



KANSAS CORPORATION COMMISSION 1073125  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
June 2009  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 31725  
Name: Shelby Resources LLC  
Address 1: 2717 Canal Blvd  
Address 2: Suite C  
City: HAYS State: KS Zip: 67601 + \_\_\_\_\_  
Contact Person: Chris Gottschalk  
Phone: ( 785 ) 623-1524  
CONTRACTOR: License # 5142  
Name: Sterling Drilling Company  
Wellsite Geologist: Keith Reavis  
Purchaser: \_\_\_\_\_

Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     WSW     SWD     SIOW  
 Gas     D&A     ENHR     SIGW  
 OG     GSW     Temp. Abd.  
 CM (Coal Bed Methane)  
 Cathodic     Other (Core, Expl., 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     Conv. to SWD  
 Conv. to GSW  
 Plug Back: \_\_\_\_\_ Plug Back Total Depth  
 Commingled    Permit #: \_\_\_\_\_  
 Dual Completion    Permit #: \_\_\_\_\_  
 SWD    Permit #: \_\_\_\_\_  
 ENHR    Permit #: \_\_\_\_\_  
 GSW    Permit #: \_\_\_\_\_

<u>07/20/2011</u>	<u>07/31/2011</u>	<u>09/06/2011</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-185-23684-00-00

Spot Description: \_\_\_\_\_  
S2 NE NE SE Sec. 7 Twp. 25 S. R. 12  East  West  
2002 Feet from  North /  South Line of Section  
330 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW

County: Stafford

Lease Name: McCune Well #: 1-7

Field Name: \_\_\_\_\_

Producing Formation: L-KC

Elevation: Ground: 1901 Kelly Bushing: 1910

Total Depth: 4189 Plug Back Total Depth: \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at: 778 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set: \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from: \_\_\_\_\_

feet depth to: \_\_\_\_\_ w/ \_\_\_\_\_ sx cnt.

Drilling Fluid Management Plan  
(Data must be collected from the Reserve Pit)

Chloride content: 34000 ppm Fluid volume: 1000 bbls

Dewatering method used: Evaporated

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name: \_\_\_\_\_

Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_

Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

County: \_\_\_\_\_ Permit #: \_\_\_\_\_

AFFIDAVIT

I am the affiant and I hereby certify that 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.

Submitted Electronically

KCC Office Use ONLY

Letter of Confidentiality Received  
Date: \_\_\_\_\_  
 Confidential Release Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
ALT  I  II  III Approved by: Deanna Gerrick Date: 01/31/2012



1073125

Operator Name: Shelby Resources LLC Lease Name: McCune Well #: 1-7  
 Sec. 7 Twp. 25 S. R. 12  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 complete 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 Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i>  List All E. Logs Run: <b>Attached</b>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" 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>Heebner</td> <td>3411</td> <td>-1504</td> </tr> <tr> <td>Lansing</td> <td>3587</td> <td>-1680</td> </tr> <tr> <td>Base KC</td> <td>3875</td> <td>-1968</td> </tr> <tr> <td>Vipla</td> <td>3998</td> <td>-2091</td> </tr> <tr> <td>Arbuckle</td> <td>4176</td> <td>-2269</td> </tr> <tr> <td>TD</td> <td>4191</td> <td>-2284</td> </tr> </table>	Name	Top	Datum	Heebner	3411	-1504	Lansing	3587	-1680	Base KC	3875	-1968	Vipla	3998	-2091	Arbuckle	4176	-2269	TD	4191	-2284
Name	Top	Datum																				
Heebner	3411	-1504																				
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TD	4191	-2284																				

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	12.25	8.625	23	778	60/40 poz-AA-2	550	6%gel-2%cc & 3%gel-2% cc
Production	7.875	5.5	15.5	4006	AA2	200	3% gel-2% cc

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing	-			
___ Plug Back TD				
___ 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
2	3793-98'	500 & 1000 15% INS	
2	3723-29'	1000 15% INS	

TUBING RECORD: Size: <u>2.375</u> Set At: <u>3817</u> Packer At: _____ Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. <u>09/06/2011</u>	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. <u>15</u> Gas Mcf _____ Water Bbls. <u>20</u> 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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3793-98'</u> <u>3723-29'</u>
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Form	ACO1 - Well Completion
Operator	Shelby Resources LLC
Well Name	McCune 1-7
Doc ID	1073125

All Electric Logs Run

Dual Induction
Compensated Neutron
Micro
Sonic
Cement bond

# ALLIED CEMENTING CO., LLC. 037248

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

SERVICE POINT:  
Great Bend Ws

DATE <u>7-21-11</u>	SEC. <u>7</u>	TWP. <u>25S</u>	RANGE <u>12W</u>	CALLED OUT	ON LOCATION	JOB START <u>10:15 AM</u>	JOB FINISH <u>11:15 AM</u>
LEASE <u>Cune</u>	WELL # <u>1-7</u>	LOCATION <u>30 &amp; 281 Sec 4 south T0</u>			COUNTY <u>Stanton</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="checkbox"/> NEW (Circle one)		LOCATION <u>40th 4 East T0 40th Ave 1/2 south west 1-70</u>					

CONTRACTOR Stealing Risk OWNER Shelby

TYPE OF JOB Surface

HOLE SIZE <u>12 1/4</u>	T.D. <u>780</u>
CASING SIZE <u>8 1/2</u>	DEPTH <u>778.03</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <u>800</u>	MINIMUM
MEAS. LINE	SHOE JOINT <u>42.50</u>
CEMENT LEFT IN CSG. <u>42.50</u>	
PERFS.	
DISPLACEMENT <u>47 DBLs</u>	
EQUIPMENT	
PUMP TRUCK	CEMENTER <u>Wayne</u>
#	HELPER <u>Jesse</u>
BULK TRUCK	
# <u>341</u>	DRIVER <u>Bob</u>
BULK TRUCK	
# <u>982-188</u>	DRIVER <u>Gary</u>

CEMENT

AMOUNT ORDERED 350 SX 65/35 + 68 GEL  
+ 390cc + 4 #10 seal  
200 SX class A + 390cc + 28 GEL + 4 #10

COMMON <u>200 class A</u>	@ <u>16.25</u>	<u>3250.</u>
POZMIX	@	
GEL <u>4</u>	@ <u>11.25</u>	<u>85.</u>
CHLORIDE <u>19</u>	@ <u>58.20</u>	<u>1105.80</u>
ASC	@	
<u>Riscal 137</u>	@ <u>2.70</u>	<u>369.90</u>
<u>Allied light weight 350</u>	@ <u>15.00</u>	<u>5250.</u>
	@	
	@	
	@	
	@	
HANDLING <u>396</u>	@ <u>2.25</u>	<u>1341.</u>
MILEAGE <u>376/25/11</u>	@	<u>1639.</u>
		TOTAL <u>13040.70</u>

