

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 33770
Name: ARES Energy, Ltd.
Address: 303 West Wall, Suite 900
City/State/Zip: Midland, Texas 79701
Purchaser: _____
Operator Contact Person: Brian P. Ramey
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>6-8-2008</u>	<u>6-15-2008</u>	<u>12-8-2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 053-21221-0000
County: Ellsworth
SW SE SE Sec. 27 Twp. 17 S. R. 10 East West
330 feet from (S) N (circle one) Line of Section
1,000 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 #: 7-27
Field Name: Wildcat

Producing Formation: Arbuckle
Elevation: Ground: 1,824' Kelly Bushing: 1,830'
Total Depth: 3415' Plug Back Total Depth: 3354'

Amount of Surface Pipe Set and Cemented at 394' 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/ _____^{cx cm.}

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 5000 ppm Fluid volume 2300 bbls
Dewatering method used evaporation & hauled

Location of fluid disposal if hauled offsite:
Operator Name: Evans Tank Service, LLC
Lease Name: Schroeder Maes Huff 1-34 SWD License No.: 33770
Quarter SE Sec. 34 Twp. 17 S. R. 10 East West
County: Ellsworth Docket No.: 28,974

Alt-Dlg - 3/11/09

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: Brian P. Ramey
Title: Operations Manager Date: March 2, 2009

Subscribed and sworn to before me this 2nd day of March,
2009.

Notary Public: Melissa L. Bramley
Date Commission Expires: 9/9/09



KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: 3-11-09
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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Operator Name: ARES Energy, Ltd. Lease Name: Schepmann Well #: 7-27
 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 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:

Dual Induction, GR, SP, CNL, Litho Density, Micro log, Comp Sonic, Caliper

<input type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
Name	Top	Datum
Topeka	2595'	-765'
Lecomptom	2724'	-894'
Heebner	2856'	-1026'
Lansing	2989'	-1159'
Lansing "X"	3030'	-1200'
Lansing "Z"	3125'	-1295'
Stark Shale	3198'	-1368'
Arbuckle	3314'	-1484'

CASING RECORD <input checked="" 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							
Surface	12.25"	8.625"	23	394'	Cl "A"	185	2% gel + 3% CaCl
Production	7.875"	5.5	15.5	3400'	Cl "H"	125	10% salt, 10% gyp, 7#/sk gilsonite

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 jpf	3323' - 3330'	250 gal 28% NeFe acid	3330'

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2.375"	3359	N/A	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
12/10/2008		<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 Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	28	TSTM	1	TSTM	40

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: _____

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J & L Cementing Service, LLC

Job Type: 5 1/2" Production

Invoice Number 1720

Job Date 6/15/2008

Job Log Page

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Charge To: Ares Energy

Lease Name: Schepman #7-27

	Yes	No	N/A	Comments	New/Used	Weight	Size	From	To	Max PSI Allowed	
Cement Circulated to Surface		X			Casing	New	15.5	5.5	Surface	3402	3000
Well Circulated	X				Tubing						
Plug Landed on Depth	X				Open Hole		7 7/8	630			
Float(S) Held	X				Perforations						
Plug Container Returned	X				Displacement Depth			Surface	3402	3000	

Amount (Sk - Gal - BBL)	Slurry/Fluid Composition	Yield (ft/sk)	Mix Ratio (gal/sk)	Density (lb/gal)	Mix Water (BBLs)	Slurry Vol. (BBLs)
		2.44	14.1	14.6		33bbl

Time	Rate (BPM)	Volume (BBL)	Pressure (PSI)		Description
			Tubing	Casing	
11:50pm	0	0	0	0	Arrive at location and rigged up.
12:00 AM	0	0	0	0	Prime up pump truck then conduct safety meeting.
1:140aM	4	15	0	150	Start pumping caustic spacer
1:45 AM	5	15	0	150	Start Pumping Fresh Water Spacer
1:50 AM	5	1	0	150	Bring tail cement to weight
2:00 AM	6	10	0	200	Pump tail cement
2:10 AM	6	20	0	200	Pump tail cement
2:10 AM	6	30	0	200	Pump tail cement
2:10 AM	5	30	0	200	Pump last of tail cement
2:15 AM	0	0	0	0	Shut down/wash pumps and lines/drop top rubber plug
2:15 AM	3	3	0	300	Start displacement
2:20 AM	6	10	0	300	Displacing 2% KCL
2:25 AM	6	20	0	300	Displacing 2% KCL
2:30 AM	6	40	0	300	Displacing 2% KCL
2:30 AM	3	70	0	300	Displacing/ Slow to land plug
2:35 AM	0	80	0	1200	latch Down plug 1000 over
2:35 AM	0	0	0	0	Release floats/floats hold
2:45 AM	0	0	0	0	Rat holl mouse holl

