



KANSAS CORPORATION COMMISSION 1089069
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
March 2009

APPLICATION FOR COMMINGLING OF *Commingling ID #* CO081215
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

OPERATOR: License # 5214 API No. 15 - 15-109-21090-00-00
Name: Lario Oil & Gas Company Spot Description: _____
Address 1: 301 S MARKET ST SW NE NW SE Sec. 36 Twp. 14 S. R. 32 East West
Address 2: _____ 2305 Feet from North / South Line of Section
City: WICHITA State: KS Zip: 67202 + 3805 1850 Feet from East / West Line of Section
Contact Person: Jay Schweikert County: Logan
Phone: (316) 265-5611 Lease Name: Krebs Credit Shelter Well #: 3-36

1. Name and upper and lower limit of each production interval to be commingled:
Formation: Johnson (Perfs): 4305 - 4315
Formation: Lansing (Perfs): 3759 - 3766
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:
Formation: Johnson BOPD: 19 MCFPD: 0 BWPD: 0
Formation: Lansing BOPD: 17 MCFPD: 0 BWPD: 48
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
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>8/29/2012</u>	
Approved By: <u>Rick Hestermann</u>	Date: <u>08/29/2012</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.

Proof of Publication

Affidavit of Publication
State of Kansas,
LOGAN COUNTY, ss:

Barbara Glover
being first duly sworn, deposes and says, that
she

is the editor of **THE OAKLEY GRAPHIC**, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Logan County, Kansas, with a general paid circulation on a weekly and that said newspaper is not a trade, religious, or fraternal publication.

Said newspaper is a weekly, published at least weekly 50 times a year; 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 of Oakley in said county as second class matter.

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 18 day of July, 2012 with subsequent publications being made on the following dates:

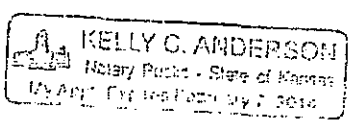
- 1st Publication was made on the 18 day of July, 2012
- 2nd Publication was made on the _____ day of _____, 20 _____
- 3rd Publication was made on the _____ day of _____, 20 _____
- 4th Publication was made on the _____ day of _____, 20 _____
- 5th Publication was made on the _____ day of _____, 20 _____
- 6th Publication was made on the _____ day of _____, 20 _____

Publication fee \$ 56.70
 Affidavit, Notary's Fees \$ _____
 Additional Copies @ _____ \$ _____
 Total Publication Fee \$ 56.70

(Signed) [Signature]
 Witness my hand this 19 day of July, 2012
 SUBSCRIBED and SWORN to before me this 19
 day of July, 2012.

Kelly C. Anderson
 (Notary Public)

My commission expires 2.7.2014



SEARCHED _____ INDEXED _____
 SERIALIZED _____ FILED _____
 AUG 6 2012
 DE
 EV

Published in the Oakley Graphic July 18, 2012
 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 Krebs Credit Shelter #3-36 located in Logan County, Kansas.