REMARKS:

Pipe on Bottom B-cast circulator with Risk mud shut down Dia p Ball circulate Ball Thru-w. Mix 350 SX 65/35 + 68 GEL + 390cc + 4 #10 Mix 200 SX class A + 390cc + 28 GEL + 4 #10 Shut Down Release Plug Dis Place 47 DBLs fresh water hand plug at 800 PSI Release and hold cement did circulate

SERVICE

DEPTH OF JOB <u>778.03</u>		
PUMP TRUCK CHARGE		<u>1125.</u>
EXTRA FOOTAGE <u>478.</u>	@ <u>1.95</u>	<u>934.10</u>
MILEAGE <u>50</u>	@ <u>7.00</u>	<u>350.</u>
MANIFOLD <u>hand rental</u>	@ <u>200.</u>	<u>200.</u>
<u>light vehicle 50</u>	@ <u>4.00</u>	<u>200.</u>
	@	
		TOTAL <u>2329.10</u>

CHARGE TO: Shelby Resources

STREET \_\_\_\_\_

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

PLUG & FLOAT EQUIPMENT

<u>1-Brill shoe</u>	@ <u>394.</u>	<u>394.</u>
<u>1-3000ft</u>	@ <u>478.</u>	<u>478.</u>
<u>1-TRP</u>	@ <u>112.</u>	<u>112.</u>
<u>1-AFU</u>	@ <u>382.</u>	<u>382.</u>
	@	
		TOTAL <u>1346.</u>

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES 14735.80

DISCOUNT 20% IF PAID IN 30 DAYS

Net 13388.64

PRINTED NAME Larry S. Sales

SIGNATURE [Signature]

# BASIC

energy services, L.P.

## TREATMENT REPORT

Customer <i>Skelly Resources</i>	Lease No.	Date <i>7-31-11</i>	
Lease <i>McCune</i>	Well # <i>1-7</i>		
Field Order # <i>47248</i>	Station <i>Pratt 1</i>	Casing <i>3 1/2</i>	Depth
Type Job <i>CNW-5 1/2 LK</i>	Formation	County <i>Skelly</i>	State <i>KS</i>
		Legal Description <i>7-25-10</i>	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid		RATE	PRESS	ISIP
								5 Min.
Depth	Depth	From	To	Pre Pad		Max		10 Min.
						Min		15 Min.
Volume	Volume	From	To	Pad		Avg		
Max Press	Max Press	From	To	Frac		HHP Used		Annulus Pressure
Well Connection	Annulus Vol.	From	To	Flush		Gas Volume		Total Load
Plug Depth	Packer Depth	From	To					

Customer Representative <i>Cary L. ...</i>	Station Manager <i>Dave Seal</i>	Treater <i>Steve ...</i>
Service Units <i>27223 19812 19885 19832 21010</i>		
Driver Names <i>... ..</i>		

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
11:00 AM					On location Safety meeting
					Run 96 5/8 5 1/2 casing
					Install 5/8 5/8 Casing Bolt
					Conductivity 1.3-5-7-9
7:30 AM					Change on tubing
					Run 2 1/2 5/8 tubing
2:30	350		3	5	H2O AH-2
7:00	350		11	5	Min 5050 L/40 30000 L/min
8:30	300		47.4	5	Min 20000 AAA 15.3"/gal
					Shot down - clear part 1/2
					Robotic plug
9:11	0		0	6	Shot down - clear part 1/2
9:16	410		40	5	L-51 P...
9:27	200		85	4	Shot down
9:32	1000		95	4	plug down - clear part 1/2
					plug down - clear part 1/2
					circulation transition
					3.6 L/min
					7.0 L/min

**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:  
 N/S Co-ord: 1982' FSL  
 EW Co-ord: 330' FEL

Latitude:

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

**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 our time/sample logs. 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

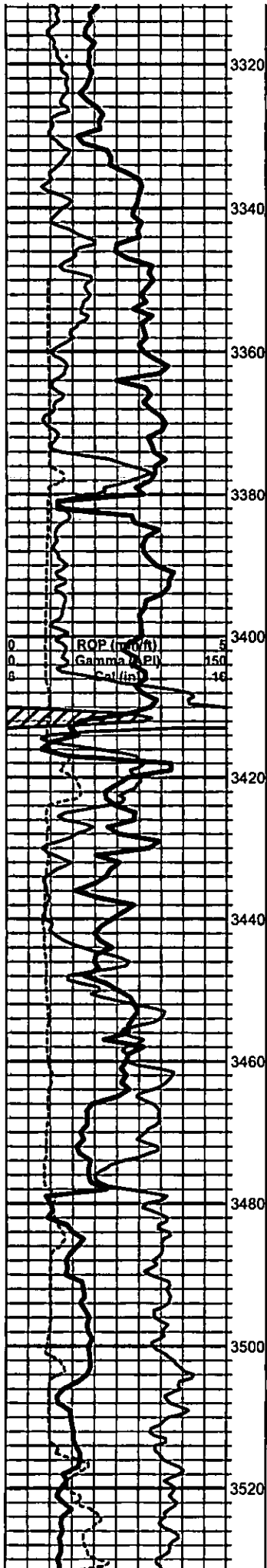
# Shelby Resources, LLC

## 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







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**

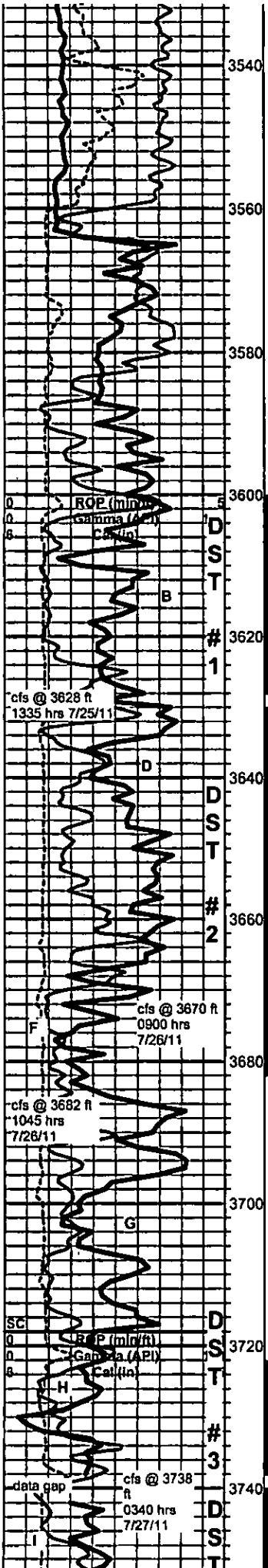
shale, gray to green, argillaceous-silty, micaceous, some gray micaceous siltstones

