

ORIGINAL

KANSAS CORPORATION COMMISSION KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED *REC'D W/OUT ANY
CMT. TICKETS.
Form ACO-1
September 1999

APR 01 2009 Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE CONSERVATION DIVISION
WICHITA, KS

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 SIOW 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. _____

7-1-2008	7-8-2008	12-3-2008
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 159-22573-0000
County: Rice
W/2 SE SE Sec. 28 Twp. 18 S. R. 9 East West
680 629 feet from S N (circle one) Line of Section
1320 1315 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Skiles Well #: 2-28
Field Name: Wildcat

Producing Formation: _____
Elevation: Ground: 1,712 Kelly Bushing: _____
Total Depth: 3500' Plug Back Total Depth: 3295'
Amount of Surface Pipe Set and Cemented at 388' 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.

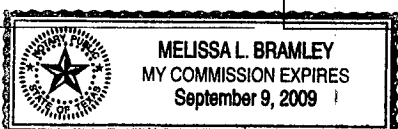
Drilling Fluid Management Plan A1+I NR 5-7-09
(Data must be collected from the Reserve Pit)
Chloride content 4000 ppm Fluid volume 1500 bbls
Dewatering method used evaporation
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ 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: Brian P. Ramey
Title: Operations Manager Date: March 31, 2009
Subscribed and sworn to before me this 31 day of March,
20 09.
Notary Public: Melissa L. Bramley
Date Commission Expires: 9/9/09

* Per. permitted 2/11/09
KCC Office Use ONLY
 Letter of Confidentiality Received
 If Denied, Yes No Date: 4/09/09
 Wireline Log Received
 Geologist Report Received
 UIC Distribution



Operator Name: ARES Energy, Ltd. Lease Name: Skiles Well #: 2-28
 Sec. 28 Twp. 18 S. R. 9 East West County: Rice

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 <i>(Attach Additional Sheets)</i> 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 <i>(Submit Copy)</i> List All E. Logs Run: GR/SP/Dual Induction/Compensated Neutron/Litho Density/Micro/Sonic	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">.Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Heebner</td> <td>2736'</td> <td>-1018'</td> </tr> <tr> <td>Douglas</td> <td>2800'</td> <td>-1082'</td> </tr> <tr> <td>Bm Lime</td> <td>2866'</td> <td>-1148'</td> </tr> <tr> <td>Lansing</td> <td>2892'</td> <td>-1174'</td> </tr> <tr> <td>Stark Shale</td> <td>3110'</td> <td>-1392'</td> </tr> <tr> <td>BKC</td> <td>3194'</td> <td>-1476'</td> </tr> <tr> <td>Arbuckle</td> <td>3272'</td> <td>-1554'</td> </tr> </table>	Name	.Top	Datum	Heebner	2736'	-1018'	Douglas	2800'	-1082'	Bm Lime	2866'	-1148'	Lansing	2892'	-1174'	Stark Shale	3110'	-1392'	BKC	3194'	-1476'	Arbuckle	3272'	-1554'
Name	.Top	Datum																							
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BKC	3194'	-1476'																							
Arbuckle	3272'	-1554'																							

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							
Surface	12 1/4"	8 5/8"	24#	388'	Class "A"	175	3% CaCl+2% gel
Production	7 7/8"	5 1/2"	15.5#	3338'	ASC	370	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 spf	3254'-3258'	250 gals - 28% NEFE acid RECEIVED KANSAS CORPORATION COMMISSION APR 01 2009 CONSERVATION DIVISION WICHITA, KS	3258'

TUBING RECORD	Size 2 3/8"	Set At 3221'	Packer At 3219'	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---------------	----------------	-----------------	--------------------	--

Date of First, Resumerd Production, SWD or Enhr. 2-15-2009 first SWD	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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Disposition of Gas Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
 (If vented, Submit ACO-18.) Other (Specify) _____

METHOD OF COMPLETION Production Interval

ARES ENERGY LTD.

