

CONFIDENTIAL

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 W. Wall St., Suite 900
City/State/Zip: Midland, TX 79701
Purchaser: _____
Operator Contact Person: Robert L. Dimit
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. _____
06/12/2007 06/18/2007 06/19/2007 P&A'd
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 053-21204-0000
County: Ellsworth
NE SW SE _____ Sec. 27 Twp. 17 S. R. 10 East West
990 feet from S N (circle one) Line of Section
1,650 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 #: 3-27

Field Name: Wildcat
Producing Formation: Arbuckle
Elevation: Ground: 1,842' Kelly Bushing: 1,848'
Total Depth: 3,450' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 360 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.

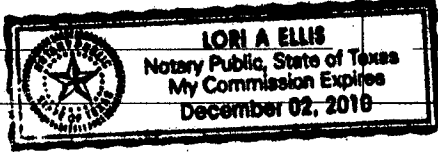
Drilling Fluid Management Plan PANJ 21209
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____
Quarter _____ Sec. _____ Twp. _____ East West
County: _____

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SEP 07 2007
License No. _____
WICHITA, KS

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: 09/04/2007
Subscribed and sworn to before me this 4th day of September,
20 07.
Notary Public: Lori A. Ellis
Date Commission Expires: 12-2-2010



KCC Office Use ONLY
 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 #: 3-27
 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, Density - Neutron, Sonic Log, Microlog	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input 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>Towanda</td> <td>1,554'</td> <td>294'</td> </tr> <tr> <td>B/Root Shale</td> <td>2,318'</td> <td>- 470'</td> </tr> <tr> <td>Heebner</td> <td>2,870'</td> <td>-1,022'</td> </tr> <tr> <td>Lansing</td> <td>2,994'</td> <td>-1,146'</td> </tr> <tr> <td>Stark</td> <td>3,208'</td> <td>-1,360'</td> </tr> <tr> <td>B/Kansas City</td> <td>3,290'</td> <td>-1,442'</td> </tr> <tr> <td>Arbuckle</td> <td>3,330'</td> <td>-1,482'</td> </tr> </table>	Name	Top	Datum	Towanda	1,554'	294'	B/Root Shale	2,318'	- 470'	Heebner	2,870'	-1,022'	Lansing	2,994'	-1,146'	Stark	3,208'	-1,360'	B/Kansas City	3,290'	-1,442'	Arbuckle	3,330'	-1,482'
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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
Surface	12-1/4"	8-5/8"	24	360'	60/40 POZ	180	2% 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
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)		
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

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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 CONSERVATION DIVISION
 WICHITA, KS

ALLIED CEMENTING CO., INC.

30455

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

SERVICE POINT:

Heat Bend

SEP 07 2007
CONFIDENTIAL

DATE <i>6-19-07</i>	SEC. <i>27</i>	TWP. <i>17</i>	RANGE <i>10</i>	CALLED OUT <i>1:30 AM</i>	ON LOCATION <i>4:30 AM</i>	JOB START <i>5:30 AM</i>	JOB FINISH <i>10:00 AM</i>
LEASE <i>Schepmann</i>	WELL # <i>3-27</i>	LOCATION <i>4 Hwy E Hollywood Blk top</i>			COUNTY <i>Ellsworth</i>	STATE <i>Kansas</i>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)		<i>1 N 1 W north into.</i>					

CONTRACTOR *Excell # 10*
 TYPE OF JOB *Rotary Plug*
 HOLE SIZE *4" D. 3450'*
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE *4"* DEPTH *3331'*
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER *Ares Energy LTD*
 CEMENT AMOUNT ORDERED *190 cu yd 60/40 poz 6% gel 4% 1/4# flo seal*

EQUIPMENT

LIB.

PUMP TRUCK CEMENTER *J.D. Drilling*
 #120 HELPER *Randy Pacy*
 BULK TRUCK DRIVER *David Juergensen*
 #342
 BULK TRUCK DRIVER _____
 # _____

COMMON	<i>114 cu yd</i>	@	<i>11.10</i>	<i>1265.40</i>
POZMIX	<i>76 cu yd</i>	@	<i>6.20</i>	<i>471.20</i>
GEL	<i>10 cu yd</i>	@	<i>16.65</i>	<i>166.50</i>
CHLORIDE		@		
ASC		@		
FLO-SEAL	<i>43#</i>	@	<i>2.00</i>	<i>96.00</i>
RECEIVED				
KANSAS CORPORATION COMMISSION				
SEP 07 2007				
CONSERVATION DIVISION				
WICHITA, KS				
HANDLING	<i>202 cu yd</i>	@	<i>1.90</i>	<i>383.80</i>
MILEAGE	<i>202 mi</i>	@	<i>2.4</i>	<i>484.80</i>
TOTAL				<i>2819.22</i>