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. 8.2  
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 yuggy, 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

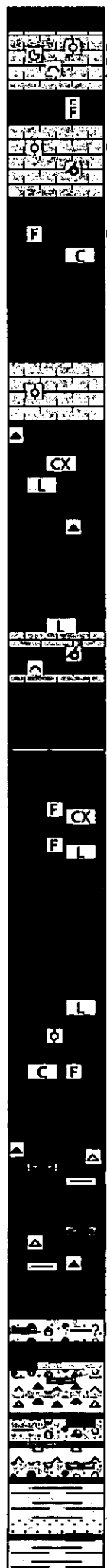
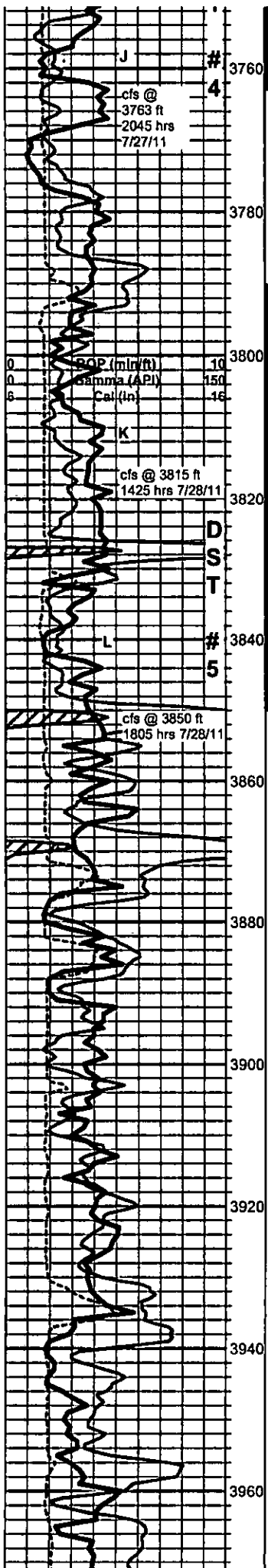
strap 1.36 short to board, deviation survey 1/2 deg

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

128 unit total

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



**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 scaley 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

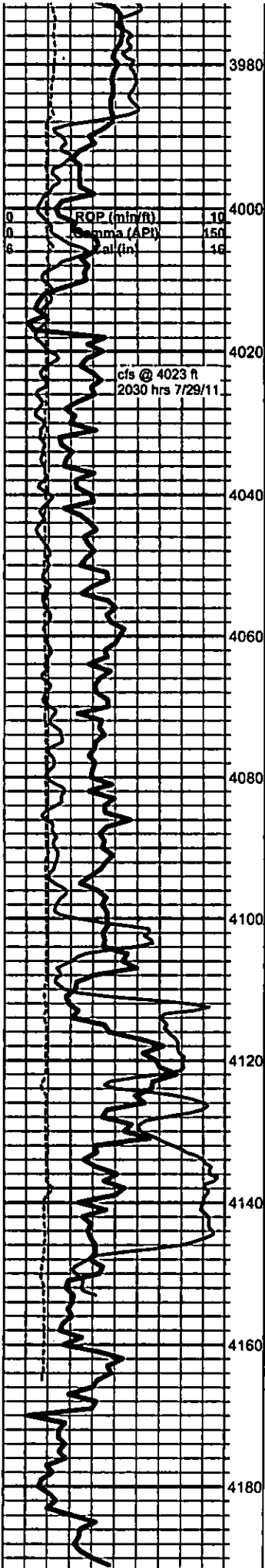
conglomerate, mixed shales, cherts and limestones, some scattered black dead asphalt staining, no show free oil, no odor

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, glauconite

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 6.8 LCM 4#  
DMC \$533.95  
CMC \$15826.60



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	Job Ticket 2160
Attn.	Keith Reavis	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 # 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		Bott 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 8:05 PM	
Wght Pipe Len 0		Tool Layed Dwn 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**

<u>Min Into IFP</u>	<u>Min Into FFP</u>	<u>Gas Flows</u>	<u>Pressure</u>	<u>Choke</u>
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	Lease Name	McCune	
Address	2717 Canal Blvd. Ste. C	Lease #	1-7	
CSZ	Hays, KS 67601	Legal Desc	S/2-NE-NE-SE	Job Ticket 2160
Attn.	Keith Reavis	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**

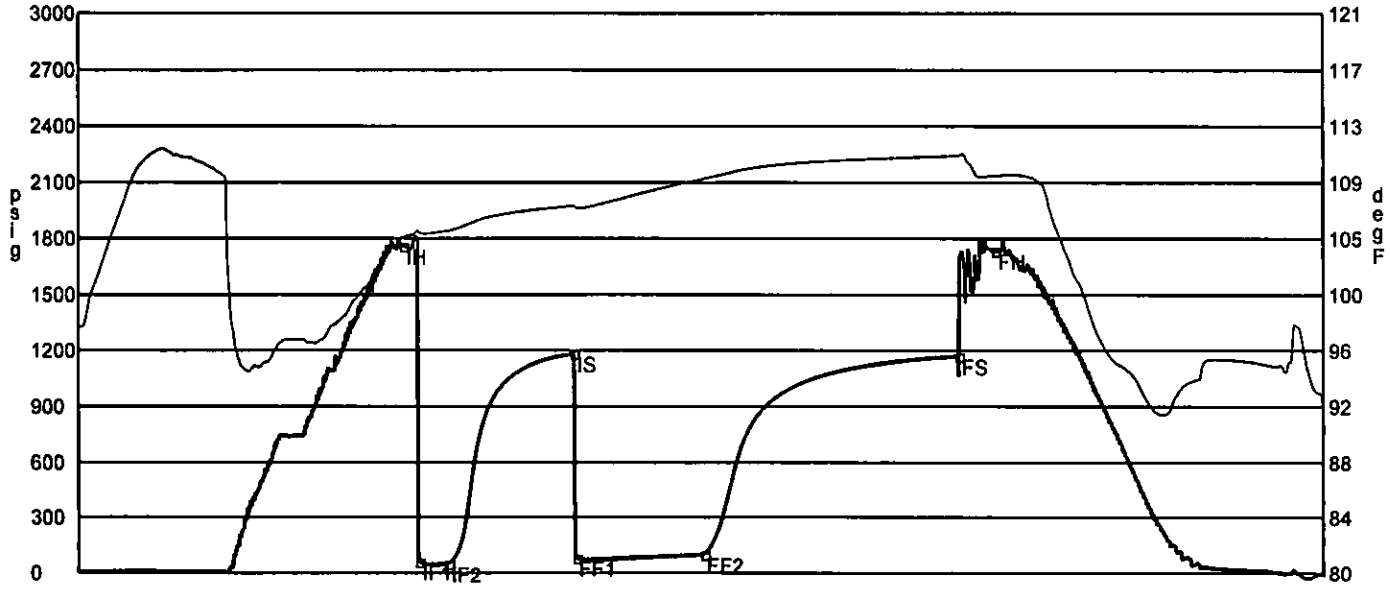
Test # 2	Test Date 7/26/2011	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole		Mid Recorder #	
		Bott Recorder # 13310	
# of Packers 2.0	Packer Size 6 3/4	Mileage 48	Approved By
Mud Type Gel Chem		Standby Time 0	
Mud Weight 9.2	Viscosity 52.0	Extra Equipmnt Jars & Safety joint	
Filtrate 8.8	Chlorides 8800	Time on Site 1:30 PM	
Drill Collar Len 213.0		Tool Picked Up 2:40 PM	
Wght Pipe Len 0		Tool Layed Dwn 9:10 PM	
Formation Lansing "D,E,F"		Elevation 1898.00	Kelley Bushings 1907.00
Interval Top 3630.0	Bottom 3682.0	Start Date/Time 7/26/2011 1:44 PM	
Anchor Len Below 52.0	Between 0	End Date/Time 7/26/2011 9:01 PM	
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	
IH	7/26/2011 3:37:00 PM	1.883333	1760.247	104.682	Initial Hydro-static
IF1	7/26/2011 3:42:30 PM	1.975	60.339	105.055	Initial Flow (1)
IF2	7/26/2011 3:52:50 PM	2.147222	48.961	105.164	Initial Flow (2)
IS	7/26/2011 4:37:10 PM	2.886111	1183.608	106.999	Initial Shut-In
FF1	7/26/2011 4:38:00 PM	2.9	80.445	106.881	Final Flow (1)
FF2	7/26/2011 5:22:50 PM	3.647222	98.925	108.961	Final Flow (2)
FS	7/26/2011 6:52:30 PM	5.141667	1170.828	110.657	Final Shut-In
FH	7/26/2011 7:05:20 PM	5.355556	1735.116	109.222	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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	Job Ticket 2160
Attn.	Keith Reavis	Section	7	Range 12W
		Township	25S	
		County	Stafford	State KS
		Drilling Cont	Sterling Drilling Co. Rig #4	

