

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

5/7/10

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: Val Energy  
License: 5822  
Wellsite Geologist: Vern Shrag

KCC  
MAY 07 2010  
CONFIDENTIAL

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. \_\_\_\_\_

2-10-10      2-25-10      3-29-10  
Spud Date or      Date Reached TD      Completion Date or  
Recompletion Date           Recompletion Date

API No. 15 - 063-21823-00-00

County: Gove

SW NE NW Sec. 31 Twp. 13 S. R. 31  East  West  
1061 feet from S (N) (circle one) Line of Section  
1668 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE (NW) SW

Lease Name: Knapp Well #: 1-31

Field Name: Wildcat

Producing Formation: Lansing & Johnson

Elevation: Ground: 2932' Kelly Bushing: 2937'

Total Depth: 4717' Plug Back Total Depth: 4670'

Amount of Surface Pipe Set and Cemented at 268 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set 2152 Feet

If Alternate II completion, cement circulated from 2152

feet depth to surface w/ 350 sx cmt.

Drilling Fluid Management Plan AA INJ 570-0  
(Data must be collected from the Reserve Pit)

Chloride content 10,700 ppm Fluid volume 815 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: 4-20-10

Subscribed and sworn to before me this 20th day of April

10 KATHY L. FORD  
Notary Public - State of Kansas  
Notary Public 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  
MAY 07 2010  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Lario Oil & Gas Company Lease Name: Knapp Well #: 1-31  
 Sec. 31 Twp. 13 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 <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:  <b>CDL/CNL/PE/DIL/MEL/SONIC</b>	<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>3905</td> <td>-968</td> </tr> <tr> <td>Stark Shale</td> <td>4192</td> <td>-1255</td> </tr> <tr> <td>Hushpuckney</td> <td>4228</td> <td>-1291</td> </tr> <tr> <td>Marmaton</td> <td>4313</td> <td>-1376</td> </tr> <tr> <td>Pawnee</td> <td>4395</td> <td>-1458</td> </tr> <tr> <td>Ft. Scott</td> <td>4425</td> <td>-1488</td> </tr> <tr> <td>Basal Penn</td> <td>4566</td> <td>-1629</td> </tr> <tr> <td>Mississippi</td> <td>4580</td> <td>-1643</td> </tr> </table>	Name	Top	Datum	Heebner	3905	-968	Stark Shale	4192	-1255	Hushpuckney	4228	-1291	Marmaton	4313	-1376	Pawnee	4395	-1458	Ft. Scott	4425	-1488	Basal Penn	4566	-1629	Mississippi	4580	-1643
Name	Top	Datum																										
Heebner	3905	-968																										
Stark Shale	4192	-1255																										
Hushpuckney	4228	-1291																										
Marmaton	4313	-1376																										
Pawnee	4395	-1458																										
Ft. Scott	4425	-1488																										
Basal Penn	4566	-1629																										
Mississippi	4580	-1643																										

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#	255'	Common	175	
production		5 1/2"	15.5#	4714'	ASC	175	10# salt, 2% gel, 5# gil
DV tool				2152'	Lite	350	1/4# flo seal

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>	
		Amount	Depth
6	4568' - 4579'	500 gal 7.5% MCA & clay stabilizer	4568' - 4579'
4	4530' - 4537'; 4521' - 4525'		
4	4252' - 4258'	250 gal 15% MCA	4252' - 4258'
4	4118' - 4124'	250 gal 15% MCA	4118' - 4124'
4	4024' - 4034'	250 gal 15% MCA	4024' - 4034'

TUBING RECORD	Size 2 7/8"	Set At 4523'	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. 4-13-10	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls. 196	Gas Mcf	Water Bbls. 6	Gas-Oil Ratio	Gravity
-----------------------------------	------------------	---------	------------------	---------------	---------

Disposition of Gas <b>METHOD OF COMPLETION</b>	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____



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

# INVOICE

Invoice Number: 121547  
Invoice Date: Feb 10, 2010  
Page: 1

**Bill To:**  
Lario Oil & Gas Co.  
P.O. Box 1093  
Garden City Ks 67846

*Drilling*  
*AFE 10 017*  
*2-18-10* *AK*

**KCC**  
*MAY 07 2010*  
**CONFIDENTIAL**

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Lario	<u>Knapp #1-31</u>	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Oakley	Feb 10, 2010	3/12/10

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	15.45	2,549.25
3.00	MAT	Gel	20.80	62.40
6.00	MAT	Chloride	58.20	349.20
174.00	SER	Handling	1.00	174.00
1.00	SER	Handling Mileage Charge	174.00	174.00
1.00	SER	Surface	1,018.00	1,018.00
20.00	SER	Pump Truck Mileage	7.00	140.00
1.00	EQP	Surface plug	68.00	68.00

*al*  
*ye*  
*W. Ray*

Acct. No.	Expl.	FILE			
GC					
KG					
HY					DB
PV					MM
	JS	KF	GV	SF	DM
OD					

**FEB 22 2010**

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

**\$ 1133.71**

ONLY IF PAID ON OR BEFORE  
**Mar 7, 2010**

Subtotal	4,534.85
Sales Tax	213.53
Total Invoice Amount	4,748.38
Payment/Credit Applied	
<b>TOTAL</b>	<b>4,748.38</b>

RECEIVED  
KANSAS CORPORATION COMMISSION

**MAY 07 2010**

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., LLC. 043590

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

SERVICE POINT:  
OAKLEY

DATE <u>2-10-10</u>	SEC. <u>31</u>	TWP. <u>135</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION <u>4:30 PM</u>	JOB START <u>8:00 PM</u>	JOB FINISH <u>8:30 PM</u>
LEASE <u>KNAPP</u>	WELL # <u>1-31</u>	LOCATION <u>OAKLEY 205-2E-3 1/4 N-E</u>			COUNTY <u>GOVE</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>Into</u>			

CONTRACTOR VAI SRL3 RIG # 4

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4" T.D. 268'

CASING SIZE 8 5/8" DEPTH 265'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 16 BB/s

OWNER SAME KCC

MAY 07 2010

CEMENT AMOUNT ORDERED 165 SKS COM 38CC 2% GEL

CONFIDENTIAL

EQUIPMENT

PUMP TRUCK CEMENTER TERRY

# 423-281 HELPER LARNE

BULK TRUCK

# 347 DRIVER DARRIN

BULK TRUCK

# DRIVER

COMMON	<u>165 SKS</u>	@	<u>15.45</u>	<u>2549.25</u>
POZMIX		@		
GEL	<u>3 SKS</u>	@	<u>20.80</u>	<u>62.40</u>
CHLORIDE	<u>6 SKS</u>	@	<u>58.30</u>	<u>349.80</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>174 SKS</u>	@	<u>2.40</u>	<u>174.00</u>
MILEAGE	<u>10¢ PER SK / MILE</u>			<u>174.00</u>
			TOTAL	<u>3308.85</u>

REMARKS:

CEMENT IN CELLAR

AS PER BLD.

THANK YOU

CHARGE TO: LARIO OIL & GAS

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB	<u>265'</u>		
PUMP TRUCK CHARGE			<u>1018.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>20</u>	@	<u>7.00</u>
MANIFOLD		@	
		@	
		@	
			TOTAL <u>1158.00</u>

RECEIVED  
KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION  
WICHITA **PLUG & FLOAT EQUIPMENT**

<u>8 5/8" SURFACE Plug</u>			<u>68.00</u>
	@		
	@		
	@		
	@		
			TOTAL _____

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 Randy D Martin

SIGNATURE Randy D Martin

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

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

DISCOUNT [scribble] IF PAID IN 30 DAYS

Bid



PO BOX 31 Russell, KS 67665

# INVOICE

Invoice Number: 121728

Invoice Date: Feb 26, 2010

Page: 1

Voice: (785) 483-3887

Fax: (785) 483-5566

<b>Bill To:</b>
Lario Oil & Gas Co. P.O. Box 1093 Garden City, KS 67846

**KCC**  
MAY 07 2010  
CONFIDENTIAL

drilling AFE 10-017  
3-5-10 JK

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Lario	Knapp #1-31	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-02	Oakley	Feb 26, 2010	3/28/10

Quantity	Item	Description	Unit Price	Amount
50.00	MAT	Class A Common	15.45	772.50
400.00	MAT	Lightweight Class A	14.05	5,620.00
100.00	MAT	Flo Seal	2.50	250.00
1.00	SER	Handling Production - Top Stage	450.00	450.00
1.00	SER	Handling Mileage Charge	450.00	450.00

*Prod Coy  
Stg 2*

RECEIVED  
KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION  
WICHITA, KS

Acct:	expl.	FILE			
GC					
KG					
HY					DB
PV					MM
OD	IS	KF	GV	SF	DM

MAR 08 2010

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

**\$ 1885.43**

ONLY IF PAID ON OR BEFORE  
**Mar 23, 2010**

Subtotal	7,542.50
Sales Tax	468.30
Total Invoice Amount	8,010.80
Payment/Credit Applied	
<b>TOTAL</b>	<b>8,010.80</b>

# ALLIED CEMENTING CO., LLC. 044490

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

SERVICE POINT:  
Oakley, KS

DATE <u>2-26-10</u>	SEC. <u>31</u>	TWP. <u>13S</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION <u>5:00am</u>	JOB START <u>6:30am</u>	JOB FINISH <u>2:00pm</u>
LEASE <u>Knapp</u>	WELL # <u>1-31</u>	LOCATION <u>Oakley 185-26-30</u>			COUNTY <u>Gove</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>Ein</u>		<b>KCC</b>	

CONTRACTOR Unit #4

TYPE OF JOB 2-stage (Top)

HOLE SIZE 7 7/8 T.D.

CASING SIZE 5 1/2 DEPTH 2152'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 52.6

OWNER \_\_\_\_\_

MAY 07 2010

**CONFIDENTIAL**

CEMENT

AMOUNT ORDERED 40095 lbs 11/4"

8lb-seal

50 com next

EQUIPMENT

PUMP TRUCK CEMENTER Fuzzie

# 431 HELPER Kelly

BULK TRUCK

# 347 DRIVER DANNIN

BULK TRUCK

# 396 DRIVER LaBene

COMMON	<u>50</u>	@	<u>15.45</u>	<u>772.50</u>
POZMIX		@		
GEL		@		
CHLORIDE		@		
ASC		@		
<u>Lite</u>	<u>400</u>	@	<u>14.05</u>	<u>5620.00</u>
<u>8lb-seal</u>	<u>100+</u>	@	<u>2.50</u>	<u>250.00</u>
		@		
		@		
		@		
		@		
HANDLING		@		<u>450.00</u>
MILEAGE		@		<u>450.00</u>
TOTAL				<u>7542.50</u>

**REMARKS:**

mix 205K in mix - 305K in RH

mix 350Ks Lite 11/4" 8lb-seal - Tail with

50Ks next. wash out pump & lines

Drop plug & displace to BU Tool

800' lift 200' land & close dool

Plug down @ 2:00pm

Cement did circulate approx

30 BBLs.

Thanks Fuzzie & crew

CHARGE TO: Lario Oil & Gas

STREET Box 1093

CITY Garden City STATE KS ZIP 67846

**SERVICE**

DEPTH OF JOB 2152'

PUMP TRUCK CHARGE N/C

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE @ N/C

MANIFOLD @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

RECEIVED  
KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION  
**PLUG & FLOAT EQUIPMENT**

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 Larry Karlin

SIGNATURE Jay Kabo

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

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

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

B:d



PO BOX 31 Russell, KS 67665

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

# INVOICE

Invoice Number: 121727  
 Invoice Date: Feb 26, 2010  
 Page: 1

**Bill To:**  
 Lario Oil & Gas Co.  
 P.O. Box 1093  
 Garden City Ks 67846

KCC  
 MAY 07 2010  
 CONFIDENTIAL

drilling AFE 10-017  
 3-5-10 JK

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Lario	Knapp #1-31	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-02	Oakley	Feb 26, 2010	3/28/10

