

15-095-22105-0000

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT

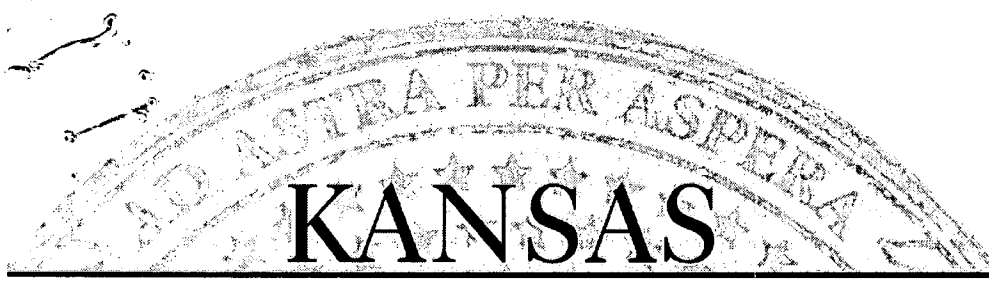
Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>Lario Oil &amp; Gas Company</b>		License Number: <b>5214</b>
Operator Address: <b>301 S. Market, Wichita, KS 67202</b>		
Contact Person: <b>Jay G. Schweikert</b>		Phone Number: ( <b>316</b> ) <b>265 5811</b>
Lease Name & Well No.: <b>Dewey Trust A #1-17</b>		Pit Location (QQQQ): <b>N2 . . NE . SE . NW</b> Sec. <b>17</b> Twp. <b>28</b> R. <b>5</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1600</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2400</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Kingman</b> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: <b>7100</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <b>100</b> Length (feet) <b>100</b> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <b>4</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determine liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <b>2410</b> feet Depth of water well <b>56</b> feet		Depth to shallowest fresh water <b>10</b> feet. Source of information: _____ measured _____ well owner _____ 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: <b>Bentonite Mud</b> Number of working pits to be utilized: <b>2</b> Abandonment procedure: <b>Allow for evaporation.</b> <b>Fill in &amp; cover pits.</b> 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.		
<b>5/24/07</b> Date	<i>Jay G. Schweikert</i> Jay G. Schweikert Signature of Applicant or Agent	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>MAY 29 2007</b> CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b>		
Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

INSPECTED BY BJ ON 5-29-07. OPERATOR MUST REMOVE FREE FLUIDS WITHIN 24 HOURS OF COMPLETION.



CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

**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.

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**Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

MAY 24 2007

Haul-off pit will be located in an on-site disposal area:  Yes  No

CONSERVATION DIVISION  
WICHITA, KS

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 land owner 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 land owner 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.

15-095-22105-0252

For CURRENT ownership, see attached.

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-115



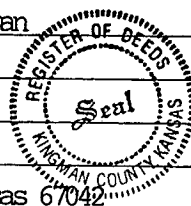
P.O. Box 793 Wichita KS, 67201-0793 1-888-4KSBLUE 1-316-264-9344 Wichita 1-316-264-5165 fax www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 12th day of September

STATE OF KANSAS, Kingman County, ss: 2003

by and between Charles E. Robinson, a single man

This instrument was filed for record on the 29 day of November A.D. 2003 at 10:50 o'clock A.M. and duly recorded in Book 0-11 page 1022 Fee \$ 12.00



By Jason Skubik Deputy Recorder of Deeds

whose mailing address is 921 Skyview Dr., Eldorado, Kansas 67042

hereinafter called Lessor (whether one or more),

and Fredrick W. Stump

hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$ 10.00 & more ) in hand paid, receipt of which

is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Kingman State of Kansas described as follows to-wit:

Township 28 South, Range 5 West

Section 17: That part of the NW/4, described as follows: Commencing 43 rods East of the NW/corner of Section 17 running South to the Wichita and Western Railroad; thence East to the half section line between the NW/4 and the NE/4 of Section 17; thence North to the NE/corner of the NW/4 of Section 17; thence West to the place of beginning.

In Section Township Range and containing 84 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"). and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. 300

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.

Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.

