

Scale 1:240 Imperial

Well Name: Ward County Unit #1-3

Surface Location: 330' FNL _852' FEL Sec 3 - 22S- 16W

Bottom Location:

API: 15-145-21735-00-00

License Number:

10/28/2013 Time: 6:45 PM Spud Date:

Region: Pawnee County

Drilling Completed: 11/4/2013 Time: 7:45 PM

Surface Coordinates: Y = 549149 & X = 1838588

Bottom Hole Coordinates: Y = & X =Ground Elevation: 1986.00ft K.B. Elevation: 1999.00ft

> Logged Interval: 3100.00ft To: 4040.00ft

Total Depth: 4040.00ft Formation: Arbuckle

Chemical/Fresh Water Gel Drilling Fluid Type:

OPERATOR

Shelby Resources, LLC Company: Address: 445 Union Blvd, Suite 208

Lakewood, CO 80228

Contact Geologist: Janine Sturdavant

Contact Phone Nbr: 303-907-2209 / 720-274-4682

> Well Name: Ward County Unit #1-3

330' FNL _852' FEL Sec 3 - 22S- 16W Location: API: 15-145-21735-00-00

Pool: Field: Wildcat

State: Kansas USA Country:

LOGGED BY



Company: Shelby Resources, LLC Address: 445 UNION BLVD. Suite 208

LAKEWOOD, CO. 80228

Phone Nbr: 203-671-6034

Logged By: Geologist Name: Jeremy Schwartz

NOTES

The Captiva II Ward County Unit #1-3 was drilled to a total depth of 4040', bottoming in the Arbuckle. A TookeDag gas detector was employed in the drilling of said well.

Three DST's were conducted throughout the Conglomerate, Simpson Sand and Arbuckle zones. The DST reports can be found at the bottom of this log.

Due to the DST results, sample shows, gas kicks, and log analysis it was determined by all parties involved to furthur test the well through production pipe. The dry samples were saved and will be available for furthur review at the Kansas Geological Society Well Sample Library, located in Wichita, KS.

Respectfully Submitted, Jeremy Schwartz Geologist

SURFACE CO-ORDINATES

Well Type: Vertical

Longitude: Latitude:

N/S Co-ord: Y = 549149 E/W Co-ord: X = 1838588

CONTRACTOR

Contractor: Sterling Drilling Co

Rig #: 5

Rig Type: mud rotary Spud Date: 10/28/2013

 Spud Date:
 10/28/2013
 Time:
 6:45 PM

 TD Date:
 11/4/2013
 Time:
 7:45 PM

Rig Release: Time:

ELEVATIONS

K.B. Elevation: 1999.00ft Ground Elevation: 1986.00ft

K.B. to Ground: 13.00ft

<u>DATE</u>	DEPTH	<u>ACTIVITY</u>
Friday, November 01, 2013	3525'	Geologist Jeremy Schwartz on location @ 0445hrs, DRLG ahead through Douglas,
	3795'	Brown Lime, LKC, Stark, BKC, Strap and trip out with PDC bit, replace with button bit
	38491	DRLG ahead through Marmaton, Conglomerate, Conduct DST #1 in the Conglomerate
Saturday, November 02, 2013	3849'	DRLG ahead through Conglomerate, Viola, Simpson Shale, Simpson Sand,
	3919'	Conduct DST #2 in the Simpson Sand
Sunday, November 03, 2013	3966'	DRLG ahead into Arbuckle, Conduct DST #3 in Arbuckle. Rig down for repairs.
2/0		While TIH Wind blew the blocks into the A-Leg area of the derrick and severed the
	(1.5)	1-1/8" drilling line extending from the drawworks to the fast sheave. The collars
		in the hole at the time were in the slips (and all in the surface pipe). Waiting
	, N 2	on crane to pick up the blocks and string in a new drilling line
Monday, November 04, 2013	3966'	Resume DRLG @ 1725hrs. DRLG ahead to TD @ 4040'
	40401	TD Reached @ 1945hrs. CTCH I hour, TOH, Conduct Logging Operations
		Logging Operations complete @ 0300hrs
		Geologist Jeremy Schwartz off location @ 0330hrs

CLIENT:	SHELBY RESOURCES, LLC
WELL NAME:	WARD COUNTY UNIT #1-3
LEGAL:	330' FNL & 852' FEL 3-228-16W
COUNTY:	PAWNEE COUNTY, KS
API:	15-145-21735-00-00
DRLG CONTRACTOR:	STERLING DRILLING CO.
RIG#:	5
DOGHOUSE #:	620-388-5433
TOOLPUSHER:	ALAN LOFTIS
CELL #:	620-388-2736

