Lease Operator: Shelby Resources, LLC
Address: 5893 Saddle Creek Trail, Parker, CO 80134
Phone: (303) 840-2183  Operator License #: 31725

Type of Well: Oil & D & A
Docket #: (Oil, Gas & D&A, SWD, ENHR, Water Supply Well, Cathodic, Other)

The plugging proposal was approved on: 05-18-05  (Date)
by: Herb Deines  (KCC District Agent's Name)

Is ACO-1 filed?  Yes  No  If not, is well logged attached?  Yes  No

Producing Formation(s): List All (If needed attach another sheet)

<table>
<thead>
<tr>
<th>Depth to Top</th>
<th>Bottom</th>
<th>T.D.</th>
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<tbody>
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</tbody>
</table>

Show depth and thickness of all water, oil and gas formations.

<table>
<thead>
<tr>
<th>Oil, Gas or Water Records</th>
<th>Casing Record (Surface Conductor &amp; Production)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation</td>
<td>Content</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>*see attached drilling report</td>
<td>0'</td>
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</tr>
</tbody>
</table>

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugged hole with 145 sacks of 60/40 Poz, 6% gel, 1/4# flo-seal per sack.

1st plug @ 3324' (Arbuckle 3328') with 25 sacks. 2nd plug @ 670' with 50 sacks. 3rd plug @ 300' with 35 sacks. 4th plug @ 40' with 10 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.

Plug down at 11:00 pm on 05-20-05 by Allied Cementing (tkt #18377).  

Name of Plugging Contractor: Allied Cementing
Address: PO Box 32, Russell, KS 67665

Name of Party Responsible for Plugging Fees: Jim Waechter
State of Kansas  County, Barton

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

(Signature)  
(Address)  PO Box 276, Ellinwood, KS 67526

Notary Public

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
SOUTHWIND DRILLING, INC.
RIG #2
PO Box 276, Ellinwood, KS 67526
Office Phone 620-564-3800, Fax 620-564-3845

DRILLING REPORT

Location: 1250' FSL & 2740' FEL
API#: 15-009-24842-00-00

OWNER: Shelby Resources, LLC
CONTRACTOR: Southwind Drilling, Inc. Rig #2

TOTAL DEPTH: Driller: 3450'
               Log*: 3451'

LOG:

0’ - 519’ Redbed
519’ - 524’ Anhydrite
524’ - 615’ Shale/Redbed
615’ - 1419’ Sand/Shale
1419’ - 1890’ Shale
1890’ - 3336’ Lime/Shale
3336’ - 3450’ Arbuckle
       3450’ RTD
       3451’ LTD

CASING RECORDS

Surface casing – 8 5/8”
   Ran 15 joints of 24# new 8 5/8” surface casing. Tally @ 602.99’. Set @ 613’. Cement with 350 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:15 am on 05-13-05 by Allied Cementing (tkt # 18318).

Production casing – 5 1/2”
   None – plugged well

DEVIATION SURVEYS

¾ degree (s)  @ 615’
¾ degree (s)  @ 2322’
2 degree (s)  @ 3274’
2 degree (s)  @ 3450’
Driving Directions: From Ellinwood, 5 miles South, 2 ½ miles East.

Day 1

Date 05-12-05 Thursday

Anhydrite @ 519'-524'
Survey @ 615' = ¼ degree

Moved Rig #2 on location
Spud @ 3:00 pm
Ran 6.25 hours drilling (.50 drill rat hole, 5.75 drill 12 ¼”). Down 17.75 hours (7.00 rig rig, .50 mix mud, .50 trip, .50 rig repair, .25 survey, 1.00 connection, 2.25 run casing/cement, 5.75 wait on cement).
Mud properties: freshwater
Daily Mud Cost = $527.04. Mud Cost to Date = $527.04
Hours on 12 ¼" bit: 5.75
Fuel usage: 138 gals. (84” used 4”) 30” + 58” = 88”

Day 2

Date 05-13-05 Friday

Ran 15 joints of 24# new 8 5/8” surface casing. Tally @ 602.99’. Set @ 613’. Cement with 350 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:15 am on 05-13-05 by Allied Cementing (tkt # 18318).
7:00 am – Waiting on cement @ 615’
Ran 14.75 hours drilling. Down 9.25 hours (.75 rig repair, 2.25 wait on cement, .50 drill plug, 2.00 connection, 1.25 jet, 1.50 CFS @ 1520’, .75 CFS @ 1560’, .25 rig check)
Mud properties: wt. 9.4, vis. 32
Daily Mud Cost = $0.00. Mud Cost to Date = $527.04
Wt. on bit: 30,000, 80 RPM, 750# pump pressure
Hours on 12 ¼” bit: 5.75
Hours on 7 7/8” bit: 14.75
Fuel usage: 310.50 gals. (75” used 9”)

