

For KCC Use: 6-23-07
 Effective Date: 4
 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 June 25, 2007
 month day year

Spot SE SW SE Sec. 17 Twp. 17 S. R. 13 East West
330' feet from N / S Line of Section
1568' feet from E / W Line of Section

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

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Barton
 Lease Name: Clarkson "A" Well #: 1-17
 Field Name: Trapp

CONTRACTOR: License# 5142
 Name: Sterling Drilling Company

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 1927 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: 300-400

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 890'

Length of Conductor Pipe required: none

Projected Total Depth: 3550'

Formation at Total Depth: _____

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 type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield <input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Mud Rotary <input type="checkbox"/> Air Rotary
<input type="checkbox"/> Gas <input type="checkbox"/> Storage	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> ONWD <input type="checkbox"/> Disposal	<input type="checkbox"/> Other	
<input type="checkbox"/> Seismic; # of Holes _____		
<input type="checkbox"/> Other _____		

If ONWVO: 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 #: _____

AFFIDAVIT

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 KANSAS CORPORATION COMMISSION

JUN 14 2007

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: 6-12-2007 Signature of Operator or Agent: Brian Karlin Title: Operations Manager

For KCC Use ONLY
 API # 15 - 009-25068-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 420 feet per Alt. (1)
 Approved by: WHM 6-18-07
 This authorization expires: 12-18-07
 (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.
- 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: _____

17
 17
 13W

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 - 009-25068-0000

Operator: Shelby Resources, LLC

Lease: Clarkson "A"

Well Number: 1-17

Field: Trapp

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: SE - SW - SE

Location of Well: County: Barton

330' feet from N / S Line of Section

1568' feet from E / W Line of Section

Sec. 17 Twp. 17 S. R. 13 East West

Is Section: Regular or Irregular

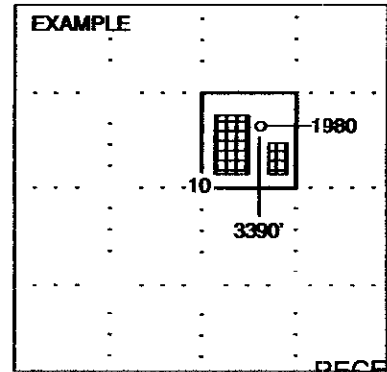
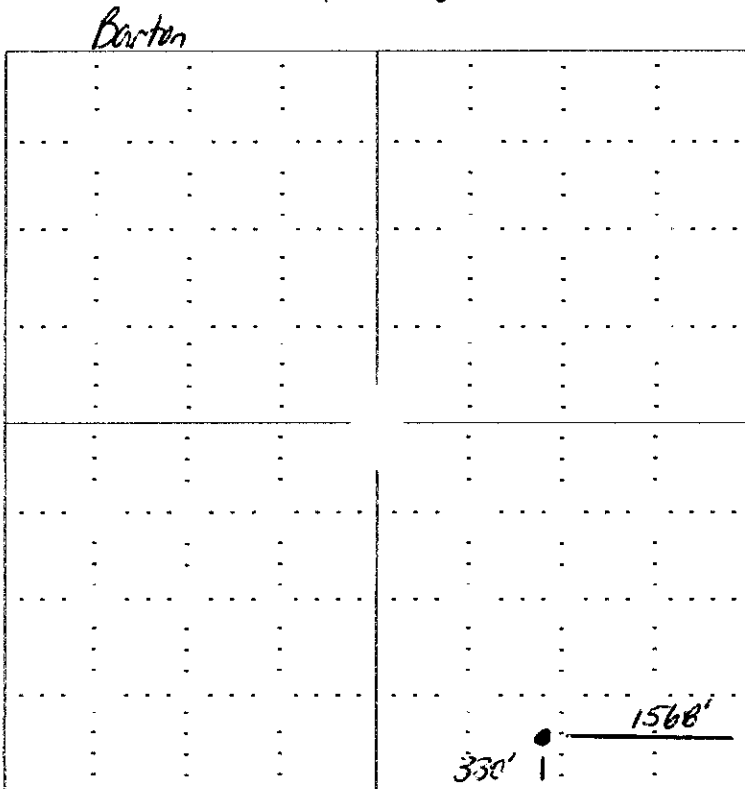
If Section is irregular, locate well from nearest corner boundary.

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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JUN 14 2007

CONSERVATION DIVISION
WICHITA, KS

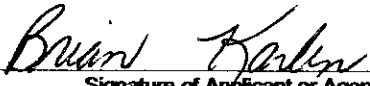
In plotting the proposed location of the well, you must show:

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 oil wells; CG-8 for gas wells).

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Shelby Resources, LLC		License Number: 31725
Operator Address: P.O. Box 1213, Hays, Kansas 67601		
Contact Person: Brian Karlin		Phone Number: (785) 623 - 3290
Lease Name & Well No.: Clarkson "A" #1-17		Pit Location (QQQQ): approx. <u>SE</u> <u>SW</u> <u>SE</u> Sec. <u>17</u> Twp. <u>17</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>330'</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1568'</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Barton</u> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 3000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>80'</u> Length (feet) <u>80'</u> Width (feet) <u>N/A</u> : Steel Pits Depth from ground level to deepest point: <u>4'</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water <u>35'</u> feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>Chemical drilling mud.</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Allow mud to dry and then backfill.</u> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		RECEIVED KANSAS CORPORATION COMMISSION
<u>6-12-2007</u> Date	 Signature of Applicant or Agent	JUN 14 2007 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: <u>6/14/07</u>	Permit Number: _____	Permit Date: <u>6/15/07</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-009-25068-0002