Lessee, agrees to maintain that area used for ingress and egress, well location and tank battery in a neat, orderly manner.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

x Charles E. Robinson

Charles E. Robinson SS# 720-12-7788

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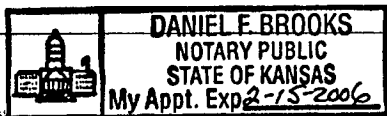
62

MAY 24 2007

CONSERVATION DIVISION WICHITA, KS

STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
COUNTY OF Sedgwick  
The foregoing instrument was acknowledged before me this 13th day of September, 2003,  
by Charles E. Robinson, a single man and \_\_\_\_\_

My commission expires \_\_\_\_\_



*Daniel F. Brooks*  
Notary Public  
Daniel F. Brooks

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

No. \_\_\_\_\_

**OIL AND GAS LEASE**

FROM

TO

Date \_\_\_\_\_

Section \_\_\_\_\_

No. of Acres \_\_\_\_\_

County \_\_\_\_\_

STATE OF \_\_\_\_\_

County \_\_\_\_\_

This instrument was filed for record on the \_\_\_\_\_

day of \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded

in Book \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_

the records of this office.

Register of Deeds.

By \_\_\_\_\_

When recorded, return to \_\_\_\_\_

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_  
of \_\_\_\_\_ a \_\_\_\_\_

corporation, on behalf of the corporation.

My commission expires \_\_\_\_\_

Notary Public

JAMES L. HARGROVE  
Attorney at Law  
115 West Pine  
P.O. Box 31  
El Dorado, KS 67042  
(316) 321-2802

**FILED**

2005 MAY -6 A 11:43

**DISTRICT COURT  
KINGMAN COUNTY**

IN THE THIRTIETH JUDICIAL DISTRICT  
DISTRICT COURT, KINGMAN COUNTY, KANSAS

In the Matter of the Estate of )  
 )  
CHARLES ROBINSON, )  
 Deceased.)  
\_\_\_\_\_)

Case No. 05 PR 22 RECEIVED  
KANSAS CORPORATION COMMISSION

MAY 24 2007

DECREE OF DESCENT

CONSERVATION DIVISION  
WICHITA, KS

NOW, on this May 6, 2005, is heard the Petition for  
Determination of Descent in the estate of Charles E. Robinson,  
deceased.

Petitioner Jane Cross appears in person and by Attorney  
James L. Hargrove. There are no other appearances.

After consideration of the files and the evidence produced,  
THE COURT FINDS as follows:

1. Notice of this hearing has been given as required by  
law and the order of this Court and the proof thereof has been  
filed and is hereby approved.

2. Due diligence has been exercised in search for identity  
and addresses of heirs.

3. The provisions of the Service Member's Civil Relief Act  
of 2003, as amended, have been complied with insofar as  
applicable to this proceeding.

4. All the allegations of the petition are true; Charles  
E. Robinson, a resident of Kingman County, Kansas, and a citizen

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MAY 24 2007

CONSERVATION DIVISION  
WICHITA, KS

of the United States, died on September 28, 2004, and more than six months have expired since death.

At the time of death decedent had an interest in the hereinafter described real estate; no will of decedent has been admitted to probate, no will has been filed pursuant to K.S.A. 59-618a, nor administration had of the estate, and all debts of the estate have been paid.

The only heirs of decedent are Jack D. Robinson, son, Jane Cross, daughter, Joan L. Kennedy, daughter, James E. Robinson, son, Joyce Messier, daughter and Jon C. Robinson, son; no other spouse or children or adopted children or issue of deceased children, natural or adopted, survive the decedent.

5. No taxes are owed by the estate.

6. The heirs will share equally in the estate.

IT IS THEREFORE ORDERED AND ADJUDGED BY THE COURT that the title to all of the interest of Charles E. Robinson, in the following described real estate,

The West Half of the Northwest Quarter (W/2 NW/4) of Section Five (5), Township Twenty-Nine (29) South, Range Five (5) West of the 6<sup>th</sup> P.M., Kingman County, Kansas, and

A part of the Northwest Quarter (NW/4) of Section Seventeen (17), Township Twenty-Eight (28) South, Range Five (5) West of the 6<sup>th</sup> P.M., described as follows: Commencing 43 rods East of the Northwest corner of Sec. 17-T28S-R5W running South to the Wichita and Western Railroad; thence East to the half section line between the Northwest Quarter and the Northeast Quarter of Section 17; thence North to the Northeast corner of the Northwest Quarter of Section 17; thence West to the place of beginning, Kingman County, Kansas, and

The Northeast Quarter (NE/4) of Section Twenty (20), Township Twenty-Eight (28) South, Range Five (5) West of the 6<sup>th</sup> P.M., Kingman County, Kansas.

