


KANSAS
CORPORATION COMMISSION

Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

September 18, 2009

WELDA BATES
ARES ENERGY LTD
303 W WALL STE 900
MIDLAND TX 79701

RE: LEASE: SCHEPMANN 7-27
LEGAL: 330'FSL-1000'FEL 27-17S-10W
COUNTY: ELLSWORTH
API NO: 15053212210000

Dear Ms. Bates:

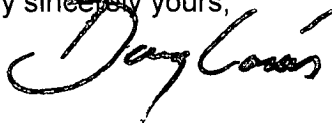
This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Schepmann 7-27 well.

The original 365 days for closure expired June 8, 2009. This extension will expire December 16, 2009. We urge you to make every effort to close these pits within this time frame. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the Closure of Surface Pit form.

Failure to close the pit or request an additional extension prior to the expiration date may result in a fine in accordance with K.A.R. 82-3-602(a). An additional extension will only be granted for good cause and after K.C.C. field staff has made an inspection of the site. Should field staff discover that said pit has been closed before the date of extension request, an administrative penalty may be assessed to you through K.C.C. invoice.

If you have any questions in this regard, please do not hesitate to contact Jonelle Rains at (316) 337-6226.

Very sincerely yours,



Doug Louis
Director

cc: Jonelle Rains
District # 2

Sammy Flaharty

From: Sammy Flaharty
Sent: Monday, September 14, 2009 2:11 PM
To: Virgil Clothier
Subject: pit extensions

Hi Virgil. How the heck are you? Can you even get back on the leases to inspect with all this rain? I suppose you are finding use for the 4 wheel drive on the truck. What fun! Anyway, I have three wells that belong to Ares Energy LTD. that they are wanting additional pit extensions on. So the wells are as follows:

Ploog 2-5
1550'FSL-2100'FWL 05-18S-09W
Rice County
15159225690000
spud 6/21/08 pit extension expires 9/15/09

Schepmann 7-27
330'FSL-1000'FEL 27-17S-10W
Ellsworth County
15053212210000
spud 6/8/08 pit extension expires 9/15/09

Schroeder Maes Huff 1-34 SWD
2287'FSL-1177'FEL 34-17S-10W
Ellsworth County
15053211930000
Spud 12/14/06 pit extension expires 9/30/09

*V. Clothier called,
give extension
90 days
9/16/08*

Well, Virgil you take care and watch for those prairie rattlers. I hear they haven't went into hibernation yet. You also may see a few cougars out there. I'm sure there are plenty of bobcats out there. Have a good one out on the prairie.

ARES ENERGY LTD.

September 11, 2009

VIA FEDERAL EXPRESS
316-337-6226

Kansas Corporation Commission
Attention: Jonelle Rains
130 South Market, Room – 2078
Wichita, Kansas 67202

Re: Closure of Surface Pit
Schepmann Lease Well No. 7-27
SWSESE Section 27, T17S, R10W
Ellsworth County, Kansas
API No. 15-053-21221-0000

RECEIVED
SEP 14 2009
KCC WICHITA

Dear Ms. Rains:

With reference to the captioned well, we hereby request an extension of time from September 15, 2009 to close the pit due to the excessive amount of rain received in the area.

Thank you for your understanding of our situation in this matter. If you have any questions or need additional information, please do not hesitate to contact me at ARES Energy, Ltd. at the telephone number shown on the letterhead.

Very truly yours,

ARES ENERGY, LTD.


Welda J. Bates
Land Administrator