

For KCC Use:  
 Effective Date: 11-27-06  
 District #: 1  
 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

*\*Expiration Date*  
**CORRECTED**

December 2002  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

Expected Spud Date November 23, 2006  
 month day year

OPERATOR: License# 31725  
 Name: Shelby Resources, LLC  
 Address: P.O. Box 1213  
 City/State/Zip: Hays, Kansas 67601  
 Contact Person: Brian Karlin  
 Phone: 785-623-3290

CONTRACTOR: License# 5142  
 Name: Sterling Drilling Company

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input checked="" type="checkbox"/> <del>Oil</del>	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

If OWWO: old well information as follows:  
 Operator: National Crude, Inc.  
 Well Name: Thunderbird Ranch NE #1  
 Original Completion Date: 3-04-1978 Original Total Depth: 4829'

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

Spot \_\_\_\_\_ East  
 SE SW NE Sec. 7 Twp. 31 S. R. 14  West  
2310' feet from  N /  S Line of Section  
 1650' feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Barber  
 Lease Name: Thunderbird Ranch Well #: #4-7 "OWWO"  
 Field Name: Skinner  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Lower Arbuckle  
 Nearest Lease or unit boundary: 1650' FE  
 Ground Surface Elevation: 1648 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: 180'  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 1118' of 8-5/8"  
 Length of Conductor Pipe required: 240' of 10-3/4" NONE  
 Projected Total Depth: +/- 5000'  
 Formation at Total Depth: Lower 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: 11-15-2006 Signature of Operator or Agent: Brian Karlin Title: Operations Manager

**For KCC Use ONLY**  
 API # 15 - 007-20603-00-01  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt.   
 Approved by: WJM 11-22-06 / RWH 11-27-06  
 \* This authorization expires: 5-22-07  
 (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.

Well Not Drilled - Permit Expired  
 Signature of Operator or Agent: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

\* Was: Authorization expires 5-22-06  
 IS: " " 5-22-07

**RECEIVED**

NOV 17 2006

KCC WICHITA

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14W