

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

**ORIGINAL**

Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 31725  
 Name: Shelby Resources, LLC  
 Address: P.O. Box 1213  
 City/State/Zip: Hays, Kansas 67601  
 Purchaser: Plains Marketing, L.P.  
 Operator Contact Person: Brian Karlin  
 Phone: (785) 623-3290  
 Contractor Name: Sterling Drilling Company  
 License: 5142  
 Wellsite Geologist: Bruce B. Ard  
 Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, etc)  
 If Workover/Re-entry: Old Well Info as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to Enhr./SWD  
 Plug Back    \_\_\_\_\_ Plug Back Total Depth  
 Commingled    Docket No. \_\_\_\_\_  
 Dual Completion    Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?)    Docket No. \_\_\_\_\_  

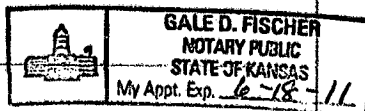
<u>1-18-2008</u>	<u>1-27-2008</u>	<u>2-14-2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23500-0000  
 County: Stafford  
 app. SE NE NW Sec. 4 Twp. 21 S. R. 11  East  West  
880' feet from S (N) (circle one) Line of Section  
2425' feet from E (W) (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE (NW) SW  
 Lease Name: Rugan Well #: 1-4  
 Field Name: Snider  
 Producing Formation: Arbuckle & LKC  
 Elevation: Ground: 1782' Kelly Bushing: 1791'  
 Total Depth: 3473' Plug Back Total Depth: 3441'  
 Amount of Surface Pipe Set and Cemented at 566' Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 566'  
 feet depth to surface w/ 385 sx cmt.  
*Alt I - Dig 5/28/08*  
**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit)  
 Chloride content 8500 ppm Fluid volume 280 bbls  
 Dewatering method used hauled free fluids  
 Location of fluid disposal if hauled offsite:  
 Operator Name: Shelby Resources, LLC  
 Lease Name: Hullman Trust License No.: #2  
 Quarter NW Sec. 36 Twp. 21 S. R. 12  East  West  
 County: Stafford Docket No.: D-30,004

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Brian Karlin  
 Title: Operations Manager Date: 3-21-2008  
 Subscribed and sworn to before me this 21 day of March  
20 08  
 Notary Public: Gale D. Fischer  
 Date Commission Expires: 6-18-2011



**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**MAR 25 2008**

Operator Name: Shelby Resources, LLC Lease Name: Rugan Well #: 1-4  
 Sec. 4 Twp. 21 S. R. 11  East  West County: Stafford

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>Compensated Density Neutron, Sonic, Micro, and Dual Induction Logs</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Topeka</td> <td>2684</td> <td>-893</td> </tr> <tr> <td>Heebner Shale</td> <td>2961</td> <td>-1170</td> </tr> <tr> <td>Toronto</td> <td>2984</td> <td>-1193</td> </tr> <tr> <td>Brown Lime</td> <td>3086</td> <td>-1295</td> </tr> <tr> <td>Lansing</td> <td>3104</td> <td>-1313</td> </tr> <tr> <td>Base KC</td> <td>3339</td> <td>-1548</td> </tr> <tr> <td>Simpson Sand</td> <td>3363</td> <td>-1572</td> </tr> <tr> <td>Arbuckle</td> <td>3366</td> <td>-1575</td> </tr> </table>	Name	Top	Datum	Topeka	2684	-893	Heebner Shale	2961	-1170	Toronto	2984	-1193	Brown Lime	3086	-1295	Lansing	3104	-1313	Base KC	3339	-1548	Simpson Sand	3363	-1572	Arbuckle	3366	-1575
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs./ Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface Pipe	12-1/4"	8-5/8"	23#	566' KB	Common	385	3% CC, 2% gel
Production	7-7/8"	5-1/2"	15.5#	3465' KB	Class A	150	10% salt

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	3367-75'	250 gal. 20% Mud	
2	3306-12'	250 gal. 20% Mud	
2	3192-3200'	250 gal. 20% Mud	
2	3170-73', 3161-64', 3150-54', 3132-37', & 3119-23'	2750 gal. 20% NE and 1300# rock salt	

TUBING RECORD	Size 2-3/8"	Set At 3420'	Packer At none	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 2-19-2008		Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbbs. 21	Gas Mcf	Water Bbbs. 70	Gas-Oil Ratio 
				Gravity 34

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input checked="" type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	_____

**RECEIVED**  
KANSAS CORPORATION COMMISSION

**MAR 25 2008**

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC.

31023

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:  
Great Bend

DATE <u>1-19-04</u>	SEC. <u>H</u>	TWP. <u>21</u>	RANGE <u>11</u>	CALLED OUT <u>8 AM</u>	ON LOCATION <u>11 AM</u>	JOB START <u>5 AM</u>	JOB FINISH <u>5 PM</u>
LEASE <u>Rugan</u>	WELL # <u>104</u>	LOCATION <u>Ellinwood S. to Col. Univ</u>			COUNTY <u>Stafford</u>	STATE <u>K.S.</u>	
OLD OR <u>NEW</u> (Circle one)		<u>2 1/2 E 515</u>					

CONTRACTOR STERLING RING 1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 566 #

CASING SIZE 8 1/2 DEPTH 566 #

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 250 # MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 40 #

PERFS. \_\_\_\_\_

DISPLACEMENT 33 1/2 bbl

OWNER \_\_\_\_\_

CEMENT AMOUNT ORDERED 385 # Common

3 cc 2 cc - l

EQUIPMENT

PUMP TRUCK # 181 CEMENTER Mike M.

