

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
July 2006

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

Commingling ID # CO 060804

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 - 171-20687 -00-00
Lease Name: Ottaway Well #: 1-6
Spot: - N2 -N2 - SE Sec. 6 Twp. 19 S. R. 31 East
County: Scott West
Feet from North / South Line of Section: 2310
Feet from East / West Line of Section: 1320

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

Formation: Cherokee (Perfs): 4483'-86'
Formation: Marmaton (Perfs): 4357'-61'
Formation: Lansing (Perfs): 4200'-08'
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

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

Formation: Cherokee BOPD: 6 MCFPD: _____ BWPD: 0
Formation: Marmaton BOPD: 45 MCFPD: _____ BWPD: 6
Formation: Lansing BOPD: 51 MCFPD: _____ BWPD: 51
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
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 4th day of June, 20 08

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: 6/5/08 15-Day Periods Ends: 6/6/08

Approved By: _____ Date: _____

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 05 2008
CONSERVATION DIVISION
WICHITA, KS

Affidavit of Notice Served

Re: Application for: Commingling Permit
Well Name: Ottaway #1-6 Legal Location: N2 N2 SE Sec. 6-19S-31W

The undersigned hereby certifies that he / she is a duly authorized agent for the applicant, and that on the day 19th of May, 2008, 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)
FIML Natural Resources, LLC	410 17th Street Suite 900 Denver, CO 80202

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KANSAS CORPORATION COMMISSION

JUN 05 2008

CONSERVATION DIVISION
WICHITA, KS

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

Signed this 19th day of May, 2008

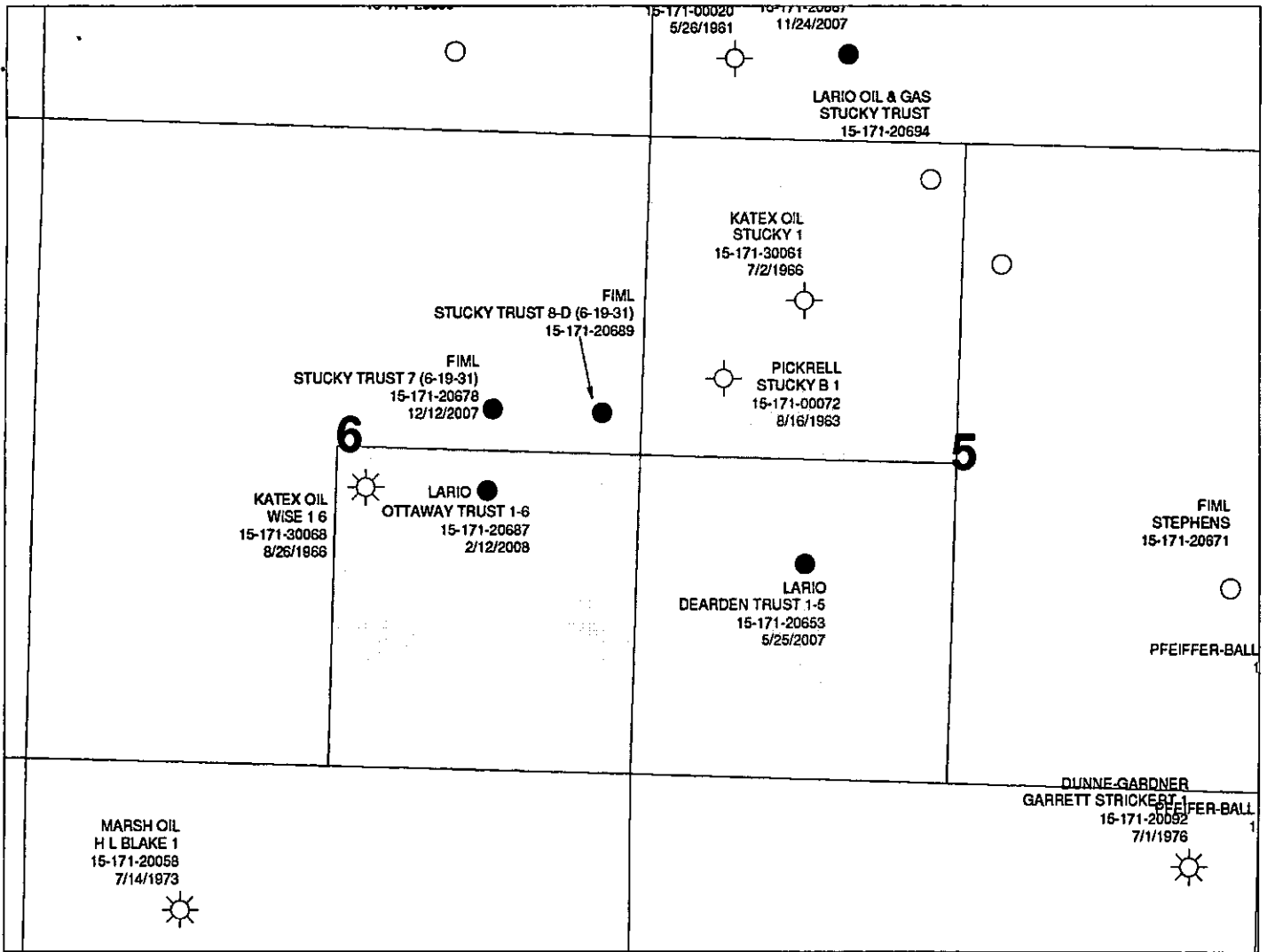
Jay Schweikert
Applicant of Duly Authorized Agent


Subscribed and sworn to before me this 19th day of May, 2008



Kathy L Ford
Notary Public
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.



