

For KCC Use:
 Effective Date: 11-20-07
 District #: _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

District #
CORRECTED
 11/16/07

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 11 15 2007
month day year

OPERATOR: License# 33770
 Name: ARES Energy, Ltd.
 Address: 303 W. Wall St., Suite 900
Midland, TX 79701
 City/State/Zip:
 Contact Person: Robert L. Dimit
 Phone: 432.685.1960
 CONTRACTOR: License# 5929
 Name: Duke Drilling Co., Inc.

Spot E/2 - SE - SE Sec. 36 Twp. 33 S. R. 21 East West
750 feet from N / S Line of Section
330 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Clark
 Lease Name: Selzer Well #: 36-16
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippi
 Nearest Lease or unit boundary: 330 feet

Ground Surface Elevation: 1,788 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: 180'
 Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 660 feet
 Length of Conductor Pipe required: 40 feet
 Projected Total Depth: 5,400 feet
 Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: 20070283

(Note: Apply for Permit with DWR)

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

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
 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 #: _____

* WAS: District 4
 IS: District 1

AFFIDAVIT

RECEIVED

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. _____

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 **consolidation cement 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: 11/2/2007 Signature of Operator or Agent: Robert L. Dimit Title: Managing Partner

NOV 05 2007

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 025-21436-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: 11-15-07 / 11-16-07
 This authorization expires: 11-15-08
 (This authorization void if drilling not started within 12 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

36
 33
 21W