

OPERATOR

Company: Shelby Resources, LLC
 Address: 445 Union Blvd.
 Suite 208
 Lakewood, CO 80228
 Contact Geologist: Janine Sturdavant
 Contact Phone Nbr: 720-274-4682
 Well Name: McCune #1-7
 Location: Sec. 7 - T25S - R12W
 Pool:
 State: Kansas
 API: 15-185-23684-0000
 Field: Bunyan NE
 Country: USA

Scale 1:240 Imperial

Well Name: McCune #1-7
 Surface Location: Sec. 7 - T25S - R12W
 Bottom Location:
 API: 15-185-23684-0000
 License Number: 31725
 Spud Date: 7/19/2011 Time: 00:00
 Region: Stafford County
 Drilling Completed: 7/30/2011 Time: 10:20
 Surface Coordinates: 1982' FSL & 330' FEL
 Bottom Hole Coordinates:
 Ground Elevation: 1898.00ft
 K.B. Elevation: 1907.00ft
 Logged Interval: 3250.00ft To: 4191.00ft
 Total Depth: 4191.00ft
 Formation: Arbuckle
 Drilling Fluid Type: Chemical/Fresh Water Gel

SURFACE CO-ORDINATES

Well Type: Vertical
 Longitude: Latitude:
 N/S Co-ord: 1982' FSL
 E/W Co-ord: 330' FEL

LOGGED BY

Keith Reavis
Consulting Geologist

Company: Keith Reavis, Inc.
 Address: 3420 22nd Street
 Great Bend, KS 67530
 Phone Nbr: 620-617-4091
 Logged By: KLG #136 Name: Keith Reavis

CONTRACTOR

Contractor: Sterling Drilling Company
 Rig #: 4
 Rig Type: mud rotary
 Spud Date: 7/19/2011 Time: 00:00
 TD Date: 7/30/2011 Time: 10:20
 Rig Release: Time:

ELEVATIONS

K.B. Elevation: 1907.00ft Ground Elevation: 1898.00ft
 K.B. to Ground: 9.00ft

NOTES

Due to results of DST #3 and favorable electrical log evaluation, it was determined that 5 1/2 inch production casing be set and cemented and that the McCune #1-7 be further evaluated through perforations and stimulation of various zones in the Lansing-Kansas City Group.

The log tops were consistently 4 to 7 ft. higher than drill time/sample tops. While the gamma ray and caliper curves were

The log tops were consistently 4 to 7 ft. higher than drill time/sample tops. While the gamma ray and caliper curves were imported into this log, the curves were not shifted to match actual recorded drill time.

The samples were saved and will be available for review at the Kansas Geological Survey Well Sample Library located in Wichita, KS.

Respectfully submitted,
Keith Reavis

Shelby Resources, LLC

DAILY DRILLING REPORT

DATE	7:00 AM DEPTH	REMARKS
07/24/2011		Geologist Keith Reavis on location @ 2300 hrs, 3287 ft., drilling ahead Topeka, Queen Hill
07/25/2011	3453	drilling ahead, Lecompton, Heebner, Toronto, Douglas, Lansing, show in B zone warrants test, TOH for DST #1, conducting DST #1
07/26/2011	3634	complete DST #1, successful test, run back in w/bit, resume drilling cut through F zone, shows warrant test, conduct and complete DST #2, successful test, TIH w/bit, resume drilling
07/27/2011	3738	drill ahead to H zone, show and gas kick warrant test, conducting DST #3, complete DST, successful test, TIH w/bit, resume drilling, cut I and J zones, gas kicks and shows warrant test, TOH for DST #4
07/28/2011	3763	conduct and complete DST #4, successful test, TIH w/bit, drill ahead thru K and L zones, shows warrant DST, TOH w/bit, conducting DST #5
07/29/2011	3850	conduct and complete DST #5, successful test, TIH w/bit, drill ahead geologist Keith Reavis relieved by geologist Bruce Ard, drilling ahead BKC Marm, Miss, Viola
07/29/2011	4139	drilling ahead to TD, Viola, Simpson, Arbuckle, TD, conduct logging operations, geologis Keith Reavis relieve Bruce Ard as witness, off location @ 2015 hrs

Shelby Resources, LLC

WELL COMPARISON SHEET

DRILLING WELL					COMPARISON WELL			
Shelby – McCune #1-7 1982' FSL & 330' FEL Sec. 7, T25S R12W					Shelby – McCune #1-8 1600' FSL & 350' FWL Sec. 8, T25S R12W			
1907 KB					1912 KB		Structural Relationship	
Formation	Sample	Sub-Sea	Log	Sub-Sea	Log	Sub-Sea	Sample	Log
Heebner	3411	-1504	3407	-1500	3412	-1500	-4	0
Douglas	3450	-1543	3451	-1544	3452	-1540	-3	-4
Brown Lime	3564	-1657	3559	-1652	3564	-1652	-5	0
Lansing	3587	-1680	3583	-1676	3587	-1675	-5	-1
Lansing B	3607	-1700	3603	-1696	3607	-1695	-5	-1
Lansing H	3726	-1819	3722	-1815	3727	-1815	-4	0
Base KC	3875	-1968	3868	-1961	3870	-1958	-10	-3
Viola	3998	-2091	3988	-2081	3991	-2079	-12	-2

Simpson	4104	-2197	4100	-2193	4092	-2180	-17	-13
Arbuckle	4176	-2269	4172	-2265	4165	-2253	-16	-12
Total Depth	4191	-2284	4189	-2282	4264	-2352	68	70

ROCK TYPES

Cht	Dolprim	Lmst fw7>	Carbon Sh
Cht vari	Dolsec	shale, grn	Ss
Chtcongl	Lmst fw<7	shale, gry	

ACCESSORIES

MINERAL

- Argillaceous
- ▲ Chert, dark
- P Pyrite
- Sandy
- Silty
- △ Chert White
- Mc Mica

FOSSIL

- ∩ Bioclastic or Fragmental
- ⊖ Cephalopod
- F Fossils < 20%
- ⊙ Oolite
- ⊗ Pellets
- ⊕ Oomoldic