March 31, 2009

VIA FEDERAL EXPRESS

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

Re: ACO-1 Well Completion Form
Skiles 2-28
Rice County, Kansas
API No. 15-159-22573-0000

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS

Dear Ms. Garrison:

Enclosed herewith please find the following forms and information pertaining to the Skiles 2-28 Well located in Rice County, Kansas:

- 1) ACO-1 Well Completion Form
- 2) Copy of letter dated October 24, 2008 to Alan Snider with Form U-1 Application for Injection Well.
- 3) Geologist Report
- 4) DST Report
- 5) Dual Induction Log
- 6) Dual Compensated Porosity Log
- 7) Borehole Compensated Sonic Log
- 8) Microresistivity Log
- 9) Temperature Survey
- 10) Sonic Cement Bond Log
- 11) 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
Welda J. Bates
Land Administrator

ARES **ENERGY LTD.**

COPY

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS

October 24, 2008

VIA FEDERAL EXPRESS

Mr Alan Snider
Kansas Corporation Commission
130 South Market, Suite 2078
Wichita, Kansas 67202

RE : Skiles 2-28
Rice County, Kansas
API: 15-159-22573-0000
Application for Injection Well Form U-1

Dear Mr. Snider:

Pursuant to our telephone conversations pertaining to the captioned, enclosed please find the following:

- 1) Application for Injection Well – Form U-1
Attached List of Offset Operators, Unleased Mineral Owners and Landowners acreage.
Attached Plat of applicant injection well, all producing wells, inactive wells, plugged wells and other wells within a one-half mile radius, all lease boundaries, lease operators, unleased mineral rights owners, well numbers and producing wells producing formation tops.
Attached copy of Notice of Filing Application which will be published in Lyons Daily News (copy of publication and Affidavit will be furnished as soon as received).
- 2) Cementing Tickets from Allied Cementing Co., Inc.
- 3) Dual Compensated Porosity Log
- 4) Sonic Cement Bond Log
- 5) Temperature Survey Log
- 6) ARES Energy, Ltd. Check No. 4518 made payable to Kansas Corporation Commission in the amount of \$200.00 covering the required application fee.

Kansas Corporation Commission
Attention: Mr. Alan Snider
October 24, 2008
Page -2-

Thank you for your continued courtesy in this matter and If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,

ARES Energy, Ltd.

A handwritten signature in cursive script that reads "Welda J. Bates".

Welda J. Bates
Land Administrator

Enclosures

ALLIED CEMENTING CO., INC.

25458

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

SERVICE POINT:

Great Bend KS
(07-03-08)

DATE 7-2-08	SEC 28	TWP 18S	RANGE 9W	CALLED OUT 8:30 P.M.	ON LOCATION 11:00 P.M.	JOB START 12:00 AM	JOB FINISH 12:30 AM
LEASE Skiles	WELL # 2-28	LOCATION Chace 7N, 2E 1/2 N		COUNTY Rice	STATE KS		
OLD OR NEW (Circle one)							

CONTRACTOR Excell #10

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 390

CASING SIZE 8 5/8 DEPTH 388

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 390

TOOL _____ DEPTH _____

PRES. MAX 300 PSF MINIMUM _____

MEAS. LINE _____ SHOE JOINT 15 FT

CEMENT LEFT IN CSG. 15 FT

PERFS. _____

DISPLACEMENT 23 1/2 BBLs Fresh water

OWNER Aces Energy

CEMENT

AMOUNT ORDERED 175 sk Common
3% CC 2% Gel

COMMON	<u>175 sk @ 13.50</u>	<u>2362.50</u>
POZMIX	@	
GEL	<u>3 sk @ 20.25</u>	<u>60.75</u>
CHLORIDE	<u>5 sk @ 51.50</u>	<u>257.50</u>
ASC	@	

EQUIPMENT

PUMP TRUCK CEMENTER David W.

265 HELPER Raymond

BULK TRUCK

342 DRIVER Kevin W.

BULK TRUCK

_____ DRIVER _____

REMARKS:

Pipe on bottom break pipe
pump 5 BBLs Fresh water
Mix 175 sk Cement shot
Down Release Plug Displace
w/ 23 1/2 BBLs water shot
in cement did pipe

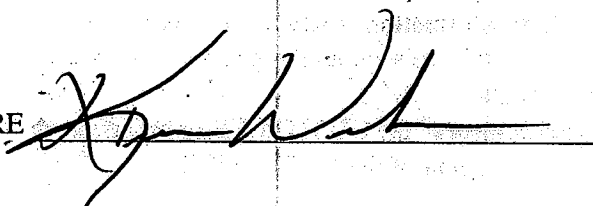
CHARGE TO: Aces Energy

STREET _____

CITY _____ STATE _____ ZIP _____

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.

