KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION

Please TYPE Form and File ONE Copy

API # 15 - 163-21,154 - 00 - 0 (Identifier Number of this well). This must be listed for wells drilled since 1987; if no API # was issued,
indicate original spud or completion date: November 1980

Well Operator: Shelby Resources, LLC
KCC License #: 31725

Address: 5893 Saddle Creek Trail
City: Parker
State: Colorado Zip Code: 80134 Contact Phone: (303) 840 - 2183

Lease: Lowry Well #: 3 Sec: 20 Twp. 8 S. R. 19 East

S/2 - SE - NW - SW Spot Location / QQQQ County: Rooks

1320' Feet (in exact footage) From [ ] North / [ ] South [ ] East / [ ] West (from nearest outside section corner) Line of Section (Not Lease Line)

990' Feet (in exact footage) From [ ] North / [ ] South [ ] East / [ ] West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: [ ] Oil Well [ ] Gas Well [ ] D&A [ ] Cathodic [ ] Water Supply Well

[ ] SWD Docket # [ ] ENHR Docket # [ ] Other:

Conductor Casing Size: [ ] Set at: [ ] Cemented with: [ ] Sacks

Surface Casing Size: 8-5/8" [ ] Set at: 286' [ ] Cemented with: 160 [ ] Sacks

Production Casing Size: 4-1/2" [ ] Set at: 3431' [ ] Cemented with: 150 [ ] Sacks

List (ALL) Perforations and Bridgeplug Sets: Perforations 3217-22'. In 1984, a casing leak was repaired @ 935' (150 sxs). In 1989, a casing leak was repaired @ 334' (125 sxs).

Elevation: 1984 [ ] GL / [ ] KB T.D: 3435' PBTD: 3229' Anhydrite Depth: 1462-1498 (Stone Coral Formation)

Condition of Well: [ ] Good [ ] Poor [ ] Casing Leak [ ] Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): Bring out 225 sxs. 60/40 poz with 10% gel & 500# hulls. RIH with tubing to +12 2000'. Circulate cement to surface. Pull tubing a squeeze casing to 1500#. Tie on to annulus and fill backsides with cement. Pressure up to 500#.

Is Well Log attached to this application as required? [ ] Yes [ ] No Is ACO-1 filled? [ ] Yes [ ] No

If not explain why: Log and ACO-1 are not available.

Plugging of this Well will be done in accordance with K.S.A. 55-101 et seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations:

Brian Karlin
Phone: (785) 623 - 3290

Address: P.O. Box 1213
City / State: Hays, Kansas 67601

Plugging Contractor: Allied Cementing Co., Inc.
KCC License #: [ ] (Company Name)
Address: P.O. Box 31, Russell, Kansas 67665-0031 Phone: (785) 483 - 2627

Proposed Date and Hour of Plugging (if known?): Not available

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent
Date: 03-07-2005 Authorized Operator / Agent: [ ]

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

March 10, 2005

Shelby Resources LLC
5893 Saddle Creek Trail
Parker, CO 80134

Re: LOWRY #3
API 15-163-21154-00-00
S2SENWSW 20-8S-19W, 1320 FSL 990 FWL
ROOKS COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

David P. Williams
Production Supervisor

District: #4
2301 E. 13th
Hays, KS 67601
(785) 625-0550