STRINGER

- ~ Chert
- Limestone
- Sandstone
- Siltstone
- Shale
- green shale
- red shale

TEXTURE

- C Chalky
- CX Cryptocrystalline
- L Lithogr

OTHER SYMBOLS

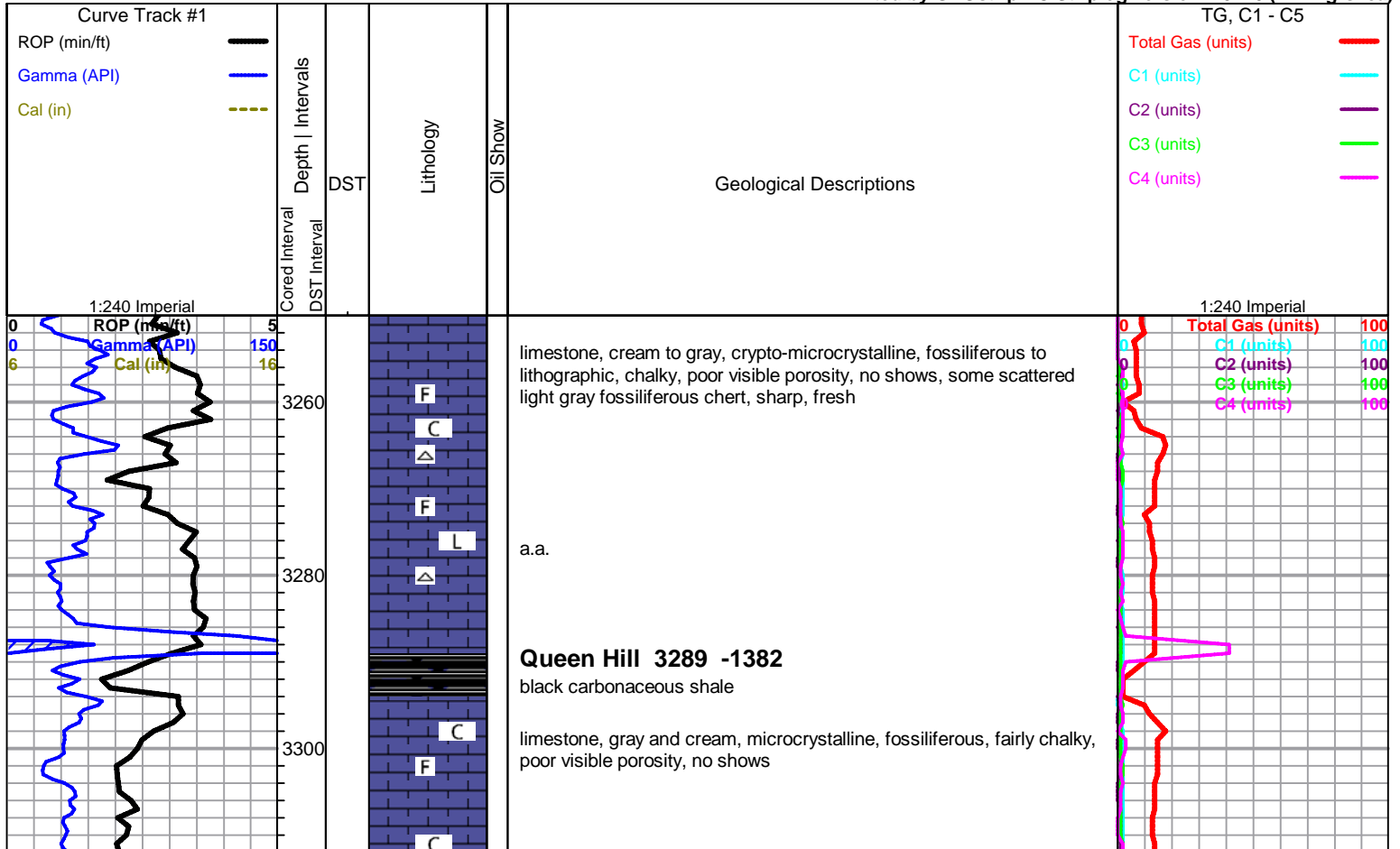
MISC

- Daily Report
- Digital Photo
- Document
- Folder
- Link
- Vertical Log File
- Horizontal Log File
- Core Log File
- Drill Cuttings Rpt

DST

- DST Int
- DST alt
- Core

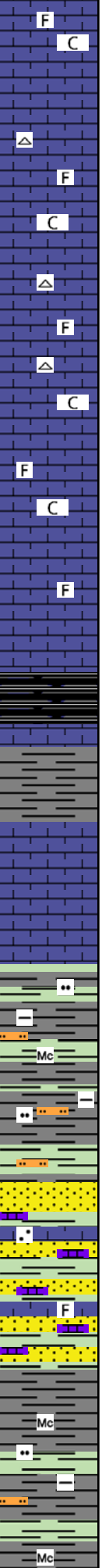
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3320
3340
3360
3380
3400
3420
3440
3460
3480
3500
3520

ROP (m/ft) 5
Gamma (API) 150
Cal (in) 16

0
0
6



as above

limestone, mixed non-descript fossiliferous, chalky, no shows, some scattered cherts

as above

limestone, mixed white to cream and gray, microcrystalline, very fossiliferous, chalky, no shows

Heebner 3411 -1504
black carbonaceous shale

Toronto 3431 -1524
limestone, white to light gray, mostly cryptocrystalline, slightly fossiliferous, very chalky, some fine crystalline, nice calcite crystals, some very fossiliferous and dense, poor visible porosity, no shows

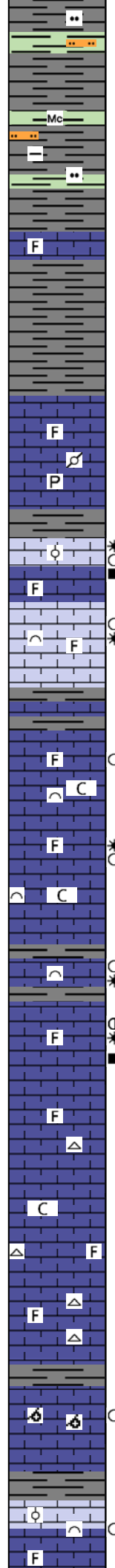
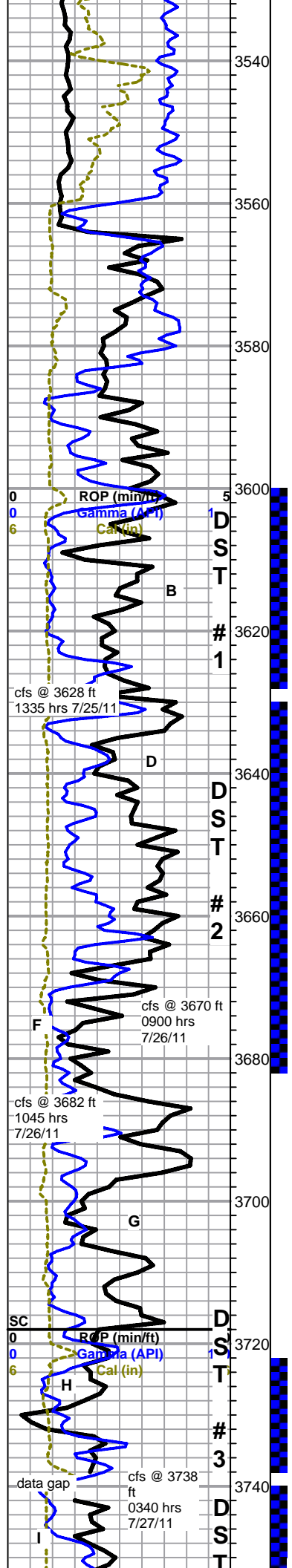
Douglas 3450 -1543
shale, gray to green, argillaceous-silty, micaceous, some gray micaceous siltstones