SIGNATURE



KANSAS CORPORATION COMMISSION

MAY 01 2009

RECEIVED

HANDLING	<u>183 sk @ 2.25</u>	<u>411.75</u>
MILEAGE	<u>183 sk @ 3.00</u>	<u>549.00</u>
TOTAL		<u>3641.50</u>

SERVICE

DEPTH OF JOB	<u>388 FT</u>	
PUMP TRUCK CHARGE		<u>99.00</u>
EXTRA FOOTAGE	<u>88' @ .75</u>	<u>66.00</u>
MILEAGE	<u>30 @ 7.50</u>	<u>225.00</u>
MANIFOLD	@	
HEAD RENTAL	@ <u>110.00</u>	<u>110.00</u>

TOTAL 1392.00

PLUG & FLOAT EQUIPMENT

Wooden Plug	@ <u>66.00</u>	<u>66.00</u>
	@	
	@	
	@	
TOTAL		<u>66.00</u>

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

Kevin Wilson
PRINTED NAME

ALLIED CEMENTING CO., LLC. 33078

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

SERVICE POINT:
Great Bend

DATE <u>7.7.08</u>	SEC. <u>28</u>	TWP. <u>18</u>	RANGE <u>9</u>	CALLED OUT <u>3:00AM</u>	ON LOCATION <u>6:00AM</u>	JOB START <u>11:30am</u>	JOB FINISH <u>12:30</u>
LEASE <u>Skyles</u>	WELL # <u>2.28</u>	LOCATION <u>Hwy 4 & Chase Blacktop</u>	COUNTY <u>Rice</u>	STATE <u>Kansas</u>			
OLD OR (NEW) (Circle one)		<u>4 south to "F" road, 2 east 1/2 north</u>					

CONTRACTOR Excell
 TYPE OF JOB Longstring
 HOLE SIZE 7 7/8 T.D. 3500'
 CASING SIZE 5 1/2 NEW 15.5 DEPTH 3340'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL Larson Port collar DEPTH 1653'
 PRES. MAX 1300# MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 42'
 CEMENT LEFT IN CSG. 42'
 PERFS. _____
 DISPLACEMENT 80.4 BBLs H²⁰

OWNER Ares
 CEMENT
 AMOUNT ORDERED 125 ex ASC 7# Kol seal per ex. 1/4# flo seal per ex.

EQUIPMENT
Y.B.
 PUMP TRUCK CEMENTER F. L. Breeding
 # 181 HELPER Bailer Davis
 BULK TRUCK
 # 341 DRIVER Carl Staab
 BULK TRUCK
 # _____ DRIVER _____

COMMON	@		
POZMIX	@		
GEL	<u>3</u>	@ <u>20.25</u>	<u>60.75</u>
CHLORIDE	@		
ASC	<u>125</u>	@ <u>16.70</u>	<u>2087.50</u>
WERTI	<u>500 Gallon</u>	@ <u>1.10</u>	<u>550.00</u>
Salt	<u>14 ex</u>	@ <u>21.25</u>	<u>297.50</u>
Kol-seal	<u>875 #</u>	@ <u>.85</u>	<u>743.75</u>
Flo-seal	<u>3200 #</u>	@ <u>2.45</u>	<u>78.40</u>
	@		
	@		
	@		
	@		
HANDLING	<u>160</u>	@ <u>2.25</u>	<u>360.00</u>
MILEAGE	<u>160 x 30 x .10</u>		<u>480.00</u>
			TOTAL <u>4657.90</u>

REMARKS:
Ran 3340' of new 15.5 5 1/2 casing. Break circulation & Circulate hole 1 1/2 hours. Drop ball to set packer shoe. Hook up to pump. Take & mixed 500 Gallon WERTI. Hook up to rat hole & mixed 15 ex. Hook to measure hole 10 ex. Hook back to 5 1/2 casing & mixed 100 ex ASC. Shut down, release, latch down plug. Displace with 80.4 BBLs H²⁰. Plug did hold. 1300#