Quantity	Item	Description	Unit Price	Amount
175.00	MAT	ASC Class A	18.60	3,255.00
875.00	MAT	Gilsonite	0.89	778.75
500.00	MAT	WFR-2	1.27	635.00
1.00	SER	Handling	211.00	211.00
1.00	SER	Handling Mileage Charge	211.00	211.00
1.00	SER	Production Casing - Bottom Stage	2,011.00	2,011.00
20.00	SER	Pump Truck Mileage	7.00	140.00
1.00	EQP	AFU Float Shoe	214.00	214.00
16.00	EQP	Centralizers	35.00	560.00
1.00	EQP	Basket	161.00	161.00
1.00	EQP	Stage Collar	2,832.00	2,832.00

*Prod Casing  
 Stg 1*

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 MAY 07 2010  
 CONSERVATION DIVISION  
 WICHITA, KS

Acct.	expl.	FILE		
GC				
KG				DB
HY			MAR 08 2010	MM
PV				DM
OD	JS	KF	GV	SF

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

\$ 2752.19

ONLY IF PAID ON OR BEFORE  
 Mar 23, 2010

Subtotal	11,008.75
Sales Tax	594.72
Total Invoice Amount	11,603.47
Payment/Credit Applied	
<b>TOTAL</b>	<b>11,603.47</b>

# ALLIED CEMENTING CO., LLC. 044489

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

SERVICE POINT: Oakley, KS

DATE <u>2-26-10</u>	SEC. <u>31</u>	TWP. <u>13S</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION <u>5:00am</u>	JOB START <u>9:30am</u>	JOB FINISH <u>10:00am</u>
LEASE <u>Knapp</u>	WELL# <u>1-31</u>		LOCATION			COUNTY <u>Gove</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)						<b>KCC</b>	

CONTRACTOR Val Drlg #4  
 TYPE OF JOB 2-stage (bottom)  
 HOLE SIZE 7 7/8 T.D. 4717'  
 CASING SIZE 5 1/2 DEPTH 4716'  
 TUBING SIZE DEPTH  
 DRILL PIPE DEPTH  
 TOOL DEPTH  
 PRES. MAX MINIMUM  
 MEAS. LINE SHOE JOINT 38" 02  
 CEMENT LEFT IN CSG. 38" 02  
 PERFS.  
 DISPLACEMENT 61.1w - 52.6 mud

OWNER MAY 07 2010  
**CONFIDENTIAL**  
 CEMENT  
 AMOUNT ORDERED 175 sks ASC 290 gal  
1090 salt 154 gal / sk  
500 gal WFRIT

**EQUIPMENT**

PUMP TRUCK CEMENTER Fuzzy  
 # 431 HELPER Kelly  
 BULK TRUCK  
 # 347 DRIVER Darin  
 BULK TRUCK  
 # DRIVER

COMMON	@		
POZMIX	@		
GEL	@	<u>3</u>	<u>2086</u> <u>N/C</u>
CHLORIDE	@		
ASC	@	<u>175</u>	<u>1860</u> <u>325500</u>
Salt	@	<u>16 gals</u>	<u>2895</u> <u>N/C</u>
Gilsonite	@	<u>875#</u>	<u>189</u> <u>77825</u>
WFRIT	@	<u>500gal</u>	<u>127</u> <u>63500</u>
HANDLING	@		<u>21100</u>
MILEAGE	@		<u>21100</u>
TOTAL			<del>11000</del> <u>509023</u>

**REMARKS:**

Mix 500gal WFRIT, mix 175 sks cement. Washout pump lines  
Drop plug & displace to hatchdown 900' lift 1700' land. Plugdown @ 9:50 float held. Drop BU Bomb w/ 15min open tool @ 1200' circ 3 hrs  
Thanks Fuzzy & crew

CHARGE TO: Lario Oil & Gas  
 STREET Box 1093  
 CITY Garden City STATE KS ZIP 67846

**SERVICE**

DEPTH OF JOB		<u>4716'</u>	
PUMP TRUCK CHARGE			<u>201100</u>
EXTRA FOOTAGE	@		
MILEAGE	@	<u>20</u>	<u>700</u> <u>14000</u>
MANIFOLD	@		
TOTAL			<u>2151</u>

**PLUG & FLOAT EQUIPMENT**

5 1/2	1-ATU float shoe		<u>21400</u>
	16. cent	@ <u>3500</u>	<u>56000</u>
	1- Basket	@ <u>16100</u>	<u>16100</u>
	1-stage collar	@	<u>283200</u>
	1- hatchdown Assy	@	<u>N/C</u>
TOTAL			<u>376700</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 Larry Karlin  
 SIGNATURE [Signature]

SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

Bid

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WICHITA





**TRILOBITE TESTING, INC.**

**DRILL STEM TEST REPORT**

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CONFIDENTIAL

Lario Oil&Gas Co.  
301 S Market Wichita, KS 67202  
ATTN: Vern Schrag

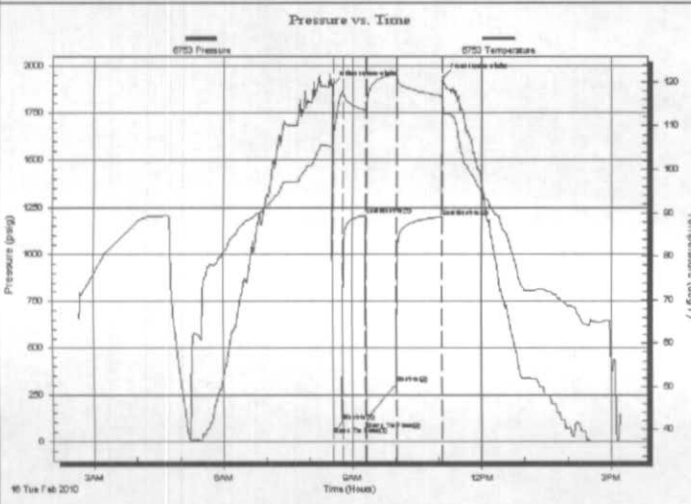
**Knapp 1-31**  
**31/13/31**  
Job Ticket: 37510      DST#: 1  
Test Start: 2010.02.16 @ 02:39:43

**GENERAL INFORMATION:**

Formation: **Lansing B**  
Deviated: No      Whipstock:      ft (KB)  
Time Tool Opened: 08:33:02  
Time Test Ended: 15:12:52  
Interval: **3974.00 ft (KB) To 4000.00 ft (KB) (TVD)**  
Total Depth: 4000.00 ft (KB) (TVD)  
Hole Diameter: 7.78 inches      Hole Condition: Good  
Test Type: Conventional Bottom Hole  
Tester: Chris Hagman  
Unit No: 34  
Reference Elevations: 2937.00 ft (KB)  
2932.00 ft (CF)  
KB to GR/CF: 5.00 ft

**Serial #: 6753      Inside**  
Press@RunDepth: 307.70 psig @ 3977.00 ft (KB)      Capacity: 8000.00 psig  
Start Date: 2010.02.16      End Date: 2010.02.16      Last Calib.: 2010.02.16  
Start Time: 02:39:43      End Time: 15:12:52      Time On Btm: 2010.02.16 @ 08:31:52  
Time Off Btm: 2010.02.16 @ 11:06:42

**TEST COMMENT:** IF: BOB 10 min., strong building blow  
IS: No blow back  
FF: BOB 10 min., strong steady blow  
FS: Blow back 2 min., built to 2 inches



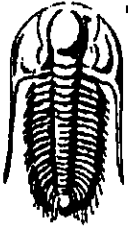
PRESSURE SUMMARY			
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1897.82	105.20	Initial Hydro-static
2	33.40	105.80	Open To Flow (1)
15	106.71	117.86	Shut-In(1)
47	1208.12	113.36	End Shut-In(1)
48	107.39	114.65	Open To Flow (2)
90	307.70	121.75	Shut-In(2)
153	1199.60	116.80	End Shut-In(2)
155	1936.45	112.73	Final Hydro-static

Recovery		
Length (ft)	Description	Volume (bbl)
558.00	gassy water 10%G,90%W	7.83
75.00	gassy oil 5%G,95%O	1.05

Gas Rates			
	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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CONSERVATION DIVISION  
WICHITA, KS



**TRILOBITE  
TESTING, INC.**

## DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.  
301 S Market Wichita, KS 67202  
  
ATTN: Vern Schrag

**Knapp 1-31**  
**31/13/31**  
Job Ticket: 37510      **DST#: 1**  
Test Start: 2010.02.16 @ 02:39:43

### Mud and Cushion Information

Mud Type: Gel Chem	Cushion Type:	Oil API:	deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Saffinity:	80000 ppm
Viscosity: 52.00 sec/qt	Cushion Volume: bbl		
Water Loss: 7.20 in <sup>3</sup>	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 2400.00 ppm			
Filter Cake: inches			

### Recovery Information

Recovery Table

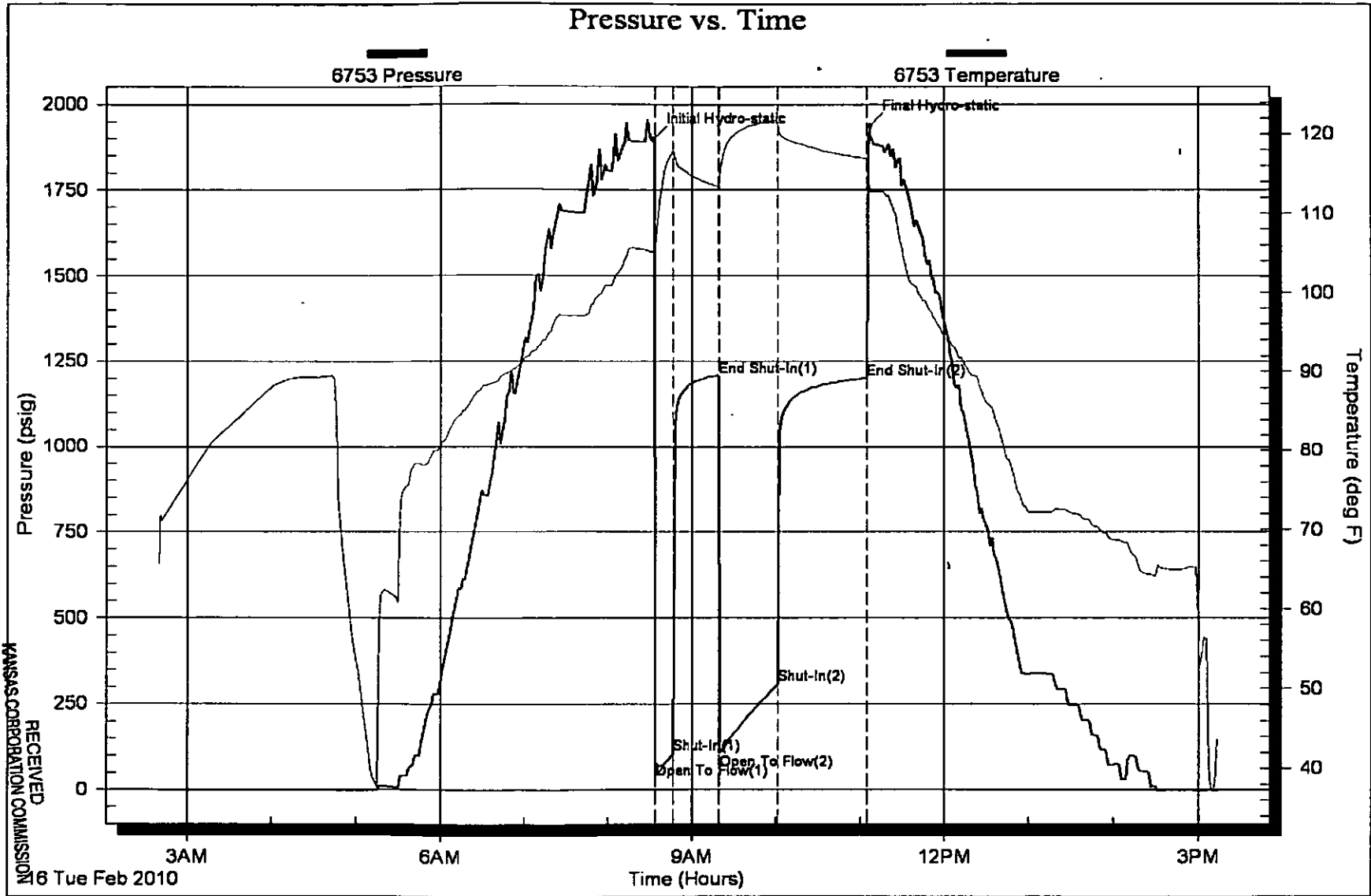
Length ft	Description	Volume bbl
558.00	gassy water 10%G,90%W	7.827
75.00	gassy oil 5%G,95%O	1.052