3510 sample, sandstone, light gray/green, very fine grain, round to sub angular, poorly sorted, well cemented, micaceous, poor visible porosity, no shows, with brown to tan limestone, sandy to fossiliferous, some large clasts, very dense, no shows

shale, mostly gray, silty, micaceous, soft, heavy gray wash, some green and light brown shales

Total Gas (units) 100
C1 (units) 100
C2 (units) 100
C3 (units) 100
C4 (units) 100

Mud-Co Mud chk @ 3458 ft.
0735 hrs. 7/25/11
Vis. 45 Wt. 9.2
PV 14 YP 12
WL 8.0
Cake 1/32,
pH 9.5
CHL 7200 ppm
Ca 20 ppm
Sol 6.0 LCM 2#
DMC \$1640.20
CMC \$10628.90



Brown Lime 3564 -1657

limestone, tan to brown, cryptocrystalline, slightly fossiliferous, dense, cherty

Lansing 3587 -1680

limestone, tan to gray, cryptocrystalline, fossiliferous, some mottled pelletal, fairly dense overall, some pyritic, no shows

DST #1.jpg

3628 sample - limestone, cream, oolitic, some interoolite porosity and wormy dark brown dead stain, some loose stained oolites, no show free oil, faint odor, faint fluorescence, slight slow cut, with: limestone, gray to cream, microcrystalline, slightly sucrosic to weathered fossiliferous, some spotty dark brown staining, no free oil, fluorescence or cut

30 min, mixed fossiliferous with few pieces cream, bioclastic, spongy but dense, some pinpoint porosity, good fluorescence, show gas bubbles, scaly oil sheen, no cut, fleeting odor, 60 min, some cream to gray, very fossiliferous, larger clasts, slightly vuggy, very slight stain, oil droplets and sheen on break, odor under lamp, no odor in wet cup, no fluorescence

3660, limestone, cream to gray, some light brown, microcrystalline, fossiliferous, large clasts, chalky, no shows, with: scattered limestone, cream, bioclastic, spongy micro pinpoint porosity, fairly dense, light to no stain, free oil droplets and gas bubbles on break, faint fluorescence, slight cut, no odor in wet cup

DST #2.jpg

60 min cfs, limestone, cream, bioclastic, spongy micro pinpoint porosity, fairly dense, light to no stain, free oil droplets and gas bubbles on break, faint fluorescence, slight slow cut, fleeting odor in wet cup

limestone, cream to tan, microcrystalline, some congregated secondary calcite, fossiliferous, fair interclast and intercrystalline porosity, light saturated stain, slightly gassy, slight show free oil, faint fluorescence, slow streaming cut, faint odor in wet cup

limestone, dark gray to brown, cryptocrystalline, fossiliferous, dense, cherty, no shows, gray fossiliferous chert

limestone, cream to gray, micro-cryptocrystalline, fossiliferous, chalky to dense, trace dense gray oolitic, no visible shows, fleeting odor, abundant chalk

limestones, mixed fossiliferous, dense, cherty, abundant gray fossiliferous cherts

limestone, light gray, oomoldic, very small specimens, good oomold porosity, trace black stain, good show free oil on break, faint mineral fluorescence, fair cut, no odor in wet cup

DST #3.jpg

limestone, cream to gray, oolitic to sub-oomoldic to bioclastic, some scattered interclast and mold porosity, spotty black to light brown stain, 1 specimen has free oil film when broken, with dense mixed fossiliferous, no odor in wet cup

Mud-Co Mud chk @ 3628 ft
0630 hrs. 7/26/11
Vis. 52 Wt. 9.2
PV 15YP 14
WL 8.8
Cake 1/32,
pH 9.0
CHL 8800 ppm
Ca 30 ppm
Sol 5.9 LCM 3#
DMC \$1117.10
CMC \$11746.00

Total Gas (units)	100
C1 (units)	100
C2 (units)	100
C3 (units)	100
C4 (units)	100

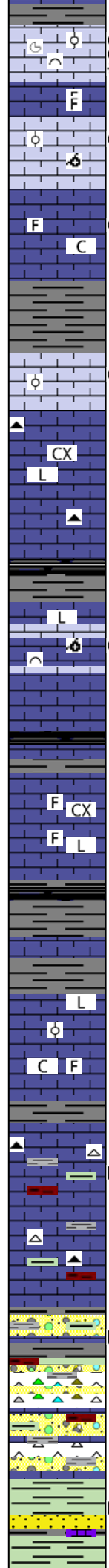
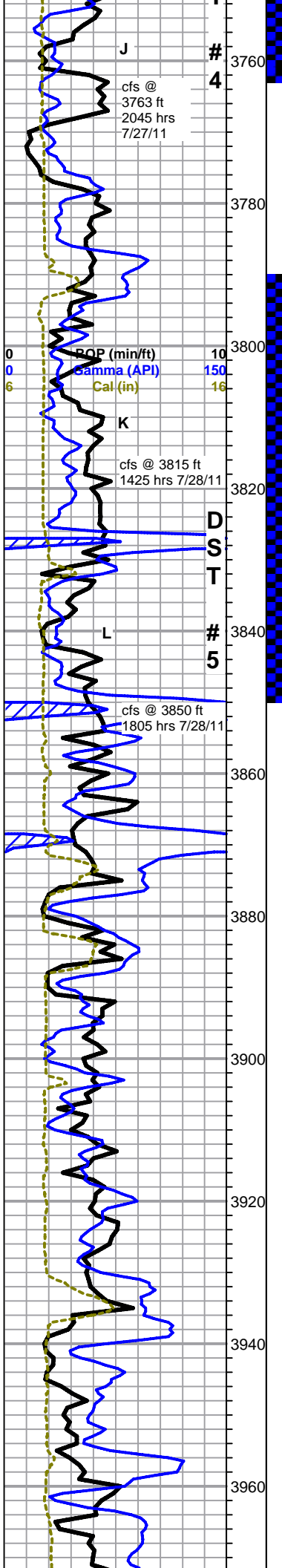
strap 1.36 short to board, deviation survey 1/2 deg

Total Gas (units)	200
C1 (units)	100
C2 (units)	100
C3 (units)	100
C4 (units)	100

Mud-Co Mud chk @ 3738 ft.
0715 hrs. 7/27/11
Vis. 51 Wt. 9.3
PV 14YP 15
WL 11.2
Cake 1/32,
pH 9.5
CHL 9300 ppm
Ca 30 ppm
Sol 6.6 LCM 3#
DMC \$427.25
CMC \$12173.25

Total Gas (units)	300
C1 (units)	100
C2 (units)	100
C3 (units)	100
C4 (units)	100

128 unit total



DST #4.jpg

30 min limestone, light gray to white, oolites and ammonites 50/50, good interclast porosity and staining, show free oil and gas, poor fluorescence, fair cut, 60 min, grading to more oolitic and bioclastic, good interclast porosity and staining, bleeding free oil and gas, fair odor in wet cup

limestone, cream to light gray, mostly oomoldic, some oolitic, some fair to good moldic and interoolite porosity, scattered spotty dark brown to black stain, slight show heavy free oil, oil droplets and gas bubbles on break, no mineral fluorescence, no odor in wet cup, good cut fluorescence

limestone, cream to light gray and white, mostly cryptocrystalline, fossiliferous, some chalky, poor visible porosity, some scattered dead stain, no show oil, no odor

