ 12.75	2231.25
MUD CLEAN	500	@ 1.00	500.00
CLAPRO	12	@ 25.00	300.00
HANDLING	288	@ 1.90	547.20
MILEAGE	288 x 40	.09	1036.80
			TOTAL 8362.50

SERVICE

DEPTH OF JOB	<u>4028'</u>	
PUMP TRUCK CHARGE		1675.00
EXTRA FOOTAGE	@	
MILEAGE	<u>40</u>	@ 6.00 240.00
MANIFOLD	@	
HEAD RENTAL	@ 100.00	100.00
ROTATING HEAD	@ 75.00	75.00
TOTAL 2090.00		

PLUG & FLOAT EQUIPMENT

<u>5 1/2"</u>		
1- GUIDE SHOE	@ 160.00	160.00
1- AFU INSERT	@ 250.00	250.00
6- CENTRALIZERS	@ 50.00	300.00
1- TRP	@ 65.00	65.00

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL CHARGE [Crossed out]

DISCOUNT [Crossed out] IF PAID IN 30 DAYS

TOTAL 775.00

PRINTED NAME