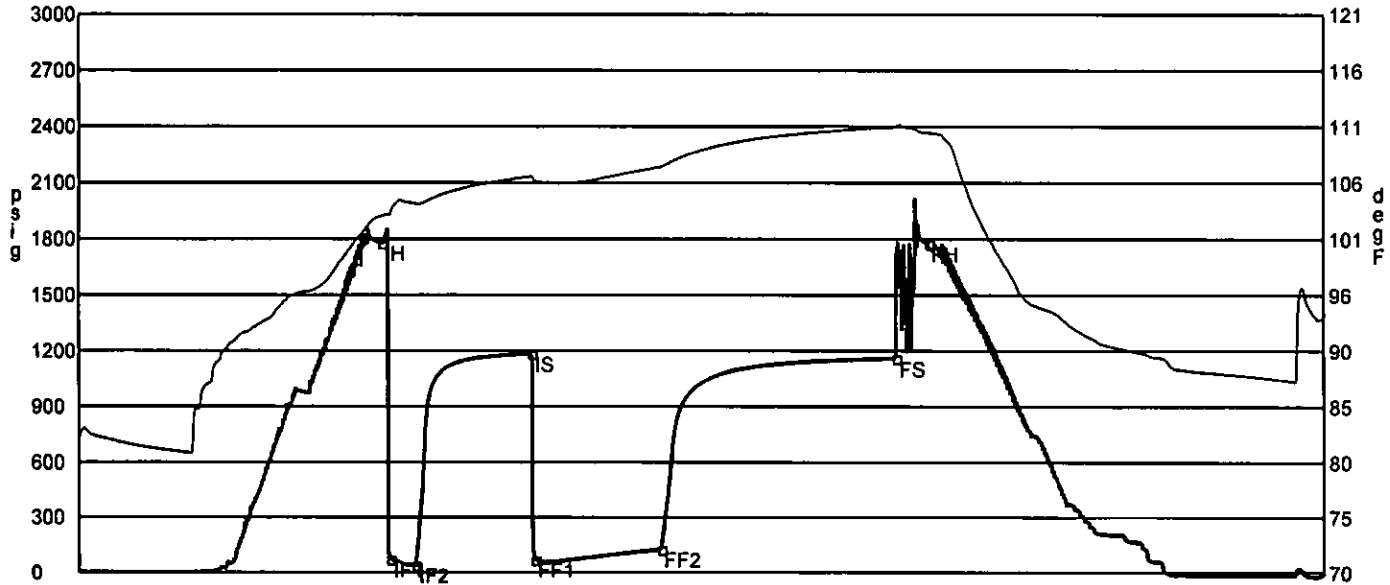
Comments    Legal Description in Feet: 2002' FSL & 330' FEL  
Field: Bunyon NE

**GENERAL INFORMATION**

Test # 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 #	
		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	<b>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.</b>		

**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
DST Fluids	0				



	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**

<u>Min Into IFP</u>	<u>Min Into FFP</u>	<u>Gas Flows</u>	<u>Pressure</u>	<u>Choke</u>
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	Lease Name	McCune	
Address	2717 Canal Blvd. Ste. C	Lease #	1-7	
CSZ	Hays, KS 67601	Legal Desc	S/2-NE-NE-SE	Job Ticket 2160
Attn.	Keith Reavis	Section	7	Range 12W
		Township	25S	
		County	Stafford	State KS
		Drilling Cont	Sterling Drilling Co. Rig #4	

