



KANSAS CORPORATION COMMISSION 1073682
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 #* **CO031203**

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 - 15-171-20854-00-00
Spot Description: _____
S2 N2 SE Sec. 5 Twp. 19 S. R. 31 East West
1650 Feet from North / South Line of Section
1320 Feet from East / West Line of Section
County: Scott
Lease Name: Stephens Well #: 1-5

1. Name and upper and lower limit of each production interval to be commingled:
Formation: Spergen (Perfs): 4599 - 4604
Formation: Marmaton (Perfs): 4346 - 4350
Formation: Lansing (Perfs): 4309 - 4314
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:
Formation: Spergen BOPD: 5.17 MCFPD: 0 BWPD: 12.43
Formation: Marmaton BOPD: 32.55 MCFPD: 0 BWPD: 0
Formation: Lansing BOPD: 13.95 MCFPD: 0 BWPD: 31.97
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
 Denied Approved
15-Day Periods Ends: 3/30/2012
Approved By: Rick Hestermann Date: 04/02/2012

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 Permit
Well Name: Stephens #1-5 Legal Location: S2 N2 SE Sec. 5-19S-31W

The undersigned hereby certifies that he / she is a duly authorized agent for the applicant, and that on the day 15th of March, 2012, 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 St., Suite 900 Denver, CO 80202
HERMAN LOEB	P. O. BOX 524 LAWRENCEVILLE, IL 62439

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 15th day of March, 2012

Jay Schweickert
Applicant or Duly Authorized Agent

Subscribed and sworn to before me this 15th day of March, 2012

 **KATHY L. FORD**
Notary Public - State of Kansas
My App! Expires 10-22-14

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

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 13th of

February A.D. **2012**, 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

13th day of February, 2012

PENNY L. CASE
Notary Public - State of Kansas
My Appt. Expires 5/28/2014

Penny L. Case
Notary Public Sedgwick County, Kansas

Printer's Fee : **\$110.80**

LEGAL PUBLICATION
 PUBLISHED IN THE WICHITA EAGLE
 FEBRUARY 13, 2012 (3168624)
 BEFORE THE STATE
 CORPORATION COMMISSION
 OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
 RE: Larlo Oil & Gas Company's Application for a permit to authorize the commingling of zones in the Stephens #1-5, 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 Larlo Oil & Gas Company has filed an application to commingle Lansing, Marmaton and Spargen zones in the Stephens #1-5, located approximately S2, N2 SE Sec. 4-19S-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.
 Larlo Oil & Gas Company
 2015 Market
 Wichita, KS 67202
 (316) 245-5611
 ATTN: Jay Schweikert

OK TO PAY			
Acct	Expt	File	
GC			
KG			DIB
HY			Mtd
PV			GM
IS	RE	GV	SE
OD			

FEB 15 2012

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 16 day of February, 2012, with subsequent publications being made on the following dates:

_____, 20____
_____, 20____

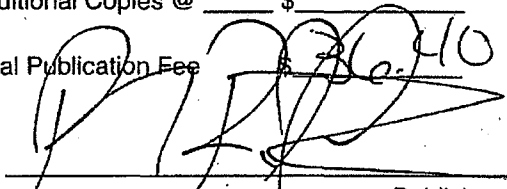
Publication Fee

\$ 36.40

Additional Copies @ _____ \$ _____

Total Publication Fee

\$ 36.40

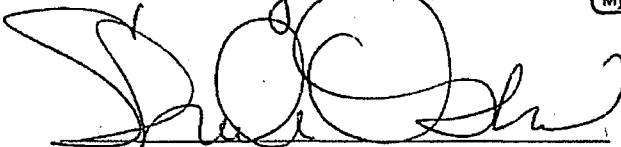


Publisher

Subscribed and sworn to before me this 17 day of

February, 2012

SHARLA OSBORN
Notary Public - State of Kansas
My Appt. Expires 10-11-13



Notary Public

My commission expires

10-11-13

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Serving the
Scott City area for o

60 Years

agan Iron Work
agan Lane, Scott City • e

lend
- March

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 the State of Kansas, and published at least 50 times a year in said second class matter at the post office at _____, Kansas, as a newspaper of general circulation and that said newspaper is not a fraternal publication.