REMARKS:

1st 3331' - 35 cu yd
2nd 1300' - 35 cu yd
3rd 950' - 35 cu yd
4th 410' - 35 cu yd
5th 60' - 25 cu yd
15 cu yd Rathole
10 cu yd Mousehole

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

SERVICE

DEPTH OF JOB	<i>3331'</i>			
PUMP TRUCK CHARGE				<i>955.00</i>
EXTRA FOOTAGE		@		
MILEAGE	<i>24</i>	@	<i>6.00</i>	<i>144.00</i>
MANIFOLD		@		
TOTAL				<i>1099.00</i>

PLUG & FLOAT EQUIPMENT

	@			
	@			
	@			
	@			
	@			
TOTAL				

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.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *[Signature]* PRINTED NAME *Carl O Jessep*
Thank you!

ALLIED CEMENTING CO., INC.

30452

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

SERVICE POINT:

Great Bend

DATE <i>6-13-07</i>	SEC. <i>27</i>	TWP. <i>17</i>	RANGE <i>10</i>	CALLED OUT <i>3:30 AM</i>	ON LOCATION <i>5:00 AM</i>	JOB START <i>5:30 AM</i>	JOB FINISH <i>6:15 AM</i>
LEASE <i>Schepmann</i>	WELL # <i>3-27</i>	LOCATION # <i>4 Hwy E Hollywood B. top</i>			COUNTY <i>Ellsworth</i>	STATE <i>Kansas</i>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)		<i>1 N 1 W</i>					

CONTRACTOR *Excell*
 TYPE OF JOB *Surface*
 HOLE SIZE *12 1/4"* T.D. *365'*
 CASING SIZE *8 5/8"* DEPTH *365'*
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. *15'*
 PERFS. _____
 DISPLACEMENT *22.8 BBLs*

OWNER *Ares Energy L.T.D.*

CEMENT
 AMOUNT ORDERED *180 yd Common*
3% CC 2% Gel

EQUIPMENT
M.B.
 PUMP TRUCK CEMENTER *J.D. Drailing*
 # *120* HELPER *Randy Pray*
 BULK TRUCK
 # *342* DRIVER *Steve Turley*
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<i>180 yd</i>	@	<i>11.10</i>	<i>1998.00</i>
POZMIX		@		
GEL	<i>4 yd</i>	@	<i>16.65</i>	<i>66.60</i>
CHLORIDE	<i>6 yd</i>	@	<i>46.60</i>	<i>279.60</i>
ASC		@		

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 CONSERVATION DIVISION
 WICHITA, KS

HANDLING	<i>190 yd</i>	@	<i>190</i>	<i>361.00</i>
MILEAGE	<i>190 yd .09</i>	@	<i>24</i>	<i>410.40</i>

TOTAL *3115.60*

REMARKS:

*Ran 8 5/8 casing to Bottom
 Circulate with rig mud.
 Hook up to pump bit & mixed
 180 yd Common 3% cc 2% Gel
 Shut down change valves over &
 release 8 5/8 TWP. Displace with
 22.8 BBLs fresh H₂O. Cement did circulate.*

SERVICE

DEPTH OF JOB	<i>365'</i>			
PUMP TRUCK CHARGE				<i>815.00</i>
EXTRA FOOTAGE	<i>65'</i>	@	<i>.65</i>	<i>42.25</i>
MILEAGE	<i>24</i>	@	<i>6.00</i>	<i>144.00</i>
MANIFOLD		@		
Head rental		@	<i>100.00</i>	<i>100.00</i>

TOTAL *1161.25*

CHARGE TO: *Ares Energy L.T.D.*
 STREET *303 W. Wall St. Suite 900*
 CITY *Midland* STATE *Texas* ZIP *79701*

PLUG & FLOAT EQUIPMENT

<i>1-8 5/8 TWP</i>	@	<i>60.00</i>	<i>60.00</i>
	@		
	@		
	@		

TOTAL *60.00*

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TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *[Signature]*

PRINTED NAME *Carl O. Jersch*

THANKS