30 min - tan oolitic, fair sat stain, sl show oil on break, tight, faint odor under lamp, no odor in cup, no fluorescence, fair streaming cut, 60 min - grading to white spongy micro-oolitic to bioclastic, some small molds and pinpoint porosity, light black to brown spotty stain, mostly barren, trace free oil on break, fleeting odor, no mineral fluorescence, slow faint cut

limestone, light gray, cryptocrystalline, lithographic, dense, some fossiliferous, with scattered gray cherts, no shows

DST #5.jpg

30 min - limestone, white to cream, cryptocrystalline, lithographic with some solution etching on edges, pinpoint porosity, black spotty stain, slight show of free oil and gas on break, fair fluorescence, some spongy bioclastic, spotty stain, light fluorescence, some stringy heavy oil on break, scattered oomoldic, barren, no odor in wet cup - 60 min - limestone, a.a. with some light gray cherty bioclastic, some interclast porosity, fair stain, show stringy scaly oil on break, poor fluorescence, slow streaming cut, fleeting odor

limestone, light to dark gray, cryptocrystalline, lithographic to fossiliferous, dense, no shows

BKC 3875 -1978

mixed gray with some black carbonaceous shales

limestone, mixed gray to cream, micro to cryptocrystalline, oolitic to fossiliferous, chalky in part, with dense compact lithographic, poor visible porosity, no shows, abundant mixed shales

limestone, cream to gray, micro to cryptocrystalline, fossiliferous, chalky, some scattered black dead stain, some scattered slightly tripolitic chert, black stain, trace dark stringy oil on break, no odor, no fluorescence, fair blue cut - abundant mixed shales

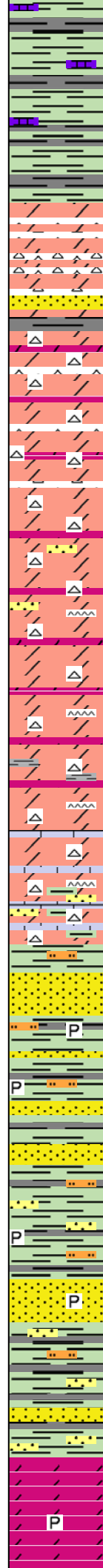
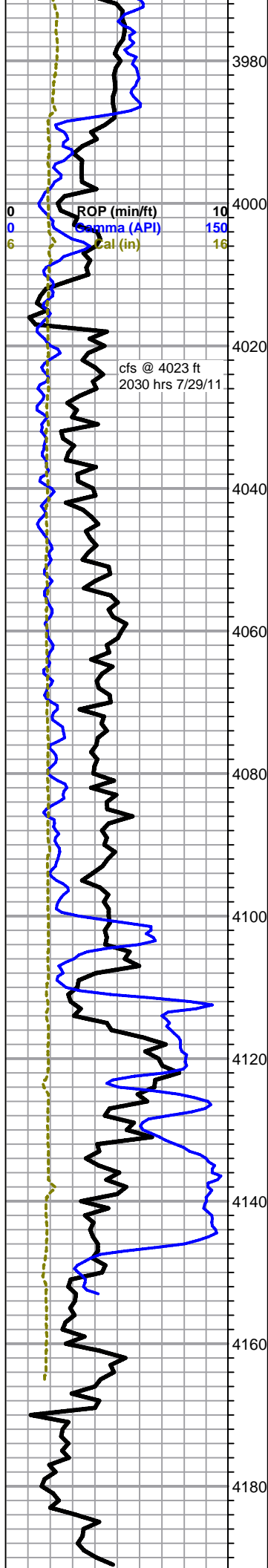
conglomerate, mixed shales, cherts and limestones, some scattered black dead asphalt staining, no show free oil, no odor

gray and green shales, with some pale green limy shales, with asphalt staining, brittle in part, some scattered black asphaltic sandstone (from above?)

Mud-Co Mud chk @ 3763 ft.
1000 hrs. 7/28/11
Vis. 60 Wt. 9.2
PV 12 YP 24
WL 13.2
Cake 2/32,
pH 9.5
CHL 10000 ppm
Ca 40 ppm
Sol 5.8 LCM 3.5#
DMC \$754.60
CMC \$12927.85

Total Gas (units)	300
C1 (units)	100
C2 (units)	100
C3 (units)	100
C4 (units)	100

Mud-Co Mud chk @ 3850 ft.
0545 hrs. 7/29/11
Vis. 53 Wt. 9.3
PV 13 YP 17
WL 10.8
Cake 1/32,
pH 10.0
CHL 10000 ppm
Ca 80 ppm
Sol 6.5 LCM 4#
DMC \$2364.80
CMC \$15292.65



Logged by Geologist Bruce Ard

Viola 3998 -2091

chert, white & translucent, some dolomitic, light gray-cream, dense, fine crystalline, ? trace stain & ? trace free oil, few sand clusters with black dead oil stain, gilsonite

circ samples-same chert & dolomitic, stain? dead oil stain few sand as above

dolomitic chert, white & light cream-gray, fine crystalline, chert as above, white & light cream & translucent, ? faint stain, some black dead oil stain

chert & dolomitic chert as above with light cream-gray to pinkish, fine to medium crystalline dolomitic limestone

same with some slightly sandy dolomitic material, few with black asphaltic stain

same, less sandy material

dolomitic limestone, light cream-white, fine crystalline with chert & dolomitic chert, white & light cream, some translucent, slight increase gray shale

same as above, slight increase limestone & dolomitic limestone

Simpson 4104 -2197

slight green shale, slightly sandy

sandstone, clear, fine to large sub-angular to sub-rounded quartz grains, non calcareous, some black dead oil stain

large amount loose clear rounded quartz grains, prob from above

sandstone clusters as above, ns

sandstone clusters, white, slightly calcareous matrix, ns

shales and sands, ns

sandstone clusters as above, clean clear to white slightly calcareous matrix, fine to large sub-angular to sub-rounded quartz grains, ns

shales and sands, ns

same as above

Arbuckle 4176 -2269

dolomite, light gray-white, dense, fine sucrosic to crystalline, poor visible porosity, a couple of samples with trace stain, trace show, ? faint odor, also dolomite, light cream-pinkish and cream, dense, fine to medium crystalline, poor visible porosity, ns, slightly pyritic, white opaque chert

Total Gas (units)	300
C1 (units)	100
C2 (units)	100
C3 (units)	100
C4 (units)	100

Mud-Co Mud chk
@ 4141 ft.
0730 hrs. 7/30/11
Vis. 58 Wt. 9.3
PV 13 YP 17
WL 13.4
Cake 1/32,
pH 11.0
CHL 9000 ppm
Ca 80 ppm
Sol 6.6 LCM 4#
DMC \$533.95
CMC \$15826.60

RTD 4191 ft @ 1020 hrs 7/30/11
Superior Well Services TD 4189 ft
Complete Logging Operations

