

For KCC Use:  
 Effective Date: 5-16-07  
 District #: 2  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

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

**NOTICE OF INTENT TO DRILL**

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

Expected Spud Date 7 1 2007  
month day year

Spot  East  
 N/2  NE  SE  SW Sec. 5 Twp. 18 S. R. 9  West  
990 feet from  N /  S Line of Section  
1,980 feet from  E /  W Line of Section

OPERATOR: License# 33770 ✓  
 Name: ARES Energy, Ltd.  
 Address: 303 W. Wall St., Suite 900  
 City/State/Zip: Midland, TX 79701  
 Contact Person: Robert L. Dimit  
 Phone: 432.685.1860

Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# Will be licensed by KCC ✓  
 Name: Will advise on ACO-1

County: Rice  
 Lease Name: Ploog Well #: 2-5  
 Field Name: Wildcat

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Arbuckle  
 Nearest Lease or unit boundary: 330 feet

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

Ground Surface Elevation: 1,745 est. 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: 100'

Depth to bottom of usable water: 300'

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: 3,400 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 RECEIVED

KANSAS CORPORATION COMMISSION

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. sec. MAY 11 2007

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: 5/9/2007 Signature of Operator or Agent: Robert L. Dimit Title: Managing Partner

CONSERVATION DIVISION  
 WICHITA, KS

For KCC Use ONLY  
 AP# 15 - 159-22539-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 320 feet per Alt. 1  
 Approved by: RLL 5-11-07  
 This authorization expires: 11-11-07  
 (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: \_\_\_\_\_

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

5  
18  
PW

**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 - 159-22539-0000  
Operator: ARES Energy, Ltd.  
Lease: Ploog  
Well Number: 2-5  
Field: Wildcat

Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NE - SE - SW

Location of Well: County: Rice  
990 feet from  N /  S Line of Section  
1,980 feet from  E /  W Line of Section  
Sec. 5 Twp. 18 S. R. 9  East  West

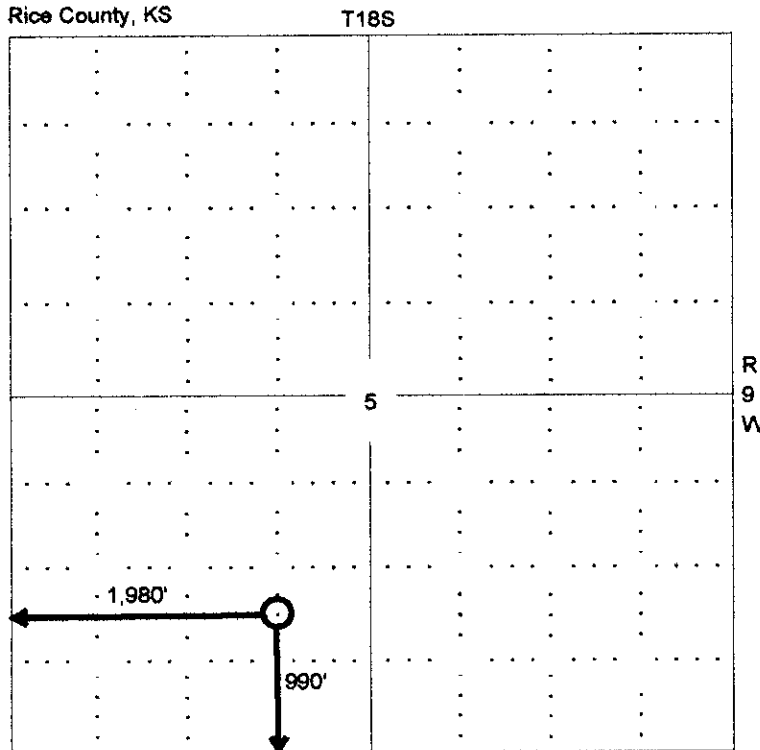
Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

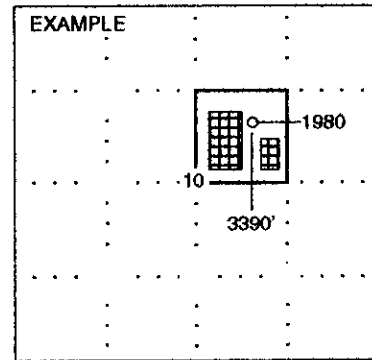
Section corner used:  NE  NW  SE  SW

**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' from nearest lease line



SEWARD CO.

RECEIVED  
KANSAS CORPORATION COMMISSION

MAY 11 2007

**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).

CONSERVATION DIVISION  
KANSAS

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

Form ODP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>ARES Energy, Ltd.</b>		License Number: <b>33770</b>
Operator Address: <b>303 W. Wall St., Suite 900, Midland, TX 79701</b>		
Contact Person: <b>Robert L. Dimit</b>		Phone Number: ( <b>432</b> ) <b>685 - 1960</b>
Lease Name & Well No.: <b>Ploog 2-5</b>		Pit Location (QQQQ): <u>      </u> <b>NE</b> <u>      </u> <b>SE</b> <u>      </u> <b>SW</b> Sec. <b>5</b> Twp. <b>18</b> R. <b>9</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>990</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1,980</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>      </u> <b>Rice</b> <u>      </u> 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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: <u>      </u> Pit capacity: <u>      </u> <b>6,400</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>      </u> mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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? <b>Native mud and clay</b>
Pit dimensions (all but working pits): <u>      </u> <b>80</b> Length (feet) <u>      </u> <b>80</b> Width (feet) <u>      </u> <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <u>      </u> <b>5</b> (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 <u>      </u> <b>1347</b> feet    Depth of water well <u>      </u> <b>155</b> feet		Depth to shallowest fresh water <u>      </u> <b>50</b> feet. Source of information: <u>      </u> <b>(6)</b> <u>      </u> measured <u>      </u> well owner <u>      </u> electric log <u>      </u> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: <u>      </u> Number of producing wells on lease: <u>      </u> Barrels of fluid produced daily: <u>      </u> Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>      </u> <b>Fresh Water Mud</b> Number of working pits to be utilized: <u>      </u> <b>3</b> Abandonment procedure: <u>      </u> <b>Allow to dry, then backfill.</b> 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.		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION
<u>      </u> <b>5/9/2007</b> Date	<u>      </u> <i>Robert L. Dimit</i> Signature of Applicant or Agent	<b>MAY 11 2007</b> CONSERVATION DIVISION WICHITA, KS

15-159-22539-0000

KCC OFFICE USE ONLY			
Date Received: <u>      </u> <b>5/11/07</b>	Permit Number: <u>      </u>	Permit Date: <u>      </u> <b>5/11/07</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202