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KANSAS CORPORATION COMMISSION

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JUN 18 2008

Form ACO-1

September 1999

Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONSERVATION DIVISION
WICHITA, KS

Handwritten: 6/30/08

Operator: License # 33770
Name: ARES Energy, Ltd.
Address: 303 West Wall Street, Suite 900
City/State/Zip: Midland, TX 79701
Purchaser: _____
Operator Contact Person: Henry N. Clanton
Phone: (432) 685-1960
Contractor: Name: Duke Drilling Co., Inc.
License: 5929

Wellsite Geologist: _____
Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
Operator: Samuel Gary Jr. & Associates, Inc.
Well Name: Bluff Creek 5-15
Original Comp. Date: 3-25-1993 Original Total Depth: 5,430'
 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. _____
10-12-2007 11-15-2007 11-15-2007
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 033-20871-0001
County: Comanche County, Kansas
NW SW SE _____ Sec. 5 Twp. 34 S. R. 20 East West
1,100' feet from S N (circle one) Line of Section
2,500' feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Bluff Creek Well #: 5-15 OWWO
Field Name: Wildcat
Producing Formation: Morrow
Elevation: Ground: 1,764' Kelly Bushing: 1,770'
Total Depth: 5,412' Plug Back Total Depth: 5,394'
Amount of Surface Pipe Set and Cemented at 60 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to API-516 w/ 7/11/08 _____ sx cmt.

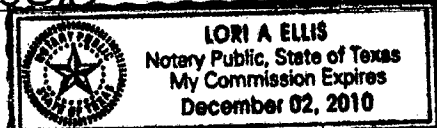
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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: Robert A. Dimmick
Title: Managing Partner Date: 6-17-2008
Subscribed and sworn to before me this 17 day of June
20 08
Notary Public: Lori A. Ellis
Date Commission Expires: 12-02-2010

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
copy Jim H



Operator Name: ARES Energy, Ltd. Lease Name: Bluff Creek Well #: 5-15 OWWO
 Sec. 5 Twp. 34 S. R. 20 East West County: Comanche County, Kansas

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 Yes No
 (Attach Additional Sheets)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy)
 List All E. Logs Run:

Log Formation (Top), Depth and Datum Sample
 Name Top Datum
 SEE ATTACHED PAGE FOR
 FORMATION TOPS AND DATUM

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 CONSERVATION DIVISION
 WICHITA, KS

Logs Provided with original Plugging Report.
 Attached hereto: Sonic Cement Bond Log 11-19-07.

SEE ATTACHED PAGE FOR ADDITIONAL

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
Conductor		20"	36#	60'			
Surface	12-1/4"	8-5/8"	24#	675'	60/40 & Class A	225 & 100	
Production	7-7/8"	4-1/2"	10.5#	5,412'	Class H	225	

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. N/A		Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)

Production Interval

JUN 18 2008

CONSERVATION DIVISION
WICHITA, KS

Well Completion Form ACO-1
ARES Energy, Ltd.
Bluff Creek 5-15 OWWO
API No. 15-033-20871-0001
Section 53, T34S, R20W
Comanche County, Kansas

Information regarding: Formation (Top), Depth and Datum

<u>Name</u>	<u>Top</u>	<u>Datum</u>
Wabaunsee	3,258'	-1,490'
Base LeCompton	4,022'	-2,254'
Elgin Ss Interval	4,112'	-2,344'
Heebner	4,212'	-2,444'
Toronto	4,222'	-2,454'
Douglas	4,270'	-2,502'
Lansing	4,406'	-2,638'
Stark	4,828'	-3,060'
Swope	4,852'	-3,084'
Marmaton	4,966'	-3,198'
Pawnee	5,060'	-3,292'
Cherokee	5,124'	-3,356'
Base Inola	5,234'	-3,466'
Morrow	5,238'	-3,470'
Morrow Basal	5,348'	-3,580'
Mississippian	5,362'	-3,594'

ARES ENERGY LTD.

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KANSAS CORPORATION COMMISSION

JUN 18 2008

CONSERVATION DIVISION
WICHITA, KS

June 17, 2008

VIA FEDERAL EXPRESS

Mr. Jim Hemmen
Kansas Corporation Commission
130 South Market, Room 2078
Wichita, Kansas 67202

RE : Bluff Creek 5-15 OWWO
Comanche County, Kansas
API: 15-033-20871-0001

Dear Jim:

Pursuant to your letter dated June 6, 2008, and our telephone conversation, enclosed please find the following:

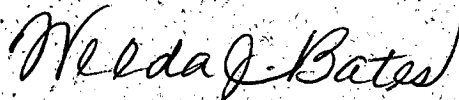
- ✓ 1) ACO-1 Well Completion Form
- ✓ 2) Sonic Cement Bond Log
- 3) Logs and Reports associated with drilling and plugging the original Bluff Creek 5-15 Well were previously furnished to KCC by Samuel Gary Jr. and Associates, Inc. in 1993 when the well was originally drilled and plugged.