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WICHITA, KS

and all other property owned by the decedent, descended on the date of death, September 28, 2004, to decedent's heirs, and title is assigned to them as of that date, subject to any lawful disposition previously made in equal shares.

Petitioner Jane Cross shall have the authority to make any distributions necessary to close the estate, including the distribution of any life insurance proceeds and bank accounts.

IT IS SO ORDERED.

*Jane O. White*

DISTRICT JUDGE

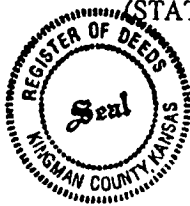
APPROVED:

*James L. Hargrove*

JAMES L. HARGROVE, #08889  
Attorney for Estate

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MAY 24 2007  
CONSERVATION DIVISION  
WICHITA, KS

KANSAS WARRANTY DEED (STATUTORY FORM)



STATE OF KANSAS, KINGMAN COUNTY, AS: THIS INSTRUMENT WAS FILED FOR RECORD ON THE 21 DAY OF June A.D. 2005 AT 4:50 O'CLOCK P.M. AND DULY RECORDED IN Deeds BOOK 203 PAGE 273 FEE \$ 16.00 [Signature] REGISTER OF DEEDS

GRANTOR:

Jane Irene Cross and Ken Cross, wife and husband; Joan Lorene Kennedy, a single person;

Joyce Charlene Messier and Joe Messier, wife and husband; and Jon Charles E. Robinson, a single person,

convey(s) and warrant(s) to

Ralph E. Dewey and Marianne L. Dewey,

ENTERED IN TRANSFER RECORD IN MY OFFICE THIS 21 DAY OF June A.D., 2005 [Signature] COUNTY CLERK

GRANTEE

all of the following described real estate in Kingman County, Kansas:

(See attached Exhibit "A" for legal description)

SUBJECT TO

for the sum of \$1.00 and other valuable consideration.

DATE: MAY 21, 2005

[Signature] Jane Irene Cross

[Signature] Ken Cross

[Signature] Joyce Charlene Messier  
[Signature] Joan Lorene Kennedy

[Signature] Joe Messier  
[Signature] Jon Charles E. Robinson

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MAY 24 2007

CONSERVATION DIVISION WICHITA, KS

ACKNOWLEDGEMENT

STATE OF Kansas Sedgewick COUNTY, ss.

This instrument was acknowledged before me on this 21st day of May, 2005 by Jane Irene Cross and Ken Cross, wife and husband.

Notary Public State of Kansas John Hillman My Appt Exp 5-13-06

[Signature] Notary Public

My commission expires: 5-13-06

Also WD Pg 274 Robinson et ux to Dewey Pg 275 27 Robinson et ux to Dewey



EXHIBIT "A"

84.00

~~145.07~~  
acres

All that part of the Northwest Quarter (NW/4) of Section 17, Township 28 South, Range 5 West of the 6<sup>th</sup> P.M., Kingman County, Kansas, described as follows: Commencing 43 rods East of the Northwest corner of Section 17-28S-5W running South to the Wichita and Western Railroad; thence East along the North right of way of the railroad to the half section line between the NW/4 and the NE/4 of Section 17; thence North to the Northeast corner of the NW/4 of Section 17; thence West to the place of beginning, **EXCEPTING** therefrom the following described tract, to-wit:

A tract in the Northwest Quarter (NW/4) of Section 17, Township 28 South, Range 5 West of the 6<sup>th</sup> P.M., Kingman County, Kansas, described as follows: Beginning at the Northeast corner of said NW/4, said North line of said NW/4 having an assumed bearing of N 90°00' E; thence S 1°00" W along the East line of said NW/4, 1136.4 feet; thence S 90°00' W, parallel with the north line of said NW/4, 909.69 feet; thence N 1°00" E, parallel with the east line of said NW/4, 1136.4 feet, to the north line of said NW/4; thence N 90°00" E along the North line of said NW/4, 909.69 feet, to the point of beginning, subject to road right of way of record.

1,034,035

23.78 acres

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MAY 24 2007

CONSERVATION DIVISION  
WICHITA, KS

ACKNOWLEDGEMENT

STATE OF Kansas, Sedgwick COUNTY, ss.