	Lario Oil & Gas Company Keystone Prospect T18S, R31W Scott County, Kansas
	Ottaway #1-6 Co-Mingle Permit
Date: 18 May, 2008	Geologist: John P. Chaffins

RECEIVED
 KANSAS CORPORATION COMMISSION
JUN 05 2008
 CONSERVATION DIVISION
 WICHITA, KS

Proof of Publication

Affidavit of Publication

STATE OF KANSAS, SCOTT COUNTY, ss:

Rodney R. Haxton, being first duly sworn, deposes and says that he is editor of The Scott County Record, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Scott County, Kansas, with a general paid circulation and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly, published at least 50 times a year in said county, and has been admitted as second class matter at the post office of Scott City in said county.

Public Notice

(Published in The Scott County Record Thurs., May 22, 2008)1t

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 Ottaway #1-6, located in Scott County, Kansas.

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

You, and each of you, are hereby notified that Lario Oil & Gas Company has filed an application to commingle Lansing, Marmaton and Cherokee zones in the Ottaway #1-6, located approximately N2 N2 SE Sec. 6-19S-31W, in Scott 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

true copy thereof and was published in said newspaper for 1 consecutive hereof being made as aforesaid on the 22, 2008, with ng made on the following dates:

_____, 20____
_____, 20____
_____, 20____
_____, 20____

e \$ 37.10

ry Fee \$ _____

ies @ \$ _____

bn Fee \$ 37.10

[Signature]

Publisher

Subscribed and sworn to before me this 23 day of

May, 2008.

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 05 2008
CONSERVATION DIVISION
WICHITA, KS

SHARLA OSBORN
Notary Public - State of Kansas
My Appt. Expires 10-11-09

[Signature]

Notary Public

My commission expires 10-11-09

Proof of Publication

Affidavit of Publication
STATE OF KANSAS, SCOTT COUNTY, ss:

Rodney R. Haxton, being first duly sworn, deposes and says that he is editor of The Scott County Record, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Scott County, Kansas, with a general paid circulation and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly, published at least 50 times a year in said county, and has been admitted as second class matter at the post office of Scott City in said county.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks, the first publication thereof being made as aforesaid on the 22 day of May, 2008, with subsequent publications being made on the following dates:

_____, 20____
_____, 20____
_____, 20____
_____, 20____

Publication Fee \$ 37.10
Affidavit, Notary Fee \$ _____
Additional Copies @ _____ \$ _____
Total Publication Fee \$ 37.10

[Signature]

Publisher

Subscribed and sworn to before me this 23 day of May, 2008.

SHARLA OSBORN
Notary Public - State of Kansas
My Appt. Expires 10-11-09

[Signature]

Notary Public

My commission expires 10-11-09

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RECEIVED
KANSAS CORPORATION COMMISSION
JUN 05 2008
CONSERVATION DIVISION
WICHITA, KS

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Nicole Mandina, of lawful age, being first duly sworn, deposes and saith: That she 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 - weeks, that the first publication of said notice was

made as aforesaid on the 21st of

May A.D. 2008 , with

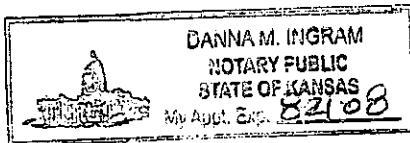
subsequent publications being made on the following dates:

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

Subscribed and sworn to before me this

21st day of May, 2008

Notary Public Sedgwick County, Kansas



Printers Fee: \$89.00

LEGAL PUBLICATION

Published in the Wichita Eagle
on May 21, 2008 (2834921)
**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 Ottaway #1-6, located in Scott 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, Marmaton and Cherokee zones in the Ottaway #1-6, located approximately N2 N2 SE Sec. 6-19S-31W, in Scott 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 Schwellkert

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 05 2008
CONSERVATION DIVISION
WICHITA, KS



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

June 11, 2008

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

RE: Approved Commingling CO060804
Ottaway #1-6, Sec. 6-T19S-R31W, Scott County, Kansas
API No. 15-171-20687-00-00

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. 82-3-123a. 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 June 5, 2008 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	
Cherokee	6	0	0.00	4483-4486
Marmaton	45	0	6	4357-4361
Lansing	51	0	51.00	4200-4208
Total Estimated Current Production	102	0	57.00	

Based upon the depth of the **Cherokee** formation perforations, total oil production shall not exceed **200 BOPD** and total gas production shall not exceed 50% of the absolute open flow (AOF).

Docket Number CO060804 has been assigned to this approved application. Please use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,

Rick Hestermann
Production Department

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>