Geologist Keith Reavis relieve Bruce Ard for Logging Operations
Witness

		4200
0	ROP (min/ft)	10
0	Gamma (API)	150
6	Cal (in)	16

0	Total Gas (units)	300
0	C1 (units)	100
0	C2 (units)	100
0	C3 (units)	100
0	C4 (units)	100

Company	Shelby Resources, LLC	Lease Name	McCune
Address	2717 Canal Blvd. Ste. C	Lease #	1-7
CSZ	Hays, KS 67601	Legal Desc	S/2-NE-NE-SE
Attn.	Keith Reavis	Section	7
		Township	25S
		County	Stafford
		Drilling Cont	Sterling Drilling Co. Rig #4
Comments	Legal Description in Feet: 2002' FSL & 330' FEL		
	Field: Bunyon NE		

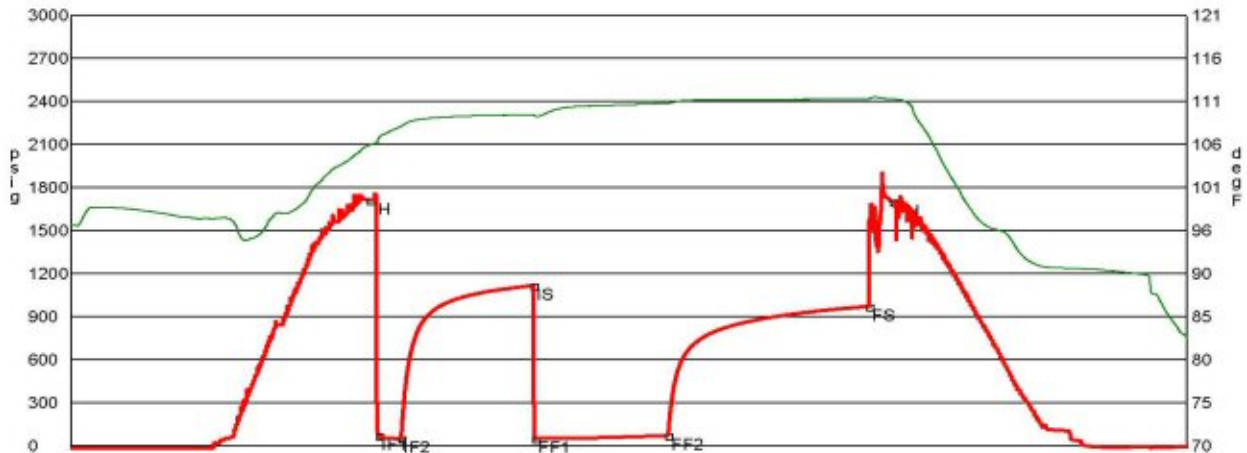
GENERAL INFORMATION

Test # 1	Test Date	7/26/2011	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #			
	Successful Test		Bot Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	48	Approved By
Mud Type	Gel Chem			Standby Time	0	
Mud Weight	9.2	Viscosity	45.0	Extra Equipmnt	Jars & Safety joint	
Filtrate	8.0	Chlorides	7200	Time on Site	5:30 PM	
Drill Collar Len	213.0			Tool Picked Up	8:06 PM	
Wght Pipe Len	0			Tool Layed Down	3:30 AM	
Formation	Lansing "B"			Elevation	1898.00	Kelley Bushings 1907.00
Interval Top	3600.0	Bottom	3628.0	Start Date/Time	7/25/2011 7:14 PM	
Anchor Len Below	28.0	Between	0	End Date/Time	7/26/2011 3:33 AM	
Total Depth	3628.0					
Blow Type	Very strong blow throughout the intial flow period, hitting the bottom of the bucket instantaneously. Very strong blow throughout the final flow period, hitting the bottom of the bucket instantaneously. Gas to surface, instantaneously. Very slight blow back at the start of the final shut-in period, building to 1/4 inch. Times: 10, 60, 60, 90.					

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
3315	Gas in Pipe	100% 3315ft	0% 0ft	0% 0ft	0% 0ft
10	Gassy mud	10% 1ft	0% 0ft	0% 0ft	90% 9ft
125	Gassy, slight water cut mud	21% 26.2ft	0% 0ft	13% 16.2ft	66% 82.5ft
60	Gassy, slight mud cut water	3% 1.8ft	0% 0ft	70% 42ft	27% 16.2ft
65	Slight mud cut water with trace of oil	0% 0ft	trace	87% 56.6ft	13% 8.4ft

DST Fluids **119000**



	Date	Time	Pressure	Temp	
IH	7/25/2011 9:26:40 PM	2.211111	1713.144	105.661	Initial Hydro-static
IF1	7/25/2011 9:30:30 PM	2.275	72.061	106.338	Initial Flow (1)
IF2	7/25/2011 9:40:30 PM	2.441667	50.792	107.846	Initial Flow (2)
IS	7/25/2011 10:39:50 PM	3.430556	1116.839	109.241	Initial Shut-In
FF1	7/25/2011 10:40:40 PM	3.444444	53.064	109.081	Final Flow (1)
FF2	7/25/2011 11:40:10 PM	4.436111	71.831	110.595	Final Flow (2)
FS	7/26/2011 1:10:00 AM	5.933333	971.996	111.092	Final Shut-In
FH	7/26/2011 1:20:30 AM	6.108333	1701.554	111.092	Final Hydro-static

GAS FLOWS

Min Into IFP	Min Into FFP	Gas Flows	Pressure	Choke
0	10	20.95 mcf	11.50 h2o	0.50 in
0	20	24.10 mcf	14.50 h2o	0.50 in
0	30	22.35 mcf	12.50 h2o	0.50 in
0	40	21.40 mcf	11.50 h2o	0.50 in
0	50	19.35 mcf	9.50 h2o	0.50 in
0	60	18.00 mcf	8.50 h2o	0.50 in

Company **Shelby Resources, LLC**
 Address **2717 Canal Blvd. Ste. C**
 CSZ **Hays, KS 67601**
 Attn. **Keith Reavis**

Lease Name **McCune**
 Lease # **1-7**
 Legal Desc **S/2-NE-NE-SE**
 Section **7**
 Township **25S**
 County **Stafford**
 Drilling Cont **Sterling Drilling Co. Rig #4**

