# For KCC Use: |-|7-06 Effective Date: |-|7-06 District # SGA? | X| 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

Gas   Storage   Pool Ext.   Air Rotary   QuMD   Disposal   Wildcat   Cable   Depth to bottom of fresh water: \$\frac{1}{2}\$   No   Depth to bottom of fresh water: \$\frac{1}{2}\$   No   Depth to bottom of resh water: \$\frac{1}{2}\$   No   Depth to bottom of resh water: \$\frac{1}{2}\$   No   Depth to bottom of resh water: \$\frac{1}{2}\$   \frac{1}{2}\$   \text{Length of Surface Pipe by Alternate: } \frac{1}{2}\$   \frac{1}{2}\$   \text{Length of Surface Pipe Plenared to be set: \$\frac{1}{2}\$   \frac{1}{2}\$   \text{Length of Surface Pipe Plenared to be set: \$\frac{1}{2}\$   \text{Length of Conductor Pipe required: \frac{1}{2}\$   \text{Depth: S450'}   \text{Projected Total Depth: }\frac{1}{2}\$   \text{Mater Water Well   Depth: Arbuckle}   \text{Water Source for Drilling Operations: } \frac{1}{2}\$   \text{Water Well   DWR Permit \$\frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \text{Vell Mater Apply for Permit with DWR } \frac{1}{2}\$   \te		(5) days prior to commencing well
New   SE   New   Se   Se   Se   Se   New   Se   Se   Se   Se   New   Se   Se   Se   Se   Se   Se   Se	Expected Soud Date March 15, 2006	Snot 300' N 2 60' W
1950	month day year	
OPERATOR: Licensee* Jack Trail  Address: 5893 Seade Creek Trail  Address: 5893 Seade Creek Trail  Contact Person: Brien Karlin  Control Control Contact Person: Brien Karlin  Control Cont	31725	
Address 5983 Sadde Creak Trail  City/State/Zip. Parker. Colored 80134  County: Barton  Counts: Pareng. Brain Karin  County: Barton  Leas Name: Miller  Well prilling Company  Is this a Prorated / Spaced Field?  Target Formation(e): Affocusive in the United For:  Well Drilled For: Well Class: Type Equipment:  Address Storage   Pool Ext.   Air Rotary  Well Drilled For: Well Class: Type Equipment:  Selismic: # of Holes   Other   Other   Other    Ground Surface Elevation: 1783   teet MSL, Water well within one mile:   Depth to bottom of tresh water. 1597  Depth to bottom of usable water. 2097  Surface Pipe by Alternate:   1   2   2   2   2   2   2   2   2   2	OPERATOR: License# 51725	1050
Clystifical Zip. Parker, Colorado 80134 Contact Person: Blefton Contact Person: Blefton Country: Barton Countr	5893 Saddle Creek Trail	
Country Barton  It class Name; Miller  Is this a Pronated / Speaced Field?  Target Formation(s): Anguetie  Nearest Lease or unit boundary; 1050° FEL  Ground Surface Elevation: 1783	Address:  Clau/Cote/7(n. Parker, Colorado 80134	
Lease Name; Millor   Well s; 3-35	Contect Person: Brian Karlin	
CONTRACTOR: License# 5142  Name: Sterling Onling Company  Well Onlined For: Well Class: Type Equipment:	Phone. 785-623-3290	Lease Name. Miller Well #: 3-35
CONTRACTOR: Licenses 1-14.  Name: Sterring Drilling Company  Well Drilled For Well Class: Type Equipment:    Oil	./	Field Name: Mue-Tam
Name: Sessining Orining Company   Well Class:   Type Equipment:	CONTRACTOR: License# 5142	
Well Drilled For:   Well Class:   Type Equipment:   Ground Surface Elevation: 1783   feet MSL   Ground Surface Elevation: 1784   feet MSL   Ground Surface Elevation: 1785   feet MSL   f	Name: Stening Drilling Company	
Qold   Enh Rec	Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 1050" FEL
Gas   Storage   Pool Ext.   Air Rotary   Water well within one mile:   Yes   No   Disposal   Wildcat   Cable   Depth to bottom of Ireah water.   1507   Depth to Depth to Depth to Depth   Depth to Depth   Depth to Depth   De		Ground Surface Elevation: 1783 feet MSL
OWNO		Water well within one-quarter mile:   ✓ Yes No
Selsmic;		
Other		· · · · · · · · · · · · · · · · · · ·
If OWWO: old well Information as follows:  Operator:  Well Name: Original Completion Date: Original Total Depth:  Original Completion Date: Original		
Operator: Well Name: Original Completion Date: Original Total Depth:: Original Completion Date:	M. CHANG.	
Well Name: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore?    Yes   You No		Length of Conductor Pine required. None
Original Completion Date: Original Total Depth: Formation at Total Depth: Arbuckle  Water Source for Drilling Operations:  Water Source		
Directional, Deviated or Horizontal wellbore?		
See		Water Source for Drilling Operations:
Bottom Hole Location:    KCC DKT #:   Will Cores be taken?   Yes   No	Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other Water well
HYES PROPOSED TO SET IT YES AFFIDAVIT  The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.  ### RECEIVE  #	if Yes, true vertical depth:	DWR Permit #:
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.  RECEIVELY  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 the completed intension of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface the completed intension of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface the completed intension of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface surface within 120 deys of spud date.  If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to pluggling;  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 deys 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.  File Drill Pit Application (form CDP-1) with Intent to Drill;		(Note: Apply for Permit with DWR )
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I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  Date: 1-09-2006 Signature of Operator or Agent: Sum Your Title: Operations Manager  Remember to:  - File Drill Pit Application (form CDP-1) with Intent to Drill;		
Date: 1-09-2006  Signature of Operator or Agent:   Suan Yalur  Title: Operations Manager  Remember to:  - File Drill Pit Application (form CDP-1) with Intent to Drill;		
For KCC Use ONLY  Remember to:  - File Drill Pit Application (form CDP-1) with Intent to Drill;		1 1 1
For KCC Use ONLY  - File Drill Pit Application (form CDP-1) with Intent to Drill;	Date: 1-09-2006 Signature of Operator or Agent: DW	In Tally Title: Operations Manager
For KCC Use ONLY  - File Drill Pit Application (form CDP-1) with Intent to Drill;		Remember to:
0 - 0 0//900 000	For KCC Use ONLY	
API # 15. UCT / LTTUU 'CCUU   - File Completion Form ACC-1 within 120 days of spud date;	000 24900-0000	- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;		File acreege ettribution plat according to field appretion orders:
Conductor pipe required NONE feet - Notify appropriate district office 48 hours prior to workover or re-entry;	711"	
	Conductor pipe required NONE feet	
Approved by Essert 1	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1	- Submit plugging report (CP-4) after plugging is completed;
This authorization expires: 112-06	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1 Approved by: PDP 1-12-06	- Submit plugging report (CP-4) after plugging is completed; - Obtain written approval before disposing or injecting salt water.
(This authorization void if driffing not started within 6 months of approval date.)	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1 \$  Approved by: PD 91-12-06  This authorization expires: 7:12-06	- 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
	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1 \$  Approved by: PD 91-12-06  This authorization expires: 7:12-06	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.
Date:	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1 Approved by: PD P 1-12-06  This authorization expires: 7.12-06  (This authorization void if drilling not started within 6 months of approval date.)	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.
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202	Conductor pipe required NONE feet  Minimum surface pipe required 250 feet per Alt. 1 \$  Approved by: PD 91-12-06  This authorization expires: 7:12-06	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:

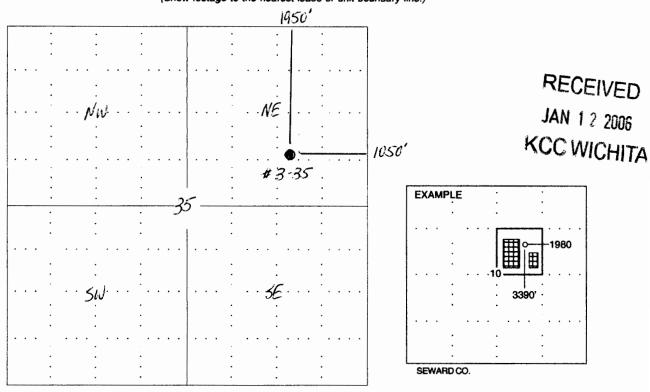
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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	1950' feet from VN / S Line of Section
Lease: Miller	1050' feet from $\checkmark$ E / W Line of Section
Well Number: 3-35	Sec. 35 Twp. 20 S. R. 11 East ✓ West
Field: Mue-Tam	
Number of Acres attributable to well:	is Section: 📝 Regular or 🗌 Irregular
QTR / QTR / QTR of acreage: NW - SE - NE	if Section is irregular, locate well from nearest corner boundary.
300' N & 60' W	Section comer used: NE NW SE SW

## PLAT (Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show location of the well and shade attributable acreage for prorated or spaced wells.)



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

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

- 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.
- 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

January 12, 2006

Mr. Brian Karlin Shelby Resources, LLC 5893 Saddle Creek Trail Parker, CO 80134

Re:

Drilling Pit Application
Miller Lease Well No. 3-35
NE/4 Sec. 35-20S-11W
Barton County, Kansas

Dear Mr. Karlin:

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 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 (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/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 undersigned at the above address.

Sincerely,

Kathy Haynes

Department of Environmental Protection and Remediation

CC:

Herb Deines

File