OLLE III		020 00																				
4	996						•					P	&A					OIL ·	- P&A	4		
						CAP	TIVA I	0				CAP	TIVA I					EHRLICH	DRILL	ING		
	V	VARD COUN	ITY UNIT#3	L-3		WFY	OG#2	3				BUSTI	R #1-	10			ВР	HUTCHERS	ON-V F	R CADE	#2	\neg
		E/2-NV	V- NE-NE		1	A/2- NW- NW	NE 3	228-16	5W		S	W-NE-SW-N	E 10-	225-10	5W		SW-SW-SW 35-21-16					
	KB		1999		KB		19	99			KB		2	18			KB		19	980		
	LOG	TOPS	SAMP	LE TOPS	COM	P. CARD	L)G	SN	IPL.	COM	P. CARD	Ŀ	0G	SN	IPL.	COMP	. CARD	E	0G	SN	APL.
FORMATION	DEPTH	DATUM	DEPTH	DATUM	DEPTH	DATUM	co	RR.	CO	RR.	DEPTH	DATUM	CC	RR.	co	RR.	DEPTH	DATUM	CO	ORR.	CO	RR.
ANHYDRITE TOP	995	1004	997	1002	989	1010	*	6	200	8	1013	1005	*	1	*	3	975	1005	1 mg	1	*	3
BASE	1018	981	1023	976	1012	987	-	6	100	11	10 38	980	+	1		4	996	984	-	3		8
HEEBNER SHALE	3414	-1415	3415	-1416	3396	-1397	(4)	18	30	19	3465	-1447	+	32	+	31	3418	-1438	+	23	+	22
TORONTO	3430	-1431	3436	-1437	3412	-1413	-	18	3)	24	3478	-1460	+	29	+	23	3435	-1455	+	24	+	18
DOUGLAS SHALE	3448	-1449	3450	-1451	3430	-1431	-	18	7	20	3504	-1486	+	37	+	35	3454	-1474	+	25	+	23
BROWN LIME	3524	-1525	3525	-1526	3504	-1505	376	20	323	21	3572	-1554	+	29	+	28						
TKC	3538	-1539	3540	-1541	3514	-1515	-	24	*	26	3578	-1560	+	21	+	19	3539	-1559	+	20	+	18
STARK S HALE	3717	-1718	3719	-1720	3699	-1700	- 10	18	16	20	3776	-1758	+	40	+	38						
BKC	3770	-1771	3769	-1770	3749	-1750	100	21	8	20	38 33	-1815	+	44	+	45	3781	-1801	+	30	+	31
MARMATON	3790	-1791	3792	-1793	3770	-1771	-30	20	-	22	3846	-1828	+	37	+	35	3805	-1825	+	34	+	32
CONGLOMERATE	3816	-1817	3818	-1819	3798	-1799	120	18	130	20	3880	-1862	+	45	+	43	38 28	-1848	+	31	+	29
CONG. SAND	3862	-1863	3862	-1863	3824	-1825	*	38	*	38							38 49	-1869	+	6	+	6
VIOLA											3892	-1874					39 30	-1950				
SIMPSONSHALE	3890	-1891	3893	-1894	3840	-1841	*	50	100	53	39 79	-1961	+	70	+	67	3971	-1991	+	100	+	97
SIMPSONSAND	3908	-1909	3906	-1907	3853	-1854	-	55	30	53	3984	-1966	+	57	+	59	3992	-2012	+	103	+	105
ARBUCKLE	3960	-1961	3960	-1961	3869	-1870	*	91	-	91	40 31	-2013	+	52	+	52	40 66	-2086	-+	125	+	125
RTD			4040	-2041	3950	-1951			3533	90	4130	-2112			+	71	4097	-2117			+	76
LTD	4041	-2042			3950	-1951	40	91			4117	-2099	+	57								

PROG	inosis	
ANHYDRITE TOP	992	1007
HEEBNER SHALE	3406	-1407
TORONTO	3422	-1423
BROWN LIME	3514	-1515
LANSING	3524	-1525
BKC	3755	-1756

