


KANSAS
CORPORATION COMMISSION

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

July 10, 2009

WELDA BATES
ARES ENERGY LTD
303 W WALL STE 900
MIDLAND TX 797001

RE: LEASE: SCHROEDER MAES HUFF 1-34
LEGAL: 2287'FSL-1177'FEL 34-17-10W
COUNTY: ELLSWORTH
API NO: 150532119300000

Dear Ms. Bates:

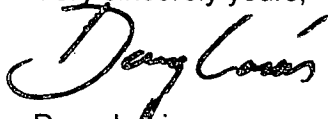
This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Schroeder Maes Huff 1-34 well.

The original 365 days for closure expired December 14, 2007. This extension will expire September 30, 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 Lewis
Director

cc: Jonelle Rains
District # 2

ARES ENERGY LTD.

RECEIVED
JUN 26 2009
KCC WICHITA

June 25, 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
Schroeder Maes Huff Well No. 1-34 SWD
Section 34, T17S-R10W
Ellsworth County, Kansas
API No. 15-053-21193-0000

Dear Ms. Rains:

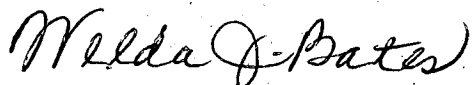
As a follow-up to your letter of May 1, 2009, pertaining to the captioned, we are currently working on and have closed approximately three quarters of the pit. However, due to excessive rain and weather conditions, we hereby request an extension of time for pit closure.

As mentioned in our previous letter, Larry Schroeder, who is the land and mineral owner where the captioned well is located, has requested that the pit be totally dry before it is completely covered and closed.

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.

Sincerely,

ARES ENERGY, LTD.



Welda J. Bates
Land Administrator

Sammy Flaharty

From: Virgil Clothier
Sent: Monday, June 29, 2009 3:25 PM
To: Sammy Flaharty
Subject: RE: pit extension

Sammy, I'd seen on the weather the other day about that part getting more rain again, so I'm sure it's still wet up there. It's begun to taper down a little on rain with the warmer temps now, who knows how long it will last?? See ya, Virgil

-----Original Message-----

From: Sammy Flaharty
Sent: Friday, June 26, 2009 11:51 AM
To: Virgil Clothier
Subject: FW: pit extension

Virgil I forgot to put the API # on this request. The API is 15053211930000. Some days it just doesn't pay to come in. Oh well.

-----Original Message-----

From: Sammy Flaharty
Sent: Friday, June 26, 2009 11:48 AM
To: Virgil Clothier
Subject: pit extension

Hi Virgil. How's it out there in the heat? I know it's hot out at Garden Plain and it blisters you before you can get to your car here at night. I think I'm ready for Fall. Oh well. Well, I've got one request for an additional extension. It is as follows:

Ares energy LTD
Schroeder Maes Huff 1-34 SWD
2287 FSL-1177 FEL 34-17S-10W
Ellsworth County
Spud 12/14/06 pit extension expires 7/1/09

The letter states the pits are still wet from all the rain and the land owner wants them completely dry before they are closed.

So that's the scoop. Don't melt out there Virgil.