



KANSAS CORPORATION COMMISSION 1063675
 OIL & GAS CONSERVATION DIVISION

Form ACO-4
 Form must be typed
 March 2009

APPLICATION FOR COMMINGLING OF PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a) *Commingling ID #* **CO091110**

OPERATOR: License # 5214
 Name: Lario Oil & Gas Company
 Address 1: 301 S MARKET ST
 Address 2: _____
 City: WICHITA State: KS Zip: 67202 + 3805
 Contact Person: Jay Schweikert
 Phone: (316) 265-5611

API No. 15 - 15-063-21923-00-00
 Spot Description: _____
S2 NE NW NE Sec. 31 Twp. 13 S. R. 31 East West
335 Feet from North / South Line of Section
1650 Feet from East / West Line of Section
 County: Gove
 Lease Name: Knapp Well #: 5-31

1. Name and upper and lower limit of each production interval to be commingled:
 Formation: Johnson (Perfs): 4509 - 4524
 Formation: Cherokee (Perfs): 4436 - 4440; 4452 - 4455
 Formation: Lansing (Perfs): 4112 - 4118; 4104 - 4106
 Formation: _____ (Perfs): _____
 Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:
 Formation: Johnson BOPD: 41 MCFPD: 0 BWPD: 2
 Formation: Cherokee BOPD: 64 MCFPD: 0 BWPD: 5
 Formation: Lansing BOPD: 5 MCFPD: 0 BWPD: 11
 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. Previously Filed with ACO-1: Yes No
- 6. Complete Form ACO-1 (*Well Completion form*) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

- 7. Well construction diagram of subject well.
- 8. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

AFFIDAVIT: I am the affiant and 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.

Submitted Electronically

KCC Office Use Only	
<input type="checkbox"/> Denied	<input checked="" type="checkbox"/> Approved
15-Day Periods Ends: <u>10/8/2011</u>	
Approved By: <u>Rick Hestermann</u>	Date: <u>10/10/2011</u>

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.

Affidavit of Notice Served

Re: Application for: Commingling

Well Name: Knapp #5-31 Legal Location: NE NW NE Sec. 31-13S-31W

The undersigned hereby certifies that he / she is a duly authorized agent for the applicant, and that on the day 23rd of September, 2011, 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)

GRAND MESA OPERATING COMPANY

**1700 N. WATERFRONT PARKWAY - #600
WICHITA, KS 67206-5514**

RITCHIE EXPLORATION

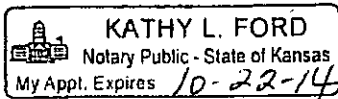
**8100 E. 22nd STREET NORTH
SUITE #700
WICHITA, KS 67226-2328**

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 23rd day of September, 2011

Dave Menden
Applicant of Duty Authorized Agent

Subscribed and sworn to before me this 23rd day of September, 2011



Kathy L Ford
Notary Public
My Commission Expires: 10-22-14

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.

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 14th day
of September, 2011,
with subsequent publications being
made on the following dates:

_____, _____
_____, _____
_____, _____
_____, _____
_____, _____

Printer's Fee\$ _____
Additional Copies \$ _____
Affidavit Fees\$ _____
Total Publication Fees \$ _____

Roxanne Broeckelman

Subscribed and sworn to before me
this 14th day of

September, 2011
Linda L. Zerr
Notary Public

My commission expires:
January 8, 2013

LEGAL ADVERTISING
(Published in the Gove County Advocate
Quinter, KS, Wed. September 14, 2011 - 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 #5-31, 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, Cherokee,
and Johnson zones in the Knapp #5-31, local-
ed approximately NE 1/4 NE Sec. 31-13S-
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
Wichita, KS 67202
(316) 265-5611
ATTN: Jay Schwelker

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

AFFIDAVIT

STATE OF KANSAS \
 - SS.
 County of Sedgwick /

Mark Fletchall, of lawful age, being first duly sworn, deposeth 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 9th of

September A.D. 2011, with

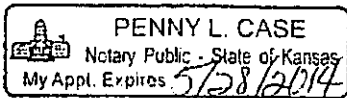
subsequent publications being made on the following dates:

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

9th day of September, 2011



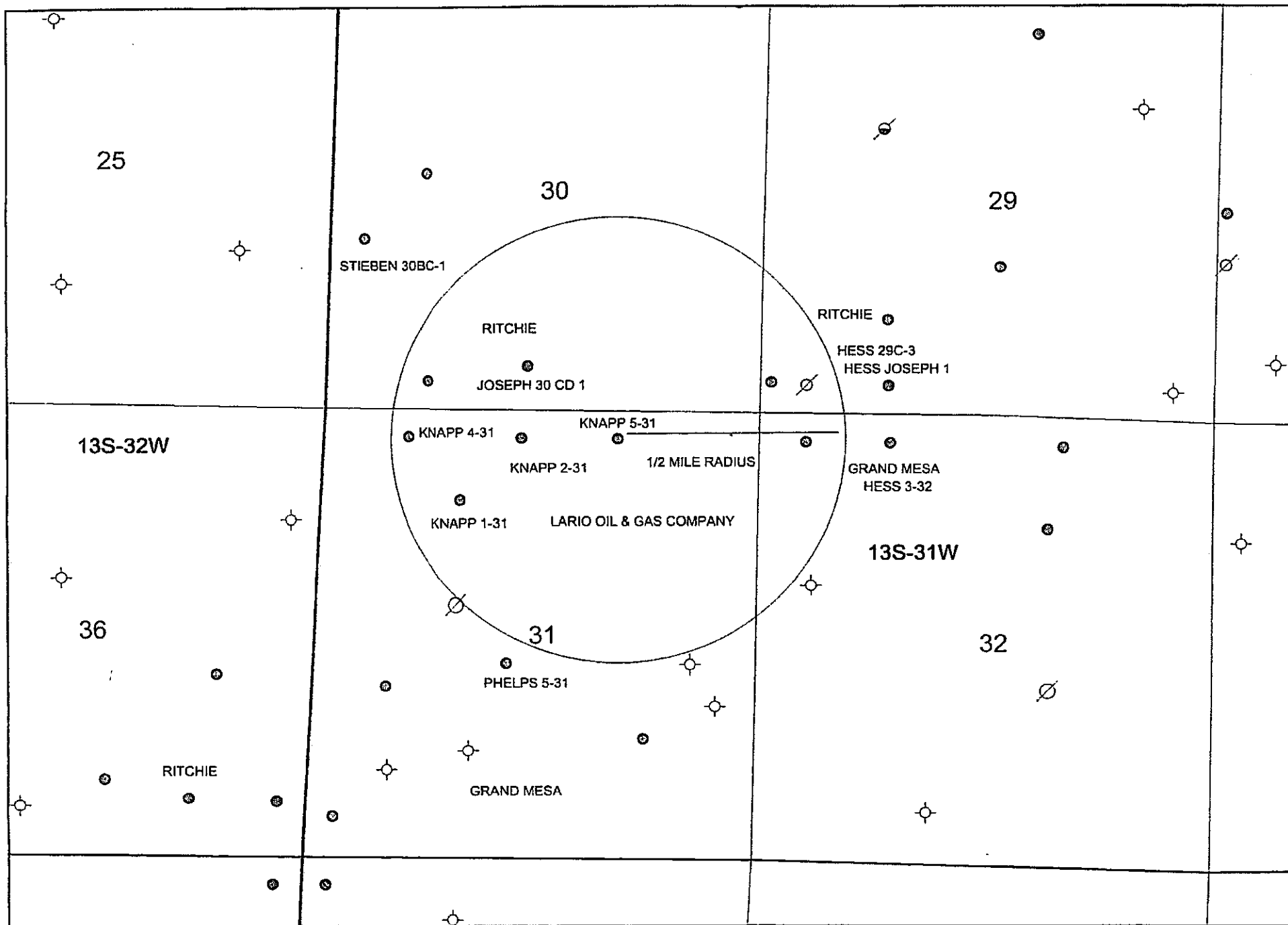
Penny L. Case
 Notary Public Sedgwick County, Kansas

Printer's Fee : \$110.80

LEGAL PUBLICATION

Published in The Wichita Eagle
 SEPTEMBER 9, 2011 (3139728)
 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 #5-31, located in Gove
 County, Kansas.
 TO: All Oil and Gas Producers, Unleased
 Minerals, Interest Owners, Landowners
 and all persons whomsoever concerned.
 Any person who objects to or protests this
 You and each of you, are hereby notified
 that Lario Oil & Gas Company has filed an
 application to commingle Lansing, Cherokee
 and Johnson zones in the Knapp #5-31, located
 approximately NE NW NE Sec. 31-13S-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) 245-5611
 ATTN: Jay Schwelker

Acci	Exp	File	OK TO PAY		
GC					
KG			SEP 12 2011		DS
HY					DM
EV					
	JS	RF	GV	SE	DM



Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

October 10, 2011

Jay Schweikert
Lario Oil & Gas Company
301 S. Market
Wichita, KS 67202-3805

RE: Approved Commingling CO091110
Knapp 5-31, Sec.31-T13S-R31W, Gove County
API No. 15-063-21923-00-00

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 September 23, 2011 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	41	0	2	4509-4524
Cherokee	64	0	5	4436-4440; 4452-4455
Lansing	5	0	11	4112-4118; 4104-4106
Total Estimated Current Production	110	0	18	

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).

Commingling ID number CO091110 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