We hereby request this ACO-1, and all data included, along with the drill cuttings sent to the Kansas Geological Survey, be held **CONFIDENTIAL FOR 2 YEARS**.

If you have any questions or need any additional information, please contact me at ARES Energy, Ltd. at the telephone number shown on the letterhead.

Very truly yours,

ARES Energy, Ltd.



Welda J. Bates
Land Administrator

Enclosures



COPY

CORPORATION COMMISSION

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

July 02, 2008

ARES ENERGY, LTD
303 W WALL STE 900
MIDLAND, TX 79701-5116

RE: API Well No. 15-033-20871-00-01
BLUFF CREEK 5-15
NWSWSE, 5-34S-20W
COMANCHE County, Kansas

Dear Operator:

K.A.R. 82-3-107 provides for all completion information to be filed within 120 days of the spud date. Subsection (e)(2) of that regulation states "All rights to confidentiality shall be lost if the filings are not timely."

The above referenced well was spudded on October 12, 2007, and the ACO-1 was received on June 18, 2008(not within the 120 days timely requirement).

Therefore, your request for confidential treatment of data contained within the ACO-1 filing cannot be granted at this time.

If you should have any questions, please do not hesitate to contact me at (316) 337-6200.

Sincerely,

Steve Bond

Production Department Supervisor

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax (316) 337-6211 • <http://kcc.ks.gov/>



CORPORATION COMMISSION

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

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BY:.....

June 06, 2008

Welda Bates
ARES ENERGY, LTD
303 W WALL STE 900
MIDLAND, TX 79701-5116

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JUN 18 2008

CONSERVATION DIVISION WICHITA, KS

RE: API Well No. 15-033-20871-00-01
BLUFF CREEK 5-15
NWSWSE, 5-34S-20W
COMANCHE County, Kansas

Dear Operator:

Upon review of the above referenced well, the following documentation appears to be incomplete pursuant to K.A.R. 82-3-107. The requested information below should be submitted to the KCC to my attention by July 02, 2008 for processing. Failure to submit the requested documentation may be punishable by an administrative penalty pursuant to the General Rules and Regulations for the State of Kansas.

- X All drilling and completion information. No ACO-1 has been received as of this date.
Must be notarized and signed.
Must have the ORIGINAL HARD COPY of ACO-1.
We do not accept fax copies.
Must be put on new form and typed.
API # or date when original well was first drilled.
Contractor License #.
Designate type of Well Completion.
If Workover/Re-entry, need old well information, including original completion date.
Spud date. (Month, Day, Year)
TD and Completion date. (Month, Day, Year)
Must have Footages from nearest outside corner of section.
Side two on back of ACO-1 must be completed.
Must have final copies of DST's/Charts.
All original complete open and cased hole wireline logs run.
A copy of geological reports compiled by wellsite geologist.
A copy of all cement job logs showing type, amounts and additives used to cement casing strings, squeeze and/or to plug and abandon. (Note: Cement tickets must be from company providing the cement, not necessarily the contractor.)
Any commingling information; File on the ACO-4 form.
Anything HIGHLIGHTED on ACO-1.
X Other: Copies of cementing job tickets covering setting of either surface pipe or production casing or relating to plugging, and copies of any cased hole logs and/or pressure-drawdown or pressure-buildup tests.

K.C.C. regulation 82-3-107 provides confidentiality, upon written request, for a period of one year from the date of such letter request. Confidentiality rights are waived if the ACO-1 remains incomplete, or is not timely filed (within 120 days from the well's spud date) including: electric logs, geologist's wellsite reports, driller's logs, and Kansas Geological Survey requested samples.

Do not hesitate to call the Kansas Corporation Commission, Conservation Division, at (316) 337-6200 if there are any questions. PLEASE RETURN THIS FORM AND ANY ENCLOSURES WITH YOUR REPLY. Note: If the intent is incorrect, you need to file a corrected intent.