Day 3

Date 05-14-05 Saturday

7:00 am – Drilling @ 1610’
Ran 18.00 hours drilling. Down 6.00 hours (2.00 CFS @ 2322’, .50 rig check, .75 rig repair, 1.50 connection, .75 jet, .50 trip)
Mud properties: wt. 9.5, vis. 35
Daily Mud Cost = $2,825.99. Mud Cost to Date = $3,353.03
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
Hours on 12 ¼” bit: 5.75
Hours on 7 7/8” bit: 32.75
Fuel usage: 414 gals. (63” used 12”)

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KCC/WICHITA
MORNING DRILLING REPORT

Southwind Drilling, Inc.
PO Box 276
112 North Main
Ellinwood, KS 67526

Wellsite Geologist:
Jeff Zoller
620-786-0807 (Mobile)
620-653-2464 (Office)
620-653-7397 (Home)

Rig #2 Phone Numbers
620-617-5921 Rig Cellular (Dog house) Yes
620-617-5920 Geologist Trailer Cellular Yes
620-794-2076 Tool Pusher Cellular Yes Darrell Krier

Email to: Jim Waechter @ shelbyjim@aol.com,
Brian Karlin @ bkarlin@media-net.net,
Doug Liller @ Caddilbres@aol.com,
Kris Kennedy @ rockhawk@shebglobal.net, &
Jeff Zoller @ jrz@earthlink.net

WELL NAME Doll-Rugan Unit #1
LOCATION 1250' FSL & 2740' FEL
Sec. 27-20S-11W
Barton County, Kansas

Shelby Resources, LLC
5893 Saddle Creek Trail
Parker, CO 80134
Office: 303-840-2183

ELEVATION G.L. 1772' K.B. 1781' API# 15-009-24842-00-00

Driving Directions: From Ellinwood, 5 miles South, 2 1/2 miles East.

<table>
<thead>
<tr>
<th>Day</th>
<th>Date 05-15-05</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DST #1 (2206'-2322')</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recovered 10' mud</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Survey @ 2322' = ¾ degree</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DST #2 (2362'-2426')</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recovered 90' mud</td>
<td></td>
</tr>
</tbody>
</table>

7:00 am – Short tripping for DST #1 @ 2322’
Ran 2.75 hours drilling. Down 21.25 hours (1.75 CTCH, 9.75 trips, 1.75 DST #1, 1.50 DST #2, 4.50 rig repair, .25 connection, .25 survey, 1.50 CFS @ 2426')
Mud properties: wt. 9.5, vis. 35
Daily Mud Cost = $888.34. Mud Cost to Date = $4,241.37
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
Hours on 12 ¾” bit: 5.75
Hours on 7 7/8” bit: 35.50

Fuel usage: 138 gals. (59” used 4”)

<table>
<thead>
<tr>
<th>Day</th>
<th>Date 05-16-05</th>
<th>Monday</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DST #2 (2362'-2426')</td>
<td></td>
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<tr>
<td></td>
<td>Recovered 90' mud</td>
<td></td>
</tr>
</tbody>
</table>

7:00 am – Tripping in with bit after DST #2 @ 2426’
Ran 19.50 hours drilling. Down 4.50 hours (.25 CTCH, 1.25 trip, .75 rig check, 1.75 connection, .50 displace @ 2520')
Mud properties: wt. 9.2, vis. 50
Daily Mud Cost = $995.99. Mud Cost to Date = $5,237.36
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
Hours on 12 ¾” bit: 5.75
Hours on 7 7/8” bit: 55.00

Fuel usage: 345 gals. (49” used 10”)

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KCC WICHITA
Driving Directions: From Ellinwood, 5 miles South, 2 1/2 miles East.

