

For KCC Use:  
 Effective Date: 11-24-04  
 District #: 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

Form C-1  
 December 2002  
**Form must be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

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

Expected Spud Date NOV 1, 2004  
 month day year

OPERATOR: License# 31725  
 Name: Shelby Resources, LLC  
 Address: 5893 Saddle Creek Trail  
 City/State/Zip: Parker, Co. 80134  
 Contact Person: Jim Waechter  
 Phone: 303-840-2183

CONTRACTOR: License# 30606  
 Name: Murfin Drilling Co., Inc.

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 OIL & GAS CONSERVATION DIVISION  
 WICHITA, KS  
 OCT 15 2004  
 12/31/04

Spot approx  
 SE - SE - SW Sec. 33 Twp. 9 S. R. 21  
 East  
 West  
 110' feet from  N /  S Line of Section  
 2240' feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Graham  
 Lease Name: Allphin-Towns Unit Well #: 1  
 Field Name: Cooper

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Arbuckle  
 Nearest Lease or unit boundary: 110' to the south line

Ground Surface Elevation: 2316' feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No  
 Depth to bottom of fresh water: 150'  
 Depth to bottom of usable water: 1050'

Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 220'  
 Length of Conductor Pipe required: NONE  
 Projected Total Depth: 4000'

Formation at Total Depth: Arbuckle  
 Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWO	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: NE  
 KCC DKT #: \_\_\_\_\_

**\*Unit information recieved**

**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;
3. 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 10/12/04 Signature of Operator or Agent: J A Waechter Title: Managing Member

**For KCC Use ONLY**

API # 15 - 065-23020-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. (2)

Approved by: RJP 11.19.04

This authorization expires: 5.19.05  
 (This authorization void if drilling not started within 6 months of effective date.)

Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

- Remember to:**
- File Drill Pit Application (form CDP-1) with Intent to Drill;
  - File Completion Form ACO-1 within 120 days of spud date;
  - File acreage attribution plat according to field proration orders;
  - Notify appropriate district office 48 hours prior to workover or re-entry;
  - Submit plugging report (CP-4) after plugging is completed;
  - Obtain written approval before disposing or injecting salt water.
- 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  
 Signature of Operator or Agent: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

33 9 21W

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

*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 oil wells.

API No. 15 - \_\_\_\_\_  
 Operator: Shelby Resources, LLC  
 Lease: Allphin-Towns Unit  
 Well Number: 1  
 Field: Cooper

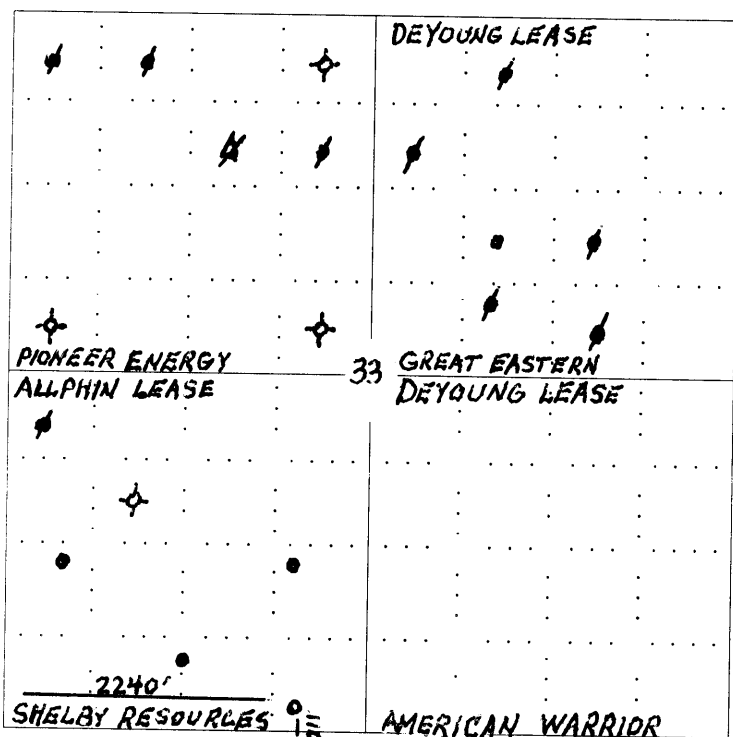
Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: SE - SE - SW

Location of Well: County: Graham  
110' feet from  N /  S Line of Section  
2240' feet from  E /  W Line of Section  
 Sec. 33 Twp. 9 S. R. 21  East  West

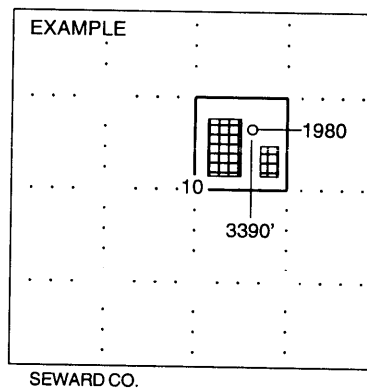
Is Section:  Regular or  Irregular  
 If Section Is Irregular, locate well from nearest corner boundary.  
 Section corner used:  NE  NW  SE  SW

**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)  
 (Show footage to the nearest lease or unit boundary line.)*



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**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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).