

For KCC Use:
Effective Date: 10-4-06
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

SEP 29 2006

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL CONSERVATION DIVISION
WICHITA, KS

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

Expected Spud Date 10 14 2006
month day year

OPERATOR: License# 33770 ✓
Name: ARES Energy, Ltd.
Address: 303 W. Wall St., Suite 900
City/State/Zip: Midland, TX 79701
Contact Person: Henry N. Clanton
Phone: 432.685.1960

CONTRACTOR: License# 8273 ✓
Name: Excell Services, Inc.

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot _____ East
NW NE Sec. 8 Twp. 18 S. R. 9 West
330 feet from N / S Line of Section
2,100 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Rice
Lease Name: Frazier Well #: 2-8
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330 feet
Ground Surface Elevation: 1,740 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: _____
Depth to bottom of usable water: 300 180

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 350 feet ✓

Length of Conductor Pipe required: None ✓
Projected Total Depth: 3,500 feet ✓

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
 Well Farm Pond Other _____

DWR Permit #: N/A
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: N/A

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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.
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **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: 9/28/2006 Signature of Operator or Agent: Henry N. Clanton Title: Managing Partner

For KCC Use ONLY
API # 15 - 159-22506-0000
Conductor pipe required None feet
Minimum surface pipe required 320 feet per Alt. 1
Approved by: Put 9-29-06
This authorization expires: 3-29-07
(This authorization void if drilling not started within 6 months of approval 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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent: _____
Date: _____

8
18
9W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

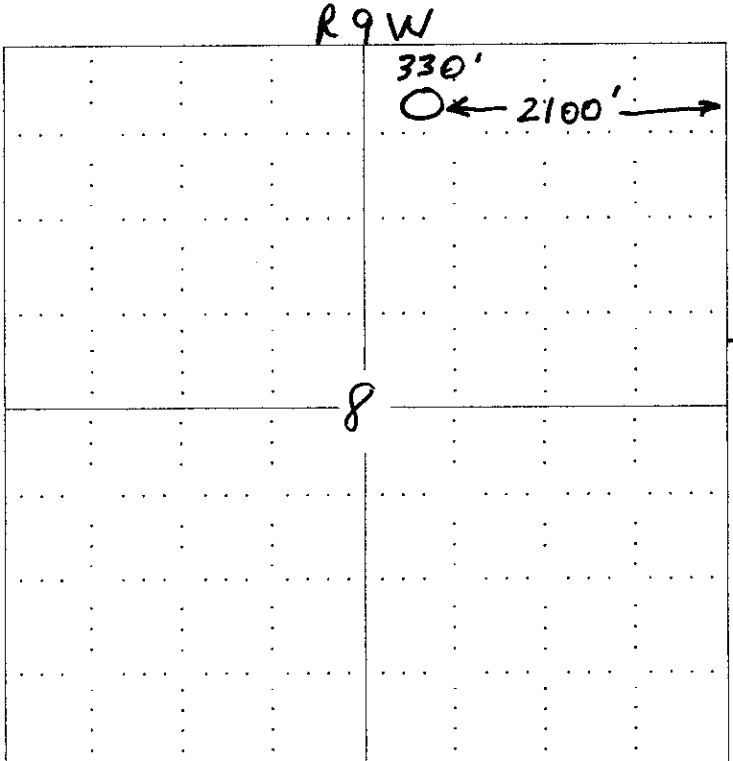
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 159-22506-0000
Operator: ARES Energy, Ltd.
Lease: Frazier
Well Number: 2-8
Field: Wildcat
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: _____ - NW - NE

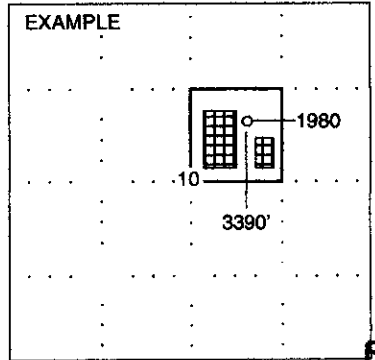
Location of Well: County: Rice
330 feet from N / S Line of Section
2,100 feet from E / W Line of Section
Sec. 8 Twp. 18 S. R. 9 East West
Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)



330 feet from
Nearest lease.