Public Notice

(Published in The Scott County Record Thurs., Feb. 16, 2012)11

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 Stephens #1-5, 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 Spergen zones in the Stephens #1-5, located approximately S2 N2 SE Sec. 5-19S-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

at least 50 times a year in said second class matter at the post

office at _____, Kansas, as a newspaper of general circulation and that said newspaper is not a fraternal publication. It was published in _____ newspaper for _____ consecutive days being made as aforesaid on the _____ day of _____, 2012, with _____ on the following dates:

_____ 20

_____ 20

\$ 36.40

\$ 36.40

Publisher

Subscribed and sworn to before me this 17 day of

February 2012

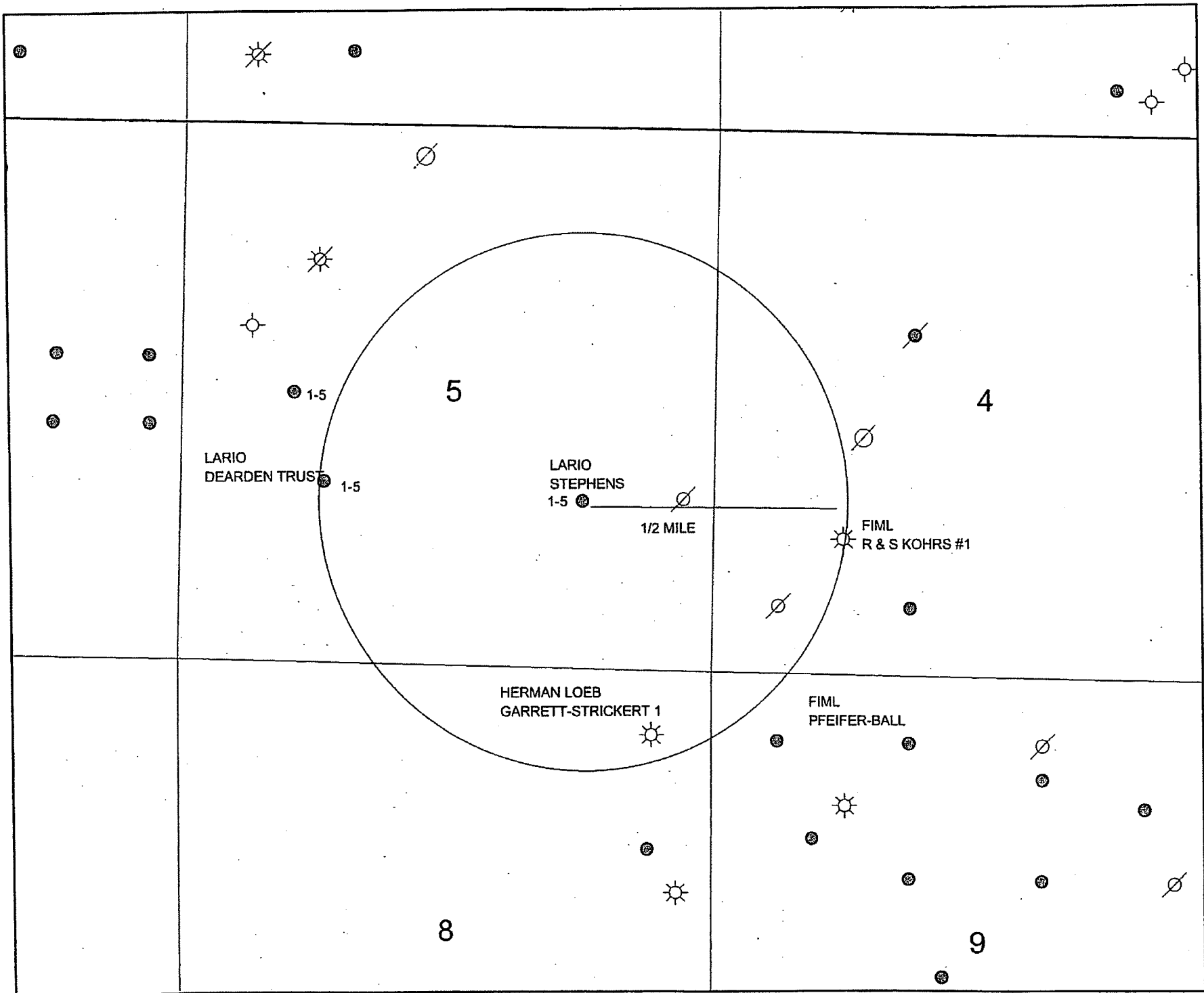
[Signature]

Notary Public

My commission expires

10-11-13

SHARLA OSBORN
Notary Public - State of Kansas
My Appt. Expires 10-11-13



10
11
12

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

April 2, 2012

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

RE: Approved Commingling CO031203
Stephens 1-5, Sec.5-T19S-R31W, Scott County
API No. 15-171-20854-00-00

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 March 15, 2012, 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	
Spergen	5.17	0	12.43	4599-4604
Marmaton	32.55	0	0.00	4346-4350
Lansing	13.95	0	31.97	4309-4314
Total Estimated Current Production	51.67	0.0	44.40	

Based upon the depth of the Spergen 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 CO031203 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