Job Ticket **2160**
 Range **12W**
 State **KS**

Comments **Legal Description in Feet: 2002' FSL & 330' FEL**
Field: Bunyon NE

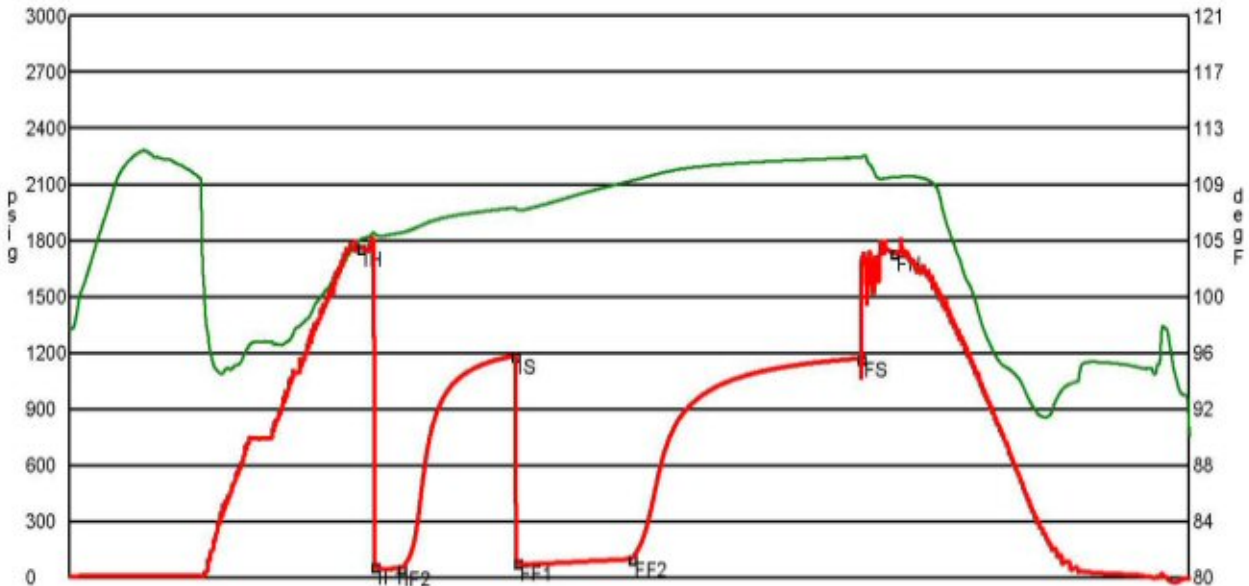
GENERAL INFORMATION

Test # 2	Test Date 7/26/2011	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole Successful Test		Mid Recorder #	
		Botl Recorder # 13310	
# of Packers 2.0	Packer Size 6 3/4	Mileage 48	Approved By
Mud Type Gel Chem		Standby Time 0	
Mud Weight 9.2	Viscosity 52.0	Extra Equipmnt Jars & Safety joint	
Filtrate 8.8	Chlorides 8800	Time on Site 1:30 PM	
		Tool Picked Up 2:40 PM	
		Tool Layed Dwn 9:10 PM	
Drill Collar Len 213.0		Elevation 1898.00	Kelley Bushings 1907.00
Wght Pipe Len 0			
Formation Lansing "D,E,F"		Start Date/Time 7/26/2011 1:44 PM	
Interval Top 3630.0	Bottom 3682.0	End Date/Time 7/26/2011 9:01 PM	
Anchor Len Below 52.0	Between 0		
Total Depth 3682.0			
Blow Type Weak surface blow at the start of the intial flow period, building to 4 inches. Weak 1/4 inch blow at the start of the final flow period, building, reaching the bottom of the bucket in 25 1/2 minutes. Weak surface blow back at the start of the final shut-in period, lasting 15-20 minutes. Times: 10, 45, 45, 90.			

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
290	Gas in Pipe	100% 290ft	0% 0ft	0% 0ft	0% 0ft
30	Mud with a trace of oil	0% 0ft	trace	0% 0ft	100% 30ft
60	Gassy mud with a trace of oil	3% 1.8ft	trace	0% 0ft	97% 58.2ft
60	Gassy, water, slight oil cut mud	20% 12ft	7% 4.2ft	21% 12.6ft	52% 31.2ft

DST Fluids **30000**



Date	Time	Pressure	Temp	
7/26/2011 3:37:00 PM	1.883333	1760.247	104.682	Initial Hydro-static
7/26/2011 3:42:30 PM	1.975	60.339	105.055	Initial Flow (1)
7/26/2011 3:52:50 PM	2.147222	48.961	105.164	Initial Flow (2)
7/26/2011 4:37:10 PM	2.886111	1183.608	106.999	Initial Shut-in
7/26/2011 4:38:00 PM	2.9	80.445	106.881	Final Flow (1)
7/26/2011 5:22:50 PM	3.647222	98.925	108.961	Final Flow (2)
7/26/2011 6:52:30 PM	5.141667	1170.828	110.657	Final Shut-In
7/26/2011 7:05:20 PM	5.355556	1735.116	109.222	Final Hydro-static

Company **Shelby Resources, LLC**
 Address **2717 Canal Blvd. Ste. C**
 CSZ **Hays, KS 67601**
 Attn. **Keith Reavis**

Lease Name **McCune**
 Lease # **1-7**
 Legal Desc **S/2-NE-NE-SE**
 Section **7**
 Township **25S**
 County **Stafford**
 Drilling Cont **Sterling Drilling Co. Rig #4**

Job Ticket **2160**
 Range **12W**
 State **KS**

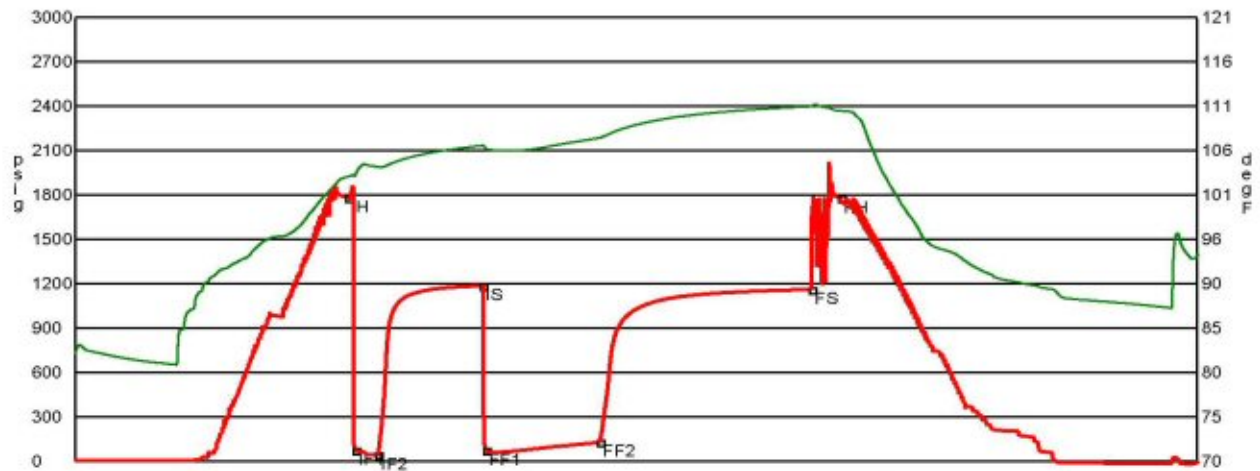
Comments **Legal Description in Feet: 2002' FSL & 330' FEL**
Field: Bunyon NE

