For KCC Use:

District	#	
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Yes	1	١
	Yes	Yes

### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

1027772

## NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

month         day         year           OPERATOR:         License#	Expected Spud Date:	Spot Description:
Name:	month day year	
Name:   Contact Person:   Contact Person:   Contact Person:   Contact Person:   CONTRACTOR:   License#   CONTRACTOR:   Well Drilled For:   Well Class:   Type Equipment:   Oil   Oil:   Enh Rec   Infield   Mud Rotary   Gas   Storage   Pool Ext.   Disposal   Wildcat   Coher:   Disposal   Well wild of Holes   Other:   Disposal   Well Name:   Operator:   Well Name:   Original Completion Date:   Original Completion Date:   Original Completion Date:   Original Completion Date:   Original Completion:   Well Parme Pond   Other:   Bottom Hole Location:   (Note: Apply for Permit w		feet from E / W Line of Section
Address 2:		
City:		
Contact Person:		( <b>Note:</b> Locate well on the Section Plat on reverse side)
Phone:	, ,	County:
CONTRACTOR: License#		Lease Name: Well #:
Name:	- Hone	Field Name:
Well Drilled For:       Well Class:       Type Equipment:         Oil       Enh Rec       Infield       Mud Rotary         Gas       Storage       Pool Ext.       Air Rotary         Disposal       Wildcat       Cable         Seismic ;       # of Holes       Other         Other:       Other       Surface Pipe by Alternate:       I         If OWWO: old well information as follows:       Operator:       Surface Pipe by Alternate:       I         Well Name:       Original Completion Date:       Original Total Depth:       Projected Total Depth:       Formation at Total Depth:         Directional, Deviated or Horizontal wellbore?       Yes       No         Well       Farm Pond       Other:       Other:         Well       Farm Pond       Other:       Other:         Directional, Deviated or Horizontal wellbore?       Yes       No         Well       Farm Pond       Other:       Other:         Well       Farm Pond       Other:       Other:         Well       Farm Pond       Other:       Other:         Original Total Depth:       Well       Farm Pond       Other:         Well       Farm Pond       Other:       Other:         Well       <	CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Wein Datast.       Type Equipment.         Oil       Enh Rec       Infield       Mud Rotary         Gas       Storage       Pool Ext.       Air Rotary         Disposal       Wildcat       Cable         Other:       Other       Other         Other:       Other       Depth to bottom of fresh water:       Yes         No       Depth to bottom of usable water:       Depth to bottom of usable water:       Surface Pipe by Alternate:       I         Operator:       Well Name:       Original Completion Date:       Original Total Depth:       Projected Total Depth:       Projected Total Depth:         Directional, Deviated or Horizontal wellbore?       Yes       No         Meter Vertical depth:       Yes       No         Bottom Hole Location:       Yes       No         (Note: Apply for Permit with DWR ])       OWR Permit with DWR ])	Name:	Target Formation(s):
Oil Enh Rec Infield Mud Rotary   Gas Storage Pool Ext. Air Rotary   Disposal Wildcat Cable   Seismic ;	Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Gas Storage Pool Ext. Air Rotary   Disposal Wildcat Cable     Seismic ;# of Holes Other     Other:     Other:     If OWWO: old well information as follows:     Operator:   Well Name:   Original Completion Date:		Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Hotary   Disposal Wildcat Cable   Public water supply well within one mile: Seismic ;# of Holes Other: Other: Other: Other: Original Completion Date: Original Completion Date: Original Completion Date: Original Total Depth: Formation at Total Depth: Formation at Total Depth: Well Mame: Original Completion Date: Original Completion Pate: Original Completion Pate: Original Total Depth: Well Name: Original Completion Pate: Original Total Depth: Well Mame: Original Total Depth: Well Parme Pond Other: Other: Other: Other: Well Parme Pond Other: Other: Other: Original Completion: Original Total Depth: Well Parme Pond Other: Other: Other: Other: Original Total Depth: Other: Other: Original Total Depth: Other: <td></td> <td>Water well within one-quarter mile:</td>		Water well within one-quarter mile:
Disposal Wildcat     Seismic ;# of Holes     Other: <td< td=""><td></td><td></td></td<>		
Detrive   Other:   Other:   Other:         Depth to bottom of usable water:   Surface Pipe by Alternate:   I   II         Depth to bottom of usable water:   Surface Pipe by Alternate:   I   II   Length of Surface Pipe Planned to be set:   Length of Conductor Pipe (if any):   Projected Total Depth:   Projected Total Depth:   Projected Total Depth:   Formation at Total Depth:   Water Source for Drilling Operations:   Well   Farm Pond   Other:   Other:   DWR Permit #:		
Surface Pipe by Alternate:   If OWWO: old well information as follows:   Operator:   Well Name:   Original Completion Date:   Original Completion Date:   Original Completion Date:   Original Total Depth:   Projected Total Depth:   Formation at Total Depth:   Water Source for Drilling Operations:   Water Source for Drilling Operations:   Well   Farm Pond   Other:   DWR Permit #:   (Note: Apply for Permit with DWR )		•
If OWWO: old well information as follows:       Length of Surface Pipe Planned to be set:         Operator:	Other:	
Operator:	If OWWO: old well information as follows:	
Operator:		
Original Completion Date:       Original Total Depth:       Formation at Total Depth:         Directional, Deviated or Horizontal wellbore?       Yes       No         If Yes, true vertical depth:       Water Source for Drilling Operations:         Bottom Hole Location:       OVERT #:         (Note: Apply for Permit with DWR )	Operator:	
Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #: (Note: Apply for Permit with DWR )		
Directional, Deviated or Horizontal wellbore? Yes No Well Farm Pond Other:	Original Completion Date: Original Total Depth:	Formation at Total Depth:
If Yes, true vertical depth:		
Bottom Hole Location: (Note: Apply for Permit with DWR )		Well Farm Pond Other:
	•	
KCCDKL#		( <b>Note:</b> Apply for Permit with DWR )
Will Cores be taken?		Will Cores be taken?
If Yes, proposed zone:		If Yes, proposed zone:

#### AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office *prior* to spudding of well;

- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

#### Submitted Electronically

	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet	<ul> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul>
Minimum surface pipe required feet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.
This authorization expires:	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
	Well Not Drilled - Permit Expired Date:
Spud date: Agent:	Signature of Operator or Agent:
Opud date Agent	<



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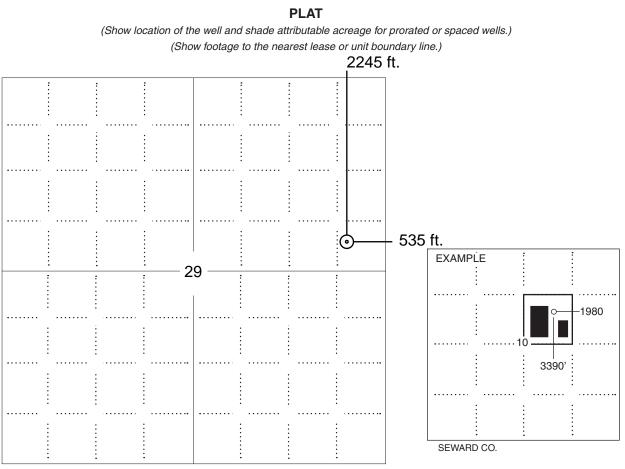
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and wells acreage attribution unit for gas wells acreage attribution unit for gas wells acreage attribution unit for gas wells acreage attrib

API No. 15	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E W
Number of Acres attributable to well:	Is Section: Regular or Irregular
QTR/QTR/QTR of acreage:	
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW



NOTE: In all cases locate the spot of the proposed drilling locaton.

#### In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1027772

Form CDP-1 April 2004 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:		Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit:	Pit is:			
Emergency Pit Burn Pit	Proposed Existing		SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date c	onstructed:	Feet from North / South Line of Section	
Workover Pit Haul-Off Pit ( <i>If WP Supply API No. or Year Drilled</i> )	Pit capacity:		Feet from East / West Line of Section	
		(bbls)		County
Is the pit located in a Sensitive Ground Water	Area? Yes	No		mg/l y Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plas	
Pit dimensions (all but working pits):	Length (fe	eet)	Width (feet)	N/A: Steel Pits
Depth fr	om ground level to d	eepest point:	(feet)	No Pit
Distance to nearest water well within one-mile of pit     Depth to shallowest fresh waterfeet.       Source of information:     Source of information:				
· · · · · · · · · · · · · · · · · · ·			redwell owner electric logKDWR over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	I utilized in drilling/workover:	
Number of producing wells on lease: Number of wor		orking pits to be utilized:		
Barrels of fluid produced daily: Abandonment		procedure:		
Does the slope from the tank battery allow all spilled fluids to         flow into the pit?       Yes         No       Drill pits must be		be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY Steel Pit RFAC RFAS				
Date Received: Permit Num	ber:	Perm	it Date: Lea	ase Inspection: Yes No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

May 06, 2009

Chris Gottschalk Shelby Resources LLC 2717 Canal Blvd. Suite C

Hays, KS67601

Re: Drilling Pit Application Jarboe Trust Lease Well No. #1-29 NE/4 Sec.29-26S-13W Pratt County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

# If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Form CDP-5 (August 2004), Exploration and Production Waste Transfer, must be filed within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/conservation/forms/

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.