This instrument is acknowledged before me on this 21st day of May, 2005, by Joyce Charlene Messier and Joe Messier, wife and husband.

Notary Public State of Kansas  
John Hillman  
My Appt Exp 5-13-06

John Hillman  
Notary Public

My commission expires: 5-13-06

ACKNOWLEDGEMENT

STATE OF Kansas, Sedgwick COUNTY, ss.

This instrument is acknowledged before me on this 21st day of May, 2005, by Joan Lorene Kennedy, a single person.

Notary Public State of Kansas  
John Hillman  
My Appt Exp 5-13-06

John Hillman  
Notary Public

My commission expires: 5-13-06

ACKNOWLEDGEMENT

STATE OF Kansas, Sedgwick COUNTY, ss.

This instrument is acknowledged before me on this 21st day of May, 2005, by Jon Charles E. Robinson, a single person.

Notary Public State of Kansas  
John Hillman  
My Appt Exp 5-13-06

John Hillman  
Notary Public

My commission expires: 5-13-06

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KANSAS CORPORATION COMMISSION  
MAY 24 2007  
CONSERVATION DIVISION  
WICHITA, KS

AGREEMENT TO PROVIDE FOR DISPOSAL OF DRILLING MUD

WHEREAS, Ralph E. Dewey and Marianne L. Dewey, Trustees of the Ralph E. Dewey Trust dated May 31, 1997 and the Marianne L. Dewey Trust dated May 31, 1997, hereinafter referred to as Landowners, are the owners of that part of the NW/4 commencing 43 rods East of the NW/corner of the NW/4 thence running South to the Wichita and Western Railroad; thence East to the half section line between the NW/4 and the NE/4 of Section 17; thence North to the NE/4corner of the NW/4 thence West to the place of beginning except a tract described as beginning at the NE/corner thence South 1136.4' thence West 909.69' thence North 1136.4' thence east 909.69; to the place of beginning, and Landowners hereby agree to allow Lario to dispose of drilling mud from their Dewey Trust #1-17 well as further described below.

It is mutually agreed as follows:

- 1) Landowners hereby grant Lario permission to construct a pit in which to dispose of drilling mud from drilling operations of the Dewey Trust "A" #1-17 well located 2080' from the east line and 330' from the north line of Section 17-28S-5W, Kingman County, Kansas on the land described above.
- 2) Lario Oil & Gas Company agrees to use Young Construction as the contractor for all dirt work associated with the construction of the pit.
- 3) Landowners hereby grant to Lario the right to dispose of all drilling mud during the drilling operations of the Dewey Trust #1-17 well. As mandated by the Kansas Corporation Commission, Lario will not use the pit to dispose of completion fluids. Landowners agree that this access shall be for so long as is needed by Lario to complete drilling operations of the Dewey Trust #1-17 well.
- 4) Upon completion of drilling operations of the Dewey Trust #1-17 well, and at such time as the pit is dry, Lario shall, as soon as is practicable, close said pit and restore the premises to the original condition as nearly as practicable.
- 5) Lario shall pay to the Landowners the sum of Two Thousand Dollars (\$2,000.00) upon execution of this agreement for access and use of said lands as described herein.
- 6) No further payment shall be due to Landowners for damages.
- 7) In the event Lario is unable to construct the pit due to wet weather conditions, Landowners agree to refund the Two Thousand Dollars (\$2,000.00) payment to Lario.
- 8) Landowners represent that they are the owners of the above described land, and have the right to enter into this agreement.

EXECUTED this 5-24 day of May, 2007.

LANDOWNERS

RALPH E. DEWEY TRUST DATED MAY 31, 1997

Ralph E. Dewey  
Ralph E. Dewey, Trustee

Marianne L. Dewey  
Marianne L. Dewey, Trustee

MARIANNE L. DEWEY TRUST DATED MAY 31, 1997

Ralph E. Dewey  
Ralph E. Dewey, Trustee

Marianne L. Dewey  
Marianne L. Dewey, Trustee

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KANSAS CORPORATION COMMISSION

OPERATOR

MAY 24 2007

LARIO OIL & GAS COMPANY

CONSERVATION DIVISION  
WICHITA, KS

Jay Schweikert  
Jay Schweikert, Operations Engineer