GENERAL INFORMATION

Test # **3** Test Date **7/27/2011** Chokes **3/4** Hole Size **7 7/8**
 Tester **Tim Venters** Top Recorder # **W1119**
 Test Type **Conventional Bottom Hole** Mid Recorder #
Successful Test Bott Recorder # **13310**
 # of Packers **2.0** Packer Size **6 3/4** Mileage **48** Approved By
 Standby Time **0**
 Mud Type **Gel Chem** Extra Equipmnt **Jars & Safety joint**
 Mud Weight **9.3** Viscosity **51.0** Time on Site **6:10 AM**
 Filtrate **11.2** Chlorides **9300** Tool Picked Up **7:20 AM**
 Tool Layed Dwn **2:30 PM**
 Drill Collar Len **213.0** Elevation **1898.00** Kelley Bushings **1907.00**
 Wght Pipe Len **0**
 Formation **Lansing "H"** Start Date/Time **7/27/2011 6:34 AM**
 Interval Top **3722.0** Bottom **3738.0** End Date/Time **7/27/2011 2:33 PM**
 Anchor Len Below **16.0** Between **0**
 Total Depth **3738.0**
 Blow Type **Strong blow throughout the initial flow period, reaching the bottom of the bucket in 30 seconds. Weak surface blow back at the start of the initial shut-in period, building to 1/2 inch. Very strong blow throughout the final flow period, hitting the bottom of the bucket instantaneously. Gas to surface in 2 minutes. Weak surface blow back after we bled line off (22 min.), building, reaching the bottom of the bucket in 5 minutes. Oil Gravity: 41. Times: 10, 45, 50, 90.**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
3325	Gas in Pipe	100% 3325ft	0% 0ft	0% 0ft	0% 0ft
255	Gassy oil	20% 51ft	80% 204ft	0% 0ft	0% 0ft
60	Gassy, heavy mud cut oil	30% 18ft	38% 22.8ft	0% 0ft	32% 19.2ft
60	Gassy, slight oil cut mud	20% 12ft	12% 7.2ft	0% 0ft	68% 40.8ft



	Date	Time	Pressure	Temp		
IH	7/27/2011	8:29:30 AM	1.925	1779.384	102.676	Initial Hydro-static
IF1	7/27/2011	8:32:50 AM	1.980556	73.561	102.816	Initial Flow (1)
IF2	7/27/2011	8:42:30 AM	2.141667	42.008	103.794	Initial Flow (2)
IS	7/27/2011	9:27:10 AM	2.886111	1185.024	106.254	Initial Shut-In
FF1	7/27/2011	9:28:30 AM	2.908333	71.864	105.919	Final Flow (1)
FF2	7/27/2011	10:17:20 AM	3.722222	128.151	107.14	Final Flow (2)
FS	7/27/2011	11:47:50 AM	5.230556	1160.223	110.749	Final Shut-In
FH	7/27/2011	12:00:20 PM	5.438889	1776.663	110.238	Final Hydro-static

GAS FLOWS

Min Into IFP	Min Into FFP	Gas Flows	Pressure	Choke
0	10	44.80 mcf	10.00 h2o	0.75 in
0	20	33.20 mcf	5.50 h2o	0.75 in
0	30	30.10 mcf	4.50 h2o	0.75 in
0	40	28.30 mcf	4.00 h2o	0.75 in
0	50	20.00 mcf	2.00 h2o	0.75 in

Company **Shelby Resources, LLC**
 Address **2717 Canal Blvd. Ste. C**
 CSZ **Hays, KS 67601**
 Attn. **Keith Reavis**

Lease Name **McCune**
 Lease # **1-7**
 Legal Desc **S/2-NE-NE-SE** Job Ticket **2160**
 Section **7** Range **12W**
 Township **25S**
 County **Stafford** State **KS**
 Drilling Cont **Sterling Drilling Co. Rig #4**

Comments **Legal Description in Feet: 2002' FSL & 330' FEL**
Field: Bunyon NE

GENERAL INFORMATION

Test # **4** Test Date **7/28/2011**
 Tester **Tim Venters**
 Test Type **Conventional Bottom Hole Successful Test**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1119**
 Mid Recorder #
 Bott Recorder # **13310**

of Packers **2.0** Packer Size **6 3/4**
 Mud Type **Gel Chem**
 Mud Weight **9.3** Viscosity **51.0**
 Filtrate **11.2** Chlorides **9300**

Mileage **48** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars, Safety joint, Big packer**
 Time on Site **11:35 PM**
 Tool Picked Up **12:30 AM**
 Tool Layed Dwn **7:10 AM**

Drill Collar Len **213.0**
 Wght Pipe Len **0**

Elevation **1898.00** Kelley Bushings **1907.00**

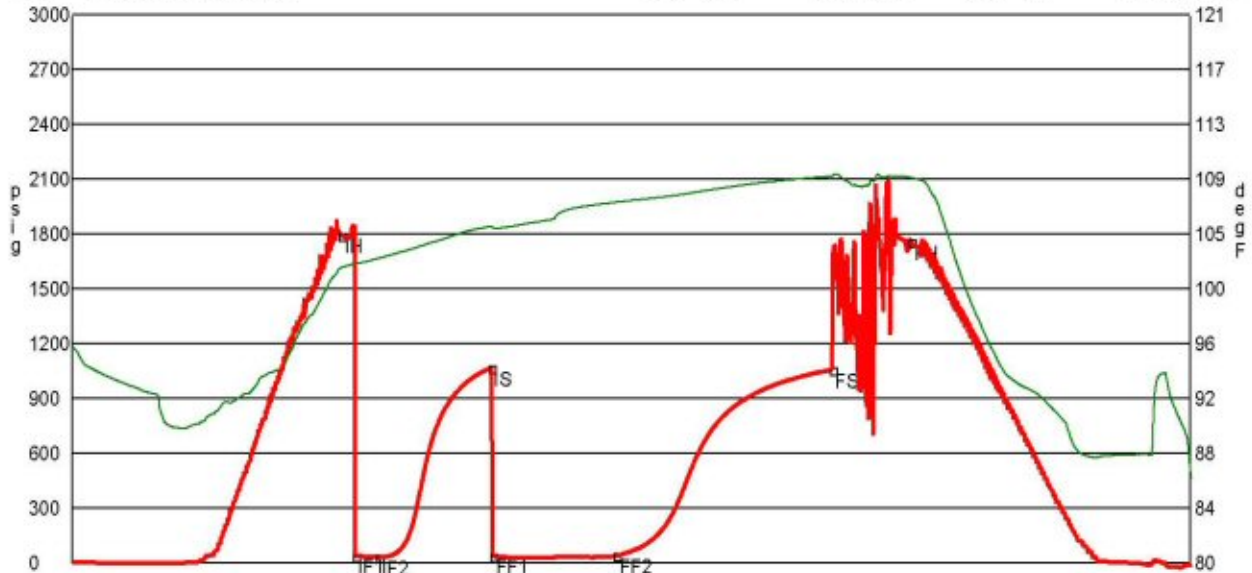
Formation **Lansing "I-J"**
 Interval Top **3740.0** Bottom **3763.0**
 Anchor Len Below **23.0** Between **0**

Start Date/Time **7/27/2011 11:50 PM**
 End Date/Time **7/28/2011 7:12 AM**

Total Depth **3763.0**
 Blow Type **Very weak surface blow at the start of the intial flow period, building to 1/2 inch. Very weak surface blow at the start of the final flow period, building to 2 1/2 inches. Times: 10, 45, 45, 90.**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
40	Very slight oil cut mud	0% 0ft	1% 0.4ft	0% 0ft	99% 39.6ft