Total Length: 633.00 ft      Total Volume: 8.879 bbl

Num Fluid Samples: 0      Num Gas Bombs: 0      Serial #:

Laboratory Name:      Laboratory Location:

Recovery Comments: RW=.111@61F=80,000ppm  
AP=35@60F=35



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WICHITA, KS

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**TRILOBITE TESTING, INC**

# DRILL STEM TEST REPORT

Lario Oil&Gas Co.  
301 S Market Wichita, KS 67202  
ATTN: Vern Schrag

**Knapp 1-31**  
**31/13/31**  
Job Ticket: 37511  
Test Start: 2010.02.17 @ 02:38:14

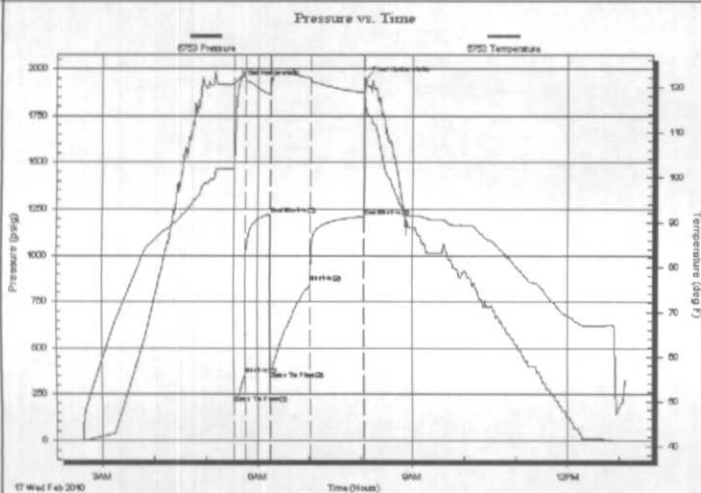
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## GENERAL INFORMATION:

Formation: **Lansing DE**  
Deviated: **No Whipstock** ft (KB)  
Time Tool Opened: 05:33:03  
Time Test Ended: 13:08:02  
Interval: **4019.00 ft (KB) To 4043.00 ft (KB) (TVD)**  
Total Depth: **4043.00 ft (KB) (TVD)**  
Hole Diameter: **7.78 inches** Hole Condition: **Good**  
Test Type: **Conventional Bottom Hole**  
Tester: **Chris Hagman**  
Unit No: **34**  
Reference Elevations: **2937.00 ft (KB)**  
**2932.00 ft (CF)**  
KB to GR/CF: **5.00 ft**

**Serial #: 6753** **Inside**  
Press@RunDepth: **852.27 psig @ 4021.00 ft (KB)** Capacity: **8000.00 psig**  
Start Date: **2010.02.17** End Date: **2010.02.17** Last Calib.: **2010.02.17**  
Start Time: **02:38:14** End Time: **13:08:02** Time On Btm: **2010.02.17 @ 05:32:43**  
Time Off Btm: **2010.02.17 @ 08:05:03**

TEST COMMENT: IF: BOB 30 sec., strong building blow  
IS: Blow back 30 sec., 10 inches in 30 min.  
FF: BOB 30 sec., strong steady blow  
FS: Blow back 30 sec., 4 inches in 60 min.



## PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1920.40	101.78	Initial Hydro-static
1	199.28	103.05	Open To Flow (1)
13	353.08	122.81	Shut-In(1)
42	1221.14	118.26	End Shut-In(1)
43	372.79	120.42	Open To Flow (2)
90	852.27	121.84	Shut-In(2)
151	1210.02	118.77	End Shut-In(2)
153	1940.94	116.64	Final Hydro-static

## Recovery

Length (ft)	Description	Volume (bbl)
2356.00	gassy oil 5%G,95%O	33.05

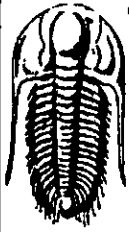
## Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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WICHITA, KS



**TRILOBITE  
TESTING, INC.**

## DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.  
301 S Market Wichita, KS 67202  
ATTN: Vern Schrag

**Knapp 1-31**  
**31/13/31**  
Job Ticket: 37511      **DST#: 2**  
Test Start: 2010.02.17 @ 02:38:14

### Mud and Cushion Information

Mud Type: Gel Chem	Cushion Type:	Oil APt:	38 deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Salinity:	ppm
Viscosity: 52.00 sec/qt	Cushion Volume: bbl		
Water Loss: 7.20 in <sup>3</sup>	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 2400.00 ppm			
Filter Cake: inches			

### Recovery Information

Recovery Table

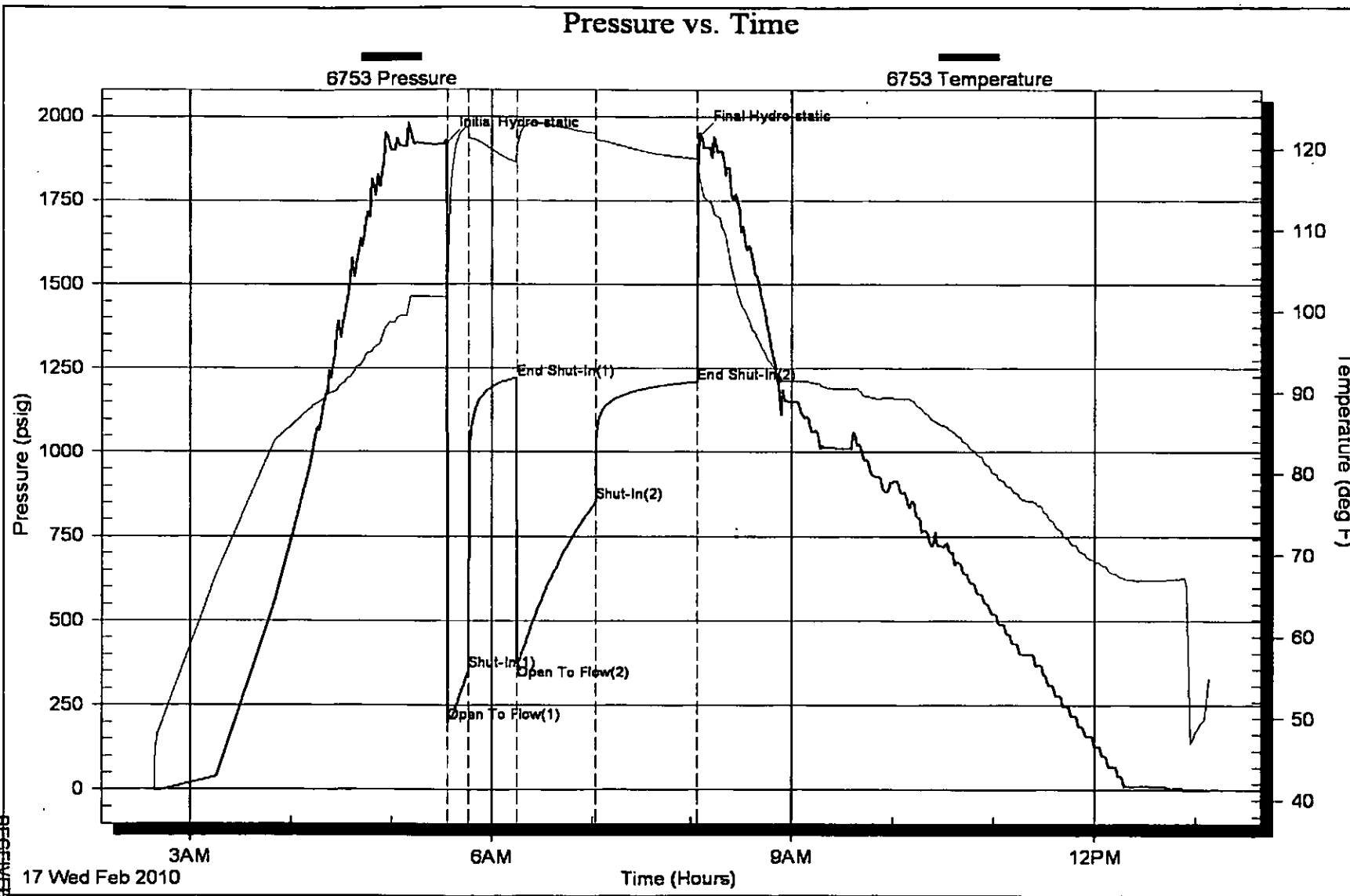
Length ft	Description	Volume bbl
2356.00	gassy oil 5%G,95%O	33.048

Total Length: 2356.00 ft      Total Volume: 33.048 bbl

Num Fluid Samples: 0      Num Gas Bombs: 0      Serial #:

Laboratory Name:      Laboratory Location:

Recovery Comments: APt=38@60F=38  
1116' GIP



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# DRILL STEM TEST REPORT

Lario Oil&Gas Co.  
301 S Market Wichita, KS 67202  
ATTN: Vern Schrag

**Knapp 1-31**

**31/13/31**

Job Ticket: 37512

Test Start: 2010.02.18 @ 07:02:13

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**DST#: 3**

## GENERAL INFORMATION:

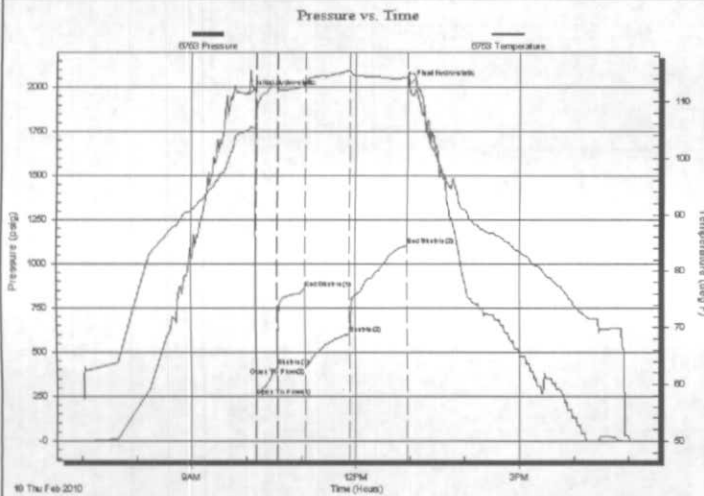
Formation: **Lansing**  
Deviated: No Whipstock: ft (KB)  
Time Tool Opened: 10:10:32  
Time Test Ended: 17:02:42  
Interval: **4101.00 ft (KB) To 4162.00 ft (KB) (TVD)**  
Total Depth: 4162.00 ft (KB) (TVD)  
Hole Diameter: 7.78 inches Hole Condition: Good  
Test Type: Conventional Bottom Hole  
Tester: Chris Hagman  
Unit No: 34  
Reference Elevations: 2937.00 ft (KB)  
2932.00 ft (CF)  
KB to GR/CF: 5.00 ft

## Serial #: 6753

Inside

Press@RunDepth: 601.94 psig @ 4106.00 ft (KB)  
Start Date: 2010.02.18 End Date: 2010.02.18  
Start Time: 07:02:13 End Time: 17:02:42  
Capacity: 8000.00 psig  
Last Calib.: 2010.02.18  
Time On Btm: 2010.02.18 @ 10:03:42  
Time Off Btm: 2010.02.18 @ 12:58:52

TEST COMMENT: IF: BOB 2 min., strong building blow  
IS: Blow back 10 sec., BOB 2 min.  
FF: BOB 1 min., GTS 15 min., strong steady blow (All Gas TSTG)  
FS: No blow back



