

11-3007
CORRECTED **AMENDED**
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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007

For KCC Use:
Effective Date: 12-4-07
District # _____
SGA? Yes No

NOV 30 2007

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: December 3, 2007
month day year

Spot Description: 45' North of
app - SE - SE - NW Sec. 25 Twp. 29 S. R. 14 E W
(a/a/a/a) 2,265 feet from N / S Line of Section
2,310 feet from E / W Line of Section

OPERATOR: License# 31725
Name: Shelby Resources, LLC
Address 1: P.O. Box 1213
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: Brian Karlin
Phone: 785-623-3290
CONTRACTOR: License# 5142
Name: Sterling Drilling Company

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Pratt
Lease Name: Horney Well #: 1-25
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable
 Seismic; # of Holes _____
 Other: _____
 If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Nearest Lease or unit boundary line (in footage): 330'
Ground Surface Elevation: 1929 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: 120'
Depth to bottom of usable water: 100 220

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: +/- 800'

Length of Conductor Pipe (if any): possible (+/- 300')
Projected Total Depth: 4800'

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
 Well Farm Pond Other: _____

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

DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: _____

* WAS: Spot description: 45' N 715' E
IS: " " : 45' North of

AFFIDAVIT * WAS: Lease name: Horney Cox Unit
IS: " " : Horney

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 correct to the best of my knowledge and belief.
Date: 11-27-2007 Signature of Operator or Agent: Brian Karlin Title: Operations Manager

For KCC Use ONLY
API # 15 - 151-22287-0000
Conductor pipe required None feet
Minimum surface pipe required 240 feet per ALT. I II
Approved by: Permit 11-29-07 / Permit 11-29-08
This authorization expires: 11-29-08
(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
Signature of Operator or Agent: _____

25
29
14
 E
 W

AMENDED

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

CORRECTED

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 - 151-22287-0000
Operator: Shelby Resources, LLC
Lease: Horney
Well Number: 1-25
Field: Wildcat

Location of Well: County: Pratt
2,265 feet from N / S Line of Section
2,310 feet from E / W Line of Section
Sec. 25 Twp. 29 S. R. 14 E W

Number of Acres attributable to well:
QTR/QTR/QTR/QTR of acreage: app SE SE NW

Is Section: Regular or Irregular

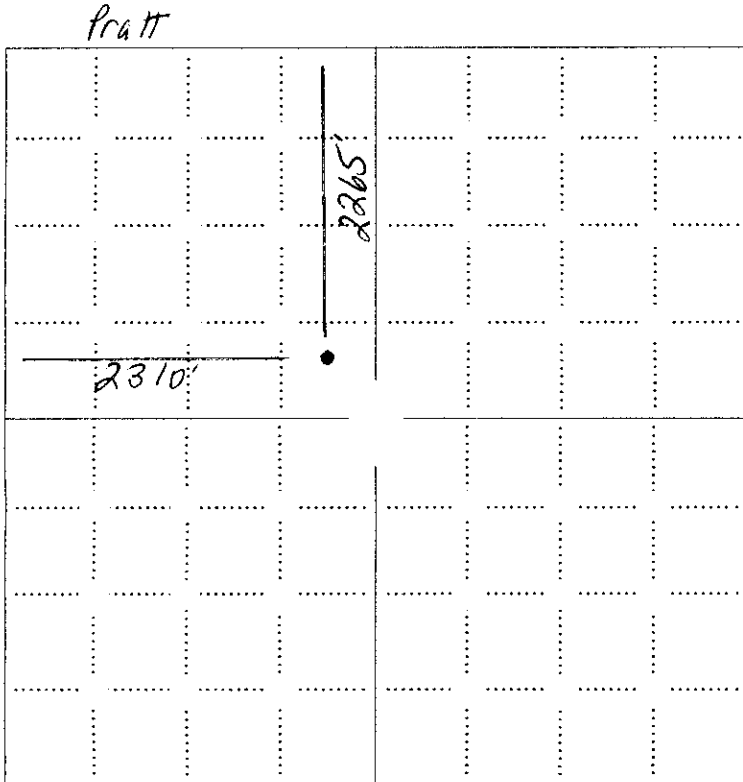
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

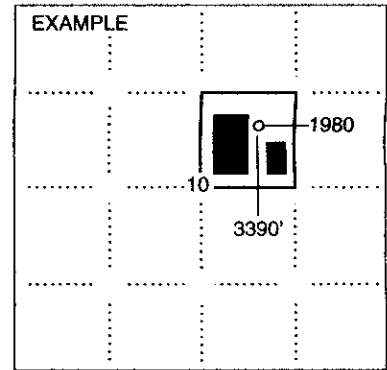
PLAT

(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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WICHITA, KS



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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

AMENDED

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

Form CDP-1
April 2004
Form must be Typed

CORRECTED

Submit in Duplicate

Operator Name: Shelby Resources, LLC License Number: 31725

Operator Address: P.O. Box 1213 Hays KS 67601

Contact Person: Brian Karlin Phone Number: 785-623-3290

Lease Name & Well No.: Horney 1-25 Pit Location (QQQQ):

Type of Pit: [] Emergency Pit [] Burn Pit [] Settling Pit [x] Drilling Pit [] Workover Pit [] Haul-Off Pit
Pit is: [x] Proposed [] Existing
If Existing, date constructed: _____
Pit capacity: 3,000 (bbls)
app. SE SE NW
Sec. 25 Twp. 29 R. 14 [] East [x] West
2,265 Feet from [x] North / [] South Line of Section
2,310 Feet from [] East / [x] West Line of Section
Pratt County

Is the pit located in a Sensitive Ground Water Area? [] Yes [x] No Chloride concentration: _____ mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? [x] Yes [] No Artificial Liner? [] Yes [x] No How is the pit lined if a plastic liner is not used?

Pit dimensions (all but working pits): 70 Length (feet) 70 Width (feet) [] N/A: Steel Pits
Depth from ground level to deepest point: 5 (feet) [] No Pit

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.
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WICHITA, KS

Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet
Depth to shallowest fresh water _____ feet.
Source of information: [] measured [] well owner [] electric log [] 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? [] Yes [] No
Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Drilling mud.
Number of working pits to be utilized: 3
Abandonment procedure: Allow liquid to evaporate. Let the cuttings dry and then backfill.
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.
11-27-2007 Date Signature of Applicant or Agent

KCC OFFICE USE ONLY Steel Pit [] RFAC [] RFAS []
Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: [] Yes [] No

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

15751-2228710000