

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

Operator: License # 33770
 Name: ARES Energy, Ltd.
 Address: 303 W. Wall St., Suite 900
 City/State/Zip: Midland, TX 79701
 Purchaser: Gary-Williams Energy Corporation
 Operator Contact Person: Henry N. Clanton
 Phone: (432) 685-1960
 Contractor: Name: Excell Services, Inc.
 License: 8273
 Wellsite Geologist: Justin Carter
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
 If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>12/28/2006</u>	<u>01/03/2007</u>	<u>03/15/2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 053-21194-0000
 County: Ellsworth
 NW SW SE Sec. 27 Twp. 17 S. R. 10 East West
915 feet from S N (circle one) Line of Section
2,170 feet from E W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Schepmann Well #: 5-27
 Field Name: Wildcat
 Producing Formation: Arbuckle
 Elevation: Ground: 1,840' Kelly Bushing: 1,846'
 Total Depth: 3,410' Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 363 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit) Alt 1 with
B-27-07
 Chloride content _____ ppm Fluid volume _____ bbls
 Dewatering method used _____
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____
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MAY 14 2007
CONSERVATION DIVISION
WICHITA, KS

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Henry N. Clanton
 Title: Managing Partner Date: 05/04/2007
 Subscribed and sworn to before me this 4th day of May
20 07
 Notary Public: Melissa L Bramley
 Date Commission Expires: Sept. 9, 2009

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: 5-18-07
 Wireline Log Received PM 5-9-07
 Geologist Report Received
 UIC Distribution



Operator Name: ARES Energy, Ltd. Lease Name: Schepmann Well #: 5-27
 Sec. 27 Twp. 17 S. R. 10 East West County: Ellsworth

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Submit Copy) List All E. Logs Run: Dual Induction, Density - Neutron, Sonic Log, Microlog	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>Towanda</td> <td>1,555'</td> <td>291'</td> </tr> <tr> <td>B/Root Shale</td> <td>2,317'</td> <td>- 471'</td> </tr> <tr> <td>Heebner</td> <td>2,874'</td> <td>-1,028'</td> </tr> <tr> <td>Lansing</td> <td>3,070'</td> <td>-1,224'</td> </tr> <tr> <td>Stark</td> <td>3,245'</td> <td>-1,399'</td> </tr> <tr> <td>Kansas City</td> <td>3,270'</td> <td>-1,424'</td> </tr> <tr> <td>Arbuckle</td> <td>3,318'</td> <td>-1,472'</td> </tr> </tbody> </table>	Name	Top	Datum	Towanda	1,555'	291'	B/Root Shale	2,317'	- 471'	Heebner	2,874'	-1,028'	Lansing	3,070'	-1,224'	Stark	3,245'	-1,399'	Kansas City	3,270'	-1,424'	Arbuckle	3,318'	-1,472'
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12-1/4"	8-5/8"	24	363'	60/40 POZ	195	2% gel & 3% CC
Production	7-7/8"	5-1/2"	15.5	3,408'	ASC	125	7#/gil&1/4# Flo-seal

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4 JSPF	3,338'-44' , 3,326'-34'	<div style="border: 1px solid black; padding: 5px; transform: rotate(-2deg);"> RECEIVED KANSAS CORPORATION COMMISSION MAY 14 2007 CONSERVATION DIVISION WICHITA, KS </div>	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	3,352'		

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
04/26/07	<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
	15	0	50		

Disposition of Gas **METHOD OF COMPLETION** Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
 (If vented, Submit ACO-18.) Other (Specify) _____

QUALITY OILWELL CEMENTING, INC.

Federal Tax I.I

none 785-483-2025

Home Office P.O. Box 32 Russell, KS 67665

No. 1314

Cell 785-324-1041

Job No. <u>122806</u>	Sec.	Twp.	Range	Called Out	On Location	Job Start	Finish
<u>122806</u>					<u>4:00 pm</u>	<u>4:30 pm</u>	<u>4:45 pm</u>
Well No. <u>122806</u>	Location <u>Bushton 16s 2w</u>			County <u>Ellis Co. TX</u>	State <u>KS</u>		