Sincerely,

Handwritten signature of Jim Hemmen

Jim Hemmen
Production Department



J & L Cementing Service, LLC

Job Type: 4 1/2" Production

Invoice Number	1236
Job Date	11/14/2007
Job Log Page	1 / OF 1

Charge To: Ares Energy	Lease Name: Bluff Creek OWWO <i>5-15</i>
------------------------	---

	Yes	No	N/A	Comments	New/Used	Weight	Size	From	To	Max PSI Allowed	
Cement Circulated to Surface		X			Casing	New	10.5#	4.5	Surface	5412	3000
Well Circulated	X				Tubing						
Plug Landed on Depth	X				Open Hole		7 7/8		5412		
Float(S) Held	X				Perforations						
Plug Container Returned	X				Displacement Depth			Surface	5398	3000	

Amount (Sk - Gal - BBL)	Slurry/Fluid Composition	Yield (ft/sk)	Mix Ratio (gal/sk)	Density (lb/gal)	Mix Water (BBLS)	Slurry Vol. (BBLS)
225 sks	Class H + 10% US Gypsum + 10% Salt (BWOW) + 6pps Gilsonite + .8% CFL-110	1.53	6.6	14.8	35 BBL	61 BBL
86	2% KCL water (Displacement)					

Time	Rate (BPM)	Volume (BBL)	Pressure (PSI)		Description
			Tubing	Casing	
9:30 PM	0	0	0	0	Arrive at location and rigged up.
10:00 PM	0	0	0	0	Prime up pump truck then conduct safety meeting.
10:08 PM	3	10	0	680	Start pumping caustic spacer
10:10 PM	4	10	0	900	Start Pumping Fresh Water Spacer
10:11 PM	0	0	0	0	Bring tail cement to weight
10:21 PM	3	25	0	250	Pump tail cement
10:31 PM	3	50	0	200	Pump tail cement
			0		
10:34 PM	3	61	0	100	Pump last of tail cement
10:35 PM	0	0	0	0	Shut down/wash pumps and lines/drop top rubber plug
10:40 PM			0		Start displacement
10:45 PM	5	25	0	75	Displacing 2% KCL
10:50 PM	5	50	0	300	Displacing 2% KCL
			0		
10:56 PM	3	75	0	700	Displacing/ Slow to land plug
11:00 PM	0	86	0	1400	Plug down
11:01 PM	0	0	0	0	Release floats/floats hold
11:45 PM	0	0	0	0	Rig down/Leave location

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CONSERVATION DIVISION
WICHITA, KS

report

Customer: Ares Energy

Town: Protection

State: KS

County: Comanche

Country: USA

Section:

Location:

Well Number: Bluff Creek OWWO

Permit Number:

Ticket Number: 1236

Range:

Job Type: Production

Formation:

Lease:

Contractor: J&L Cement Services LLC

Customer Representative: Kevin Wilson

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CONSERVATION DIVISION
WICHITA, KS

J and L Cementing Service, LLC

Prepared for
Ares Energy
Kevin Wilson
Bluff Creek OWWO
Comanche Co. KS

Ticket# 1236



Prepared by
J & L Cementing Service, LLC
Brad Kirchner
P.O. Box 848 Shattuck, OK 73853
580-938-2020 Office
580-938-2918 Fax

Bluff Creek OWWO 5-15

4 1/2 Production

Description	Amount	Units of Sale	Unit Cost	Total Cost
DOT Unit Mileage - per unit, per one way mile	40	ut-mi	\$ 6.93	\$ 277.20
Non-DOT Unit Mileage - Per unit, Per one way mile	20	ut-mi	\$ 3.95	\$ 79.00
Minimum Cement Delivery - per unit, per job	1	unit	\$ 750.00	\$ 750.00
Bulk Blending Service	225	sk	\$ 2.70	\$ 607.50
Cementing Services - Per Unit, Per Job	1	ut-job	\$ 350.00	\$ 350.00
Depth Pumped 5,000' to 5,499' - first 4 hours, per unit	1	unit	\$ 3,750.00	\$ 3,750.00
Recirculating Cement Mix System (RCMS) - each, per job	1	ea	\$ 680.00	\$ 680.00
Monitoring / Recording System - each, per job	1	ea	\$ 1,100.00	\$ 1,100.00
Cement "H" - per sack	225	sk	\$ 30.74	\$ 6,916.50
U.S. Gypsum - per pound	2115	lb	\$ 1.00	\$ 2,115.00
Sodium Chloride (NaCl) - per pound	1237	lb	\$ 0.41	\$ 507.17
Gilsonite - per pound	1350	lb	\$ 1.25	\$ 1,687.50
Plug Container / Swedge HP Single - each, per job	1	ea	\$ 650.00	\$ 650.00
CFL - 110 - per pound	169	lb	\$ 21.10	\$ 3,565.90
Mud Clean - per gallon	420	gal	\$ 3.20	\$ 1,344.00
NCL-100 - per gallon	10	gal	\$ 65.00	\$ 650.00
Foam - Cleaner 100 - per gallon	5	gal	\$ 126.00	\$ 630.00

Gross Price \$ 25,659.77

60.00% Special Discount Applied \$ 10,263.91

Customer Signature _____

J & L CEMENTING SUPERVISOR Larry Kirchner

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CONSERVATION DIVISION
WICHITA, KS