

**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: _____
 Operator Contact Person: Brian Karlin
 Phone: (785) 623-3290
 Contractor: Name: Sterling Drilling Company
 License: 5142
 Wellsite Geologist: Keith Reavis
 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>5-01-2007</u>	<u>5-10-2007</u>	<u>5-18-2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25645-0000
 County: Ellis
 app. SW NE Sec. 21 Twp. 15 S. R. 17 East West
1711' feet from S / N (circle one) Line of Section
2046' feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: B. Leiker Well #: 1-21
 Field Name: Degenhart
 Producing Formation: D & A
 Elevation: Ground: 1959 Kelly Bushing: 1970
 Total Depth: 3670 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 1126 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from 1126
 feet depth to surface w/ 450 APC Dlg 11/20/07 5x cmt.

Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit)
 Chloride content 5100 ppm Fluid volume 200 bbls
 Dewatering method used transfer waste to reserve pit and let evaporate.
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

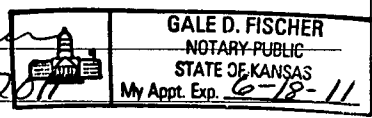
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: 11-27-2007

Subscribed and sworn to before me this 27 day of November,
 2007.

Notary Public: Gale D Fischer
 Date Commission Expires: June 18, 2011



KCC Office Use ONLY

N Letter of Confidentiality Received
 If Denied, Yes Date: _____ **RECEIVED**
 Wireline Log Received **KANSAS CORPORATION COMMISSION**
 Geologist Report Received
 UIC Distribution

NOV 29 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Shelby Resources, LLC Lease Name: B. Leiker Well #: 1-21
 Sec. 21 Twp. 15 S. R. 17 East West County: Ellis

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: Compensated Density / Neutron, Sonic, Micro, & Dual Induction logs.	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Topeka Lime</td> <td>2971</td> <td>-1001</td> </tr> <tr> <td>Heebner Shale</td> <td>3228</td> <td>-1258</td> </tr> <tr> <td>Toronto Lime</td> <td>3247</td> <td>-1277</td> </tr> <tr> <td>Lans./KC</td> <td>3273</td> <td>-1303</td> </tr> <tr> <td>Base KC</td> <td>3518</td> <td>-1548</td> </tr> <tr> <td>Arbuckle</td> <td>3571</td> <td>-1601</td> </tr> </table>	Name	Top	Datum	Topeka Lime	2971	-1001	Heebner Shale	3228	-1258	Toronto Lime	3247	-1277	Lans./KC	3273	-1303	Base KC	3518	-1548	Arbuckle	3571	-1601
Name	Top	Datum																				
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Base KC	3518	-1548																				
Arbuckle	3571	-1601																				

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#	1126'	Common	450	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 (Amount and Kind of Material Used)	Depth
		RECEIVED KANSAS CORPORATION COMMISSION NOV 29 2007 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method <input type="checkbox"/> Flowing <input 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 Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

SHELBY RESOURCES, LLC

P.O. Box 1213

Hays, Kansas 67601

B. LEIKER #1-21

1711' FNL & 2046' FEL of 21-15S-17W

Ellis County, Kansas

DST #1:	3436-3473' (LKC "I") 15-45-60-60			
	Rec: 240' gas in pipe, 10' oil, 70' oil cut mud.			
	IFP: 31-43#	FFP: 61-61#	BHT: NA	
	SIP: 229-123#	HP: 1550-1548#.		
DST #2:	3574-3588' (Arbuckle) 15-45-45-60			
	Rec: 80' drilling mud.			
	IFP: 39-57#	FFP: 52-77#	BHT: 107	
	SIP: 1189-1127#	HP: 1817-1738#.		

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WICHITA, KS

Sterling Drilling Company, Rig #2

Box 1006, Pratt, Kansas 67124-1006
Office Phone (620) 672-9508, Fax 672-9509

SAMPLE LOG

B. Leiker 1-21

LOCATION: Sw Ne Section 21 T 15s R 17w
API: 01-051-25645-00-00 Ellis County, Kansas

OWNER: Shelby Resources, LLC
CONTRACTOR: Sterling Drilling Company, Rig #2

COMMENCED: 05/01/07
COMPLETED: 05/10/07

TOTAL DEPTH: **DRILLER** 3670 FEET
LOGGER 3667 FEET

Ground Elevation: 1959
KB Elevation: 1970

LOG

0 -	3 FEET	Top Soil
3 -	260 FEET	Shale, Sand & Gravel, Clay
260 -	1122 FEET	Redbeds
1122 -	1160 FEET	Anhydrite
1160 -	2360 FEET	Shales and Salt
2360 -	3567 FEET	Limestone/Shales
3567 -	3670 FEET	Arbuckle

CASING RECORDS

Surface Casing:

Spud at 9:15 pm on 05/01/07. Drilled 12-1/4" hole to 1127'. Ran 28 joints of new 23# 8-5/8" surface casing tally 1113.57' set at 1126' KB. Cemented with 450 sks Common, 3% CC, 2% Gel. Cement did circulate. Allied Cementing ticket #21379.