DST#1 (3787' - 3837') CONG/SIMPSON 10-45-60-90

TESTED

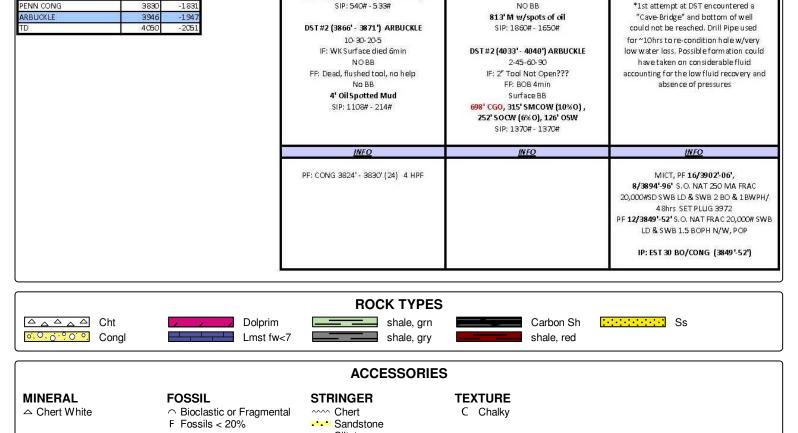
10-45-60-90
IF: Strong BOB 3min
1/2in BB
FF: Strong BOB 2.5min
BB BOB
813' CGO, 2330' GIP, 627' OCGM,

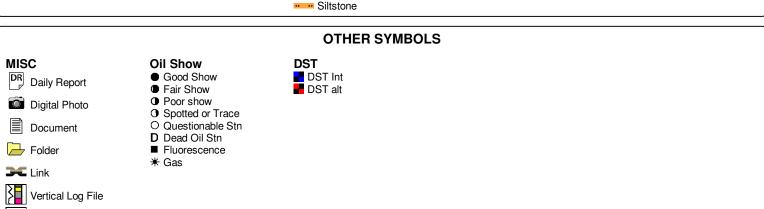
DST #1 (3905' - 3935') VIOLA Misrun - Packer Failure (depth 30' STB)

TESTED

DST#3 Straddle (3922'- 3952') VIOLA 15-45-30-60 IF: BOB instantly FF: BOB 5min DST#1 (3816' - 3860') CONG SAND
Open 1hr - WK Blow
15' Mud w/specks of Oil
*Initial and final bottom hole pressures
as well as initial and final flow pressures
were Zero

