

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

9/11/10

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
Phone: (316) 265-5611
Contractor: Name: Pickrell Drilling Co., Inc.
License: 5123
Wellsite Geologist: Rene Husted

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. _____

8-2-08	8-11-08	8-12-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 095-22156-0000
County: Kingman
____ S2 ____ SE ____ SE Sec. 11 Twp. 28 S. R. 6 East West
330 feet from (S) N (circle one) Line of Section
660 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
____ (circle one) NE (SE) NW SW
Lease Name: Clouse B Well #: 1-11
Field Name: Murdock Townsite

Producing Formation: _____
Elevation: Ground: 1531' Kelly Bushing: 1541'
Total Depth: 4291' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 268 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 PA NH 10-2708
(Data must be collected from the Reserve Pit)
Chloride content 52,000 ppm Fluid volume 1,000 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.: _____

KCC
SEP 11 2008
CONFIDENTIAL

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: 9-11-08

Subscribed and sworn to before me this 11th day of September, 2008.

Notary Public: Kathy L. Ford
My Appt. Expires: 10-22-10
Date Commission Expires: _____

KCC Office Use ONLY

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

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 12 2008

Operator Name: Lario Oil & Gas Company Lease Name: Clouse B Well #: 1-11
 Sec. 11 Twp. 28 S. R. 6 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 checked="" type="checkbox"/> Yes <input 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: SDL/DSN/MICRO/ISAT/ACRT	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Heebner</td> <td>2872</td> <td>-1331</td> </tr> <tr> <td>Lansing</td> <td>3124</td> <td>-1583</td> </tr> <tr> <td>Stark Shale</td> <td>3506</td> <td>-1965</td> </tr> <tr> <td>Hushpuckney Shale</td> <td>3543</td> <td>-2002</td> </tr> <tr> <td>BKC</td> <td>3588</td> <td>-2047</td> </tr> <tr> <td>Pawnee</td> <td>3712</td> <td>-2171</td> </tr> <tr> <td>Mississippi</td> <td>3894</td> <td>-2353</td> </tr> <tr> <td>Kinderhook Shale</td> <td>4206</td> <td>-2665</td> </tr> </table>	Name	Top	Datum	Heebner	2872	-1331	Lansing	3124	-1583	Stark Shale	3506	-1965	Hushpuckney Shale	3543	-2002	BKC	3588	-2047	Pawnee	3712	-2171	Mississippi	3894	-2353	Kinderhook Shale	4206	-2665
Name	Top	Datum																										
Heebner	2872	-1331																										
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BKC	3588	-2047																										
Pawnee	3712	-2171																										
Mississippi	3894	-2353																										
Kinderhook Shale	4206	-2665																										

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#	268'	60/40 Poz	190	2% gel, 3% CC

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. D & A 8-11-08			Producing Method <input type="checkbox"/> Flowing <input 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

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 _____



INVOICE

24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (785) 483-3887
 Fax: (785) 483-5566

Invoice Number: 115429
 Invoice Date: Aug 2, 2008
 Page: 1

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

SEP 11 2008
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Customer ID	Well Name# or Customer P.O.	Payment Terms	
Lario	Clouse B #1-11 (APR#08-142)	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Medicine Lodge	Aug 2, 2008	9/1/08

Quantity	Item	Description	Unit Price	Amount
114.00	MAT	Class A Common	15.45	1,761.30
76.00	MAT	Pozmix	8.00	608.00
3.00	MAT	Gel	20.80	62.40
6.00	MAT	Chloride	58.20	349.20
199.00	SER	Handling	2.40	477.60
55.00	SER	Mileage 199 sx @ 10 per sk per mi	19.90	1,094.50
1.00	SER	Surface	1,018.00	1,018.00
55.00	SER	Mileage Pump Truck	7.00	385.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Wooden plug	68.00	68.00

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SEP 11 2008
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RECEIVED
 KANSAS CORPORATION COMMISSION
SEP 12 2008
 CONSERVATION DIVISION
 WICHITA, KS
BS
8-7-08

ALL PRICES ARE NET, PAYABLE
 30 DAYS FOLLOWING DATE OF
 INVOICE. 1 1/2% CHARGED
 THEREAFTER. IF ACCOUNT IS
 CURRENT, TAKE DISCOUNT OF

\$ 593.70

ONLY IF PAID ON OR BEFORE

Sep 1, 2008

Subtotal	5,937.00
Sales Tax	150.99
Total Invoice Amount	6,087.99
Payment/Credit Applied	
TOTAL	6,087.99

ALLIED CEMENTING CO., LLC. 34230

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

SERVICE POINT:
Medicine Lodge, KS.