## PRESSURE SUMMARY

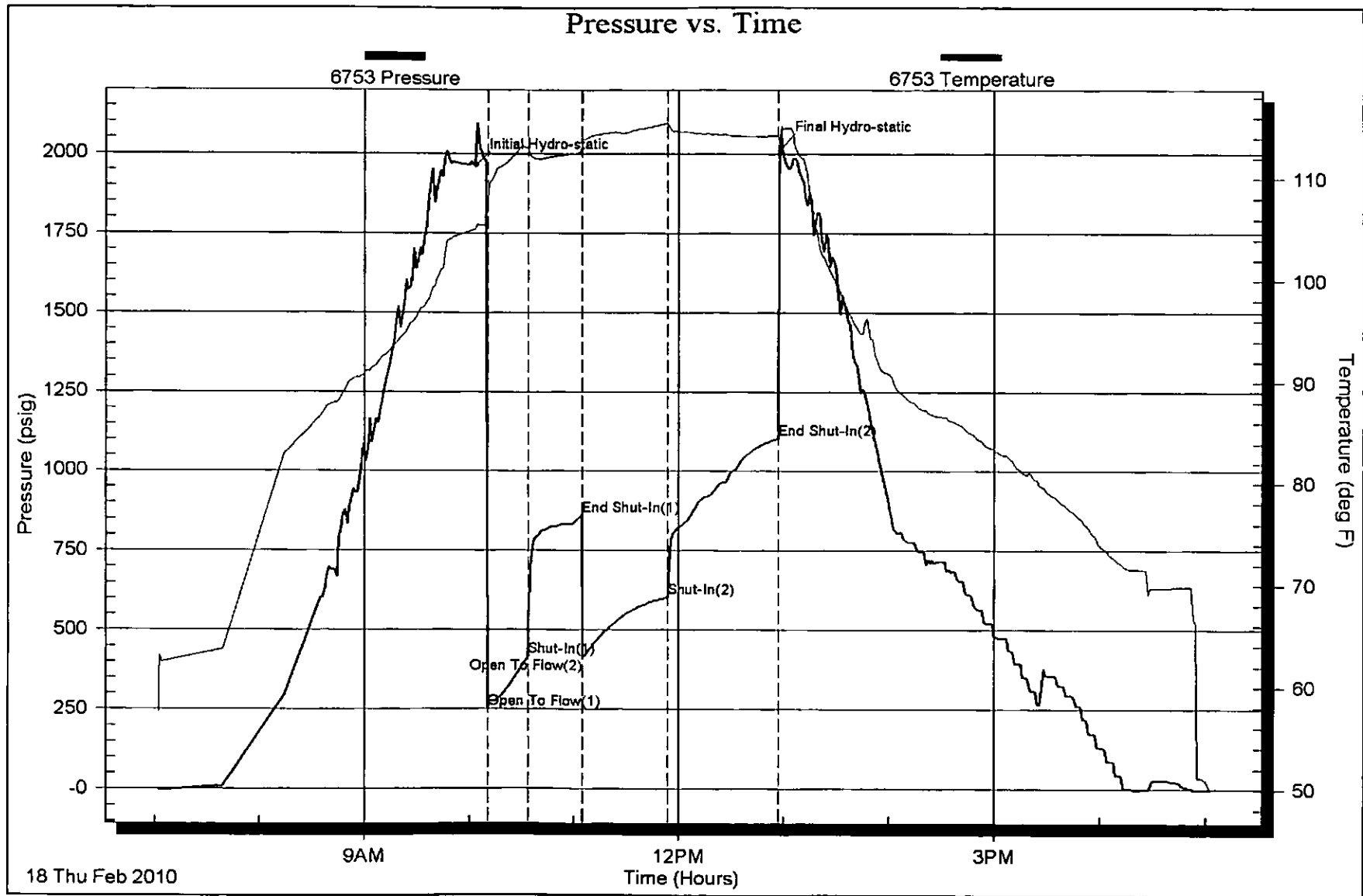
Time (Mn.)	Pressure (psig)	Temp (deg F)	Annotation
0	1964.22	105.07	Initial Hydro-static
7	251.65	108.06	Open To Flow (1)
30	416.36	113.00	Shut-In(1)
61	859.97	112.68	End Shut-In(1)
62	413.51	113.83	Open To Flow (2)
110	601.94	115.45	Shut-In(2)
174	1104.02	114.22	End Shut-In(2)
176	2020.07	115.21	Final Hydro-static

## Recovery

Length (ft)	Description	Volume (bbl)
1736.00	gassy oil 30%G,70%O	24.35

## Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)







**TRILOBITE TESTING, INC.**

**DRILL STEM TEST REPORT**

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Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
 Wichita, KS 67202

**31/13/31**

ATTN: Vern Schrag

Job Ticket: 37748

**DST#: 4**

Test Start: 2010.02.19 @ 04:34:35

**GENERAL INFORMATION:**

Formation: **LKC 'J'**

Deviated: **No** Whipstock: **ft (KB)**

Time Tool Opened: 07:21:59

Time Test Ended: 13:39:47

Test Type: **Conventional Bottom Hole**

Tester: **Chuck Smith**

Unit No: **37**

Interval: **4165.00 ft (KB) To 4188.00 ft (KB) (TVD)**

Reference Elevations: **2937.00 ft (KB)**

Total Depth: **4188.00 ft (KB) (TVD)**

**2932.00 ft (CF)**

Hole Diameter: **7.78 inches** Hole Condition: **Good**

KB to GR/CF: **5.00 ft**

**Serial #: 8359**

**Outside**

Press@RunDepth: **387.50 psig @ 4168.00 ft (KB)**

Capacity: **8000.00 psig**

Start Date: **2010.02.19**

End Date:

**2010.02.19**

Last Calib.: **2010.02.19**

Start Time: **05:34:36**

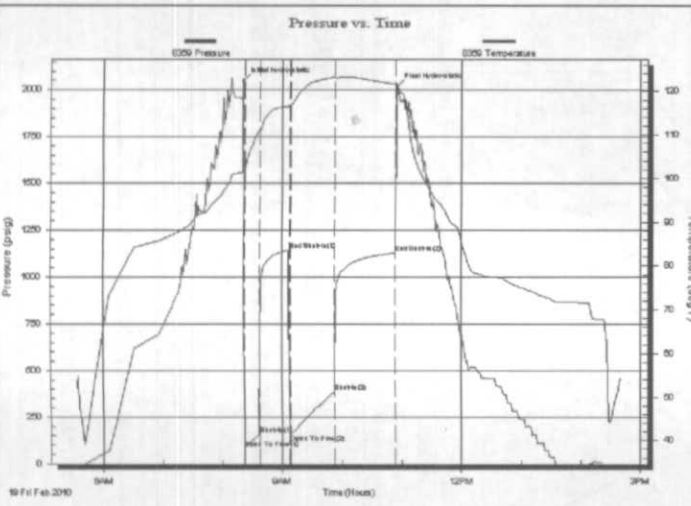
End Time:

**14:39:47**

Time On Btm: **2010.02.19 @ 08:20:35**

Time Off Btm: **2010.02.19 @ 10:54:35**

**TEST COMMENT:** IF: B.O.B. @ 1 3/4 min. GTS @ 5 min. TSTM Gas burned initially then w as non-burnable thru out rest of test.  
 IS: B.O.B @ 10 1/2 min.  
 FF: B.O.B. @ 2 1/2 min. TSTM  
 FS: B.O.B. @ 8 1/2 min.



**PRESSURE SUMMARY**

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2046.96	101.51	Initial Hydro-static
2	79.20	102.00	Open To Flow (1)
17	159.42	111.09	Shut-In(1)
47	1143.97	116.38	End Shut-In(1)
48	159.72	116.79	Open To Flow (2)
93	387.50	123.11	Shut-In(2)
153	1127.59	121.55	End Shut-In(2)
154	2015.34	121.45	Final Hydro-static

**Recovery**

Length (ft)	Description	Volume (bbl)
186.00	GOCM 10%G 15%O 75%M	2.61
434.00	GO 40%G 60%O	6.09
440.00	GO 50G 50O	6.17
30.00	GO 25%G 75%O	0.42

**Gas Rates**

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

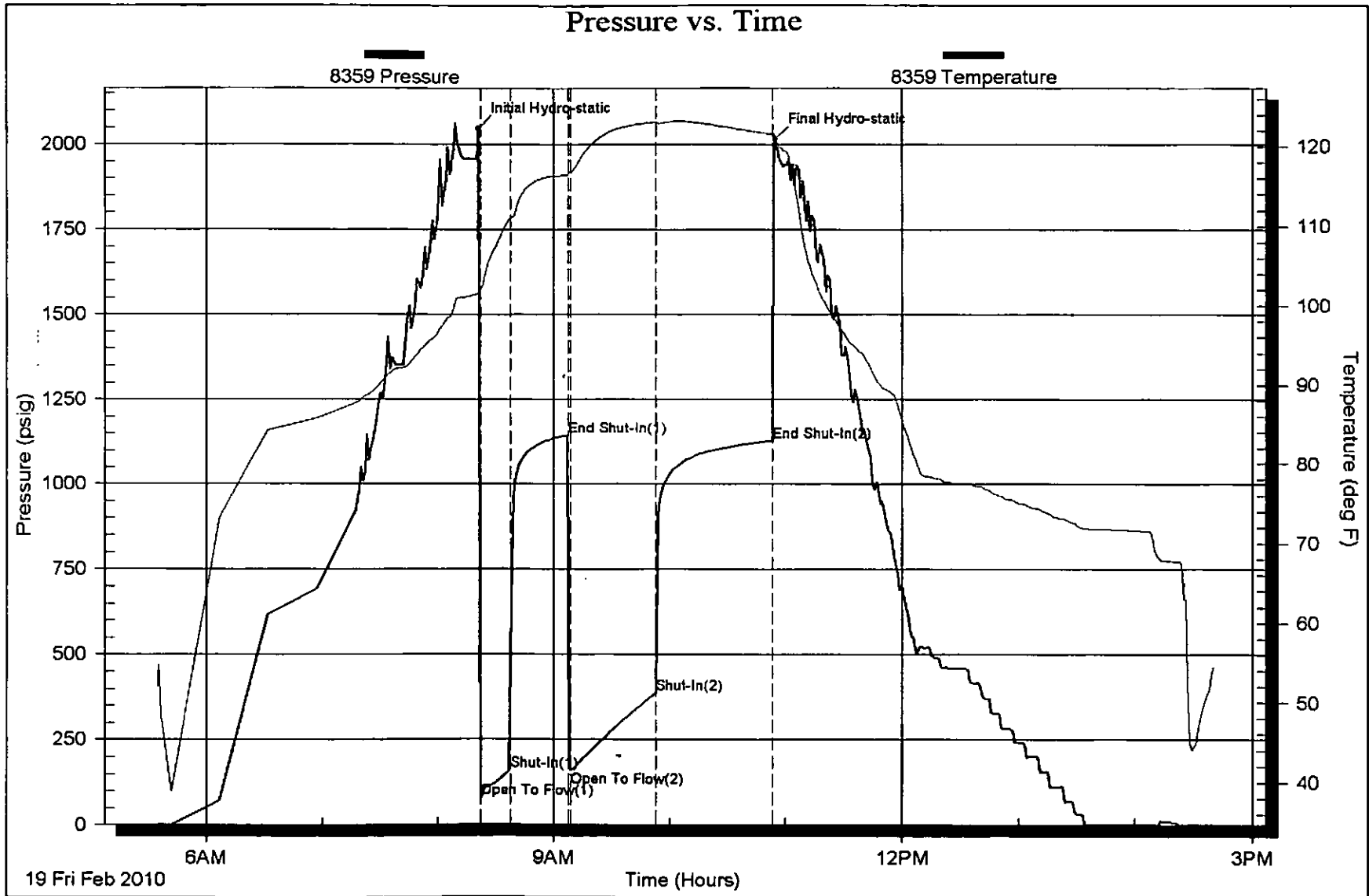
Trilobite Testing, Inc

Ref. No: 37748

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 Date: 2010.02.19 @ 19:57:15 Page 1

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 WICHITA, KS





**TRILOBITE TESTING, INC.**

**DRILL STEM TEST REPORT**

Lario Oil&Gas Co.