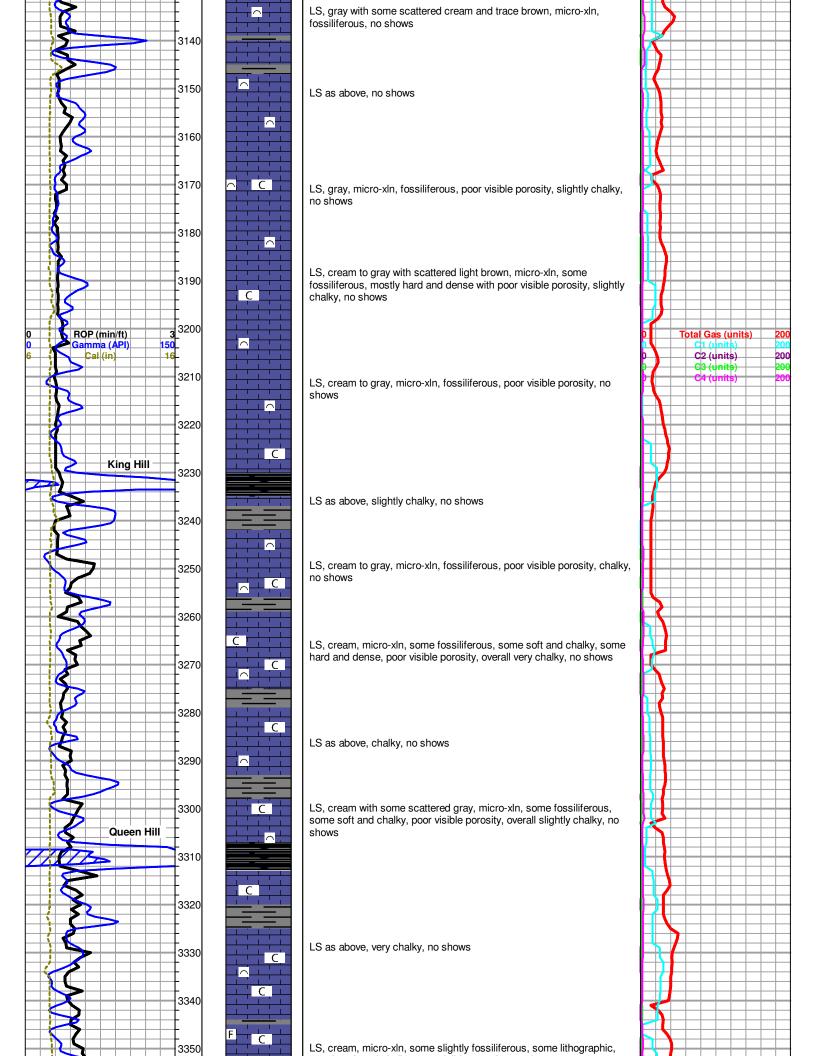
TESTED

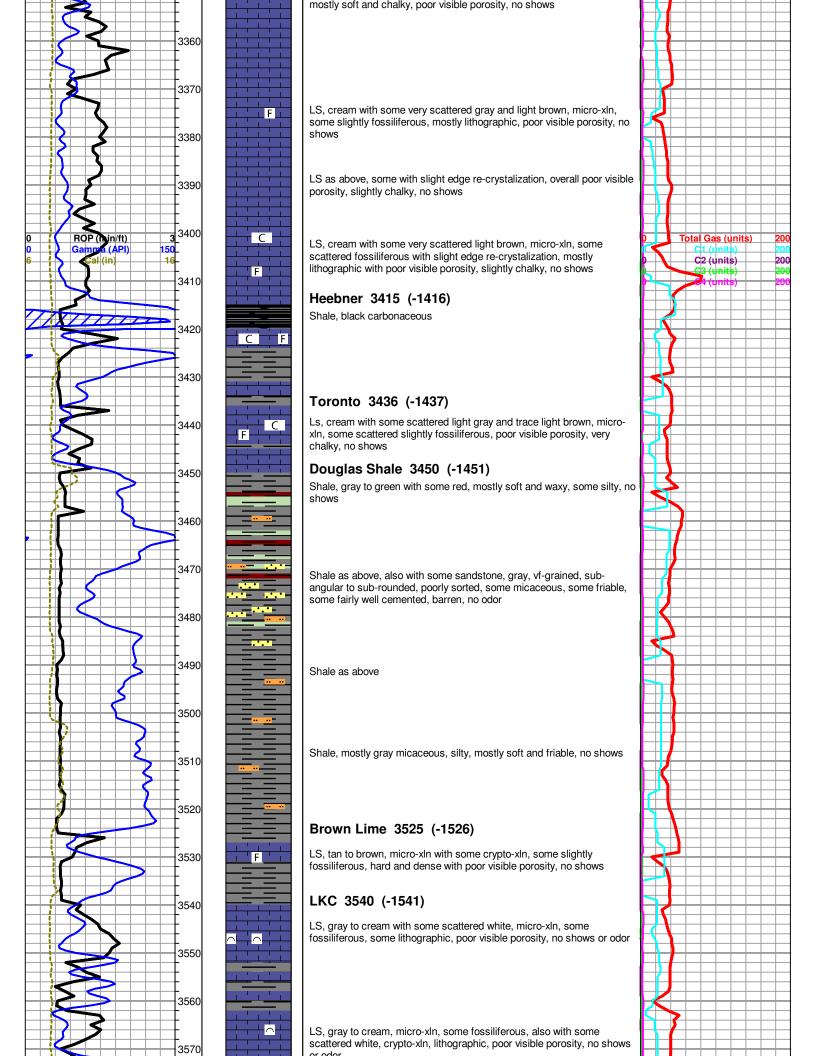


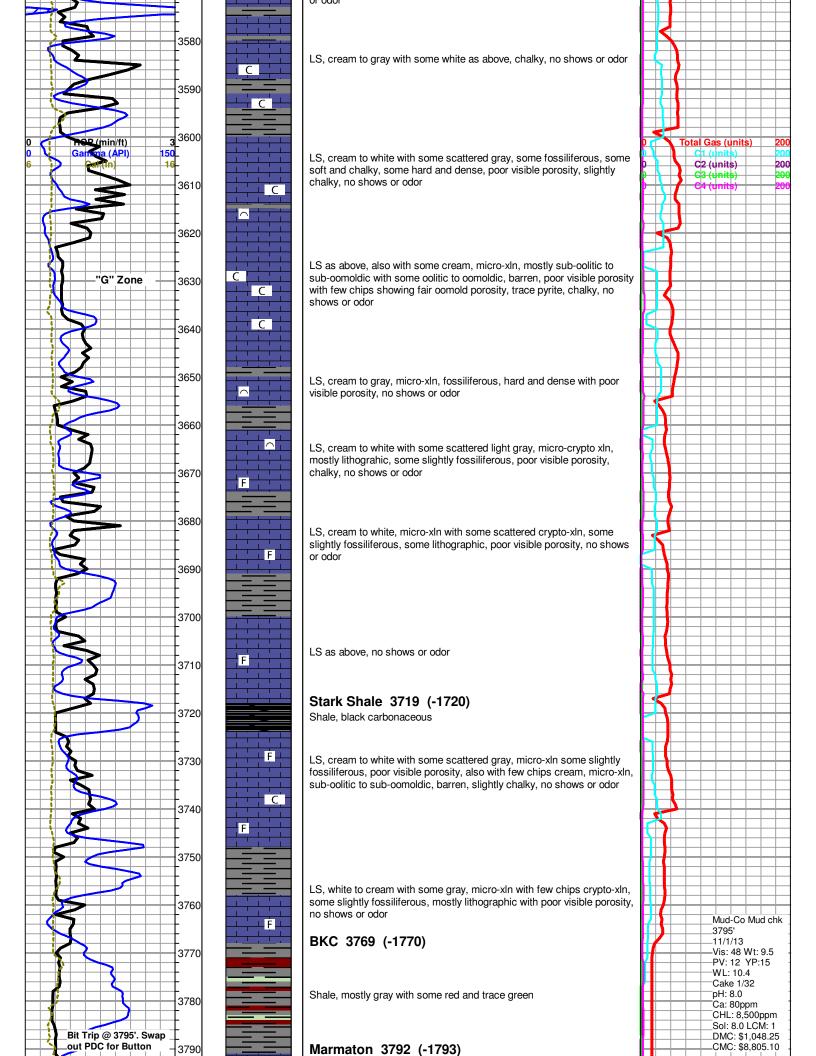


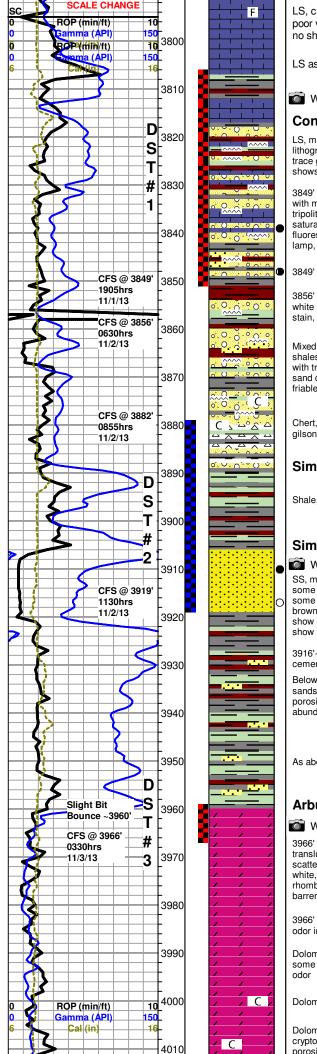
Horizontal Log File
Core Log File
Drill Cuttings Rpt

Printed by GEOstrip VC Striplog version 4.0.7.0 (www.grsi.ca) Curve Track #1 TG, C1 - C5 ROP (min/ft) Total Gas (units) Depth | Intervals Gamma (API) C1 (units) Cal (in) C2 (units) Lithology C3 (units) C4 (units) DST **Geological Descriptions** Cored Interval DST Interval 1:240 Imperial 1:240 Imperial ROP (min/ft) Total Gas (units) Logged By Jeremy Schwartz C2 (units) boo \cap C3 (units) LS, gray with some scattered cream, micro-xln, fossiliferous, mostly 3110 hard and dense with poor visible porosity, no shows 3120 3130









LS, cream to gray with some white, micro-crypto xln, some fossiliferous, poor visible porosity, also with trace tan to gray/brown and orange chert, no shows or odor

LS as above, also with abundant gray and red shale and trace chert

MARD-COUNTY UNIT 1-3 DST #1.jpg

Conglomerate 3818 (-1819)

LS, mixed cream to gray with some scattered brown, some fossiliferous, some lithographic, dense with poor visible porosity, abundant gray and red shale with trace green, also with mixed tan to white and orange cherts, red wash, no shows or odor

3849' 30" Mixed cream to gray LS, micro-xln, dense with poor visible porosity, with mixed gray and red shale and white to tan and brown cherts, some tripolitic, some chips with good visible pinpoint porosity and mostly saturated to saturated brown to black stain, slow streaming cut with milky white fluorescence, few chips slowly bleed oil and few gas bubbles when left under lamp, fair show free oil in tray, good odor

