

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 31725
 Name: Shelby Resources, LLC
 Address: P.O. Box 1213
 City/State/Zip: Hays, Kansas 67601
 Purchaser: _____
 Operator Contact Person: Brian Karlin
 Phone: (785) 623-3290
 Contractor: Name: Sterling Drilling Company
 License: 5142
 Wellsite Geologist: Adam T. Kennedy
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW 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>10-31-2007</u>	<u>11-09-2007</u>	<u>11-09-2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 009-25119-0000
 County: Barton
 app. SW NW NW Sec. 20 Twp. 17 S. R. 13 East West
1140' feet from S (N) (circle one) Line of Section
220' feet from E (W) (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE (NW) SW
 Lease Name: Hoffman Ranch Well #: 1-20
 Field Name: Hoisington Northwest
 Producing Formation: D & A
 Elevation: Ground: 1935 Kelly Bushing: 1944
 Total Depth: 3550 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 920 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from 920'
 feet depth to surface w/ 425 _____ sx cmt.

Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit)
 Chloride content 8600 ppm Fluid volume 300 bbls
 Dewatering method used allowed to evaporate and then backfilled
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

AIT 1-Dlg - 6/3/08

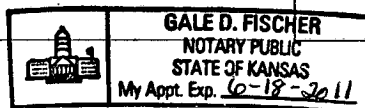
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: 3-17-2008
 Subscribed and sworn to before me this 17 day of March,
2008.
 Notary Public: Gale D. Fischer
 Date Commission Expires: 6-18-2011

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: RECEIVED
 Wireline Log Received KANSAS CORPORATION COMMISSION
 Geologist Report Received **MAR 18 2008**
 UIC Distribution
 CONSERVATION DIVISION
 WICHITA, KS



Operator Name: Shelby Resources, LLC Lease Name: Hoffman Ranch Well #: 1-20
 Sec. 20 Twp. 17 S. R. 13 East West County: Barton

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: Dual Induction, Microresistivity, Borehole Compensated Sonic, Dual Compensated Porosity Logs	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Topeka Lime</td> <td>2870</td> <td>-926</td> </tr> <tr> <td>Heebner Shale</td> <td>3107</td> <td>-1163</td> </tr> <tr> <td>Toronto Lime</td> <td>3124</td> <td>-1180</td> </tr> <tr> <td>Brown Lime</td> <td>3188</td> <td>-1244</td> </tr> <tr> <td>Lansing</td> <td>3198</td> <td>-1254</td> </tr> <tr> <td>Base KC</td> <td>3404</td> <td>-1460</td> </tr> <tr> <td>Arbuckle</td> <td>3417</td> <td>-1473</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Topeka Lime	2870	-926	Heebner Shale	3107	-1163	Toronto Lime	3124	-1180	Brown Lime	3188	-1244	Lansing	3198	-1254	Base KC	3404	-1460	Arbuckle	3417	-1473
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Arbuckle	3417	-1473																										

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"	7-7/8"	23#	920 KB	Common	425	3% CC, 2% Gel

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

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		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 Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

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

SHELBY RESOURCES, LLC

P.O. Box 1213
Hays, Kansas 67601

HOFFMAN RANCH UNIT #1-20
1040' FNL & 220' FWL of 20-17S-13W
Barton County, Kansas

DST #1: 3239-3282' (Lansing "C," "D," "E," "F," and "G").
15-60-60-90
Rec: 10' mud.
IFP: 60-62# FFP: 62-63# BHT: 102
SIP: 696-632# HP: 1681-1638#.

DST #2: 3319-3377' (Lansing "H," "I," and "J").
20-30-45-90
Rec: 10' spotted oil cut mud (1% oil, 99% mud).
IFP: 68-68# FFP: 68-70# BHT: 100
SIP: 105-105# HP: 1728-1673#.

DST #3: 3399-3428' (Arbuckle).
15-60-30-60
Rec: 1' drilling mud.
IFP: 52-54# FFP: 52-54# BHT: 100
SIP: 108-76# HP: 1740-1694#.

DST #4: 3427-3454' (Arbuckle).
20-60-60-90
Rec: 63' spotted oil cut mud (1% oil, 99% mud).
IFP: 54-65# FFP: 69-92# BHT: 103
SIP: 1132-1130# HP: 1753-1629#.