301 S Market  
Wichita, KS 67202

ATTN: Vern Schrag

**Knapp 1-31**

**31/13/31**

Job Ticket: 37749

Test Start: 2010.02.20 @ 00:32:00

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DST#: 5

**GENERAL INFORMATION:**

Formation: **LKC 'K'**  
Deviated: **No** Whipstock: **ft (KB)**

Time Tool Opened: 02:52:00

Time Test Ended: 09:31:12

Test Type: Conventional Bottom Hole

Tester: Chris Hagman

Unit No: 34

Interval: **4191.00 ft (KB) To 4215.00 ft (KB) (TVD)**

Total Depth: **4215.00 ft (KB) (TVD)**

Hole Diameter: **7.78 inches** Hole Condition: **Good**

Reference Elevations: **2937.00 ft (KB)**

**2932.00 ft (CF)**

KB to GR/CF: **5.00 ft**

**Serial #: 8359**

**Inside**

Press@RunDepth: **325.62 psig @ 4195.00 ft (KB)**

Start Date: **2010.02.20**

End Date:

**2010.02.20**

Capacity: **8000.00 psig**

Start Time: **00:32:01**

End Time:

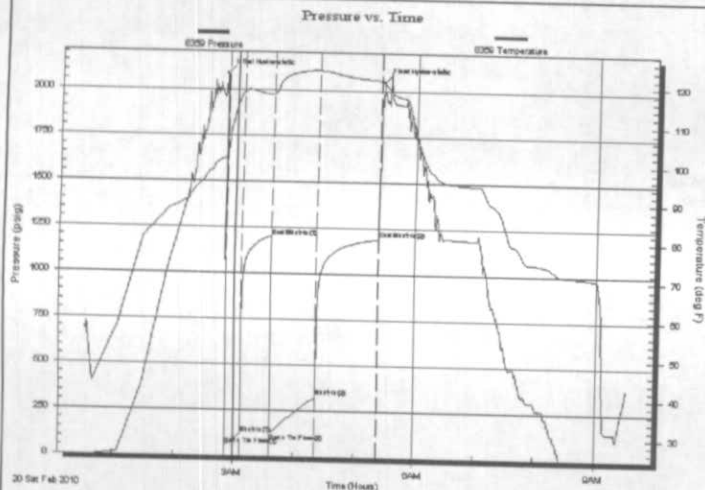
**09:31:12**

Last Calib.: **2010.02.20**

Time On Btm: **2010.02.20 @ 02:50:00**

Time Off Btm: **2010.02.20 @ 05:25:47**

TEST COMMENT: IF: B.O.B. @ 9 min.  
IS: 1/2" Return.  
FF: B.O.B. @ 9 1/2 min.  
FS: No return,



**PRESSURE SUMMARY**

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2086.98	101.17	Initial Hydro-static
2	54.43	101.97	Open To Flow (1)
17	120.86	117.91	Shut-In(1)
47	1198.71	117.15	End Shut-In(1)
47	122.93	117.54	Open To Flow (2)
92	325.62	123.63	Shut-In(2)
154	1189.91	121.20	End Shut-In(2)
156	2050.99	121.12	Final Hydro-static

**Recovery**

Length (ft)	Description	Volume (bbl)
40.00	OCMW 3%O 25%M 72%W	0.56
124.00	OSMW 15%M 85%W	1.74
496.00	MV 5%M 95%W	6.96
0.00	RW: .235 @ 57 Degrees F = 38000	0.00

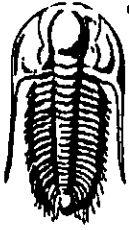
**Gas Rates**

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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WICHITA, KS



**TRIOBITE  
TESTING, INC.**

# DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
Wichita, KS 67202

**31/13/31**

Job Ticket: 37749

**DST#: 5**

ATTN: Vern Schrag

Test Start: 2010.02.20 @ 00:32:00

## Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

0 deg API

Mud Weight: 9.00 lb/gal

Cushion Length:

ft

Water Salinity:

38000 ppm

Viscosity: 60.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 10.38 in<sup>3</sup>

Gas Cushion Type:

Resistivity: 0.00 ohm.m

Gas Cushion Pressure:

psig

Salinity: 3400.00 ppm

Filter Cake: 2.00 inches

## Recovery Information

Recovery Table

Length ft	Description	Volume bbl
40.00	OCMW 3%O 25%M 72%W	0.561
124.00	OSMW 15%M 85%W	1.739
496.00	MW 5%M 95%W	6.958
0.00	RV: .235 @ 57 Degrees F = 38000	0.000

Total Length: 660.00 ft      Total Volume: 9.258 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

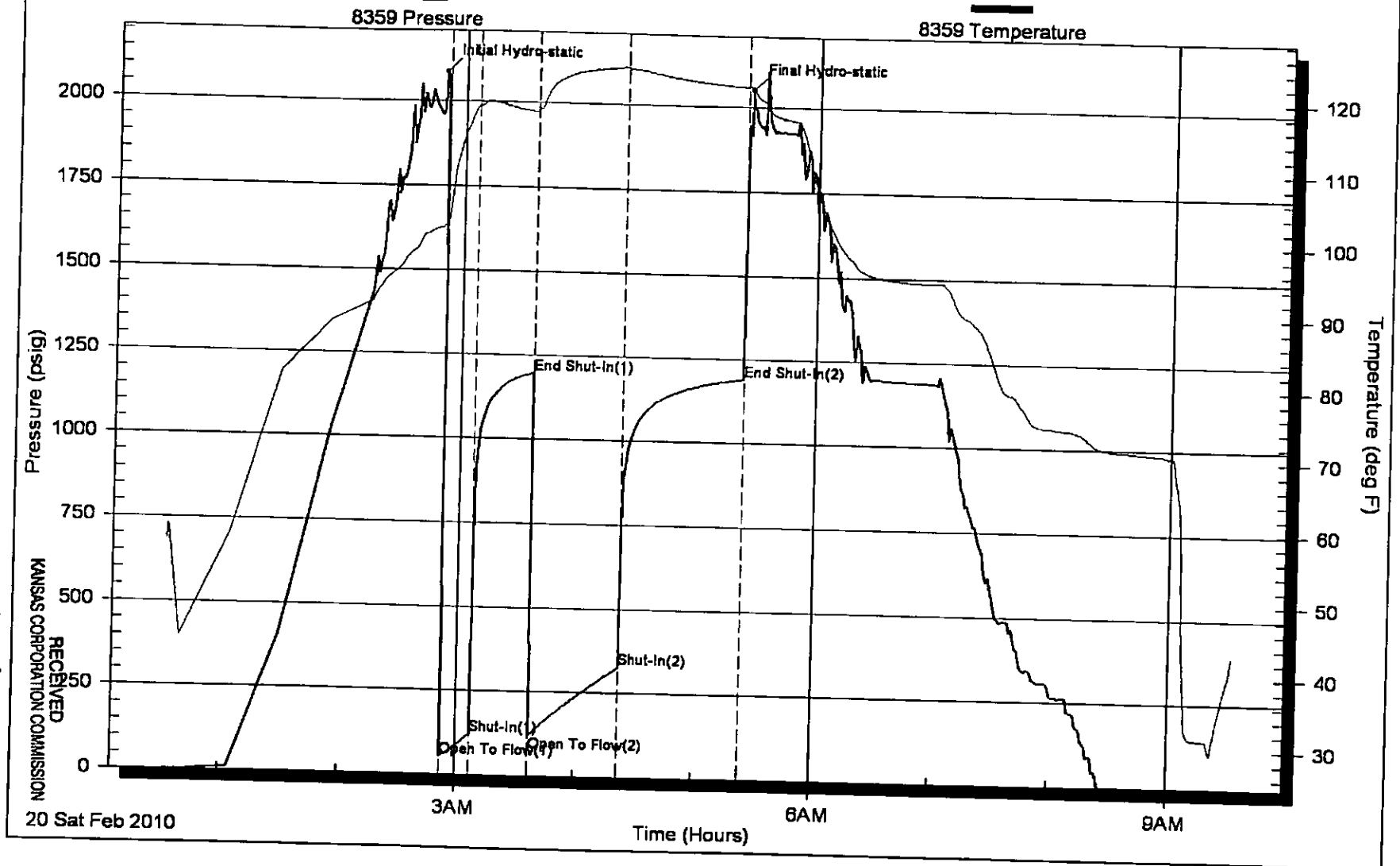
Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments:


### Pressure vs. Time



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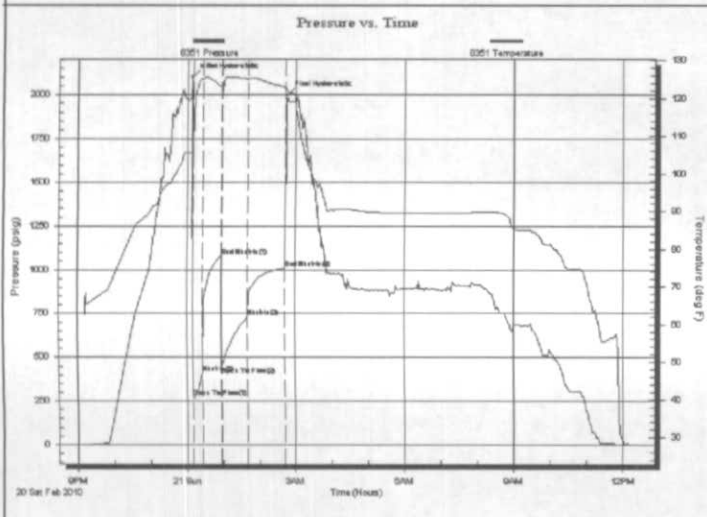
	<b>DRILL STEM TEST REPORT</b>	Lario Oil&Gas Co.	<b>Knapp 1-31</b>
	301 S Market Wichita, KS 67202	<b>31/13/31 Gove, KS</b>	Job Ticket: 37750 <b>DST#: 6</b>
	ATTN: Vern Schrag	Test Start: 2010.02.20 @ 21:13:15	

**GENERAL INFORMATION:**

Formation: 'L'	Test Type: Conventional Bottom Hole
Deviated: No      Whipstock:      ft (KB)	Tester: Chuck Smith
Time Tool Opened: 00:09:39	Unit No: 37
Time Test Ended: 12:09:39	
Interval: 4226.00 ft (KB) To 4265.00 ft (KB) (TVD)	Reference Elevations: 2937.00 ft (KB)
Total Depth: 4265.00 ft (KB) (TVD)	2932.00 ft (CF)
Hole Diameter: 7.78 inches	Hole Condition: Good
	KB to GR/CF: 5.00 ft

<b>Serial #: 8351</b>	<b>Inside</b>		
Press@RunDepth: 728.89 psig @ 4230.00 ft (KB)	Capacity: 8000.00 psig		
Start Date: 2010.02.20	End Date: 2010.02.21	Last Calib.: 2010.02.21	
Start Time: 21:13:16	End Time: 12:09:39	Time On Btm: 2010.02.21 @ 00:08:03	
		Time Off Btm: 2010.02.21 @ 02:44:51	

**TEST COMMENT:** IF: B.O.B. @ 1 1/4 min.  
 IS: B.O.B. @ 18 min.  
 FF: B.O.B. @ 1 1/4 min.  
 FS: B.O.B. @ 13 min.



PRESSURE SUMMARY			
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2100.67	105.40	Initial Hydro-static
2	270.88	105.19	Open To Flow (1)
19	408.10	125.16	Shut-In(1)
49	1081.58	122.96	End Shut-In(1)
50	447.80	122.31	Open To Flow (2)
92	728.89	125.12	Shut-In(2)
154	1009.68	123.02	End Shut-In(2)
157	2000.09	121.90	Final Hydro-static

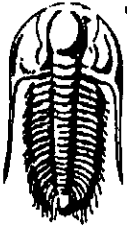
Recovery		
Length (ft)	Description	Volume (bbl)
77.00	GO 10%G 90%O	1.08
1674.00	GO 30%G 70%O Circulated into tank.	23.48
124.00	GOCM 5%G 10%O 85%M	1.74
0.00	850 Feet Weak GIP	0.00

Gas Rates			
	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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CONSERVATION DIVISION  
WICHITA, KS



**TRILOBITE  
TESTING, INC.**

# DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
Wichita, KS 67202

**31/13/31 Gove, KS**

Job Ticket: 37750

**DST#: 6**

ATTN: Vern Schrag

Test Start: 2010.02.20 @ 21:13:15

## Mud and Cushion Information

Mud Type:	Gel Chem	Cushion Type:		Oil APt:	35 deg API
Mud Weight:	9.00 lb/gal	Cushion Length:	ft	Water Salinity:	0 ppm
Viscosity:	59.00 sec/qt	Cushion Volume:	bbl		
Water Loss:	11.39 in <sup>3</sup>	Gas Cushion Type:			
Resistivity:	0.00 ohm.m	Gas Cushion Pressure:	psig		
Salinity:	3500.00 ppm				
Filter Cake:	2.00 inches				