3849' 60" LS, cherts, and shales as above, triploiitc cherts dropping out

3856' Mixed cream to gray LS, abundant gray and red shale, and some tan to white cherts, few with tripolitic edges and scattered brown to black gilsonitic stain, NSFO, poor odor

Mixed LS, few chips cream, micro-xln, oomoldic, barren, abundant gray and red shales with trace green, also with mixed tan to orange and white chert, some with tripolitic edges with very scattered black gilsonitic stain, found one small sand cluster, light gray, vf-grained, sub-angular to sub-rounded, poorly sorted, friable, barren, chalky, no odor

Chert, white to tan, vitreous, sharp, some with tripolitic edges and slight black gilsonitic stain, NSFO, no odor in tray

Simpson Shale 3890 (-1891)

Shale, gray and red with some green

Simpson Sand 3906 (-1907)

WARD-COUNTY UNIT 1-3 DST #2.jpg

SS, medium to coarse grained, sub-rounded to sub-angular, some barren, some with scattered black stain, mostly fair to well cemented, calcareous, some clusters show good visible porosity, some mostly saturated to saturated brown to black stain, upon break clusters have fair show free oil and slight show gas bubbles, slow streaming cut with milky white fluorescence, good show free oil in tray, fair odor

 $3916\mbox{'-}3922\mbox{'}$ Lower Simpson Sandstone, unconsolidated, friable, poorly cemented, no shows

Below 3920' Shale, gray to green with some red, also with some scattered sandstone, sub-rounded to sub-angular, well cemented with poor visible porosity, mostly barren, some with very scattered brown to black stain, no cut, abundant green clay, few globs have sand grains trapped, poor odor

As above, with influx of green shale

Arbuckle 3960 (-1961)

WARD-COUNTY UNIT 1-3 DST #3.jpg

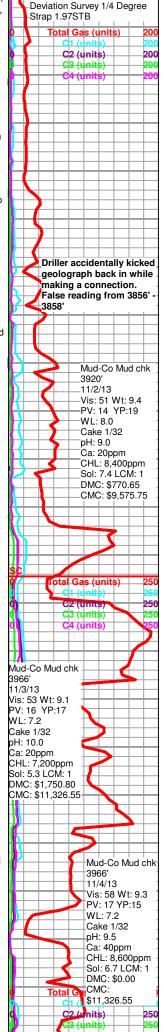
3966' 30" Mixed green to gray shales with some red, scattered SS clusters, transluscent, sub-rounded to sub-angular, mostly barren, few with very scattered black stain, also with dolomite, mostly cream with some scattered white, micro-xln, some dense and lithographic, some sucrosic with fair to good rhombic development and fair to good visible porosity, some chips friable, barren, no cut, poor odor

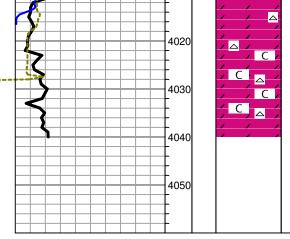
3966' 60" As above, with overall more dolomite and less shales and SS, poor odor in cup

Dolomite, cream with some scattered white, micro-xln, mostly lithographic, some sub-sucrosic, dense with poor visible porosity, trace pyrite, no shows or odor

Dolomite as above, trace pyrite, slightly chalky, no shows or odor

Dolomite, cream with some scattered white and brown, micro-xln with some crypto-xln, lithographic, some sub-sucrosic, mostly dense with poor visible porosity. few chips sucrosic with several small scattered vugs and poor to fair



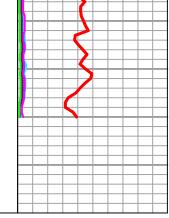


visible porosity, also with some white chert, slightly chalky, no shows or odor

Dolomite as above, very chalky, no shows or odor

As above

Rotary TD 4040' @ 1945hrs 11/4/13 Nabors Well Services Logging TD @ 4041' Complete Logging Operations @ 0300hrs 11/5/13 Geologist Jeremy Schwartz off location @ 0330hrs 11/5/13



1999.00 ft (KB)

WARD-COUNTY UNIT 1-3 DST #1.jpg

DRILL STEM TEST REPORT

Shelby Resources LLC

Ward-County Unit 3-1 2717 Canal Boulevard

Suite C

Hays, Kansas 67601 ATTN: Jeremy Schwartz Job Ticket: 17060 DST#: 1

Test Start: 2013.11.01 @ 22:23:00

3/22S/16W/Pawnee

Reference Bevations:

GENERAL INFORMATION:

Formation: Conglomerate

Deviated: Whipstock: ft (KB) Test Type: Conventional Bottom Hole (Initial) No Tester: Ken Swinney

