

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

8/6/09

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
 Address: 301 S. Market
 City/State/Zip: Wichita, KS 67202
 Purchaser: _____
 Operator Contact Person: Jay G. Schweikert **KCC**
 Phone: (316) 265-5611 **AUG 06 2007**
 Contractor: Name: Val Energy
 License: 5822 **CONFIDENTIAL**
 Wellsite Geologist: Brad Rine
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW 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. _____

5-18-07	5-27-07	7-18-07
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 063-21657-00-00
 County: Gove
 _____ SW _____ SE _____ Sec. 31 Twp. 12 S. R. 31 East West
330 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: Ziegler Trust Well #: 1-31
 Field Name: Wildcat
 Producing Formation: Morrow Sand
 Elevation: Ground: 2956' Kelly Bushing: 2961'
 Total Depth: 4750' Plug Back Total Depth: 4719'
 Amount of Surface Pipe Set and Cemented at 310 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set 2224' Feet
 If Alternate II completion, cement circulated from _____ surface
 feet depth to 2224' w/ 550 sx cmt.

Drilling Fluid Management Plan AH IINW 4-809
 (Data must be collected from the Reserve Pit)
 Chloride content 16,000 ppm Fluid volume 460 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 G. Schweikert
 Title: Jay G. Schweikert, Operations Engineer Date: 8/16/07
 Subscribed and sworn to before me this 16th day of August,
 2007.
 Notary Public: Kathy L. Ford
 Notary Public - State of Kansas
 My Comm. Expires 10-22-10

KCC Office Use ONLY

Letter of Confidentiality Received
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

If Denied, Yes Date: RECEIVED
KANSAS CORPORATION COMMISSION
AUG 30 2007
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Lario Oil & Gas Company Lease Name: Ziegler Trust Well #: 1-31
 Sec. 31 Twp. 12 S. R. 31 East West County: Gove

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Heebner	3946	-985
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Lansing	3979	-1018
List All E. Logs Run:		Stark Shale	4219	-1258
		Hushpuckney	4255	-1294
		Base KC	4290	-1329
		Marmaton	4333	-1372
		Pawnee	4425	-1464
		Mississippian	4603	-1642

GR/SON/CNL/DIL/CDL/PE/MEL

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 1/4"	8 5/8"	23#	310'	Poz	190	3% CC & 2% gel
Production	7 7/8"	4 1/2"	10.5#	4751'	ASC Common	185	10# salt, 2% gel,
					Lite Blend	525	5# gilsonite

ADDITIONAL CEMENTING / SQUEEZE RECORD

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	4588' - 4596'	750 gal 15% NEFE	4588' - 4596'
		1250 gal 15% NEFE	4588' - 4596'
-		4046 gal Delta Frac	4588' - 4596'

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		2 3/8"	4603'	4569'		
Date of First, Resumerd Production, SWD or Enhr.			Producing Method			
8-9-07			<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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	
	150	0	4		36.1	

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 _____

Allied Cementing Co., LLC
 24 S. Lincoln
 P.O. Box 31
 Russell, KS 67665

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

Invoice Number: 108973

Invoice Date: 05/30/07

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

KCC
 AUG 06 2007
 CONFIDENTIAL

Jim Stilling
 6-6-07

Cust I.D.....: Lario AFE #07-014
 P.O. Number...: Ziegler Trust #1
 P.O. Date.....: 05/30/07 (LongString casing)

Due Date.: 06/29/07
 Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Lite	550.00	SKS	10.7500	5912.50	T
FloSeal	138.00	LBS	2.0000	276.00	T
Handling	620.00	SKS	1.9000	1178.00	E
Mileage	14.00	MILE	55.8000	781.20	E
620 sks @.09 per sk per mi					
Top Stage	1.00	JOB	955.0000	955.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of 910.27
 ONLY if paid within 30 days from Invoice Date

Subtotal: 9102.70
 Tax.....: 436.29
 Payments: 0.00
 Total....: 9538.99

RECEIVED
 KANSAS CORPORATION COMMISSION
 AUG 30 2007
 CONSERVATION DIVISION
 WICHITA, KS

al
4c

SEARCHED	INDEXED	SERIALIZED	FILED
JUN 08 2007			

al
4c

kip

ALLIED CEMENTING CO., INC.