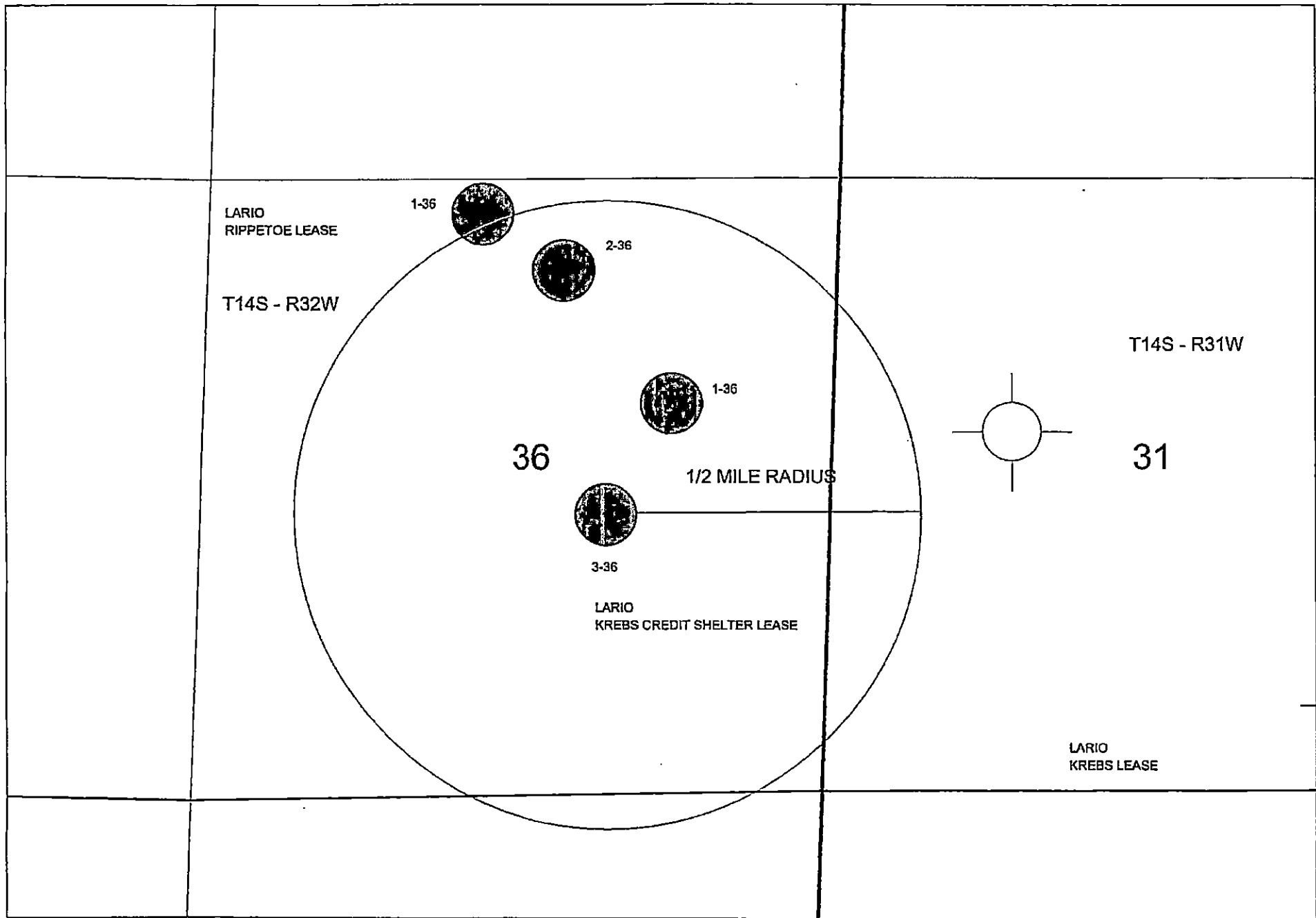
TO: All Oil and Gas Producers, Unleased Minerals Interest Owners, Landowners and all persons whomever concerned.

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 Krebs Credit Shelter #3-36, located approximately SW NE NW SE Sec. 36-14S-32W, in Logan 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
 ATTN: Jay Schweikert



Affidavit of Notice Served

Re: Application for: Commingling

Well Name: Krebs Credit Shelter #3-36 Legal Location: SW NE NW SE Sec. 36-14S-32W

The undersigned hereby certifies that he / she is a duly authorized agent for the applicant, and that on the day 14th of August, 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)

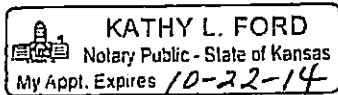
LARIO OIL & GAS COMPANY HAS ALL ACREAGE WITHIN 1/2 MILE

I further attest that notice of the filing of this application was published in the Oakley Graphic, the official county publication of Logan county. A copy of the affidavit of this publication is attached.

Signed this 14th day of August, 2012

Jay Schweikert
Applicant or Duly Authorized Agent

Subscribed and sworn to before me this 14th day of August, 2012

 KATHY L. FORD
Notary Public - State of Kansas
My Appl. 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.

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
Thomas E. Wright, Commissioner

Sam Brownback, Governor

August 29, 2012

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

RE: Approved Commingling CO081215
Krebs Credit Shelter 3-36, Sec.36-T14S-R32W, Logan County
API No. 15-109-21090-00-00

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 August 14, 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	
Johnson	19.0	0.0	0.0	4305-4315
Lansing	17.0	0.0	0.0	3759-3766
Total Estimated Current Production	36.0	0.0	0.0	

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 CO081215 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