Time Tool Opened: 00:09:30

Time Test Ended: 03:02:30 Unit No: 3325 Great Bend/48

Interval: 3806.00 ft (KB) To 3849.00 ft (KB) (TVD)

Total Depth: 3849.00 ft (KB) (TVD)

1986.00 ft (CF) 7.80 inches Hole Condition: Fair KB to GR/CF: 13.00 ft

Serial #: 6666 Outside

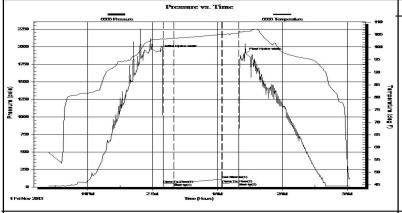
Hole Diameter:

52.18 psia @ 5000.00 psia Press@RunDepth: 3846.00 ft (KB) Capacity: Start Date: 2013.11.01 End Date: 2013.11.02 Last Calib.: 2013.11.02 Time On Btm: Start Time: End Time: 03:02:30

22:23:00 2013.11.02 @ 00:07:30 Time Off Btm: 2013.11.02 @ 01:26:00

TEST COMMENT: 1ST Open 10 Minutes/Weak blow /Started as strong surface blow died to weak surface blow /No build

1ST Shut In 45 Minutes/No blow back 2ND Open 15 Minutes/Dead no blow /Flush tool/Good surge/Weak surface blow 30 seconds/Pull test



	PRESSURE SUMMARY								
Time	Pressure	Temp	Annotation						
(Min.)	(psia)	(deg F)							
0	1946.29	103.27	Initial Hydro-static						
2	50.60	103.09	Open To Flow (1)						
12	52.18	103.61	Shut-In(1)						
57	113.72	105.14	End Shut-In(1)						
57	53.39	105.13	Open To Flow (2)						
72	60.30	105.67	Shut-In(2)						
79	1906.72	106.35	Final Hydro-static						

Recovery						
Length (ft)	Description	Volume (bbl)				
15.00	Mud 100%	0.07				

Ref. No: 17060

Gas Rates									
	Choke (inches)	Pressure (psia)	Gas Rate (Mcf/d)						
		•	-						

WARD-COUNTY UNIT 1-3 DST #2.jpg



DRILL STEM TEST REPORT

Shelby Resources LLC

2717 Canal Boulevard Suite C

Hays, Kansas 67601 ATTN: Jeremy Schwartz 3/22S/16W/Pawnee

Ward-County Unit 3-1

Job Ticket: 17061 DST#: 2

Test Start: 2013.11.02 @ 14:36:00

GENERAL INFORMATION:

Formation: Simpson Sand

Conventional Bottom Hole (Initial) Deviated: Whipstock: ft (KB) Test Type: No

Time Tool Opened: 16:08:30 Time Test Ended: 23:22:30

Total Depth:

Tester: Ken Sw inney 3325 Great Bend/48 Unit No:

Interval: 3879.00 ft (KB) To 3919.00 ft (KB) (TVD) Reference Bevations: 1999.00 ft (KB) 1986.00 ft (CF)

3919.00 ft (KB) (TVD) Hole Diameter: 7.80 inches Hole Condition: Fair KB to GR/CF: 13.00 ft

Serial #: 6666 Outside

Press@RunDepth: 926.92 psia @ 3916.00 ft (KB) Capacity: 5000.00 psia

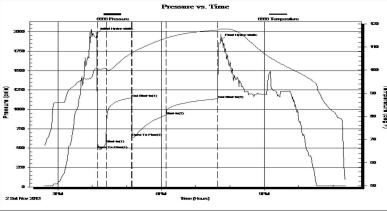
Last Calib.: Start Date: 2013.11.02 End Date: 2013.11.02 2013.11.02 Start Time: 14:36:00 End Time: 23:22:30 Time On Btm: 2013.11.02 @ 16:07:30 Time Off Btm: 2013.11.02 @ 19:45:00

TEST COMMENT: 1ST Open 15 Minutes/Strong blow /Blow built to bottom of bucket in 1 minute

