

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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 W. Wall St., Suite 900
City/State/Zip: Midland, TX 79701
Purchaser: _____
Operator Contact Person: Robert L. Dimit
Phone: (432) 685-1960
Contractor: Name: Val Energy, Inc.
License: 5822
Wellsite Geologist: Tom Mitchell

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. _____
12/10/2006 12/16/2006 12/18/2006 J&A'd
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 033-21483-0000
County: Comanche
NW NE Sec. 3 Twp. 33 S. R. 19 East West
710 feet from S N (circle one) Line of Section
2,030 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Webster Well #: 3-2

Field Name: Colter West
Producing Formation: Mississippian
Elevation: Ground: 1,936' Kelly Bushing: 1,946'
Total Depth: 3,512' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 497 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 PA NH 7-18-08
(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 L. Dimit

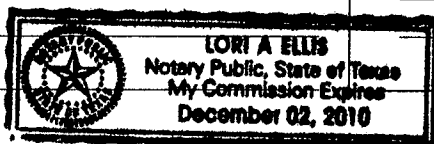
Title: Managing Partner Date: 9/10/2007

Subscribed and sworn to before me this 10th day of September

2007

Notary Public: Lori A. Ellis

Date Commission Expires: 12-2-10



KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date _____

Wireline Log Received

Geologist Report Received

UIC Distribution

RECEIVED
SEP 13 2007
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
WICHITA, KS

Operator Name: ARES Energy, Ltd. Lease Name: Webster Well #: 3-2
 Sec. 3 Twp. 33 S. R. 19 East West County: Comanche

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum <p style="text-align: center; font-weight: bold;">NOT AVAILABLE</p>
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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	30"	20"	36	50'	Class A	310	2% gel, 3% CC
Surface	12-1/4"	8-5/8"	25	497'	Class A, 60/40 POZ	330	6% gel, 3% CC

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

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr.	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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify)	Production Interval
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SEP 13 2007

RECEIVED
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC. 16787

Federal Tax I.D.#

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

SERVICE POINT:
Medicine Lodge, KS

DATE <u>11 Dec 06</u>	SEC <u>3</u>	TWP <u>33S</u>	RANGE <u>17W</u>	CALLER <u>Sun</u> CALLED OUT <u>9:00 PM</u>	ON LOCATION <u>Mon</u> <u>12:00 AM</u>	JOB START <u>Mon</u> <u>9:00 PM</u>	JOB FINISH <u>Tues</u> <u>8:30 PM</u>
LEASE <u>Webster</u>	WELL # <u>3-2</u>	LOCATION <u>Coldwater, KS, 5s, 2w, 1/4 n,</u>			COUNTY <u>Comanche</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>w/into</u>			

CONTRACTOR Val #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 668

CASING SIZE 8 5/8 DEPTH 497

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 650 MINIMUM —

MEAS. LINE SHOE JOINT 42.52

CEMENT LEFT IN CSG. 43'

PERFS.

DISPLACEMENT 29 Bbls Fresh 470

OWNER Ares Energy, Ltd.

CEMENT AMOUNT ORDERED 230sf 6.5:3.5:1+3%
CC + 1/4" # Flo seal of 4 00sf "A" + 3%cc + 2%gel

COMMON	<u>400 A</u>	@ <u>10.65</u>	<u>4260.00</u>
POZMIX		@	
GEL	<u>8</u>	@ <u>16.65</u>	<u>133.20</u>
CHLORIDE	<u>22</u>	@ <u>46.60</u>	<u>1025.20</u>
ASC		@	
	<u>ALW 230</u>	@ <u>9.95</u>	<u>2288.50</u>
	<u>Flo seal 58"</u>	@ <u>2.00</u>	<u>116.00</u>
		@	
		@	
		@	
		@	
HANDLING	<u>674</u>	@ <u>1.90</u>	<u>1280.60</u>
MILEAGE	<u>45 X 674 X .09</u>		<u>2729.70</u>
			TOTAL <u>11833.20</u>

REMARKS:

Pipe on Bttm Break Circ, Pump Lee flow, see no sign of circulation. Mix 100 sf 7:3:1cc + 2% gel. Stop pump, Release plug, Start Pipe, Wash on Plug, see no increase in PSI, Slow Rate, Pump flow at 29 Bbls, Release PL float, Oil Ball Cement Did Not Circ, Wait for Barrel. Mix 230 sf Cement, mix 100sf tail while Pump gear in circulation, Wait for more Rock, Mix 100sf "A" + 3%cc + 2% gel in place with Rock, Run 40 of 1", Pump 100sf "A" + 3%cc + 2% gel