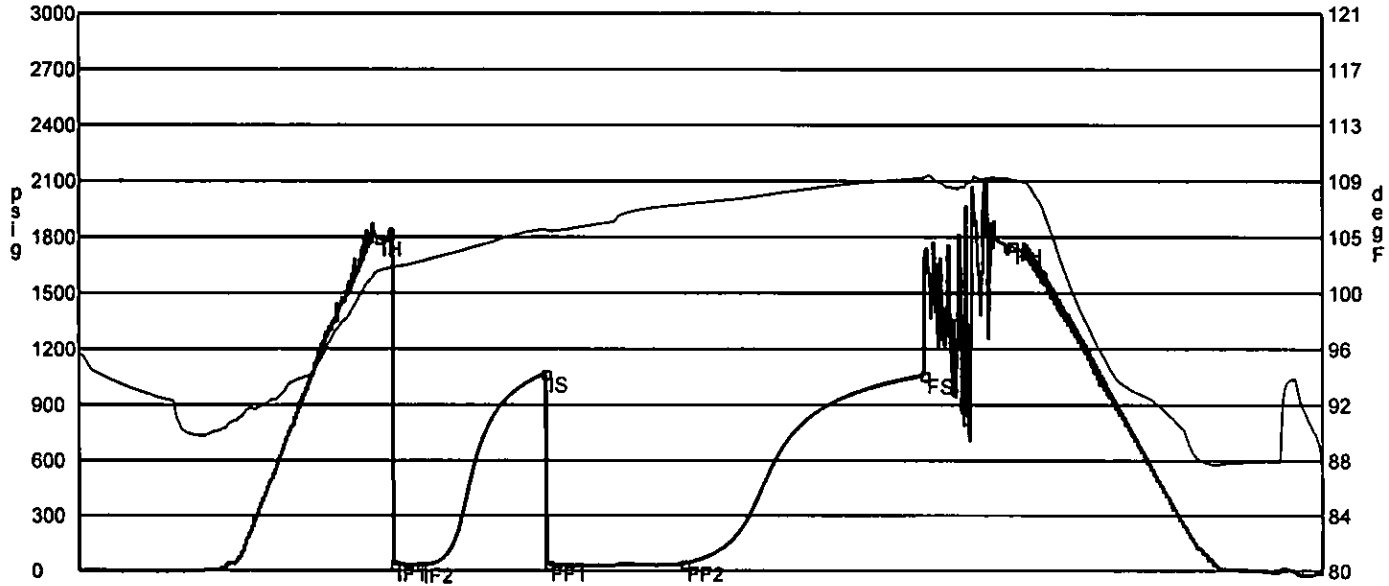
Comments    Legal Description in Feet: 2002' FSL & 330' FEL  
Field: Bunyon NE

**GENERAL INFORMATION**

Test # 4	Test Date 7/28/2011	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole		Mid Recorder #	
# of Packers 2.0	Packer Size 6 3/4	Bott Recorder # 13310	
Mud Type Gel Chem		Mileage 48	Approved By
Mud Weight 9.3	Viscosity 51.0	Standby Time 0	
Filtrate 11.2	Chlorides 9300	Extra Equipmnt Jars, Safety joint, Big packer	
Drill Collar Len 213.0		Time on Site 11:35 PM	
Wght Pipe Len 0		Tool Picked Up 12:30 AM	
		Tool Layed Dwn 7:10 AM	
Formation Lansing "I-J"		Elevation 1898.00	Kelley Bushings 1907.00
Interval Top 3740.0	Bottom 3763.0	Start Date/Time 7/27/2011 11:50 PM	
Anchor Len Below 23.0	Between 0	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
DST Fluids	0				



	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

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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	Job Ticket 2160
Attn.	Keith Reavis	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

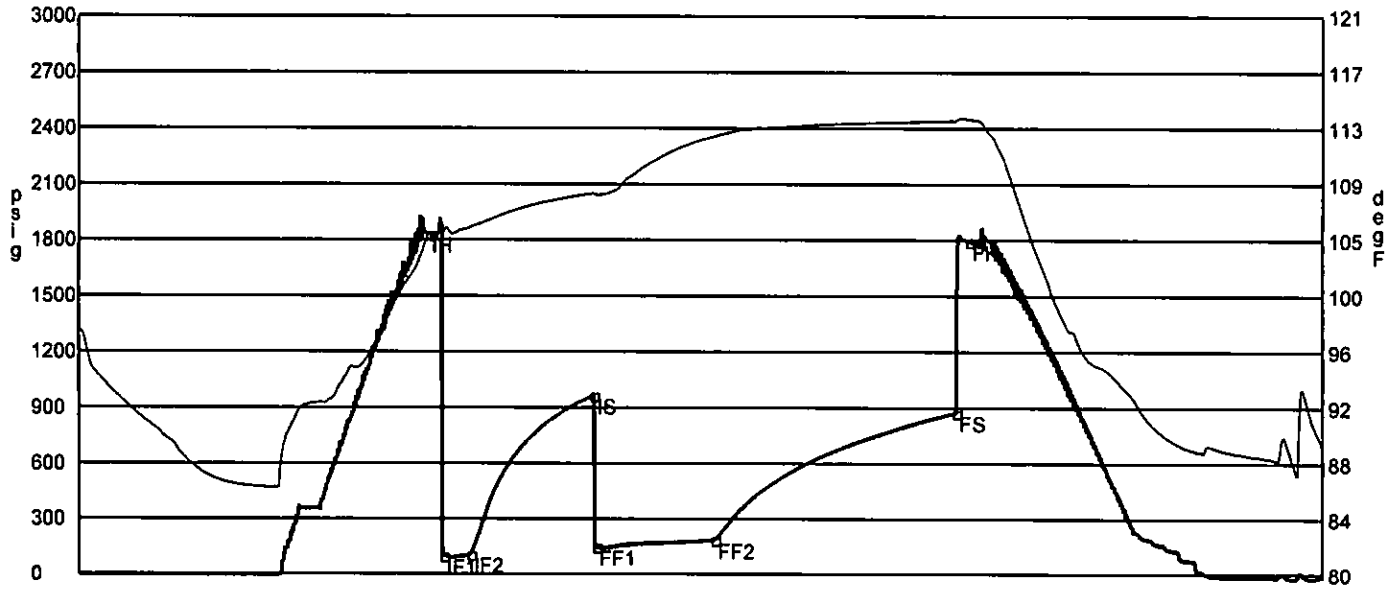
**GENERAL INFORMATION**

Test # 5	Test Date 7/29/2011	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole		Mid Recorder #	
		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 9.2	Viscosity 60.0	Time on Site 8:00 PM	
Filtrate 13.2	Chlorides 10000	Tool Picked Up 10:20 PM	
		Tool Layed Dwn 5:20 AM	
Drill Collar Len 213.0		Elevation 1898.00	Kelley Bushings 1907.00
Wght Pipe Len 0			
Formation Lansing "K&L"		Start Date/Time 7/28/2011 9:33 PM	
Interval Top 3790.0	Bottom 3850.0	End Date/Time 7/29/2011 5:23 AM	
Anchor Len Below 60.0	Between 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.		

**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

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke



Shelby Resources L.L.C.