## Recovery Information

Recovery Table

Length ft	Description	Volume bbl
77.00	GO 10%G 90%O	1.080
1674.00	GO 30%G 70%O Circulated into tank.	23.482
124.00	GOCM 5%G 10%O 85%M	1.739
0.00	850 Feet Weak GIP	0.000

Total Length: 1875.00 ft      Total Volume: 26.301 bbl

Num Fluid Samples: 0

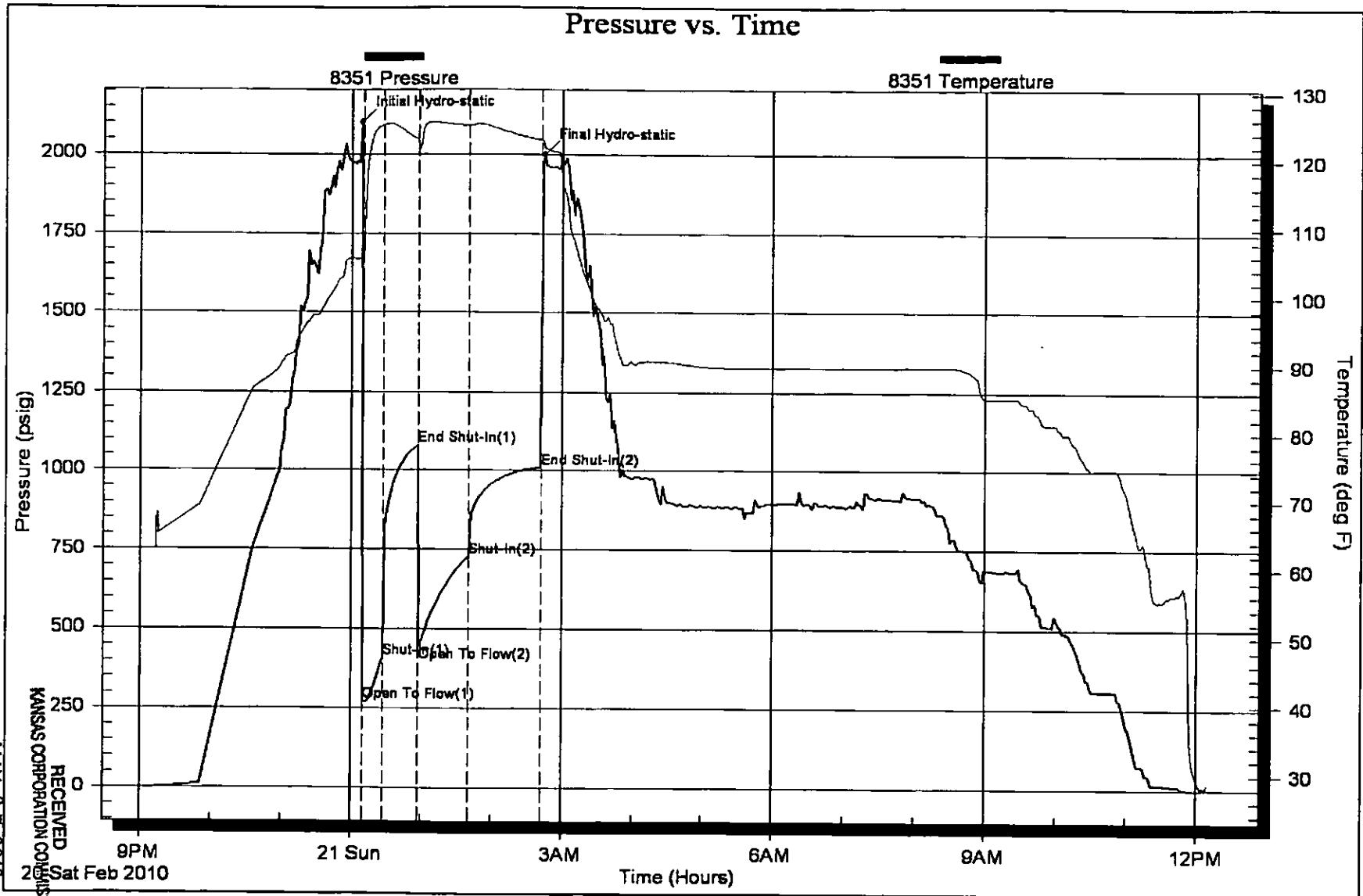
Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: APt 32 @ 30 Degrees F = 35



CONSERVATION DIVISION  
WICHITA, KS

MAY 07 2010

RECEIVED  
KANSAS CORPORATION COMMISSION





**TRILOBITE TESTING, INC.**

**DRILL STEM TEST REPORT**

Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
Wichita, KS 67202

**31/13/31 Gove, KS**

ATTN: Vern Schrag

Job Ticket: 36976

DST#: 7

Test Start: 2010.02.22 @ 22:10:00

**GENERAL INFORMATION:**

Formation: **Pawnee**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 00:52:48

Time Test Ended: 07:17:00

Test Type: Conventional Bottom Hole

Tester: Chuck Smith

Unit No: 37

Interval: **4357.00 ft (KB) To 4440.00 ft (KB) (TVD)**

Reference Elevations: 2937.00 ft (KB)

Total Depth: 4440.00 ft (KB) (TVD)

2932.00 ft (CF)

Hole Diameter: 7.78 inches Hole Condition: Good

KB to GR/CF: 5.00 ft

**Serial #: 8351**

**Inside**

Press@RunDepth: 152.18 psig @ 4362.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2010.02.22

End Date:

2010.02.23

Last Calib.: 2010.02.23

Start Time: 22:10:01

End Time:

07:17:00

Time On Btm: 2010.02.23 @ 00:50:48

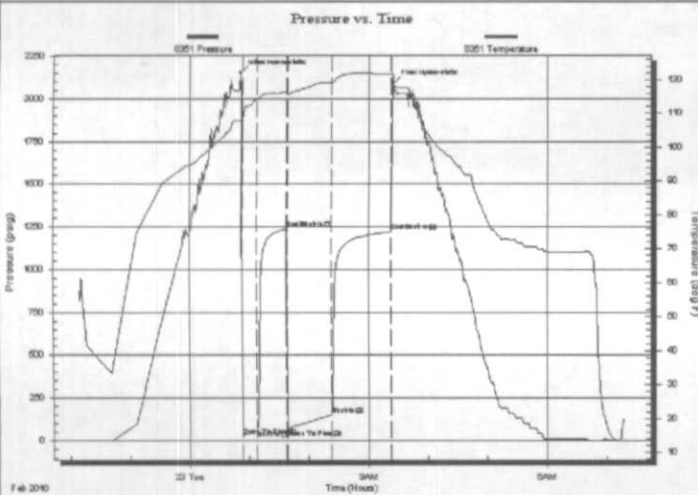
Time Off Btm: 2010.02.23 @ 03:24:48

TEST COMMENT: IF: B.O.B. @ 10 1/2 min.

IS: Surface return.

FF: B.O.B. @ 6 min.

FS: 8" Return.



**PRESSURE SUMMARY**

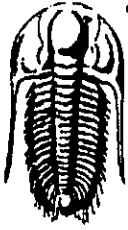
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2150.98	107.87	Initial Hydro-static
2	27.45	107.56	Open To Flow (1)
17	62.11	114.40	Shut-In(1)
47	1238.03	116.77	End Shut-In(1)
48	68.99	116.20	Open To Flow (2)
92	152.18	119.12	Shut-In(2)
152	1220.89	121.53	End Shut-In(2)
154	2090.73	118.69	Final Hydro-static

**Recovery**

Length (ft)	Description	Volume (bbl)
93.00	GO 10%G 90%O	1.30
248.00	GMCO 30%G 30%M 40%O	3.48
0.00	1364 Feet GIP	0.00

**Gas Rates**

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



**TRILOBITE  
TESTING, INC.**

## DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
Wichita, KS 67202

**31/13/31 Gove, KS**

Job Ticket: 36976

**DST#: 7**

ATTN: Vern Schrag

Test Start: 2010.02.22 @ 22:10:00

### Mud and Cushion Information

Mud Type:	Gel Chem	Cushion Type:		Oil API:	34 deg API
Mud Weight:	9.00 lb/gal	Cushion Length:	ft	Water Salinity:	0 ppm
Viscosity:	49.00 sec/qt	Cushion Volume:	bbl		
Water Loss:	8.79 in <sup>3</sup>	Gas Cushion Type:			
Resistivity:	0.00 ohm.m	Gas Cushion Pressure:	psig		
Salinity:	3700.00 ppm				
Filter Cake:	1.00 inches				

### Recovery Information

Recovery Table

Length ft	Description	Volume bbl
93.00	GO 10%G 90%O	1.305
248.00	GMCO 30%G 30%M 40%O	3.479
0.00	1364 Feet GIP	0.000

Total Length: 341.00 ft      Total Volume: 4.784 bbl

Num Fluid Samples: 0

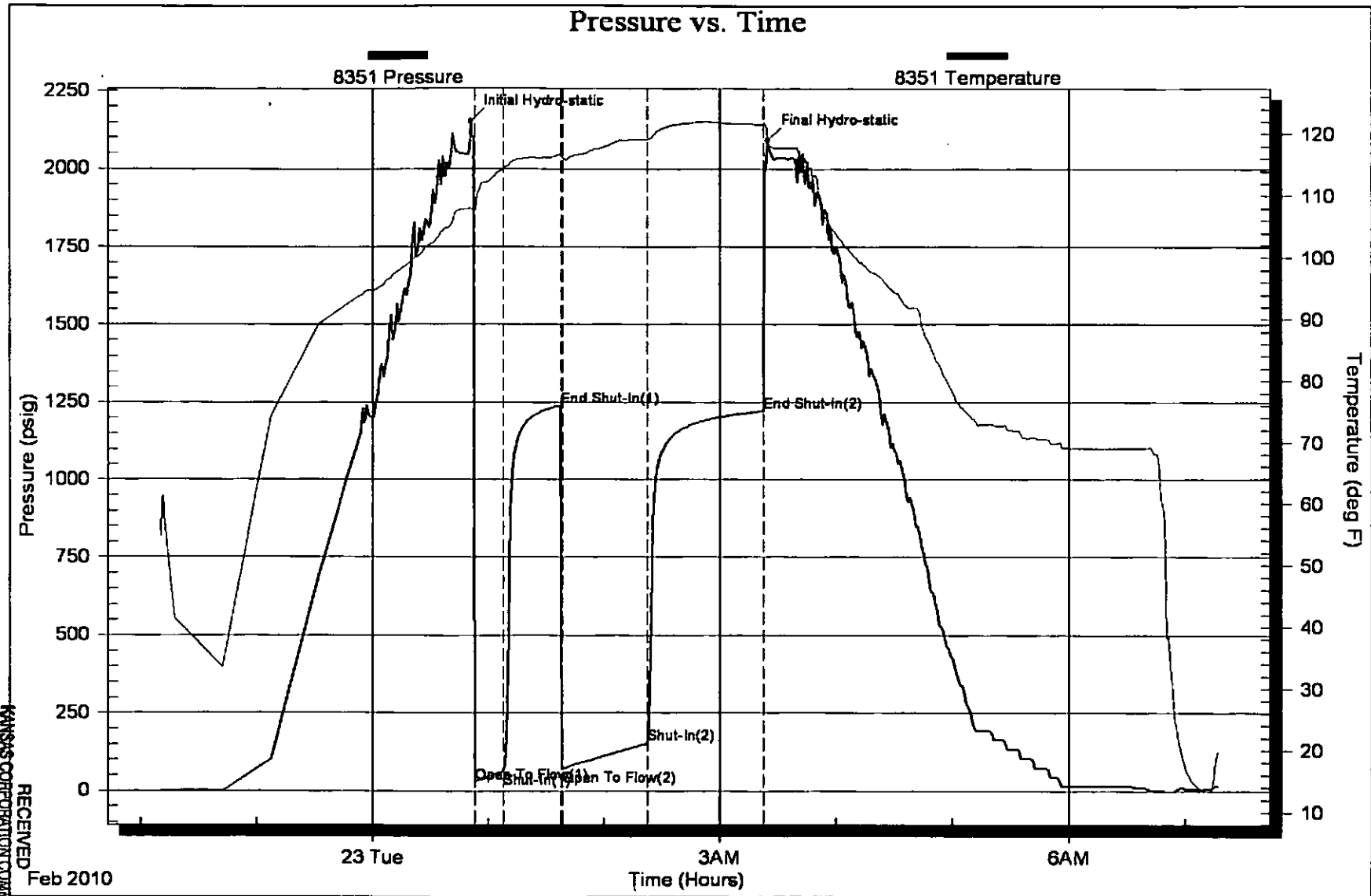
Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: APt: 29 @ 10 Degrees F = 34





**TRILOBITE  
TESTING, INC.**

**DRILL STEM TEST REPORT**

KCC

MAY 07 2010

CONFIDENTIAL

Lario Oil&Gas Co.