SERVICE

DEPTH OF JOB	<u>497'</u>		
PUMP TRUCK CHARGE	<u>0-300'</u>	@ <u>815.00</u>	<u>815.00</u>
EXTRA FOOTAGE	<u>197'</u>	@ <u>.65</u>	<u>128.05</u>
MILEAGE	<u>45</u>	@ <u>6.00</u>	<u>270.00</u>
	<u>head rental</u>	@ <u>100.00</u>	<u>100.00</u>
	<u>25 wait Time</u>	@ <u>200.00</u>	<u>5000.00</u>
		@	
			TOTAL <u>6313.05</u>

CHARGE TO: Ares Energy, Ltd.

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

MANIFOLD		@	
<u>1- TRAP</u>		@ <u>100.00</u>	<u>100.00</u>
<u>1- Guide Shoe</u>		@ <u>235.00</u>	<u>235.00</u>
<u>1- AFU insert</u>		@ <u>325.00</u>	<u>325.00</u>
<u>2- Centralizers</u>		@ <u>55.00</u>	<u>110.00</u>
			TOTAL <u>770.00</u>

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.

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING TAX

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Rick Smith

Rick Smith
PRINTED NAME

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 13 2007
CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC. 16793

Federal Tax I.D.

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

SERVICE POINT:
Medicine Lodge KS

DATE <i>8 Dec 06</i>	SEC <i>3</i>	TWP <i>33s</i>	RANGE <i>19w</i>	CALLED OUT <i>12:00pm</i>	ON LOCATION <i>3:00pm</i>	JOB START <i>5:30pm</i>	JOB FINISH <i>8:00pm</i>
LEASE <i>Webster</i>		WELL # <i>3-2</i>		LOCATION <i>Coldwater, KS, S.E., 2w, 1/2n,</i>		COUNTY <i>Comanche</i>	STATE <i>KS</i>
OLD OR NEW (Circle one) <i>NEW</i>				<i>W/inst</i>			

CONTRACTOR *Val #1*
 TYPE OF JOB *Rotary Plug*
 HOLE SIZE *7 7/8* T.D.
 CASING SIZE DEPTH
 TUBING SIZE DEPTH
 DRILL PIPE *4 1/2* DEPTH *990*
 TOOL DEPTH
 PRES. MAX *250* MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG.
 PERFS.
 DISPLACEMENT *Mud & Fresh H₂O*
 EQUIPMENT

OWNER *Ares Energy, Ltd.*
 CEMENT AMOUNT ORDERED *175 sk 60:40:60 bagged*
 COMMON *105* @ *10.65* *1118.25*
 POZMIX *70* @ *5.80* *406.00*
 GEL *9* @ *16.65* *149.85*
 CHLORIDE @
 ASC @
 HANDLING *184* @ *1.90* *349.60*
 MILEAGE *45 x 184 x .09* *745.20*
 TOTAL *2768.90*

PUMP TRUCK CEMENTER *D. Radio*
 # *343* HELPER *S. Kernea*
 BULK TRUCK DRIVER *C. Willard*
 # *364*
 BULK TRUCK DRIVER

REMARKS:

Pipe at 990', Pump Flush, Mix 50sk Cement, Disp. 3' Fresh & 7 1/2' mud, Pipe at 520', Pump Spacer, Mix 50sk Cement, Disp. 3' Fresh and 3/4' 6 1/2' mud, Pipe at 220', Fill Hole, Mix, 30sk Cement, Disp. 3/4' Fresh H₂O, Pipe at 60' mix 20sk Cement, Plug Rot hole w/ 15sk Cement, Plug movie hole w/ 10sk Cement.

SERVICE
 DEPTH OF JOB *990'*
 PUMP TRUCK CHARGE *815.00*
 EXTRA FOOTAGE @
 MILEAGE *45* @ *6.00* *270.00*
 TOTAL *1085.00*

CHARGE TO: *Ares Energy, Ltd.*
 STREET
 CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

MANIFOLD @
 ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING TOTAL

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TAX
 TOTAL CHARGE
 DISCOUNT *[scribble]* IF PAID IN 30 DAYS

SIGNATURE *Soly Hagemien*

Toby Hagemien
 PRINTED NAME

RECEIVED
 KANSAS CORPORATION COMMISSION

SEP 13 2007

REGISTRATION DIVISION
 KS