# McCune #1-7

S/2-NE-NE-SE  
2002' FSL & 330' FWL  
Sec.7, T25s & R12w  
Stafford County, Kasas

API # 15-185-23684-0000

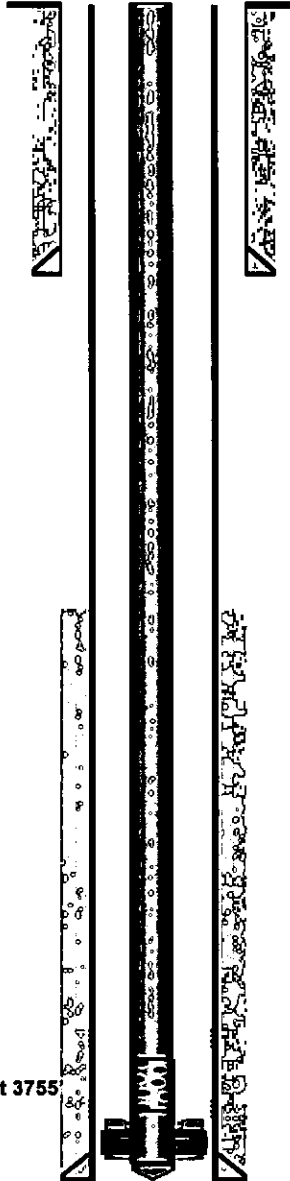
Spud Date: 7/20/2011  
Completed: 8/26/2011  
Field: Bunyan NE

GL: 1901'  
KB: 1912'

**Surface Casing :**  
8-5/8" 23# set @ 778'  
Cemented with 305 sx  
60/40 Poz & 200 sx AA-2

**Production Casing:**  
5-1/2", 15.5# set @ 4006'  
Cemented with 50 sx Scavenger  
200 sx AA2 cement

5 1/2" x 2-3/8" bullplugged packer set at 3755'  
Released and RIH to 3817'



TOC : Surface

**Production Equipment:**  
5 1/2" x 2-3/8" bullplugged packer unset at 3817"  
2-3/8" x 4' perforated sub and SN  
117 joints of 2-3/8" tubing  
2 x 1.5 x 12 RWT pump  
153 x 3/4" rods  
8'-6'-4" x 1/4" rod subs  
1 1/4" x 16' PR and 8' liner

TOC:3040' CBL

**L-KC Perfs:**

"H" 3723-29' (12) 8/22/11 1000 15% INS w/12 balls, 1 BPM 1800-1600#

"K" 3793-98' (10) 8/22/11 500 + 1000 15%INS,3 BPM @ 1600#

PBTD: 3972'  
TD: 4191'



DST #1.jpg

RICKETTS TESTING

(820) 326-5830

Page 1

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-6E	Job Ticket 2160
Attn.	Kelth Reavis	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

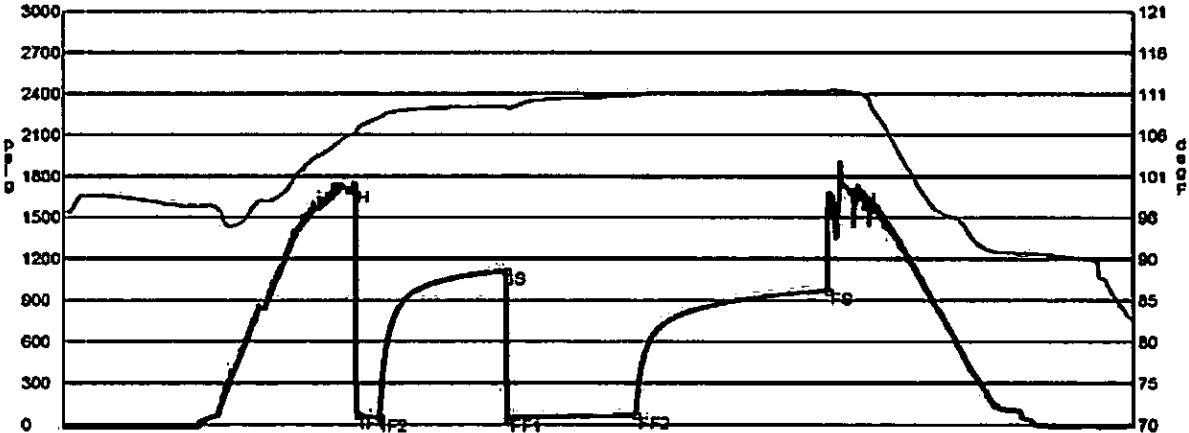
GENERAL INFORMATION

Test #1	Tester	Test Date	7/26/2011	Chokes	3/4	Hole Size	7 7/8
Test Type	Tim Venters			Top Recorder #	W1119		
	Conventional Bottom Hole			Mid Recorder #			
# of Packers	Successful Test			Bot Recorder #	13310		
	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 Equipment	Jars & Safety joint		
Filtrate	8.0	Chlorides	7200	Time on Site	6:30 PM		
Drill Collar Len	213.0			Tool Picked Up	8:05 PM		
Wght Pipe Len	0			Tool Layed Dwn	3:30 AM		
Formation	Lansing "B"			Elevation	1698.00	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% 8ft
125	Gassy, slight water cut mud	21% 28.2ft	0% 0ft	13% 16.2ft	66% 82.6ft
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	67% 55.8ft	13% 8.4ft

DST Fluids 119000



Date	Time	Pressure	Temp	
7/25/2011 9:26:40 PM	2.211111	1713.144	105.661	Initial Hydro-static
7/25/2011 9:30:30 PM	2.275	72.061	106.338	Initial Flow (1)
7/25/2011 9:40:30 PM	2.441667	50.792	107.848	Initial Flow (2)
7/25/2011 10:39:50 PM	3.430556	1116.839	109.241	Initial Shut-in
7/25/2011 10:40:40 PM	3.444444	53.064	109.081	Final Flow (1)
7/25/2011 11:40:10 PM	4.436111	71.831	110.595	Final Flow (2)
7/26/2011 1:10:00 AM	5.933333	971.896	111.092	Final Shut-in
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

<b>Company</b> Shelby Resources, LLC <b>Address</b> 2717 Canal Blvd. Ste. C <b>CSZ</b> Hays, KS 67601 <b>Attn.</b> Keith Reavls	<b>Lease Name</b> McCune <b>Lease #</b> 1-7 <b>Legal Desc</b> S/2-NE-NE-SE <b>Section</b> 7 <b>Township</b> 25S <b>County</b> Stafford <b>Drilling Cont</b> Sterling Drilling Co. Rig #4	<b>Job Ticket</b> 2160 <b>Range</b> 12W <b>State</b> KS
<b>Comments</b> Legal Description in Feet: 2002' FSL & 330' FEL Field: Bunyon NE		