Knapp 1-31

301 S Market  
Wichita, KS 67202

31/13/31 Gove, KS

ATTN: Vern Schrag

Job Ticket: 36978

DST#: 8

Test Start: 2010.02.24 @ 00:36:00

**GENERAL INFORMATION:**

Formation: **Johnson**

Deviated: **No Whipstock** ft (KB)

Time Tool Opened: 03:50:24

Time Test Ended: 11:01:24

Test Type: Conventional Bottom Hole

Tester: Chuck Smith

Unit No: 34

Interval: **4473.00 ft (KB) To 4550.00 ft (KB) (TVD)**

Reference Elevations: 2937.00 ft (KB)

Total Depth: 4550.00 ft (KB) (TVD)

2932.00 ft (CF)

Hole Diameter: 7.78 inches Hole Condition: Good

KB to GR/CF: 5.00 ft

Serial #: 8351

Inside

Press@RunDepth: 390.99 psig @ 4477.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2010.02.24

End Date:

2010.02.24

Last Calib.: 2010.02.24

Start Time: 00:36:01

End Time:

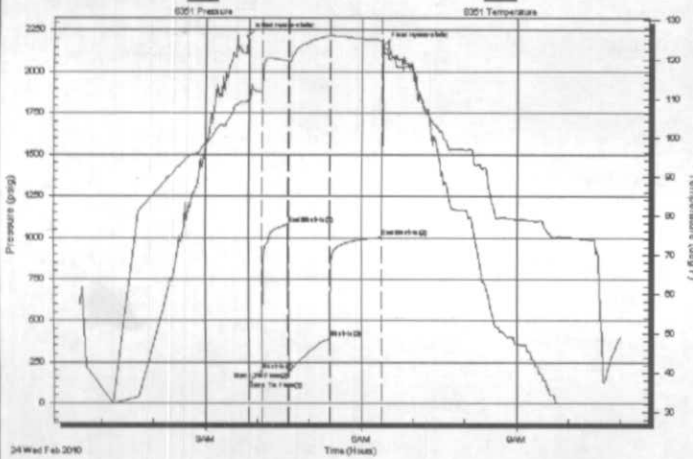
11:01:24

Time On Btrm: 2010.02.24 @ 03:49:00

Time Off Btrm: 2010.02.24 @ 06:25:12

TEST COMMENT: IF: B.O.B. @ 4 1/2 min.  
IS: 10" Return.  
FF: B.O.B. @ 5 1/2 min.  
FS: Weak surface return died @ 20 min.

Pressure vs. Time



**PRESSURE SUMMARY**

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2209.88	109.72	Initial Hydro-static
2	80.06	109.10	Open To Flow (1)
17	198.79	111.96	Shut-in(1)
47	1077.01	119.59	End Shut-In(1)
48	189.98	119.16	Open To Flow (2)
95	390.99	125.89	Shut-in(2)
155	1001.93	124.82	End Shut-In(2)
157	2157.25	124.72	Final Hydro-static

**Recovery**

Length (ft)	Description	Volume (bbl)
154.00	GOCM 5%G 30%O 65%M	2.16
372.00	GMCO 30%G 30%M 40%O	5.22
310.00	GOCWM 10%G 15%O 20%W 55%M	4.35
124.00	GOCMW 5%G 10%O 35%M 55%W	1.74
0.00	APt .283 @ 50 Degrees F = 35000 chlcri	0.00
0.00	92 Feet GIP	0.00

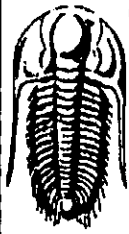
**Gas Rates**

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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MAY 07 2010

CONSERVATION DIVISION  
WICHITA, KS



**TRILOBITE  
TESTING, INC**

# DRILL STEM TEST REPORT

**FLUID SUMMARY**

Lario Oil&Gas Co.

**Knapp 1-31**

301 S Market  
Wichita, KS 67202

**31/13/31 Gove, KS**

Job Ticket: 36978

**DST#: 8**

ATTN: Vern Schrag

Test Start: 2010.02.24 @ 00:36:00

## Mud and Cushion Information

Mud Type:	Gel Chem	Cushion Type:		Oil API:	0 deg API
Mud Weight:	9.00 lb/gal	Cushion Length:	ft	Water Saffinity:	35000 ppm
Viscosity:	47.00 sec/qt	Cushion Volume:	bbbl		
Water Loss:	7.98 in <sup>3</sup>	Gas Cushion Type:			
Resistivity:	0.00 ohm.m	Gas Cushion Pressure:	psig		
Salinity:	3000.00 ppm				
Filter Cake:	1.00 inches				

## Recovery Information

Recovery Table

Length ft	Description	Volume bbl
154.00	GOCM 5%G 30%O 65%M	2.160
372.00	GMCO 30%G 30%M 40%O	5.218
310.00	GOCMM 10%G 15%O 20%W 55%M	4.348
124.00	GOCMV 5%G 10%O 35%M 55%W	1.739
0.00	APt: .283 @ 50 Degrees F = 35000 chlorid	0.000
0.00	92 Feet GP	0.000

Total Length: 960.00 ft      Total Volume: 13.465 bbl

Num Fluid Samples: 0

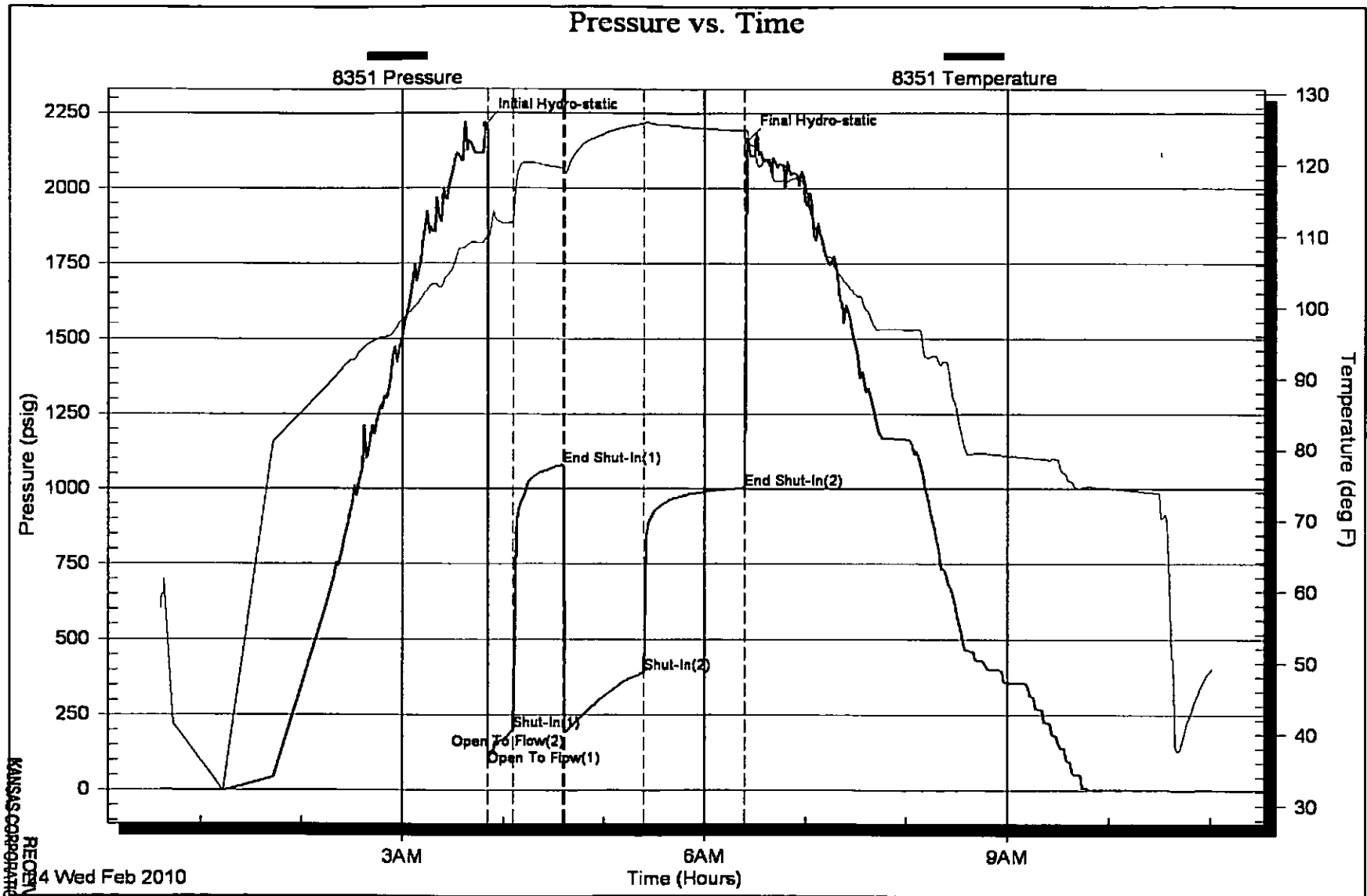
Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments:



4 Wed Feb 2010

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CONSERVATION DIVISION  
WICHITA, KS



**KANSAS**  
CORPORATION COMMISSION

Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Joseph F. Harkins, Commissioner  
Ward Loyd, Commissioner

May 13, 2010

Jay Schweikert  
Lario Oil & Gas Company  
301 S. Market  
Wichita, KS 67202

RE: Approved Commingling CO051001  
Knapp 1-31, Sec. 31-T13S-R31W, Gove County  
API No. 15-063-21823-00-00

Dear Mr. Schweikert:

Your Application for Commingling (ACO-4) for the above described well has been reviewed and approved by the Kansas Corporation Commission (KCC) per K.A.R. 82-3-123. Notice was examined and found to be proper per K.A.R. 82-3-135a. No protest had been filed within the 15-day protest period. This application, which was received by the KCC on May 7, 2010 concerns approval to simultaneously produce from the following sources of supply through the same tubing string in the same wellbore:

Source of Supply	Estimated Current Production			Perf Depth
	BOPD	MCFPD	BWPD	
Johnson	43	0	6.0	4530-4537 & 4521-4525
Lansing 'L'	28	0	0.0	4252-4258
Lansing 'H'	67	0	0.0	4118-4124
Lansing 'D'	72	0	0	4024-4034
<b>Total Estimated Current Production</b>	<b>210</b>	<b>0</b>	<b>6</b>	

Based upon the depth of the Johnson formation perforations, total oil production shall not exceed 200 BOPD and total gas production shall not exceed 50% of the absolute open flow (AOF). **Production from the well must be adjusted to comply with the allowable limit of 200 BOPD.**

Docket Number CO051001 has been assigned to this approved application. Use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,



Rick Hestermann  
Production Department

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-4  
Form must be typed  
July 2008

APPLICATION FOR COMMINGLING OF  
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # CO 051001

Operator Information:

License #: 5214  
Name: Lario Oil & Gas Company  
Address: 301 S. Market  
City/State/Zip: Wichita, KS 67202  
Contact Person: Jay Schweikert  
Phone #: 316-265-5611

Well Information:

API #: 15 - 063-21823  
Lease Name: Knapp Well #: 1-31  
Spot: - SW - NE - NW Sec. 31 Twp. 13 S. R. 31  East  
County: Gove  West  
Feet from  North /  South Line of Section: 1061  
Feet from  East /  West Line of Section: 1668

1. Name and upper and lower limit of each production interval to be commingled:

Formation: Johnson (Perfs): 4530' - 4537' & 4521' - 4525'  
Formation: Lansing 'L' (Perfs): 4252' - 4258'  
Formation: Lansing 'H' (Perfs): 4118' - 4124'  
Formation: Lansing 'D' (Perfs): 4024' - 4034'  
Formation: \_\_\_\_\_ (Perfs): \_\_\_\_\_

2. Estimated amount of fluid production to be commingled from each interval:

Formation: Johnson BOPD: 43 MCFPD: \_\_\_\_\_ BWPD: 6  
Formation: Lansing 'L' BOPD: 28 MCFPD: \_\_\_\_\_ BWPD: 0  
Formation: Lansing 'H' BOPD: 67 MCFPD: \_\_\_\_\_ BWPD: 0  
Formation: Lansing 'D' BOPD: 72 MCFPD: \_\_\_\_\_ BWPD: 0  
Formation: \_\_\_\_\_ BOPD: \_\_\_\_\_ MCFPD: \_\_\_\_\_ BWPD: \_\_\_\_\_

3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

4. Signed certificate showing service of the application and affidavit of publication as required in K.A.R. 82-3-135a.

For Commingling of PRODUCTION ONLY, include the following:

- 5. Wireline log of subject well.
- 6. Complete Form ACO-1 (Well Completion form) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

- \_\_\_\_\_ 5. Well construction diagram of subject well.
- \_\_\_\_\_ 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Kansas )  
 )  
County of Sedgwick )

ss:

VERIFICATION: I hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.