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ALLIED CEMENTING CO., LLC. 33113

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

SERVICE POINT:
Great Bend

DATE <u>6.8.08</u>	SEC. <u>27</u>	TWP. <u>17</u>	RANGE <u>10</u>	CALLED OUT <u>6:00AM</u>	ON LOCATION <u>7:30AM</u>	JOB START <u>9:00AM</u>	JOB FINISH <u>10:00AM</u>
LEASE <u>Schepmann</u>	WELL # <u>7-27</u>	LOCATION <u>#4 Hwy east to Holywood</u>			COUNTY <u>Ellsworth</u>	STATE <u>Kansas</u>	
OLD OR <input checked="" type="checkbox"/> NEW (Circle one)		<u>Blacktop, 1 1/4 north west into</u>					

CONTRACTOR Excell
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 388'
 CASING SIZE 8 5/8 New DEPTH 388'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 24.3 BBLS H₂O

OWNER Ares Energy L.T.D.
 CEMENT
 AMOUNT ORDERED 185 ox Common
3%cc 2% Gel
 COMMON 185 ox @ 12.15 2247.75
 POZMIX _____ @ _____ _____
 GEL 4 ox @ 18.25 73.00
 CHLORIDE 6 ox @ 51.00 306.00
 ASC _____ @ _____ _____
 _____ @ _____ _____
 _____ @ _____ _____
 _____ @ _____ _____
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 _____ @ _____ _____
 HANDLING 195 ox @ 2.05 399.75
 MILEAGE 195 ox @ 23 438.75
 TOTAL 3465.25

EQUIPMENT

H.B.
 PUMP TRUCK CEMENTER J.D. Drisking
 # 181 HELPER Tyler Wintag
 BULK TRUCK
 # 342 DRIVER Joe Dammelshon
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Ran new 8 5/8 casing to Bottom
Break circulation, circulate hole.
Hook to pump truck & mixed 185 ox
Common 3% cc 2% Gel. Shut down
change valves over & release 8 5/8 TWP.
Displace with 24.3 BBLS fresh H₂O.
Cement did circulate to surface. Shut in.

SERVICE

DEPTH OF JOB 388'
 PUMP TRUCK CHARGE _____ 893.00
 EXTRA FOOTAGE 88 @ 70 61.60
 MILEAGE 25 @ 7.00 175.00
 MANIFOLD _____ @ _____ _____
Headrental @ 110.00 110.00
 _____ @ _____ _____
 TOTAL 1239.60

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

PLUG & FLOAT EQUIPMENT

1. 8 5/8 TWP @ 66.00 66.00
 _____ @ _____ _____
 _____ @ _____ _____
 _____ @ _____ _____
 _____ @ _____ _____
 TOTAL 66.00

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME Kevin Wilson
 SIGNATURE Kevin Wilson

Thank you!



KANSAS
CORPORATION COMMISSION

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

March 11, 2009

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

RE: API Well No. 15-053-21221-00-00
SCHEPMANN 7-27
SWSESE, 27-17S-10W
ELLSWORTH 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 June 08, 2008, and the ACO-1 was received on March 04, 2009(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,

Marjorie Marcotte
Production Department

ARES ENERGY LTD.

March 2, 2009

VIA FEDERAL EXPRESS

Kansas Corporation Commission
Attention: Dianna Garrison
130 South Market, Room - 2078
Wichita, Kansas 67202

Re: ACO-1 Well Completion Form
Schepmann 7-27
Ellsworth County, Kansas
API No. 15-053-21221-0000

Dear Ms. Garrison:

Enclosed herewith please find the following forms and information pertaining to the Schepmann 7-27 Well located in Ellsworth County, Kansas:

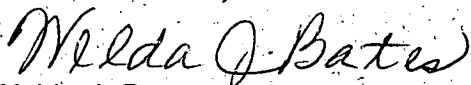
- 1) ACO-1 Well Completion Form
- 2) Geologist Report
- 3) DST Report
- 4) Sonic Cement Bond Log
- 5) Dual Induction Log
- 6) Dual Compensated Porosity Log
- 7) Borehole Compensated Sonic Log
- 8) Microresistivity Log
- 9) Cementing Tickets

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 TWO (2) YEARS.**

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

Very truly yours,

ARES ENERGY, LTD.



Welda J. Bates
Land Administrator

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Enclosures