

# Shelby Resources, LLC

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August 8, 2012

Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street  
Suite 801  
Denver, Colorado 80203

Subject: Delinquent Production Reporting-Andrew Jackson #1 API #05-061-06561

Dear Sharon Schoepflin:

Regarding the issue of non-compliance in the reporting of production for the subject well; Shelby Resources LLC respectfully requests that the Colorado Oil and Gas Conservation Commission grant relief to Shelby from submitting production Form 7 for any time under Shelby's operatorship.

Shelby Resources formally took over operations in October 1996 from Lewis and Clark Exploration Company when we purchased the subject well. At the time, Shelby submitted the Certification of Change of Operator (Form 10-Documents #00624973), the well was determined to have been shut-in since June, 1993 prior to Shelby taking over operations. This Change of Operator was approved by the commission on May 13, 1997.

Subsequent of Shelby taking over the well, the commission issued a "Notice of Alleged Violation" on October 26, 2006 stating the "well has been shut-in for over 10 years" and that we need to plug it or put in back on production (Form NOAV-Documents #22298160). This notice indicates that the well has been shut-in and no production data was ever submitted long before Shelby Resources purchased the well. Needless to say, Shelby Resources elected to do a workover and try to complete the well to establish commercial production. The workover failed and commercial production was not established. Shelby soon after the workover submitted Well Abandonment Reports showing the well was plugged.

Shelby Resources has made every attempt to locate past production records and can not find anything that would allow us to submit production data prior to or subsequent to us purchasing the well in October of 1996. Consequently, since the well was shut-in long before we purchased it and Shelby never produced the well since the acquisition, as well as, a subsequent failed recompletion attempt, we have no Form 7 production to report. I'm hopeful the commission will grant Shelby relief from reporting production on the subject well with the knowledge that all records within the Colorado Oil and Gas Conservation Commission indicate the well was shut in prior to and during Shelby's operatorship.

I would also request, in the event the commission grants the relief, the Colorado Oil and Gas Conservation Commission release all bonds payable to Shelby Resources so we could bring closure to this well's history. Please feel free to contact me with any questions.

Sincerely,



Trey Mallon  
Financial Officer