Plugging Data:

Plugging orders received from Pat Staab on 05/08/07. Heavy mud in hole. Bottom plug at 3547' w/25 sks, 2nd plug at 1142' w/25 sks, 3rd plug at 449' w/ 80 sks, top plug at 60' w/10 sks cemented to surface. Plugged rathole with 15 sks, mousehole 10 sks. Cement was 60/40 Poz; 6% Gel & 1/4#/sk Flow Seal. Plug down at 2:15 pm on 05/08/07. Allied Cementing ticket # 21357. Reported plugging to KCC on 05/09/07.

DEVIATION SURVEYS

3/4 degree(s) at 1127 feet
3/4 degree(s) at 3473 feet

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WICHITA, KS

ALLIED CEMENTING CO., INC.

21387

Federal Tax I.D. _____

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

SERVICE POINT:

Russell

DATE <u>3-8-07</u>	SEC <u>21</u>	TWP. <u>16S</u>	RANGE <u>17W</u>	CALLED OUT	ON LOCATION <u>12:00 pm</u>	JOB START <u>12:30 pm</u>	JOB FINISH <u>3:30 pm</u>
LEASE <u>Blaker</u>	WELL # <u>1-21</u>	LOCATION <u>Victoria 7S 4W S Into</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)							

CONTRACTOR Sterling

TYPE OF JOB Ratay/Plug

HOLE SIZE _____ T.D. 3670'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT

AMOUNT ORDERED 165 69/60 69/60 1/4" 1/16"

COMMON	<u>99</u>	@	<u>11.10</u>	<u>1098.90</u>
POZMIX	<u>66</u>	@	<u>6.20</u>	<u>409.20</u>
GEL	<u>8</u>	@	<u>16.5</u>	<u>132.00</u>
CHLORIDE	<u>0</u>	@		
ASC		@		
<u>FLOEAL</u>	<u>41</u>	@	<u>2.00</u>	<u>82.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>173</u>	@	<u>1.90</u>	<u>328.70</u>
MILEAGE	<u>94/5K/mi</u>			<u>389.25</u>
TOTAL				<u>2441.25</u>

EQUIPMENT

PUMP TRUCK # 409 CEMENTER Craig
HELPER Adrian

BULK TRUCK # 378 DRIVER Doug

BULK TRUCK # _____ DRIVER _____

REMARKS:

<u>1st</u>	<u>3547</u>	<u>255K</u>
<u>2nd</u>	<u>1142</u>	<u>255K</u>
<u>3rd</u>	<u>459</u>	<u>805K</u>
<u>4th</u>	<u>60'</u>	<u>105K</u>

105K mousehole
155K pit hole

Thanks!

CHARGE TO: Shelby

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 955.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 25 @ 6.00 150.00

MANIFOLD _____ @ _____

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WICHITA, KS

TOTAL 1105.00

PLUG & FLOAT EQUIPMENT

1 8/8 Dykote Plug 35.00

_____ @ _____

_____ @ _____

ALLIED CEMENTING CO., INC.

21379

Federal Tax I.D.#

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

SERVICE POINT:

Russell

DATE <u>5-20-07</u>	SEC. <u>21</u>	TWP. <u>15</u>	RANGE <u>17</u>	CALLED OUT	ON LOCATION	JOB START <u>11:00p.m.</u>	JOB FINISH <u>11:45p.m.</u>
LEASE <u>B. LeKok</u>	WELL # <u>1-21</u>	LOCATION <u>S. Victoria 7 miles 4 W</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>S into</u>			

CONTRACTOR Sterling #2
 TYPE OF JOB Surface Job
 HOLE SIZE _____ T.D. 1127
 CASING SIZE 8 5/8 23# DEPTH 1126.57
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 32.44
 CEMENT LEFT IN CSG. 32.44
 PERFS. _____
 DISPLACEMENT 69 1/2 B.L.

OWNER Same
 CEMENT
 AMOUNT ORDERED 450 Com. 3% Gel
2% Gel

COMMON	<u>450</u>	@	<u>110</u>	<u>4995.00</u>
POZMIX		@		
GEL	<u>8</u>	@	<u>16.65</u>	<u>133.20</u>
CHLORIDE	<u>1A</u>	@	<u>46.60</u>	<u>652.40</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>472</u>	@	<u>1.90</u>	<u>896.80</u>
MILEAGE	<u>9 1/2 SK/MILE</u>			<u>1062.00</u>
TOTAL				<u>7739.40</u>

EQUIPMENT
 PUMP TRUCK CEMENTER Craig
 # 409 HELPER Adrian
 BULK TRUCK
 # 362 DRIVER Doug
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Cement Circulated! Plug landed
700 psi.

Thanks!

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

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>955.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>25</u>	@	<u>6.00</u>	<u>150.00</u>
MANIFOLD		@		
		@		
		@		
		@		
TOTAL				<u>1105.00</u>

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 WICHITA, KS

PLUG & FLOAT EQUIPMENT

<u>1 8 5/8 Baffle Plate</u>				<u>135.00</u>
<u>Solid Rubber Plug</u>		@		<u>100.00</u>
		@		