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

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

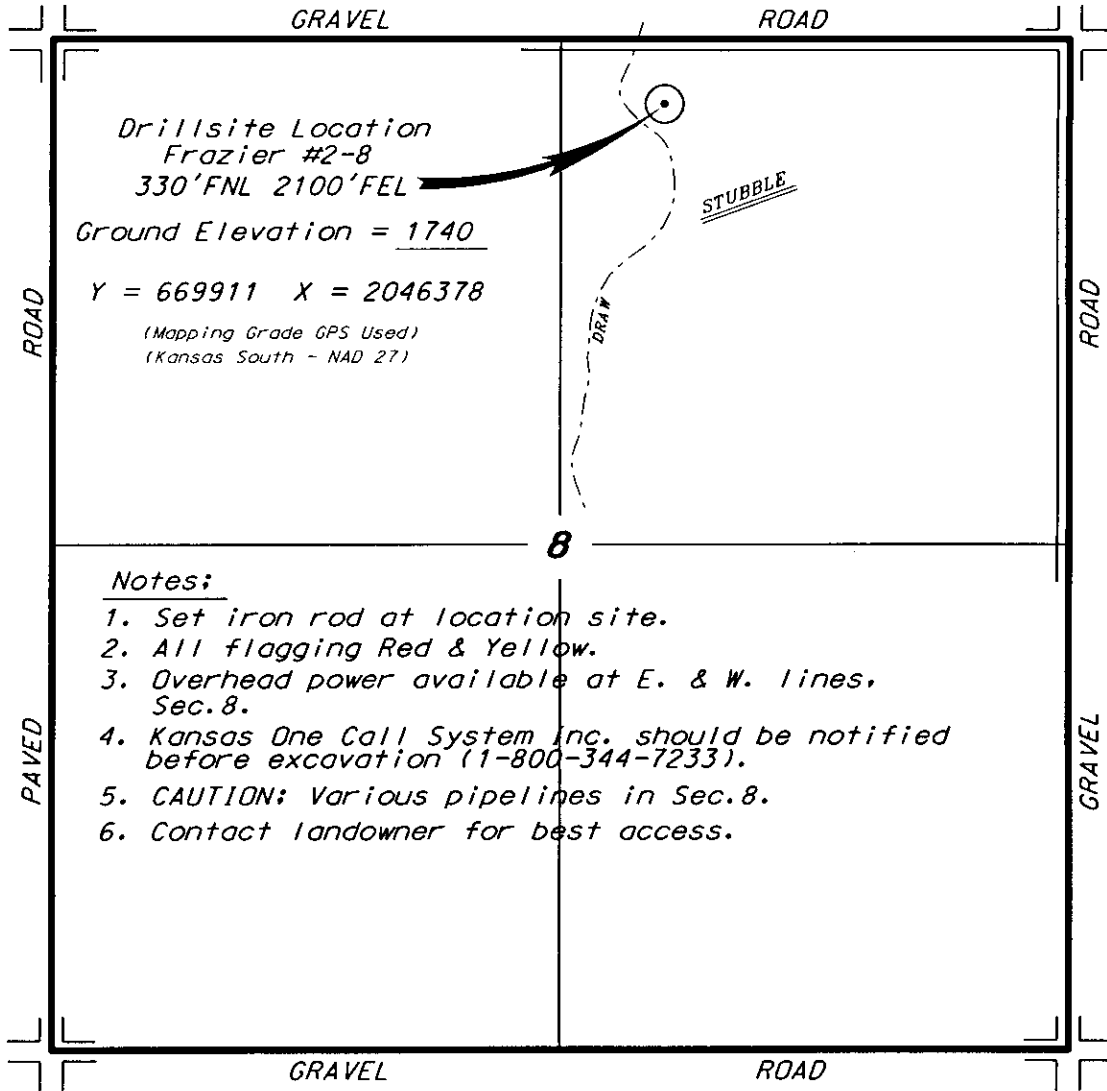
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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).

RECEIVED
SEP 29 2006

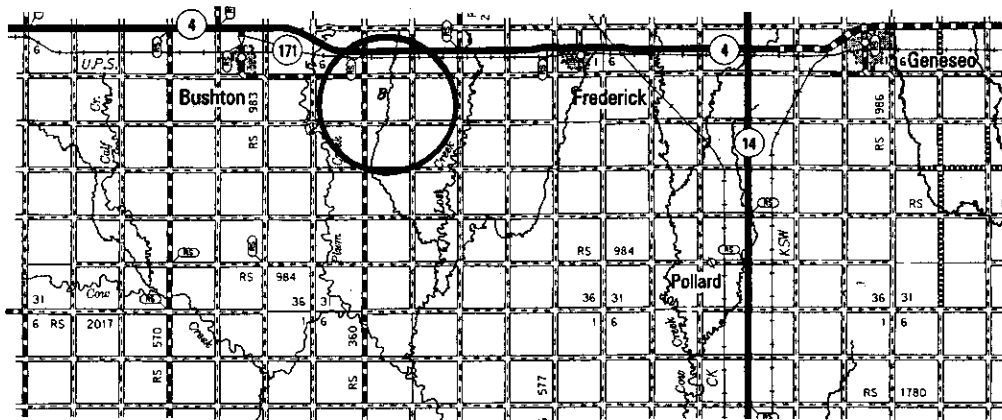
CONSERVATION DIVISION
WICHITA, KS

ARES ENERGY, LTD
 FRAZIER LEASE
 NE. 1/4, SECTION 8, T18S, R9W
 RICE COUNTY, KANSAS

15-159-22506-0000



*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 Elevations derived from National Geodetic Vertical Datum.

Date September 8, 2006

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

RECEIVED
 KANSAS CORPORATION COMMISSION
 SEP 29 2006
 CONSERVATION DIVISION
 WICHITA, KS

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: ARES Energy, Ltd.		License Number: 33770
Operator Address: 303 W. Wall St., Suite 900, Midland, TX 79701		
Contact Person: Henry N. Clanton		Phone Number: (432) 685 - 1960
Lease Name & Well No.: Frazier 2-8		Pit Location (QQQQ): _____ - _____ - NW - NE Sec. 8 Twp. 18 R. 9 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,100 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rice County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 6,400 (bbbs)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Native mud and clay
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 1529 feet Depth of water well 155 feet		Depth to shallowest fresh water 50 feet. Source of information: KHKG (b) _____ measured _____ well owner _____ electric log _____ KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Water Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow to dry, then backfill. _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
9/28/2006 Date	<i>Henry N. Clanton</i> Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION SEP 29 2006 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 9/29/06 Permit Number: _____ Permit Date: 9/29/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-159-22506-0020