1ST Shut In 45 Minutes/Blow back built to bottom of bucket in 5 minutes

60 Minutes/Strong blow/Blow built to bottom of bucket in 45 seconds/Gas to surface 2 minutes 2ND Open

2ND Shut In 90 Minutes/Blow back built to bottom of bucket in 3 min 30 seconds



	PRESSURE SUMMARY							
	Time	Pressure	Temp	Annotation				
	(Min.)	(psia)	(deg F)					
	0	1982.37	100.71	Initial Hydro-static				
	1	487.10	100.20	Open To Flow (1)				
	17	560.22	100.92	Shut-In(1)				
-	61	1150.37	107.39	End Shut-In(1)				
ā	62	648.18	107.53	Open To Flow (2)				
Ē	122	926.92	113.80	Shut-In(2)				
Temperature (deg F	211	1136.90	117.26	End Shut-In(2)				
	218	1903.50	117.74	Final Hydro-static				

Recovery

Length (ft)	Description	Volume (bbl)
2425.00	Clean gassy Oil	31.01
0.00	Gas 10% Oil 90%	0.00
63.00	Mud cut Gassy Oil	0.88
0.00	Mud 10% Gas 10% Oil 80%	0.00
0.00	Corrected gravity of oil 38	0.00

Gas Rates

	Choke (inches)	Pressure (psia)	Gas Rate (Mcf/d)
First Gas Rate	0.13	6.31	2.36
Last Gas Rate	0.13	10.18	3.81
Max. Gas Rate	0.13	11.97	4.48

Printed: 2013.11.02 @ 23:34:59

Superior Testers Enterprises LLC

Ref. No: 17061

WARD-COUNTY UNIT 1-3 DST #3.jpg



DRILL STEM TEST REPORT

Shelby Resources LLC

2717 Canal Boulevard

Suite C

Hays, Kansas 67601 ATTN: Jeremy Schwartz 3/22S/16W/Pawnee

Ward-County Unit 3-1

Job Ticket: 17062 DST#: 3 Test Start: 2013.11.03 @ 06:52:00

GENERAL INFORMATION:

Formation: Arbuckle

Deviated: Whipstock: ft (KB) Test Type: No

Conventional Bottom Hole (Initial) Time Tool Opened: 08:43:30 Tester: Ken Swinney

3325 Great Bend/48 Time Test Ended: 14:58:00 Unit No:

Interval: 3960.00 ft (KB) To 3966.00 ft (KB) (TVD) Reference Bevations: 1999.00 ft (KB)

3966.00 ft (KB) (TVD) 1986.00 ft (CF) Total Depth:

Hole Diameter: 7.80 inches Hole Condition: Fair KB to GR/CF: 13.00 ft

Serial #: 6666 Inside

878.30 psia @ Press@RunDepth: 3962.00 ft (KB) Capacity: 5000.00 psia

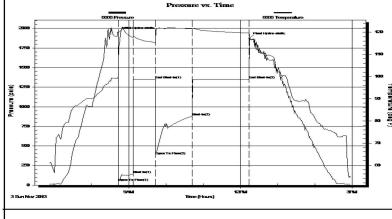
Start Date: 2013.11.03 End Date: 2013.11.03 Last Calib.: 2013.11.03 06:52:00 Time On Btm: 2013.11.03 @ 08:43:00 Start Time: End Time: 14:58:00 Time Off Btm: 2013.11.03 @ 12:14:30

TEST COMMENT: 1ST Open 15 Minutes/Strong surging blow/Blow built to bottom of bucket in 13 minutes 30 seconds

1ST Shut In 45 Minutes/No blow back

2ND Open 60 Minutes/Strong blow/Blow built to bottom of bucket in 1 minute 30 seconds/Smooth build

2ND Shut In 90 Minutes/No blow back



	THE SECTION ATT									
-	Time	Pressure	Temp	Annotation						
	(Min.)	(psia)	(deg F)							
	0	1946.58	99.65	Initial Hydro-static						
	1	45.78	106.48	Open To Flow (1)						
	24	142.66	117.64	Shut-In(1)						
_	60	1348.76	115.42	End Shut-In(1)						
Temperature (deg F)	61	382.68	116.07	Open To Flow (2)						
-	120	878.30	121.61	Shut-In(2)						
6	211	1348.54	119.68	End Shut-In(2)						
J	212	1876.77	118.67	Final Hydro-static						

PRESSURE SUMMARY

Recovery Description Length (ft) Volume (bbl) 1890.00 Slightly mud and gas cut water 23.51 0.00 Mud 2% Gas 3% Water 95% 0.00 0.00 Recovery Chlorides 21000 ppm 0.00 0.00 Recov. Resist. .18 ohms @ 68 deg. 0.00

Gas Rates							
	Choke (inches)	Pressure (psia)	Gas Rate (Mcf/d)				

Printed: 2013.11.03 @ 15:20:52

Cac Batas

Superior Testers Enterprises LLC

Ref. No: 17062