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MAR 07 2006

Form C-1  
December 2002

For KCC Use:  
Effective Date: 3-13-06  
District # 1  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL KCC WICHITA

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

Form must be Typed  
Form must be Signed  
All blanks must be Filled

Expected Spud Date March 15, 2006  
month day year

OPERATOR: License# 31725  
Name: Shelby Resources, LLC  
Address: 5893 Saddle Creek Trail  
City/State/Zip: Parker, Colorado 80134  
Contact Person: Brian Karlin  
Phone: 785-623-3290

CONTRACTOR: License# 33350  
Name: Southwind Drilling, Inc.

Well Drilled For:  Oil  Gas  OWWO  Seismic; # of Holes  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable

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: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Spot 90' N & 150' W of  East  
SW - NE - NW Sec. 36 Twp. 21 S. R. 12  West  
900' feet from  N /  S Line of Section  
1500' feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: Stafford  
Lease Name: Hullman Trust Well #: 2  
Field Name: Sand Hills  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Arbuckle  
Nearest Lease or unit boundary: 900' FNL  
Ground Surface Elevation: 1801 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: 180'  
Depth to bottom of usable water: 220'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: +/- 580'  
Length of Conductor Pipe required: none  
Projected Total Depth: 3600'  
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: \_\_\_\_\_

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: 3-03-2006 Signature of Operator or Agent: Brian Karlin Title: Operations Manager

For KCC Use ONLY  
API # 15 - 185-23347-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 240' feet per Alt. 1   
Approved by: DPW 3-8-06  
This authorization expires: 9-8-06  
(This authorization void if drilling not started within 6 months of approval 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

36  
21  
12w.

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KCC WICHITA

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: Hullman Trust
Well Number: 2
Field: Sand Hills

Location of Well: County: Stafford
900' feet from [X] N / [ ] S Line of Section
1500' feet from [ ] E / [X] W Line of Section
Sec. 36 Twp. 21 S. R. 12 [ ] East [X] West

Number of Acres attributable to well: \_\_\_\_\_
QTR / QTR / QTR of acreage: SW - NE - NW
90' N & 150' W of

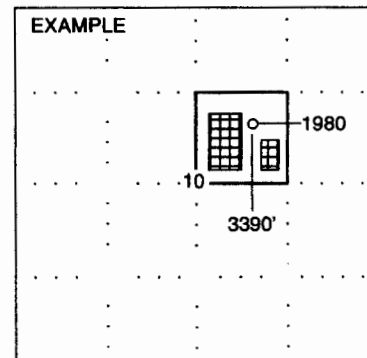
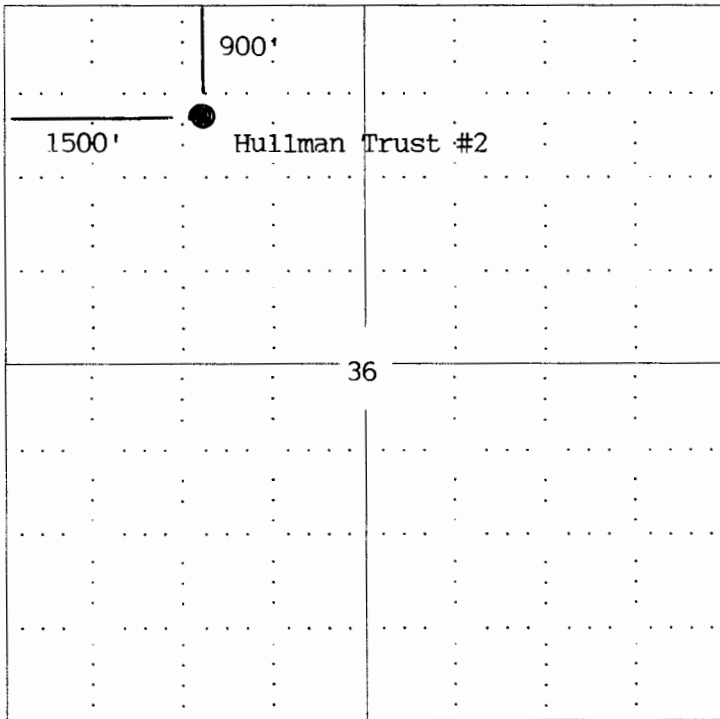
Is Section: [X] Regular or [ ] Irregular

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.)

Stafford County



SEWARD CO.

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

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: (CO-7 for all wells; CG-8 for gas wells).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

March 7, 2006

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

Re: Drilling Pit Application  
Hullman Trust Lease Well No. 2  
NW/4 Sec. 36-21S-12W  
Stafford County, Kansas

Dear Mr. Karlin:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. Please file form CDP-5, 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](http://www.kcc.state.ks.us/conservation/forms).

Sincerely,

  
Kathy Haynes

Environmental Protection and Remediation Department

Cc: S Durrant