

ORIGINAL

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

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: 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: Samuel Gary Jr. & Associates, INC
Well Name: Sheppmann 1-27
Original Comp. Date: 12/06/05 Original Total Depth: 3431'
 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. _____
3/19/2007 9/30/05 3/21/2007
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

KANSAS CORPORATION COMMISSION

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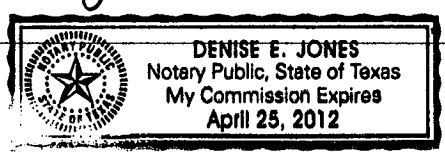
API No. 15 - 053-21154-0000 01
County: Ellsworth
SE SW SE Sec. 27 Twp. 17 S. R. 10 East West
330 feet from S N (circle one) Line of Section
1700 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Schepmann Well #: 1-27
Field Name: Wildcat
Producing Formation: Arbuckle
Elevation: Ground: 1834' Kelly Bushing: 1844'
Total Depth: 3431' Plug Back Total Depth: 3386'
Amount of Surface Pipe Set and Cemented at 465 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/ _____
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-Dig-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: 8/10/09
Subscribed and sworn to before me this 10 day of August
20 09.
Notary Public: Denise Jones
Date Commission Expires: _____



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 #: 1-27
 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 <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: Dual Induction Dual Compensated Porosity BHC Sonic Microlog	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table border="0" style="width:100%"> <tr> <td style="width:60%">Name</td> <td style="width:20%">Top</td> <td style="width:20%">Datum</td> </tr> <tr> <td>Topeka</td> <td>2608'</td> <td>-764</td> </tr> <tr> <td>Heebner</td> <td>2867'</td> <td>-1023</td> </tr> <tr> <td>Douglas</td> <td>2897'</td> <td>-1053'</td> </tr> <tr> <td>BRN Lime</td> <td>2983'</td> <td>-1139</td> </tr> <tr> <td>Lansing</td> <td>2998'</td> <td>-1154</td> </tr> <tr> <td>Arbuckle</td> <td>3317'</td> <td>-1473</td> </tr> <tr> <td>TD</td> <td>3431'</td> <td></td> </tr> </table>	Name	Top	Datum	Topeka	2608'	-764	Heebner	2867'	-1023	Douglas	2897'	-1053'	BRN Lime	2983'	-1139	Lansing	2998'	-1154	Arbuckle	3317'	-1473	TD	3431'	
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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	465'	Class A	240	2% gel + 3% CC
Production	7-7/8"	5-1/2"	14	3319'	65-35 POZ ASC	125 100	1/4 #/SK Floccs & 6% gel @ #/SK GR

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	3320'-24	None	
4 JSPF	3330-38'	500 Gal 20% NEFE	

TUBING RECORD		Size 2-3/8"	Set At 3381'	Packer At None	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 3/21/2007		Producing Method <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. 30	Gas Mcf - 0-	Water Bbls. -0-	Gas-Oil Ratio	Gravity 42

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: 3320-24
3330-38' Re-Perf