28561

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

SERVICE POINT:

OAKLEY

5-27-07 DATE	SEC. 31	TWP. 12S	RANGE 31W	CALLED OUT	ON LOCATION 4:30 PM	JOB START 3:00 AM	JOB FINISH 4:45 AM
ZIESLER LEASE	WELL # 1-31	LOCATION OAKLEY 115-3E-NEW			COUNTY GORE	STATE KS	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR <u>VAI DRILL RIG #</u>	OWNER <u>SAME</u>
TYPE OF JOB <u>PRODUCTION STRING "TOP STAGE"</u>	
HOLE SIZE <u>7 7/8"</u> T.D. <u>4750'</u>	CEMENT
CASING SIZE <u>4 1/2"</u> DEPTH <u>4758'</u>	AMOUNT ORDERED
TUBING SIZE	<u>575 SKS LATE 1/4" FLO-SEAL</u>
DRILL PIPE	<u>USED 550 SKS LATE 1/4" FLO-SEAL</u>
TOOL <u>D-U</u> DEPTH <u>2224'</u>	COMMON _____ @ _____
PRES. MAX	POZMIX _____ @ _____
MEAS. LINE	GEL _____ @ _____
CEMENT LEFT IN CSG. <u>21.64'</u>	CHLORIDE _____ @ _____
PERFS.	ASC _____ @ _____
DISPLACEMENT <u>35 1/4 BBLs</u>	<u>LATE 550 SKS @ 10 75 5912.50</u>

EQUIPMENT

PUMP TRUCK # <u>422</u>	CEMENTER <u>TERRY</u>
	HELPER <u>WAYNE</u>
BULK TRUCK # <u>386</u>	DRIVER <u>DARRIN</u>
BULK TRUCK # <u>394</u>	DRIVER <u>LONNIE</u>

<u>FLO-SEAL 138#</u>	@	<u>2.00</u>	<u>276.00</u>
<u>HANDLING 620 SKS</u>	@	<u>1.90</u>	<u>1178.00</u>
<u>MILEAGE 94 PER SK / MELE</u>	@		<u>781.00</u>
TOTAL			<u>8147.50</u>

REMARKS:

MEX 15 SKS RAT HOLE. MEX 10 SKS
MOUSE HOLE. MEX 525 SKS
DOWN N 1/2 CASING. WASH TRUCK & LINES
DISPLACE 35 1/4 BBLs WATER. PLUG
LANDED AT 1700 PSI. D-U TOOL
HELD. PLUG DOWN AT 4:15 AM.
CIRCULATED 36 BBL CEMENT TO PET
CEMENT OK - CIRC.

THANK YOU

CHARGE TO: LARIO OIL & GAS, CO
STREET P.O. BOX 784
CITY HAYS STATE KS ZIP 67601

AFE # 07-014

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 Larry Karlin

SERVICE

DEPTH OF JOB	<u>2224'</u>
PUMP TRUCK CHARGE	<u>955.00</u>
EXTRA FOOTAGE	@ _____
MILEAGE <u>14 MI</u>	@ <u>NIC</u>
MANIFOLD	@ _____
	@ _____
	@ _____
TOTAL	

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 30 2007

CONSERVATION DIVISION
WICHITA, KS

TAX _____
TOTAL CHARGE _____
DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Larry Karlin
PRINTED NAME

Allied Cementing Co., LLC
 24 S. Lincoln
 P.O. Box 31
 Russell, KS 67665

 * I N V O I C E *

Invoice Number: 108972

Invoice Date: 05/30/07

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

KCC
 AUG 06 2007
 CONFIDENTIAL

Jim Ballew
 6.6.07

Cust I.D.....: Lario AFE #07-014
 P.O. Number...: Ziegler Trust #1
 P.O. Date.....: 05/30/07 (Longstring casing)

Due Date.: 06/29/07
 Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Gel	3.00	SKS	16.6500	49.95	T
ASC	185.00	SKS	14.2000	2627.00	T
Salt	18.00	SKS	19.2000	345.60	T
Gilsonite	925.00	LBS	0.7000	647.50	T
WFR-2	500.00	GAL	1.0000	500.00	T
Handling	234.00	SKS	1.9000	444.60	E
Mileage	14.00	MILE	21.0600	294.84	E
234 sks @ >09 per sk per mi					
Bottom Stage	1.00	JOB	1750.0000	1750.00	E
Mileage pmp trk	14.00	MILE	6.0000	84.00	E
Head Rent	1.00	PER	100.0000	100.00	E
Latch Down	1.00	EACH	325.0000	325.00	T
AFU Float Shoe	1.00	EACH	200.0000	200.00	T
T. Cent.	9.00	EACH	60.0000	540.00	T
Basket	1.00	EACH	130.0000	130.00	T
Stage Collar	1.00	EACH	3250.0000	3250.00	T

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of 1128.85
 ONLY if paid within 30 days from Invoice Date

Subtotal: 11288.49
 Tax.....: 607.36
 Payments: 0.00
 Total....: 11895.85

RECEIVED
 KANSAS CORPORATION COMMISSION
 AUG 30 2007
 CONSERVATION DIVISION
 WICHITA, KS

all
lc

SEARCHED	INDEXED	SERIALIZED	FILED
JUN 08 2007			
<i>all</i> <i>lc</i>			

ALLIED CEMENTING CO., INC.