DATE <u>8-2-04</u>	SEC. <u>11</u>	TWP. <u>28S</u>	RANGE <u>6W</u>	CALLED OUT <u>11:00 PM</u>	ON LOCATION <u>2:00 PM</u>	JOB START <u>3:30 PM</u>	JOB FINISH <u>4:00 PM</u>
LEASE <u>Clouse "B"</u>	WELL # <u>1-11</u>		LOCATION <u>Medicine Lodge, KS, N to 5th sign.</u>	COUNTY <u>Kingman</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one)			<u>1/4 W TO WIDE, W + N F TO</u>				

CONTRACTOR Pickrell
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4" T.D. 273'
 CASING SIZE 8 5/8" DEPTH 272'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX 300 MINIMUM 100
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15' By Request
 PERFS. _____
 DISPLACEMENT 16 1/2 Bbl Fresh water

OWNER Lario Oil & Gas
 CEMENT AMOUNT ORDERED 1905x 60:40:2 + 3% cc

EQUIPMENT

PUMP TRUCK CEMENTER Thomas DeMorrow
 # 360 HELPER Greg K
 BULK TRUCK
 # 389 DRIVER Larry F / Larry J.
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<u>114 A</u>	@	<u>15.45</u>	<u>1761.30</u>
POZMIX	<u>76</u>	@	<u>8.00</u>	<u>608.00</u>
GEL	<u>3</u>	@	<u>20.80</u>	<u>62.40</u>
CHLORIDE	<u>6</u>	@	<u>58.20</u>	<u>349.20</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>199</u>	@	<u>2.40</u>	<u>477.60</u>
MILEAGE	<u>55 x 199 x .10</u>			<u>1094.50</u>
				TOTAL <u>4353.00</u>

REMARKS:

Pipe on Bottom, Break circulation, Pump 1905x 60:40:2 + 3% CC, stop pumps, Release Plug, start displacement, seal off + stop pumps + shut in, displacement / 16 1/2 Bbl Fresh water cement circulated to surface

SERVICE

DEPTH OF JOB	<u>272'</u>		
PUMP TRUCK CHARGE			<u>1018.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>55</u>	@	<u>7.00</u> <u>385.00</u>
MANIFOLD		@	
<u>headmanoc</u>	<u>1</u>	@	<u>113.00</u> <u>113.00</u>
		@	

CHARGE TO: Lario Oil & Gas
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL 1516.00

8 5/8" PLUG & FLOAT EQUIPMENT

wooden Plug	<u>1</u>	@	<u>68.00</u>	<u>68.00</u>
		@		
		@		
		@		
		@		
				TOTAL <u>68.00</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.

SALES TAX (If Any) _____
 TOTAL CHARGES ~~_____~~
 DISCOUNT ~~_____~~ IF PAID IN 30 DAYS _____

PRINTED NAME X Mike Kerns
 SIGNATURE X Mike Kern

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906

Voice: (785) 483-3887
 Fax: (785) 483-5566

INVOICE

Invoice Number: 115537
 Invoice Date: Aug 11, 2008
 Page: 1

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

KCC
 SEP 11 2008
 CONFIDENTIAL

Customer ID	Well Name# or Customer P.O	Payment Terms	
Lario	Clouse "B" #1-11 (APE # 08-142)	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Medicine Lodge	Aug 11, 2008	9/10/08

Quantity	Item	Description	Unit Price	Amount
87.00	MAT	Class A Common	15.45	1,344.15
58.00	MAT	Pozmix	8.00	464.00
5.00	MAT	Gel	20.80	104.00
150.00	SER	Handling	2.40	360.00
55.00	SER	Mileage 150 sx @ .10 per sk per mi	15.00	825.00
1.00	SER	Rotary Plug	1,017.00	1,017.00
55.00	SER	Mileage Pump Truck	7.00	385.00

