

OWWO

For KCC Use: Effective Date: 6.30.03 District # 1 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

RECEIVED 6-24-03 JUN 24 2003

Form C-1 September 1999 Form must be Typed Form must be Signed All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

KCC WICHITA

Expected Spud Date August 06 2003 month day year

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

CONTRACTOR: License# 5123 Name: Pickrell Drilling Co., Inc.

Well Drilled For: Well Class: Type Equipment: Oil, Gas, OAWO, Seismic, Other, Enh Rec, Storage, Disposal, Infield, Pool Ext, Wildcat, Other, Mud Rotary, Air Rotary, Cable

If OWWO: old well information as follows: Operator: KRM Petroleum Corp. Well Name: R.H. Phillips 'D' #1 Original Completion Date: Original Total Depth: 6310

Directional, Deviated or Horizontal wellbore? Yes No Bottom Hole Location: KCC DKT #:

Spot Ar 60E - NW - NW Sec. 08 Twp. 33 S. R. 18 660 feet from N Line of Section 720 feet from W Line of Section

Is SECTION Regular Irregular?

County: Comanche

Lease Name: Lytle Trust Well #: 1-8 RE

Field Name: Hack

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Pawnee, Ft. Scott, Mississippi & Viola

Nearest Lease or unit boundary: 660 ft

Ground Surface Elevation: 2068 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 8-5/8" set @ 630'

Length of Conductor Pipe required: 530 sx cmt circ to surface

Projected Total Depth: 6310 ft

Formation at Total Depth: Viola

Water Source for Drilling Operations:

Well Farm Pond X Other

DWR Permit #:

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq. It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, NOTIFY district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 6/23/03 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer

For KCC Use ONLY API # 15 - 033 - 20269 -00.01 Conductor pipe required NONE feet Minimum surface pipe required 630 set feet per Alt. 1 Approved by: RJP 6-25-03 This authorization expires: 12-25-03 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4), after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

8 33 18W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____
 Operator: Lario Oil & Gas Company
 Lease: Lytle Trust
 Well Number: 1-8 RE
 Field: Hack

Location of Well: County: Comanche
 _____ 660 feet from S N (circle one) Line of Section
 _____ 720 feet from E W (circle one) Line of Section
 Sec. 08 Twp. 33 S. R. 18 East West

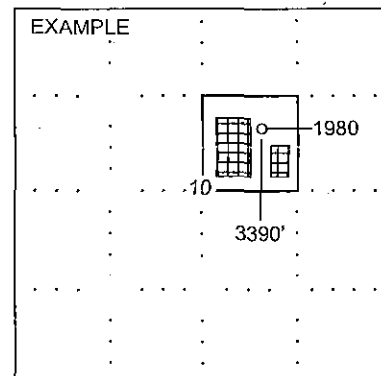
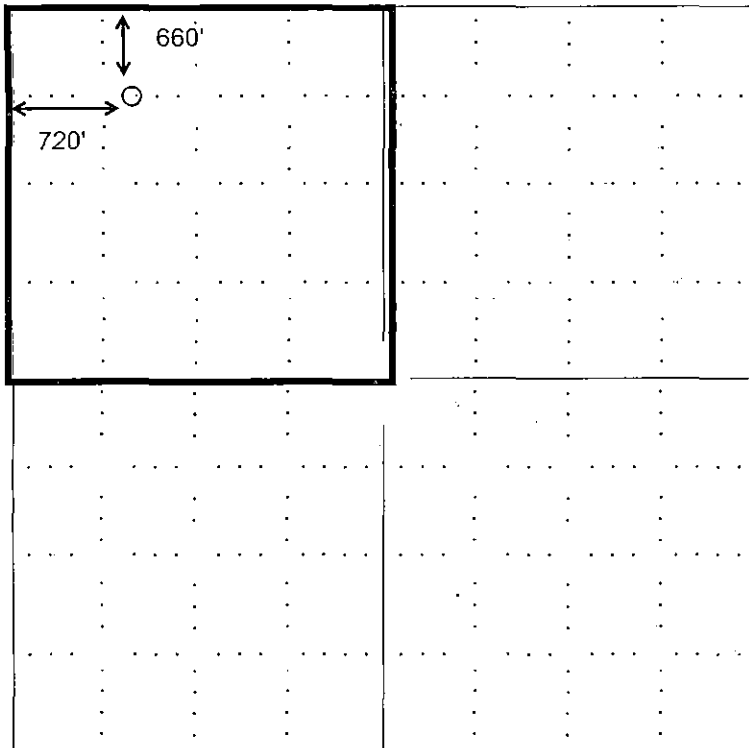
Number of Acres attributable to well: 160
 QTR / QTR / QTR of acreage: 60E - NW - NW

Is Section Regular or _____ Irregular

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: ___NE ___NW ___SE ___SW

PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).