For KCC Use: Effective Date: District # SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

September Special Spud Date Month May Year Special Spud Date Month					ve (3) days prior to commencing well		
Section Popular Popu	Expected Spud Date		12	2005			
Address: 5983 Sadde Creek Trail Contact Person. Jim Weechier Phone. 93-942-02183 Contact Person. Jim Weechier Contact P		month	day	year			
Name. Selety Resources, LC Activass. 5903 5340d Creek Trail City/State/Dp. Parker. CO 50134 Contract Panson, Jim Weschler Phone, 303-940-2183 CONTRACTOR: Licensey 33350 (1-30-06) Name. Southwrold Dilling, Inc. Well Drilling for. Well Name. Southwrold Wildcase Seletimic: # of Holes Other Other Other Well Name. Drive for drilling for for. Well Name. Drive for drilling for. Well Crose be taken? Drive for	OPERATOR: License# 3172	25 (7.3	0.05)		Teet nom		
ClinyStant/Tip. Parker. (CO 90134 Contexte Person, in Weekerler Phone, 903-840-2183 CONTRACTOR: Licensee; 33350 (1-30-06) Name. Southwind Orilling, Inc. Well Driff For. Well Class: Type Equipment: Well Driff For. Well Class: Type Equipment: Well Driff For. Well Class: Type Equipment: OWO Disposal Wildcat	Name. Shelby Resources, LI	LC			reet from VE / W Line of Section		
County: Barton County: Barton	Address: 5893 Saddle Creek	Trail			Is SECTIONRegularIrregular?		
County: Barton County: Barton	City/State/Zip: Parker, CO 80	0134					
Field Name Southwind Drilling, Inc. Well Class: Type Equipment: Inc. Well Drilly for: Well Class: Type Equipment: Inc. Ar Rotary Ground Sufface (Passage, et al. 1775 Foet MSL Water well within one-quarter mile: Yes No. N	Contact Person. Jim Waecht	er ·			County: Barton		
Is this a Prorated / Spaced Field? ves No Name Southwind Offiling, Inc. well Drilling For well class: Type Equipment: Ground Surface Elevation; est. 1779 Public water supply well within one mile: Public	Phone: 303-840-2183				Lease Name: Rugan-Doll UnitWell #:1		
Name Southwind Drilling, Inc. Well Drilly & For Well Class: Type Equipment: Well Drilly & For Well Class: Type Equipment: Ground Strate Developers Well Cass Storage Pool Ext. Air Rotary Wildcat Cable Selemic: # of Hole Other	3	3350 (1-	30-0/-1		Field Name		
Well Drillyd For: Well Class: Type Equipment: Ground Surface Elevation: est 1775 Get MSL	CONTRACTOR: License#	Inc	30 40@)	1			
Ground Surface Elevation::ed: 1775 foot MSL	Name: Oddining,	/					
Ground Surface Elevation; est 1/12	Well Drilled For:	Well Class	s: Type	Equipment:			
Gas Storage Pool Ext. AF Rotary Owload Cable Owload	_ /_				Ground Surface Elevation: est 1775' feet MSL		
Solimic solimic delta Cable Cable Cher Cable Cher				•			
Selamic;			==	•			
Depth to bottom of usable water: 1							
Surface Pipe to Alternate:							
Departor: Well Name: Original Total Depth: Directional, Deviated or Horizontal wellbore? Ves Vos Vos Vos Vos Vos Vos Vos Vos Vos Vo							
Well Name: Original Completion Date: Original Total Depth: Original Completion Date: Original Total Depth: Original Completion Date: Original Completion Original Total Depth: Original Completion Origina	If OWWO: old well information	on as follows:			201911 01 0411400 1 100		
Original Completion Date: Original Total Depth: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Wa	Operator:						
Original Completion Date:					A de contra		
If yes, true vertical depth::	Original Completion Date	:	_Original Tota	al Depth:			
If Yes, true vertical depth:	Directional Deviated or Horiz	zontal wellbore	e?	☐ Yes ✓ No	Water Source for Drilling Operations:		
Bottom Hole Location: KCC DKT #: Will Cores be taken? If Yes, proposed zone: AFFIDAVIT RECEIVED The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with \$6.0.55 at, 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 Kanass 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: 04-27-05 Signature of Operator or Agent: For KCC Use ONLY API # 15 - OO 9 - 24 8 4 2 - OO 00 Title: 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 completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date;							
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For KCC Use ONLY API # 15 - OO - 24842-00-00 Conductor pipe required NONE feet Minimum surface pipe required 250 feet per Alt. 1 ** Approved by 55.3.05 This authorization expires: 10.3.05 (This authorization void if drilling not started within 6 months of effective date.) Spud date:Agent:		-			•		
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Spud date: Agent: Signature of Operator or Agent: Signature of Operator or Agent:	This dather expired,				check the box below and return to the address below		
Spud date:Agent:Signature of Operator or Agent:	(I nis authorization void if dri	uing not started	ı witnin 6 monti	ns of effective date.)	· '		
	Spud date:	Agent:			· - ·		

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	Location of Well: County: Barton
Operator: Shelby Resources, LLC	1300 feet from N / S Line of Section
Lease: Rugan-Doll Unit	2610 feet from VE/W Line of Section
Well Number: 1 Field: Chase-Silica	Sec. 27 Twp. 20 S. R. 11 East ✓ West
Number of Acres attributable to well:	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.)

	· · · · · · · · · · · · · · · · · · ·	RECEIVE!
		RECEIVEL MAY - 2 2005 KCC WICHIT,
		1980
1300		SEWARD CO.

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).



CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

May 3, 2005

Mr. Jim Waechter Shelby Resources, LLC 5893 Saddle Creek Trail Parker, CO 80134

RE: Drilling Pit Application
Rugan-Doll Unit Lease Well No. 1

SE/4 Sec. 27-20S-11W Barton County, Kansas

Dear Mr. Waechter:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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 as soon as practical after drilling operations have ceased. Please keep all pits away from any draws.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

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 undersigned at the above address.

Sincerely.

Kathy Haynes

Environmental Protection and Remediation Department

cc: H Deines