SERVICE

DEPTH OF JOB	<u>3340'</u>		
PUMP TRUCK CHARGE			<u>1957.00</u>
EXTRA FOOTAGE	@		
MILEAGE	<u>30</u>	@ <u>7.50</u>	<u>225.00</u>
MANIFOLD	@		
Head rental	@	<u>110.00</u>	<u>110.00</u>
	@		
			TOTAL <u>2292.00</u>

CHARGE TO: Ares
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>5 1/2</u>			
Packer shoe	@	<u>1451.00</u>	<u>1451.00</u>
7-Furbo Centralizers	@	<u>77.00</u>	<u>539.00</u>
1-Centralizer	@	<u>55.00</u>	<u>55.00</u>
Larson Port collar	@	<u>1717.00</u>	<u>1717.00</u>
Latch down Plug	@	<u>449.00</u>	<u>449.00</u>
			TOTAL <u>4411.00</u>

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
 MAY 01 2009
 RECEIVED

ALLIED CEMENTING CO., LLC. 32911

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

SERVICE POINT: Alcatraz

DATE <u>3-5-09</u>	SEC. <u>28</u>	TWP. <u>18</u>	RANGE <u>9</u>	CALLED OUT <u>7:00 AM</u>	ON LOCATION <u>8:00 AM</u>	JOB START <u>3:00 PM</u>	JOB FINISH <u>3:00 PM</u>
LEASE <u>Skiles</u>		WELL # <u>2-28</u>		LOCATION <u>4 Hwy - Chase, P.O. Box 123</u>		COUNTY <u>Rice</u>	STATE <u>Kansas</u>
OLD OR (NEW) (Circle one)			<u>4" x 4" north 2 3/4" east north into</u>				

CONTRACTOR Express Well Service OWNER Arco

TYPE OF JOB Part Collier

HOLE SIZE _____ T.D. _____

CASING SIZE 5 1/2 DEPTH _____

TUBING SIZE 2" DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL Part Collier DEPTH 11.86

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT 6.5 BRIS 11"

CEMENT 245

AMOUNT ORDERED 4000 lbs 6 1/2% gel
with floccul, 10% gel on side

COMMON	<u>11000</u>	@	<u>13.50</u>	<u>2,110.00</u>
POZMIX	<u>355x</u>	@	<u>7.55</u>	<u>644.75</u>
GEL	<u>2.55x</u>	@	<u>20.25</u>	<u>506.25</u>
CHLORIDE		@		
ASC		@		
LIO SEAL	<u>554</u>	@	<u>2.45</u>	<u>1,34.75</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>2725x</u>	@	<u>2.25</u>	<u>612.00</u>
MILEAGE	<u>2725x</u>	@	<u>27x.10</u>	<u>724.40</u>
TOTAL				<u>4,789.15</u>

EQUIPMENT

117

PUMP TRUCK CEMENTER W. P. Downing

1181 HELPER W. P. Downing

BULK TRUCK

3111 DRIVER W. P. Downing

BULK TRUCK

_____ DRIVER _____

REMARKS:

Part collier @ 11.86' head hole & proceed to 1000' & hole. Arco part collier to 1500' & hole. Mixed 10% gel with floccul. Pumped 80 BRIS. Head hole. Mixed 15% on cement. Arco 5 1/2 BRIS. Head hole to 1000' Run 59% cement. completed.

SERVICE

DEPTH OF JOB	<u>11.86</u>			
PUMP TRUCK CHARGE				<u>15.50</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>77</u>	@	<u>7.50</u>	<u>202.50</u>
MANIFOLD	<u>yes</u>	@	<u>100.00</u>	<u>100.00</u>
FL OPENING TOOL		@		
Press Recorder		@		
TOTAL				<u>302.50</u>

CHARGE TO: Arco

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

	@			
	@			
	@			
	@			
	@			
TOTAL				

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.

PRINTED NAME W. P. Downing

SIGNATURE W. P. Downing

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____

IF PAID IN 30 DAYS
KANSAS CORPORATION COMMISSION

MAY 01 2009
RECEIVED

Thank you!