

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

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # 33770
 Name: ARES Energy, Ltd.
 Address: 303 West Wall, Suite 900
 City/State/Zip: Midland, Texas 79701
 Purchaser: Gary-Williams Energy Corporation
 Operator Contact Person: Henry N. Clanton
 Phone: (432) 685-1960
 Contractor: Name: Petromark Drilling
 License: 33323
 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: Samuel Gary Jr. & Associates, INC
 Well Name: Shepmann 2-27
 Original Comp. Date: 2/10/2006 Original Total Depth: 3408'
 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>3/18/2008</u>	<u>11/24/05</u>	<u>3/21/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 053-21159-0000 01
 County: Ellsworth
 NW SE SE Sec. 27 Twp. 17 S. R. 10 East West
700 feet from S / N (circle one) Line of Section
1170 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 #: 2-27
 Field Name: Wildcat
 Producing Formation: Arbuckle
 Elevation: Ground: 1833' Kelly Bushing: 1839'
 Total Depth: 3408' Plug Back Total Depth: 3362'
 Amount of Surface Pipe Set and Cemented at 425 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.

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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.: _____

wo - Dlg - 8/18/09

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: Henry N. Clanton
 Title: Managing Partner Date: 8/18/09
 Subscribed and sworn to before me this 10 day of August
20 09
 Notary Public: Denise Jones
 Date Commission Expires: _____

DENISE E. JONES
 Notary Public, State of Texas
 My Commission Expires
 April 25, 2012

KCC Office Use ONLY

N Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: ARES Energy, Ltd. Lease Name: Schepmann Well #: 2-27
 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:

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Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Topeka	2604'	-765'
Heebner	2862'	-1023'
Douglas	2892'	-1053'
BRN Lime	2979'	-1140'
Lansing	2994'	-1155'
Arbuckle	3311'	-1472'
TD	3408'	

CASING RECORD <input checked="" type="checkbox"/> New <input checked="" 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"	28	425'	Class A	170	2% gel + 3% CC
Production	7-7/8"	5-1/2"	14	3406'	ALW ASC	125 100	1/4 #/SK Floate 58/2SK Gibbsite, 3/4" C

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	3318-20, 3322-24	None	3318-24 OA
4 JSPF	3318-26'	500 Gal 28% NEFE	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2-3/8"	3353'	None	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
3/21/2008		<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
	25	- 0-	-0-		

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: 3318-24 OA
3318-26' Re-Perf