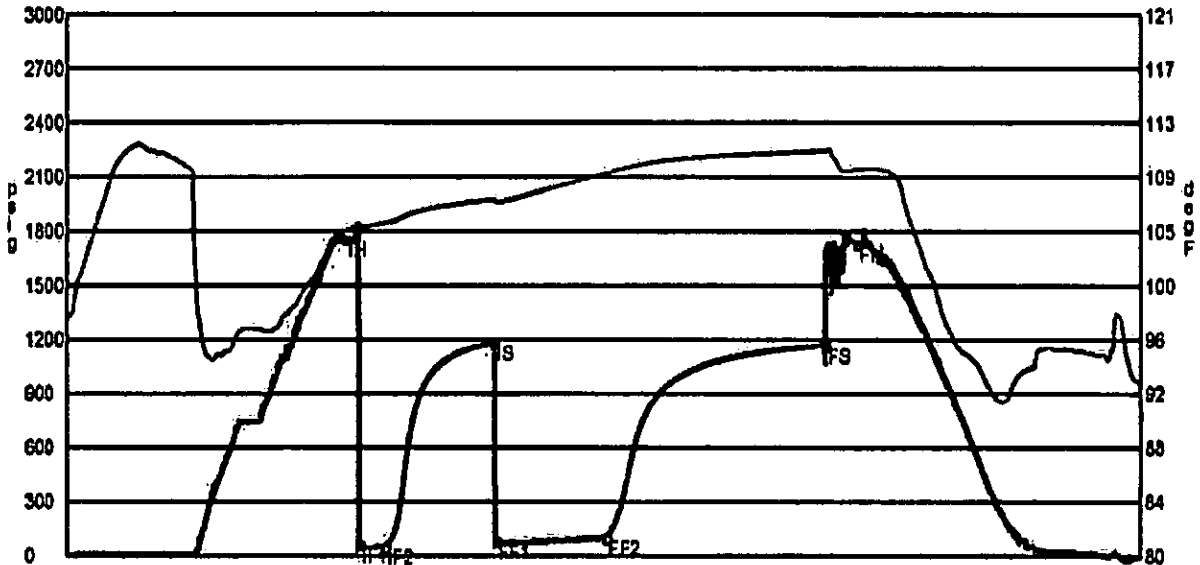
**GENERAL INFORMATION**

<b>Test # 2</b> <b>Tester</b> Tim Venters <b>Test Type</b> Conventional Bottom Hole <b>Successful Test</b> <b># of Packers</b> 2.0 <b>Mud Type</b> Gel Chem <b>Mud Weight</b> 8.2 <b>Filtrate</b> 8.8 <b>Drill Collar Len</b> 213.0 <b>Wght Pipe Len</b> 0 <b>Formation</b> Lansing "D,E,F" <b>Interval Top</b> 3630.0 <b>Anchor Len Below</b> 52.0 <b>Total Depth</b> 3682.0 <b>Blow Type</b> Weak surface blow at the start of the initial 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.	<b>Test Date</b> 7/26/2011 <b>Packer Size</b> 6 3/4 <b>Viscosity</b> 52.0 <b>Chlorides</b> 8800 <b>Bottom</b> 3682.0 <b>Between</b> 0	<b>Chokes</b> 3/4 <b>Top Recorder #</b> W1119 <b>Mid Recorder #</b> <b>Botl Recorder #</b> 13310 <b>Mileage</b> 48 <b>Standby Time</b> 0 <b>Extra Equipmnt</b> Jars & Safety Joint <b>Time on Site</b> 1:30 PM <b>Tool Picked Up</b> 2:40 PM <b>Tool Layed Dwn</b> 9:10 PM <b>Elevation</b> 1898.00 <b>Start Date/Time</b> 7/26/2011 1:44 PM <b>End Date/Time</b> 7/26/2011 9:01 PM	<b>Hole Size</b> 7 7/8 <b>Approved By</b> <b>Kelley Bushings</b> 1907.00
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**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% 1.6ft	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	
IH	7/26/2011	3:37:00 PM	1,883,333	104.682	Initial Hydro-static
IF1	7/26/2011	3:42:30 PM	1,975	105.055	Initial Flow (1)
IF2	7/26/2011	3:52:50 PM	2,147,222	105.164	Initial Flow (2)
IS	7/26/2011	4:37:10 PM	2,888,111	108.999	Initial Shut-in
FF1	7/26/2011	4:38:00 PM	2.9	80.445	Final Flow (1)
FF2	7/26/2011	5:22:50 PM	3,647,222	98,925	Final Flow (2)
FS	7/26/2011	6:52:30 PM	5,141,667	1170,828	Final Shut-in
FH	7/26/2011	7:05:20 PM	5,355,556	1735,116	Final Hydro-static

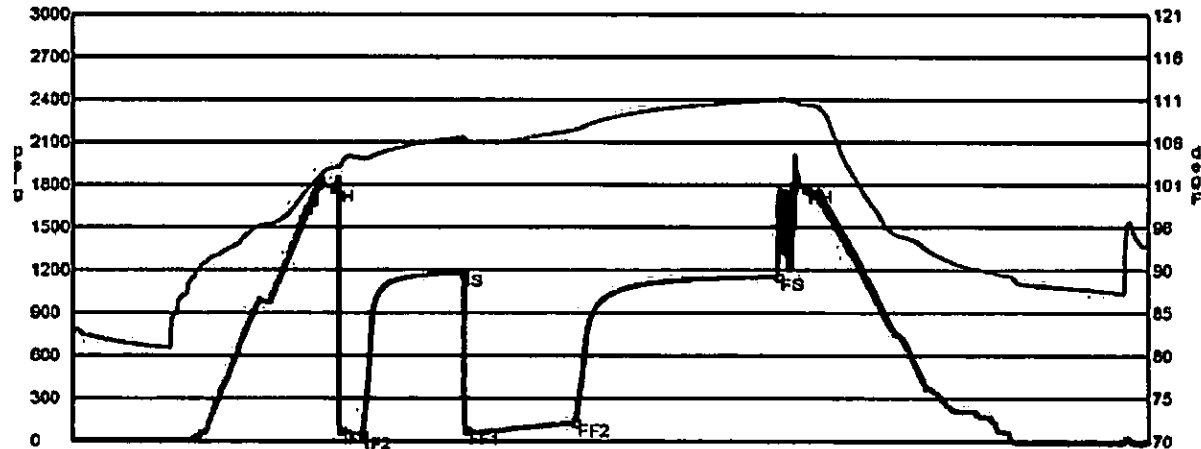
Company	Shelby Resources, LLC	Lease Name	McCune	Job Ticket	2160
Address	2717 Canal Blvd. Ste. C	Lease #	1-7	Range	12W
CSZ	Mays, KS 67601	Legal Desc	S/2-NE-NE-SE		
Attn.	Keith Reavis	Section	7	State	KS
		Township	25S	Drilling Cont	Starling Drilling Co. Rig #4
Comments	Legal Description in Feet: 2002' 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		Bot Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	48	Approved By
Mud Type	Gal Chem	Viscosity	51.0	Standby Time	0	
Mud Weight	9.3	Chlorides	9300	Extra Equipmnt	Jars & Safety joint	
Filtrate	11.2			Time on Site	6:10 AM	
				Tool Picked Up	7:20 AM	
				Tool Layed Dwn	2:30 PM	
Drill Collar Len	213.0			Elevation	1698.00	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	18.0	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	102.676	Initial Hydro-static
IF1	7/27/2011	8:32:50 AM	1,980,556	73.561	Initial Flow (1)
IF2	7/27/2011	8:42:30 AM	2,141,667	42,008	Initial Flow (2)
IS	7/27/2011	9:27:10 AM	2,886,111	1185,024	Initial Shut-in
FF1	7/27/2011	9:28:30 AM	2,908,333	71,864	Final Flow (1)
FF2	7/27/2011	10:17:20 AM	3,722,222	128,151	Final Flow (2)
FS	7/27/2011	11:47:50 AM	5,230,556	1160,223	Final Shut-in
FH	7/27/2011	12:00:20 PM	5,438,889	1776.663	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