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CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

25482

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

SERVICE POINT:
Great Bend

DATE <i>11-1-07</i>	SEC. <i>20</i>	TWP. <i>17</i>	RANGE <i>13</i>	CALLED OUT <i>6:00 PM</i>	ON LOCATION <i>6:30 PM</i>	JOB START <i>9:00 PM</i>	JOB FINISH <i>10:00 PM</i>
Hoffman Ranch LEASE <i>Unit</i>		WELL # <i>1-20</i>	LOCATION <i>Hoivington 2N 1W 3/4 N</i>	COUNTY <i>Barton</i>	STATE <i>Ks</i>		
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR *Sterling*
 TYPE OF JOB *Surface*
 HOLE SIZE *12 1/4* T.D. *920'*
 CASING SIZE *8 3/8* DEPTH *919'*
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. *40'*
 PERFS.
 DISPLACEMENT *55.9 BBLs H₂O*

OWNER *Shelby Resources L.L.C.*
 CEMENT
 AMOUNT ORDERED *425 pk Common*
3% CC 2% Gel

EQUIPMENT
M.B.
 PUMP TRUCK CEMENTER *D. D. D. D. D.*
 # *120* HELPER *Tyler Wirtz*
 BULK TRUCK
 # *357* DRIVER *Kevin Weighaus*
 BULK TRUCK
 # DRIVER

COMMON	<i>425</i>	@	<i>11.10</i>	<i>4717.5</i>
POZMIX		@		
GEL	<i>9</i>	@	<i>16.65</i>	<i>149.85</i>
CHLORIDE	<i>13</i>	@	<i>46.60</i>	<i>605.80</i>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>447</i>	@	<i>1.90</i>	<i>849.30</i>
MILEAGE	<i>14.9</i>			<i>563.25</i>
	<i>447</i>			
TOTAL				<i>6885.6</i>

REMARKS:

*Ran 8 3/8 casing to Bottom, Circulate
 pipe with rig mud. Hook up to pump
 truck & mixed 425 pk Common 3% CC
 2% Gel. Shut down change valves
 over & release 8 3/8 Rubber plug. Displace
 with 55.9 BBLs fresh H₂O. Cement did
 circulate. Shut in manifold.*

CHARGE TO: *Shelby Resources L.L.C.*
 STREET *P.O. Box 1213*
 CITY *Hays* STATE *Kansas* ZIP *67601*

SERVICE

DEPTH OF JOB	<i>919'</i>			
PUMP TRUCK CHARGE				<i>815.00</i>
EXTRA FOOTAGE	<i>619</i>	@	<i>.65</i>	<i>402.35</i>
MILEAGE	<i>14</i>	@	<i>6.00</i>	<i>84.00</i>
MANIFOLD		@		
<i>Headrental</i>		@		<i>100.00</i>
		@		

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WICHITA, KS

TOTAL *1401.35*

1-8 3/8 Rubber plug @ *100.00*

ALLIED CEMENTING CO., INC.

25421

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

SERVICE POINT:

Russell

DATE <u>11-10-07</u>	SEC. <u>20</u>	TWP. <u>17</u>	RANGE <u>13</u>	CALLED OUT	ON LOCATION	JOB START <u>8:30 AM</u>	JOB FINISH <u>9:30 AM</u>
LEASE <u>Hoffman</u>	WELL # <u>UNIT 1-20</u>	LOCATION <u>Horsington 2N 1W 34N 18E</u>			COUNTY <u>BURTON</u>	STATE <u>Kansas</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Sterling Dalg. Rig #1
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D. 3550
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 x 11 DEPTH 3400
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 175 SK 60/90 4% GEL
1/4 # FLO-Seal
Per SK

COMMON	<u>105</u>	@	<u>11.10</u>	<u>1165.50</u>
POZMIX	<u>70</u>	@	<u>6.20</u>	<u>434.00</u>
GEL	<u>6</u>	@	<u>16.65</u>	<u>99.90</u>
CHLORIDE		@		
ASC		@		
<u>Flo Seal 44 lbs</u>		@	<u>2.00</u>	<u>898.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>183 Total SK</u>	@	<u>1.90</u>	<u>347.70</u>
MILEAGE	<u>14 TON Miles</u>	@	<u>mil</u>	<u>250.00</u>
				TOTAL <u>2385.10</u>

EQUIPMENT

PUMP TRUCK CEMENTER Glenn
 # 398 HELPER Gray
 BULK TRUCK
 # 362 DRIVER CHRIS
 BULK TRUCK
 # DRIVER

REMARKS:

25 SK @ 3400
50 SK @ 950
75 SK @ 450
10 SK @ 40'
15 SK @ Rathole

THANKS

CHARGE TO: Shelby Resources
 STREET _____
 CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>875.00</u>
EXTRA FOOTAGE		@	
MILEAGE <u>14</u>		@	<u>6.00 84.00</u>
MANIFOLD		@	
		@	
		@	
		@	
		@	
			TOTAL <u>899.00</u>

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CONSERVATION DIVISION
WICHITA, KS

PLUG & FLOAT EQUIPMENT

WOOD plug @ _____
 @ _____ 735.00