Contractor <u>Excel Service Inc</u>	Owner <u>N. info</u>
Job <u>Surface</u>	In Quality Oilwell Cementing Inc You are hereby requested to rent cementing equipment and furnish cement and helper to assist owner or contractor to do work as listed
Well Size <u>12 1/4 B's</u>	Charge In <u>ARES Energy LTD</u>
T.D. <u>352</u>	Street <u>303 W Wall St Suite 900</u>
Depth <u>302</u>	City <u>Midland</u> State <u>TX 79701</u>
Depth	The above was done to satisfaction and supervision of owner agent or contractor
State Joint	
Minimum	
Displace <u>24# 22 BBL</u>	

EQUIPMENT		Amount Ordered <u>195 cum 3000 3 1/2 gal</u>
Consisting of		
Common <u>195 @ 10</u>		<u>2106</u>
Fuz. Mix		
Gel <u>4 @ 16</u>		<u>66</u>
Chloride <u>6 @ 47</u>		<u>282</u>
Hulls		

No. Cementer <u>1</u> <u>Dave</u>	Helper <u>1</u> <u>Dan</u>	Driver <u>1</u> <u>Steve</u>	Driver <u>1</u>
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JOB SERVICES & REMARKS		
empter charge <u>Surface</u>	<u>850</u>	
Mileage <u>47 @ 5</u>	<u>235</u>	
Total <u>1085</u>		

Handling <u>20.5 @ 12</u>	Sales Tax <u>339</u>
Mileage <u>87 @ 8.50 per mile</u>	<u>770</u>
<u>Plant truck charge</u>	Sub Total <u>1085.00</u>
	Total <u>4768</u>
Floating Equipment & Plugs <u>88 work</u>	<u>69</u>
Squeeze Manifold	
Rotating Head	

LEASE: SCHEPMANN
WELL # 5-27

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Tax 158.96
Discount (477.00)
Total Charge 4450.22

ALLIED CEMENTING CO., INC.

Federal Tax

26305

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Shurt Bond

DATE	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
1-3-07	27	17	10	9:30 PM	12:00 AM	2:30 AM	3:30 AM
LEASE <u>Schepman</u>		WELL # <u>5-27</u>		LOCATION # <u>4 Hwy & Hollywood Btsp.</u>		COUNTY <u>Ellsworth</u>	STATE <u>Kansas</u>
OLD OR (NEW) (Circle one)			<u>1 1/4 N.</u>				

CONTRACTOR Excell Services Inc.
 TYPE OF JOB Longstring
 HOLE SIZE 7 1/2" T.D. 3410'
 CASING SIZE 5 1/2" DEPTH 3410'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX # 1200 MINIMUM _____
 MEAS. LINE _____ SHOE JOINT ✓ 42.5
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT ✓ 8 1/2 BBLs

OWNER Ares Energy LTD
 CEMENT AMOUNT ORDERED 125 ex ASC
7# KAL seal per ex
1/4" flo seal per ex 500 GALLON WERTI
 COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL 2M @ 16.65 33.30
 CHLORIDE _____ @ _____
 ASC 125 ex @ 13.10 1637.50
WERTI-500 GALLON @ 1.00 500.00
KAL SEAL 8TS # @ 7.0 613.50
SALT 804. @ 19.20 153.60
TC SEAL 31" @ 2.00 62.00
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING 15 GAL @ 1.90 285.80
 MILEAGE 158 MI. @ 2.5 342.00
 TOTAL 3689.70

EQUIPMENT
4B.
 PUMP TRUCK CEMENTER J.D. Druehlberg
 # 181 HELPER Kevin Davis
 BULK TRUCK
 # 341 DRIVER Steve Turley
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Ran 5 1/2 casing to Bottom, circ w
rig mud. Hook up to pump, tick &
plugged 500 gallon WERTI. Wash out pump
& lines. Plug set hole with 15 ex.
Hook to casing & mixed ASC cement.
Shot down string, valves open & release 5 1/2
latch down plug. Plug hole with 8 1/2 BBLs H₂O.
Float did hold.
plug down @ 3:30 AM

CHARGE TO: Ares Energy LTD.
 STREET 303 W. Wall St. Suite 900
 CITY Midland STATE Texas ZIP 79701

SERVICE

DEPTH OF JOB 3410'
 PUMP TRUCK CHARGE _____ 160.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 25 @ 6.00 150.00
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL 1760.00

PLUG & FLOAT EQUIPMENT

Furnished by Customer
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL _____

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature] [Signature]
 PRINTED NAME _____

Thank you!

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