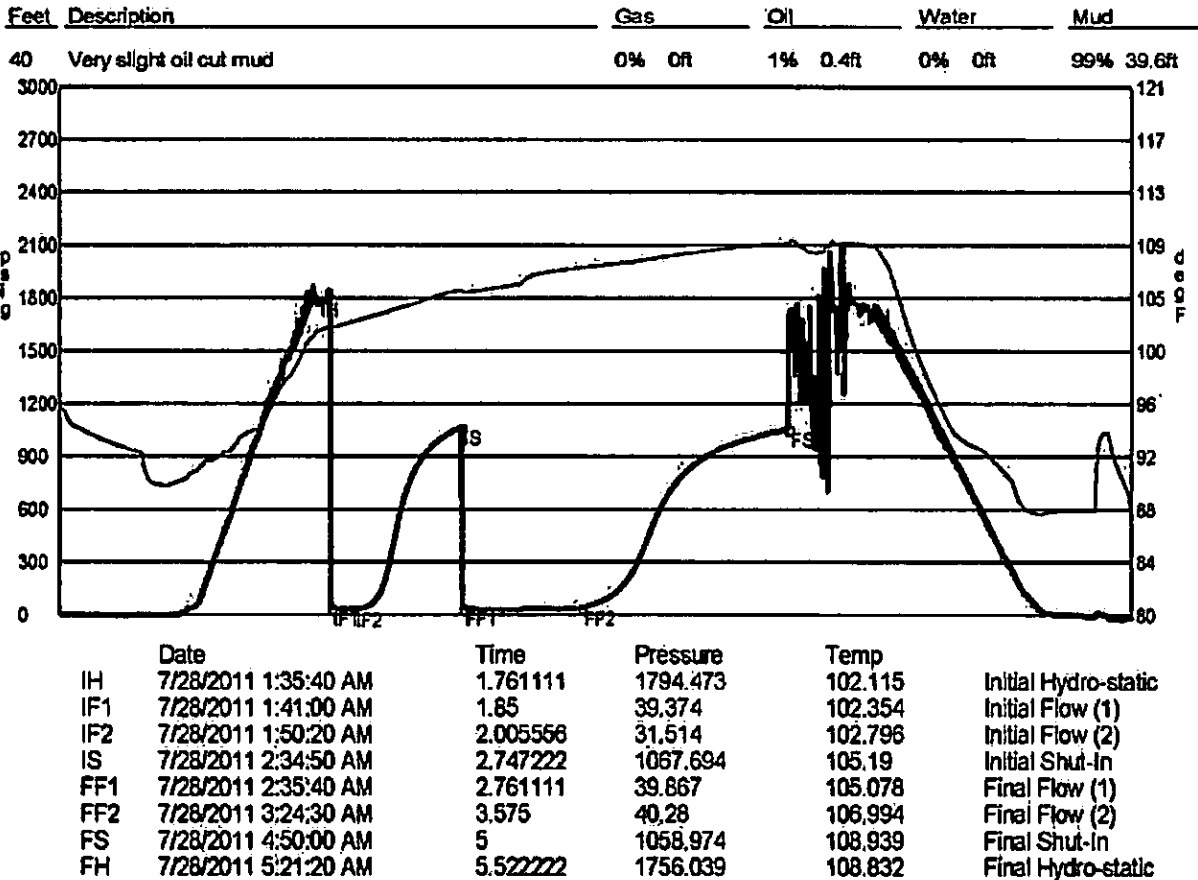
Company	Shelby Resources, LLC	Lease Name	McCune	
Address	2717 Canal Blvd. Sta. C	Lease #	1-7	
CSZ	Hays, KS 67601	Legal Desc	S/2-NE-NE-SE	Job Ticket 2160
Attn.	Keith Reavls	Section	7	Range 12W
		Township	25S	
		County	Stafford	State KS
		Drilling Cont	Sterling Drilling Co. Rig #4	

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

GENERAL INFORMATION

Test # 4	Test Date 7/28/2011	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	Extra Equipmnt	Jars, Safety joint, Big packer
Mud Weight	9.3	Viscosity	61.0	Time on Site	11:35 PM
Filtrate	11.2	Chlorides	9300	Tool Picked Up	12:30 AM
				Tool Layed Dwn	7:10 AM
Drill Collar Len	213.0	Elevation	1898.00	Kelley Bushings	1907.00
Wght Pipe Len	0				
Formation	Lansing "L"	Start Date/Time	7/27/2011 11:50 PM		
Interval Top	3740.0	Bottom	3763.0	End Date/Time	7/28/2011 7:12 AM
Anchor Len Below	23.0	Between	0		
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



DST #5.jpg

RICKETTS TESTING

(620) 328-5830

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Company	Shelby Resources, LLC	Lease Name	McCune	
Address	2717 Canal Blvd. Ste. C	Lease #	1-7	
CSZ	Hays, KS 67601	Legal Desc	S/2-NB-NB-SE	Job Ticket 2160
Atn.	Keith Reavis	Section	7	Range 12W
		Township	25S	
		County	Stafford	State KS
		Drilling Cont	Starling Drilling Co. Rig #4	

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

GENERAL INFORMATION

Test # 6	Test Date 7/29/2011	Chokas 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 60.0	Extra Equipmnt Jars & Safety joint	
Filtrate 13.2	Chlorides 10000	Time on Site 8:00 PM	
Drill Collar Len 213.0		Tool Picked Up 10:20 PM	
Wght Pipe Len 0		Tool Layed Dwn 6:20 AM	
Formation Lansing "K&L"		Elevation 1898.00	Kelley Bushings 1807.00
Interval Top 3790.0	Bottom 3850.0	Start Date/Time 7/28/2011 9:33 PM	
Anchor Len Below 60.0	Between 0	End Date/Time 7/29/2011 6:23 AM	
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 period, 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:			

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