Day | Date | Tuesday | DST #3 (3059'-3139')
---|---|---|---
6 | 05-17-05 | LKC “A” – “D” zone
 | | Recovered 10’ mud

7:00 am – Drilling @ 2970’
Ran 13.50 hours drilling. Down 10.50 hours (.50 rig check, 1.75 CFS @ 3139’, .50 connection, .25 jet, 5.25 trips, 2.00 DST #3, .25 CTCH)
Mud properties: wt. 9.3, vis. 55
Daily Mud Cost = $378.37. Mud Cost to Date = $5,615.73
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
Hours on 12 ¼” bit: 5.75
Hours on 7 7/8” bit: 68.50
Fuel usage: 276 gals. (41” used 8”)

Day | Date | Wednesday | DST #4 (3194'-3274’)
---|---|---|---
7 | 05-18-05 | LKC “H” – “I” zone
 | | Recovered 10’ mud

Survey @ 3274' = 2 degree

DST #5 (3300'-3336’)
Arbuckle zone
Recovered 500’ gas in pipe & 50’ slightly oil cut mud

7:00 am – Drilling @ 3250’
Ran 4.75 hours drilling. Down 19.25 hours (1.75 CFS @ 3274’, .25 CTCH, 2.00 CFS @ 3336’, 9.75 trips, .25 rig check, 1.50 DST #4, .25 connection, .25 survey, 3.25 DST #5)
Mud properties: wt. 9.2, vis. 52
Daily Mud Cost = $467.31. Mud Cost to Date = $6,083.04
Wt. on bit: 35,000, 80 RPM, 800# pump pressure
Hours on 12 ¾” bit: 5.75
Hours on 7 7/8” bit: 73.25
Fuel usage: 207 gals. (35” used 6”)
Driving Directions: From Ellinwood, 5 miles South, 2 ½ miles East.

Day  8  Date  05-19-05  Thursday

DST #6 (3334’-3344’)
- Arbuckle zone
- Recovered 10’ mud

DST #7 (3342’-3364’)
- Arbuckle zone
- Recovered 180’ muddy water

7:00 am – Tripping in with bit after DST #5 @ 3336’
Ran 1.75 hours drilling. Down 22.25 hours (.50 CTCH, 2.00 CFS @ 3344’, 12.00 trips, .25 CTCH, 1.50 CFS @ 3364’, 2.00 DST #6, .25 connection, .25 CTCH, 3.50 DST #7)
Mud properties: wt. 9.1, vis. 45
Daily Mud Cost = $580.71. Mud Cost to Date = $6,663.75
Wt. on bit: 35,000, 80 RPM, 700# pump pressure
Hours on 12 ¼” bit: 5.75
Hours on 7 7/8” bit: 75.00
Fuel usage: 103.50 gals. (32” used 3”)

Day  9  Date  05-20-05  Friday

RTD = 3450’
LTD = 3451’

7:00 am – Drilling @ 3370’
Ran 2.50 hours drilling. Down 21.50 hours (.25 rig check, .25 jet, 1.25 CFS @ 3450’, .25 survey, 1.25 trip for log, 4.25 log, 2.75 trip to plug well, 3.25 lay down pipe & plug well, 4.00 tear down, 4.00 rig down)
Mud properties: wt. 9.1, vis. 52
Daily Mud Cost = $0.00. Total Mud Cost = $6,663.75
Wt. on bit: 35,000, 80 RPM, 700# pump pressure
Hours on 12 ¼” bit: 5.75
Hours on 7 7/8” bit: 77.50
Fuel usage: 103.50 gals. (29” used 3”)

Plug well with 145 sacks of 60/40 Poz, 6% gel, ¼# flo-seal per sack. 1st plug @ 3324’ (Arbuckle 3328’) with 25 sacks. 2nd plug @ 670’ with 50 sacks. 3rd plug @ 300’ with 35 sacks. 4th plug @ 40’ with 10 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks. Plug down @ 11:00 pm on 05-20-05 by Allied Cementing (tkt #18377).

Day  10  Date  05-21-05  Saturday

7:00 am – Moving rig off location

RECEIVED
MAY 24 2005
KCC WICHITA
SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: **DOLL-RUGAN**

Plugging received from KCC representative:

<table>
<thead>
<tr>
<th>Plug Number</th>
<th>Depth (ft)</th>
<th>Stands</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>3324</td>
<td>25</td>
<td>5-18-05</td>
<td>4:40</td>
</tr>
<tr>
<td>2nd</td>
<td>670</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>300</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>40</td>
<td>10</td>
<td></td>
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<tr>
<td>5th</td>
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Mouschole: 10 sx.
Rahole: 15 sx.
Total Cement used: 145 sx.

Type of cement: 60/40 POZ, 6% gel, 1/4 Flosesal per sk.

Plug down: 11:00 a.m. 5-20-05 by Allied - T. No. 18377

Call KCC When Completed:
Name: **HERM DIBLE**
Date: 5-23-05 Time: 9:05

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KCC WICHITA
To Allied Cementing Co., Inc.

You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE

PRINTED NAME