28560

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

SERVICE POINT:

OAKLEY

KCC
AUG 06 2007
CONFIDENTIAL

DATE <u>5-27-07</u>	SEC <u>31</u>	TWP. <u>12S</u>	RANGE <u>31W</u>	CABLED OUT	ON LOCATION <u>4:30 PM</u>	JOB START <u>11:15 PM</u>	JOB FINISH <u>11:50 PM</u>
LEASE <u>ZIEGLER</u>	WELL # <u>1-31</u>	LOCATION <u>OAKLEY 115-31-N FN</u>			COUNTY <u>GOVE</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>VMI DRILL RIG #</u>	OWNER <u>SAME</u>
TYPE OF JOB <u>PRODUCTION STRING "BOTTOM STAGE"</u>	CEMENT
HOLE SIZE <u>7 7/8"</u> T.D. <u>4750'</u>	AMOUNT ORDERED <u>185 SKS ASC 10% SALT</u>
CASING SIZE <u>4 1/2"</u> DEPTH <u>4758'</u>	<u>5# GILSONETE 2% GEL</u>
TUBING SIZE DEPTH	
DRILL PIPE DEPTH	
TOOL <u>D-U</u> DEPTH <u>2224'</u>	
PRES. MAX MINIMUM	
MEAS. LINE SHOE JOINT <u>21.64</u>	
CEMENT LEFT IN CSG. <u>21.64'</u>	
PERFS.	
DISPLACEMENT <u>36 BBLs WATER 39 1/4 BBLs MUD</u>	
EQUIPMENT <u>TOTAL 75 1/4 BBLs</u>	

PUMP TRUCK # <u>422</u>	CEMENTER <u>TERRY</u>	HELPER <u>WAYNE</u>
BULK TRUCK # <u>386</u>	DRIVER <u>DARRIN</u>	
BULK TRUCK # <u>394</u>	DRIVER <u>LONNIE</u>	

REMARKS:
MIX 500 GAL WFR-2, 185 SKS
ASC 10% SALT 5# GILSONETE
2% GEL, WASH TRUCK & LINES
DISPLACE 36 BBLs WATER 39 1/4 BBLs MUD
PLUG Landed AT 1500 PSI.
FLOAT HELD, DROP BUMP WAIT
15 MIN. OPEN D-U TOOL, CIRCULATE
3 HRS.
 THANK YOU

CHARGE TO: LARIO OIL & GAS, CO
 STREET P.O. BOX 784
 CITY HAYS STATE KS ZIP 67601

AFE # 07-014

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]

COMMON	@		
POZMIX	@		
GEL <u>3 SKS</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	@		
ASC <u>185 SKS</u>	@	<u>14.20</u>	<u>2627.00</u>
SALT <u>18 SKS</u>	@	<u>19.20</u>	<u>345.60</u>
GILSONETE <u>925 #</u>	@	<u>\$.70</u>	<u>647.50</u>
WFR-2 <u>500 GAL</u>	@	<u>1.00</u>	<u>500.00</u>
HANDLING <u>234 SKS</u>	@	<u>1.90</u>	<u>444.60</u>
MILEAGE <u>94 PER SK / MILE</u>			<u>294.84</u>
RECEIVED		TOTAL	<u>4909.49</u>

AUG 30 2007 SERVICE

DEPTH OF JOB <u>4758'</u>	
PUMP TRUCK CHARGE	<u>1750.00</u>
EXTRA FOOTAGE	@
MILEAGE <u>14 MI</u>	@ <u>6.00</u> <u>84.00</u>
MANIFOLD	@
HEAD RENTAL	@ <u>100.00</u>
TOTAL	<u>1934.00</u>

4 1/2" PLUG & FLOAT EQUIPMENT

1- Latch down Plug Assy Flex Plug	<u>325.00</u>
1- AFU FLOAT SHOE	@ <u>200.00</u>
9- TURBO CENTRALIZERS	@ <u>60.00</u> <u>540.00</u>
1- BASKET	@ <u>130.00</u>
1- STAGE COLLAR	@ <u>325.00</u>
TOTAL	<u>4445.00</u>

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]
 PRINTED NAME Larry Kaclin