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 EXP. FILE
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RECEIVED
 KANSAS CORPORATION COMMISSION
 SEP 12 2008
 CONSERVATION DIVISION
 WICHITA, KS

BS
8-15-08

ALL PRICES ARE NET, PAYABLE
 30 DAYS FOLLOWING DATE OF
 INVOICE. 1 1/2% CHARGED
 THEREAFTER. IF ACCOUNT IS
 CURRENT, TAKE DISCOUNT OF

\$ 449.91

ONLY IF PAID ON OR BEFORE

Sep 10, 2008

Subtotal	4,499.15
Sales Tax	238.45
Total Invoice Amount	4,737.60
Payment/Credit Applied	
TOTAL	4,737.60

ALLIED CEMENTING CO., LLC. 34235

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

SERVICE POINT: Medicine Lodge, KS.

DATE <u>8-11-08</u>	SEC. <u>11</u>	TWP. <u>28S</u>	RANGE <u>6W</u>	CALLED OUT <u>11:00 PM</u>	ON LOCATION <u>1:30 AM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>4:30 AM</u>
LEASE <u>Clouse "B"</u>		WELL # <u>1-11</u>	LOCATION <u>Murdock, KS. N to S to S.W.</u>		COUNTY <u>Kingman</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>1/4 W TO CURVE, W + N INTO</u>				

CONTRACTOR Pickrell
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D.
 CASING SIZE 8 5/8 DEPTH 264'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM 100
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. see Remarks
 PERFS. _____
 DISPLACEMENT see Remarks

OWNER LARRO OIL & GAS
 CEMENT AMOUNT ORDERED 145 SY 60:40:4

EQUIPMENT

PUMP TRUCK # 414 CEMENTER Thomas Demarow
 HELPER Craig Co.
 BULK TRUCK # 389 DRIVER Adam A.
 BULK TRUCK # _____ DRIVER _____

COMMON	<u>87 A</u>	@ <u>15.45</u>	<u>1344.15</u>
POZMIX	<u>58</u>	@ <u>8.00</u>	<u>464.00</u>
GEL	<u>5</u>	@ <u>20.80</u>	<u>104.00</u>
CHLORIDE	_____	@ _____	_____
ASC	_____	@ _____	_____
	<u>KCC</u>	@ _____	_____
	<u>SEP 11 2008</u>	@ _____	_____
	<u>CONFIDENTIAL</u>	@ _____	_____
		@ <u>RECEIVED</u>	_____
		@ <u>KANSAS CORPORATION COMMISSION</u>	_____
		@ <u>SEP 12 2008</u>	_____
		@ <u>CONSERVATION DIVISION</u>	_____
		@ <u>WICHITA, KS</u>	_____
HANDLING	<u>150</u>	@ <u>2.40</u>	<u>360.00</u>
MILEAGE	<u>55 X 150 X .10</u>	@ _____	<u>825.00</u>
			TOTAL <u>3097.15</u>

REMARKS:

Pipe set @ 850' load hole, Pump 35 5/8 x 60:40:4
Displace w/ 9 3/4 BBL, Pipe set @ 450'
Load Hole Pump 35 5/8 x 60:40:4, Displace w/ 4
BBL, Pipe set @ 318' load hole Pump 35 5/8
60:40:4, Displace w/ 2 1/4 BBL, Pipe set @
60', load hole Pump 25 5/8 x 60:40:4, cement
circulated to surface, Plug Rat w/ 15 SY
60:40:4
Thank you

SERVICE

DEPTH OF JOB	<u>850'</u>		
PUMP TRUCK CHARGE			<u>1017.00</u>
EXTRA FOOTAGE		@ _____	_____
MILEAGE	<u>55</u>	@ <u>7.00</u>	<u>385.00</u>
MANIFOLD		@ _____	_____
		@ _____	_____
		@ _____	_____
			TOTAL <u>1402.00</u>

CHARGE TO: LARRO OIL & GAS
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

NOVE @ _____
 @ _____
 @ _____
 @ _____
 @ _____

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 X Mike Kern
 SIGNATURE X Mike Kern

SALES TAX (If Any) _____
 TOTAL CHARGES [scribble]
 DISCOUNT [scribble] IF PAID IN 30 DAYS

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**