	Date	Time	Pressure	Temp		
IH	7/28/2011	1:35:40 AM	1.761111	1794.473	102.115	Initial Hydro-static
IF1	7/28/2011	1:41:00 AM	1.85	39.374	102.354	Initial Flow (1)
IF2	7/28/2011	1:50:20 AM	2.005556	31.514	102.796	Initial Flow (2)
IS	7/28/2011	2:34:50 AM	2.747222	1067.694	105.19	Initial Shut-In
FF1	7/28/2011	2:35:40 AM	2.761111	39.867	105.078	Final Flow (1)
FF2	7/28/2011	3:24:30 AM	3.575	40.28	106.994	Final Flow (2)
FS	7/28/2011	4:50:00 AM	5	1058.974	108.939	Final Shut-In
FH	7/28/2011	5:21:20 AM	5.522222	1756.039	108.832	Final Hydro-static

DST #5.jpg

RICKETTS TESTING

(620) 326-5830

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Company **Shelby Resources, LLC**
 Address **2717 Canal Blvd. Ste. C**
 CSZ **Hays, KS 67601**
 Attn. **Keith Reavis**

Lease Name **McCune**
 Lease # **1-7**
 Legal Desc **S/2-NE-NE-SE**
 Section **7**
 Township **25S**
 County **Stafford**
 Drilling Cont **Sterling Drilling Co. Rig #4**

Job Ticket **2160**
 Range **12W**
 State **KS**

Comments **Legal Description in Feet: 2002' FSL & 330' FEL**
Field: Bunyon NE

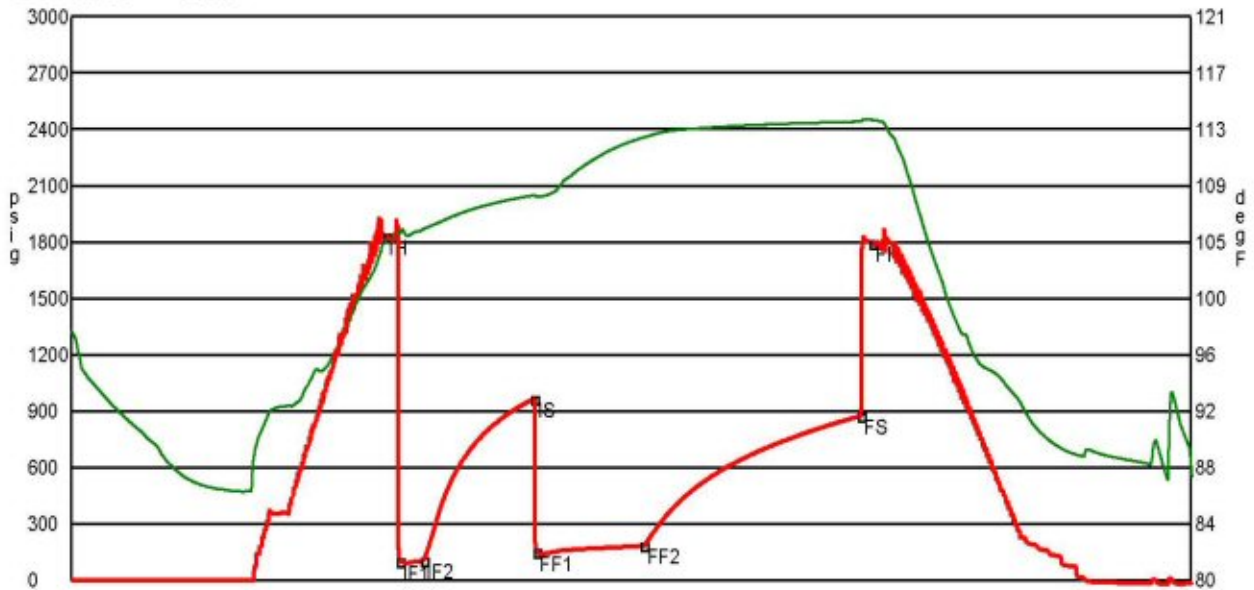
GENERAL INFORMATION

Test # 5 Tester Tim Venters Test Type Conventional Bottom Hole Successful Test # of Packers 2.0 Mud Type Gel Chem Mud Weight 9.2 Filtrate 13.2 Drill Collar Len 213.0 Wght Pipe Len 0 Formation Lansing "K&L" Interval Top 3790.0 Anchor Len Below 60.0 Total Depth 3850.0 Blow Type Fairly strong 2 inch blow at the start of the intial flow period, building, reac hing the bottom of the bucket in 1 1/2 minutes. Very weak surface blow back at the start of the initial shut-in peroid, building to 1 inch. Very strong blow t hroughout the final flow period, hitting the bottom of the bucket instantaneousl y. Very weak surface blow back at the start of the final shut-in period, buildi ng to 4 1/2 inches. Times: 10, 48, 45, 92.	Test Date 7/29/2011 Packer Size 6 3/4 Viscosity 60.0 Chlorides 10000 Bottom 3850.0 Between 0	Chokes 3/4 Top Recorder # W1119 Mid Recorder # Bott Recorder # 13310 Mileage 48 Standby Time 0 Extra Equipmnt Jars & Safety joint Time on Site 8:00 PM Tool Picked Up 10:20 PM Tool Layed Dwn 5:20 AM Elevation 1898.00 Start Date/Time 7/28/2011 9:33 PM End Date/Time 7/29/2011 5:23 AM Approved By Kelley Bushings 1907.00
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RECOVERY

Feet	Description	Gas	Oil	Water	Mud
2225	Gas in Pipe	100% 2225ft	0% 0ft	0% 0ft	0% 0ft
15	Mud with spotty oil	0% 0ft	trace	0% 0ft	100% 15ft
65	Gassy, slight oil cut mud	13% 8.4ft	7% 4.6ft	0% 0ft	80% 52ft
310	Gassy, oil, water, and mud	26% 80.6ft	23% 71.3ft	24% 74.4ft	27% 83.7ft

DST Fluids **71000**



	Date	Time	Pressure	Temp		
IH	7/28/2011	11:44:20 PM	2.188889	1828.019	104.688	Initial Hydro-static
IF1	7/28/2011	11:50:00 PM	2.283333	96.999	105.178	Initial Flow (1)
IF2	7/29/2011	12:00:10 AM	2.452778	105.894	105.552	Initial Flow (2)
IS	7/29/2011	12:46:40 AM	3.227778	964.303	108.014	Initial Shut-In
FF1	7/29/2011	12:47:40 AM	3.244444	146.971	107.911	Final Flow (1)
FF2	7/29/2011	1:32:40 AM	3.994444	183.629	112.214	Final Flow (2)
FS	7/29/2011	3:03:50 AM	5.513889	874.275	113.365	Final Shut-In
FH	7/29/2011	3:08:40 AM	5.594444	1792.809	113.487	Final Hydro-static