BULK TRUCK # 357 DRIVER Joe D.

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>385 #</u>	@	<u>12.15</u>	<u>4677.75</u>
POZMIX		@		
GEL	<u>7 #</u>	@	<u>18.25</u>	<u>127.75</u>
CHLORIDE	<u>12 #</u>	@	<u>51.00</u>	<u>612.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>404 #</u>	@	<u>2.05</u>	<u>828.20</u>
MILEAGE	<u>404-09-18</u>			<u>654.48</u>
TOTAL				<u>6900.18</u>

REMARKS:

Rig is still drilling when get here  
Rig start out of the hole with the collars  
start to run surface pipe & excavate the hole with Ring mud pump  
Mix cement + then Release plug  
Displace plug down with water  
Cement did circulate to surface

SERVICE

DEPTH OF JOB	<u>566 #</u>			
PUMP TRUCK CHARGE				<u>893.00</u>
EXTRA FOOTAGE	<u>266'</u>	@	<u>70</u>	<u>186.20</u>
MILEAGE	<u>18</u>	@	<u>7.00</u>	<u>126.00</u>
MANIFOLD		@		
<u>HEAD RENTAL</u>		@	<u>110.00</u>	<u>110.00</u>
		@		

CHARGE TO: Shelby Resources

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL 1315.20

PLUG & FLOAT EQUIPMENT

<u>1-8 1/8 Rubber plug</u>	@	<u>110.00</u>	<u>110.00</u>
	@		
	@		

To Allied Cementing Co., Inc.

*Thank you*

# ALLIED CEMENTING CO., LLC. 31023

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:  
Medicine Lodge, KS.

DATE <u>1-27-08</u>	SEC. <u>4</u>	TWP. <u>21S</u>	RANGE <u>11W</u>	CALLED OUT <u>3:00 PM</u>	ON LOCATION <u>5:30 PM</u>	JOB START <u>10:00 AM</u>	JOB FINISH <u>10:45 PM</u>
LEASE <u>Rugan</u>	WELL # <u>1-4</u>	LOCATION <u>281+K19, 8E, 7N, 3 1/2 E, 5 T to</u>			COUNTY <u>Stafford</u>	STATE <u>KS.</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Sterling #1  
 TYPE OF JOB Production casing  
 HOLE SIZE 7 7/8" T.D. 3,473'  
 CASING SIZE 5 1/2" 15.5# DEPTH 3,478'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 1,400 MINIMUM 100  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 16.49  
 CEMENT LEFT IN CSG. 16.49  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 83 1/2 Bbl Freshwater

OWNER Shelby Resources  
 CEMENT  
 AMOUNT ORDERED 150 sk class A + 10% salt, 500 gal ASF

EQUIPMENT  
 PUMP TRUCK CEMENTER Thomas Denslow  
 # 414 HELPER Greg Lee  
 BULK TRUCK  
 # 389 DRIVER Larry F.  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>150 A</u>	@	<u>14.20</u>	<u>2130.00</u>
POZMIX		@		
GEL		@		
CHLORIDE		@		
ASC		@		
	<u>Salt 16</u>	@	<u>10.80</u>	<u>172.80</u>
	<u>ASF 500 gal</u>	@	<u>1.15</u>	<u>575.00</u>
		@		
		@		
		@		
		@		
HANDLING	<u>166</u>	@	<u>2.15</u>	<u>356.90</u>
MILEAGE	<u>18</u>	<u>Min chg</u>		<u>282.00</u>
TOTAL				<u>3516.70</u>

REMARKS:  
Pipe on Bottom, Break circulation, Pump 500 gal ASF, Plug Rat Hole w/ 15 sk class A + 10% salt, Pump Production - 135 sk class A + 10% salt, stop pumps wash pump + lines, Release Plug, Start Displacement, see lift, slow rate, Pump Plug, Float held

SERVICE

DEPTH OF JOB	<u>3,478'</u>		
PUMP TRUCK CHARGE			<u>1812.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>18</u>	@	<u>2.00</u> <u>126.00</u>
MANIFOLD		@	
Head Rental	<u>1</u>	@	<u>113.00</u> <u>113.00</u>
		@	

CHARGE TO: Shelby Resources, LLC  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_

TOTAL 2051.00

RECEIVED  
 KANSAS CORPORATION COMMISSION ZIP  
 MAR 25 2008  
 CONSERVATION DIVISION  
 WICHITA, KS  
 To Allied Cementing Co., LLC.

5 1/2" PLUG & FLOAT EQUIPMENT

AFU Float Glove	<u>1</u>	@	<u>515.00</u>	<u>515.00</u>
1013F Latch Down Plug + Ball	<u>1</u>	@	<u>449.00</u>	<u>449.00</u>
centralizers	<u>1</u>	@	<u>55.00</u>	<u>55.00</u>

GB  
FB