



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

June 12, 2009

WELDA J 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 September 15, 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,

A handwritten signature in black ink that reads "Doug Louis".

Doug Louis
Director

cc: Jonelle Rains
District # 2

6/8/09

ARES ENERGY LTD.

May 27, 2009

VIA FEDERAL EXPRESS

Kansas Corporation Commission
Attention: Sammy Flaharty
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
MAY 28 2009
KCC WICHITA

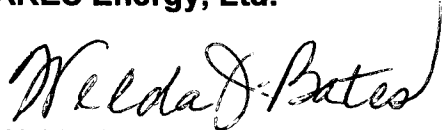
Dear Ms. Flaharty:

As a follow-up to our recent telephone conversation regarding the due date for filing of Closure of Surface Pit form CDP-4, we would like to request an extension of time from June 8, 2009 to close the pit due to weather related issues.

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