Signature: Jay Schweikert  
Printed Name: Jay Schweikert  
Title: Operations Engineer

Subscribed & sworn to before me this 30th day of April, 20 10  
Notary Public: Kathy L Ford  
My Commission Expires: 10-22-10

Protests may be filed by any party having a valid interest in the application. Protests must be in writing and comply with K.A.R. 82-3-135b and must be filed within 15 days of publication of the notice of application.

**KCC Office Use Only**  
 Denied  Approved  
KCC Date Received: \_\_\_\_\_ 15-Day Periods Ends: 5/13/20  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Mail with all required attachments and files to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

 **KATHY L. FORD**  
Notary Public - State of Kansas  
My Appt. Expires 10-22-10

RECEIVED  
KANSAS CORPORATION COMMISSION  
MAY 07 2010  
CONSERVATION DIVISION  
WICHITA, KS



**Affidavit of Notice Served**

Re: Application for: Commingling  
Well Name: Knapp #1-31 Legal Location: SW NE NW Sec. 31-13S-31W

The undersigned hereby certifies that he / she is a duly authorized agent for the applicant, and that on the day 20th of April, 2010, a true and correct copy of the application referenced above was delivered or mailed to the following parties:

Note: A copy of this affidavit must be served as a part of the application.

Name

Address (Attach additional sheets if necessary)

Ritchie Exploration

8100 E. 22nd St. N.  
Suite 700  
Wichita, KS 67226

Grand Mesa Operating

200 E. First, Suite 307  
Wichita, KS 67202

I further attest that notice of the filing of this application was published in the Gove County Advocate, the official county publication of Gove county. A copy of the affidavit of this publication is attached.

Signed this 26<sup>th</sup> day of April, 2010

KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION

Jay Schweikert  
Applicant of Duty Authorized Agent

Subscribed and sworn to before me this 26th day of April, 2010

Kathy L Ford  
Notary Public

KATHY L. FORD  
Notary Public - State of Kansas  
My Appt. Expires

My Commission Expires: 10-22-10

Protests may be filed by any party having a valid interest in the application. Petitions for protests shall be in writing and shall clearly identify the name and address of the protestant and the title of the application. The petition shall include a clear and concise statement of the direct and substantial interest of the protestant in the proceedings, including the manner in which the protestant may be affected, and the nature, extent, character and grounds of the protest. Protestants shall serve the protest upon the applicant by mail or personal service at the same time or before the protestant files the protest with the Conservation Division. Protests must be filed within 15 days of the publication notice of the application.

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

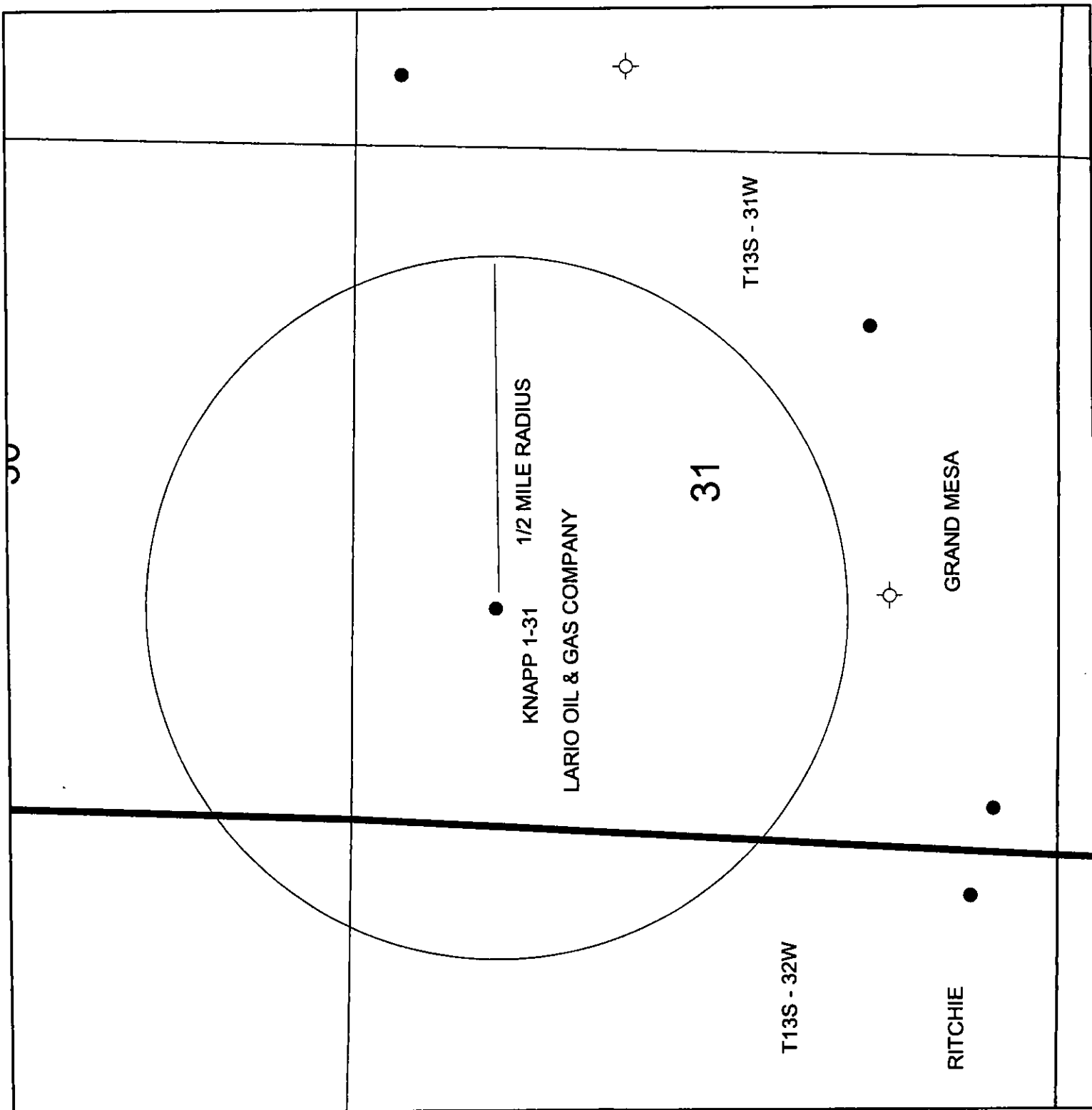
MAY 07 2010

CONSERVATION DIVISION  
WICHITA, KS

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KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION  
WICHITA, KS



**AFFIDAVIT**

STATE OF KANSAS \
- SS.
County of Sedgwick /

Mark Fletchall, of lawful age, being first duly sworn, deposes and saith: That he is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle for 1 issues, that the first publication of said notice was

made as aforesaid on the 23rd of

April A.D. 2010, with

subsequent publications being made on the following dates:

And affiant further says that he has personal knowledge of the statements above set forth and that they are true.

*Mark Fletchall*

Subscribed and sworn to before me this

23rd day of April, 2010

JANICE L. TRAMMELL
Notary Public - State of Kansas
My Appt. Expires 4-29-2012

*Janice L. Trammell*
Notary Public Sedgwick County, Kansas

Printer's Fee : \$110.80

**LEGAL PUBLICATION**

Published in The Wichita Eagle
April 23, 2010 (3034018)
BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
RE: Lario Oil & Gas Company - Application for a permit to authorize the commingling of zones in the Knapp #1-31 located in Gove County, Kansas.
TO: All Oil and Gas Producers, Unleased Minerals Interest Owners, Landowners and all persons whomsoever concerned.
You, and each of you, are hereby notified that Lario Oil & Gas Company has filed an application to commingle Lansing and Johnson zones in the Knapp #1-31 located approximately SW 1/4 NE 1/4 Sec 31-135-31W, in Gove County, Kansas.
Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights, or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing.
All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.
Lario Oil & Gas Company
301 S. Market
Wichita, KS 67202
(316) 265-5611
ATTN: Jay Schweikert

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION
WICHITA, KS

CR 10 May
Table with columns for counties (KS, MO, NE, etc.) and rows for various offices (DB, MAJ, DM). Includes date stamp APR 2 2010 and a signature.

**AFFIDAVIT OF PUBLICATION**  
State of Kansas,  
Gove County, ss:

Roxanne Broeckelman,  
being first duly sworn, deposes and  
says: That she is  
co-publisher of

**Gove County Advocate**, a weekly  
newspaper printed in the State of  
Kansas, and published in and of  
general circulation in Gove County,  
Kansas, with a general paid  
circulation on a weekly basis in  
Gove County, Kansas, and that said  
newspaper is not a trade, religious  
or fraternal publication.

Said newspaper is a weekly  
published at least 50 times a year;  
and has been so published  
continuously and uninterruptedly in  
said county and state for a period of  
more than five years prior to the first  
publication of said notice; and has  
been admitted at the post office in  
Quinter in said county as periodical  
class mail matter.

That the attached notice is a true  
copy thereof and was published in  
the regular and entire issue of said  
newspaper for one  
consecutive week(s), the first  
publication thereof being made as  
aforesaid on the 28th day  
of April, 2010,  
with subsequent publications being  
made on the following dates:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Printer's Fee ..... \$ 23.65  
Additional Copies ..... \$ \_\_\_\_\_  
Affidavit Fees ..... \$ 2.00  
Total Publication Fees \$ 25.65

*Roxanne Broeckelman*

Subscribed and sworn to before me  
this 28th day of  
April, 2010

*Linda L. Zerr*  
Notary Public

My commission expires:  
January 8, 2013

**LEGAL ADVERTISING**  
(Published in the Gove County Advocate,  
Quinter, KS, Wed., April 28, 2010 - 1)

**BEFORE THE STATE CORPORATION  
COMMISSION OF THE STATE OF KANSAS**  
**NOTICE OF FILING APPLICATION**

RE: Lario Oil & Gas Company - Application for  
a permit to authorize the commingling of zones  
in the Knapp #1-31 located in Gove County,  
Kansas.

TO: All Oil and Gas Producers, Unleased  
Minerals Interest Owners, Landowners and all  
persons whomsoever concerned.

You, and each of you, are hereby notified  
that Lario Oil & Gas Company has filed an  
application to commingle Lansing and Johnson  
zones in the Knapp #1-31 located approxi-  
mately SW NE NW Sec 131-13S-31W, in Gove  
County, Kansas.

Any persons who object to or protest this  
application shall be required to file their objec-  
tions or protests with the Conservation Division  
of the State Corporation Commission of the  
State of Kansas within (15) days from the date  
of this publication. These protests shall be filed  
pursuant to Commission regulations and must  
state specific reasons why the grant of the  
application may cause waste, violate correlative  
rights or pollute the natural resources of the  
State of Kansas. If no protests are received,  
this application may be granted through a sum-  
mary proceeding. If valid protests are received,  
this matter will be set for hearing.

All persons interested or concerned shall  
take notice of the foregoing and shall govern  
themselves accordingly.

Lario Oil & Gas Company  
301 S. Market Street  
Wichita, KS 67202  
(316) 265-5611  
ATTN: Jay Schweikert

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KANSAS CORPORATION COMMISSION

MAY 07 2010

CONSERVATION DIVISION  
WICHITA, KS

LINDA L. ZERR  
NOTARY PUBLIC  
STATE OF KANSAS  
My Appt. Exp. 1-8-2013