

★ CORRECTED

For KCC Use: Effective Date: 4-3-08 District #: 2 SGA? Yes No

KANSAS CORPORATION COMMISSION * 6-12-08 OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

CORRECTED

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

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

Expected Spud Date: 5 month, 1 day, 2008 year

Spots: SE SE Sec. 27 Twp. 17 S. R. 10 East West 330 feet from N / S Line of Section 1,000 feet from E / W Line of Section Is SECTION Regular Irregular?

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: 432.685.1960

County: Ellsworth Lease Name: Schepmann Well #: 7-27 Field Name: Wildcat

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

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

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

Ground Surface Elevation: 1,824 est. feet MSL Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 100' Depth to bottom of usable water: 300' Surface Pipe by Alternate: 1 2

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

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

*WAS: Will cores be taken: No IS: Will cores be taken: Yes

Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: N/A

* Will Cores be taken? * Yes No If Yes, proposed zone: 60' of Core at approximately 3,300' - Arbuckle

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION

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:

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CONSERVATION DIVISION WICHITA, KS

- 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: 6/10/2008 Signature of Operator or Agent: [Signature] Title: Managing Partner

For KCC Use ONLY API # 15 - 053-21221-0000 Conductor pipe required None feet Minimum surface pipe required 320 feet per Alt. 1 Approved by: [Signature] This authorization expires: 4-25-09 (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:

27 17 10W