KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division
NOTICE OF INTENT TO DRILL

Must be approved by KCC live (3) days prior to commencing well

For KCC Use:
Effective Date:
District #:
SGA? Yes No

OPERATOR: Licensed 31725
Name: Shelly Resources, LLC
Address: 5893 Seattle Creek Trail
City/State/Zip: Parker, Colorado 80134
Contact: Peggy Jim Vasecker
Phone: 303-645-2183

CONTRACTOR: Licensed 30505
Name: Murfin Drilling Co., Inc.

Date:

Spot SW

City/State/Zip: Century, Kansas 67022

Name:

Address:

Phone:

Is a producer / spaced well?
Yes No

Target Formation(s):
Articulate

Nearest Lease or Unit boundary:

Public water supply well within one mile:

Water well within one-quarter mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set:

Length of Conductor Pipe required:

Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #:

Will Coves be taken?
Yes No

Date:

Signature of Operator or Agent:

Time:

Operations Manager

Form 0-1
December 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: April 1, 2005

County: Gove

Field Name:

Is this a Producer / Spaced Field?

Target Formation(s):
Articulate

Nearest Lease or Unit boundary:

Public water supply well within one mile:

Water well within one quarter mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set:

Length of Conductor Pipe required:

Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #:

Will Coves be taken?
Yes No

Date:

Signature of Operator or Agent:

Time:

Operations Manager

JOB 005

API # 15 - 065-23051-000

Conductor pipe required: 9500 ft

Minimum surface pipe required: 200 feet per Acre

Approved by: P.A. 3-24-05

This authorization expires: 9-24-05

This authorization void if drilling not started within 6 months of effective date.

Spud date:

Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Remember to:
- File DRI Approval form CDP-1 with intent to drill;
- File Completion Form KCO-1 within 120 days of spud date;
- File assignment attribution plot according to field promotion orders;
- Notify appropriate district office by 45 days 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:

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 ss. 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 where pipe shall be set to all unenclosed materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry holes, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging.
5. The appropriate district office shall be notified before well is either plugged or production testing is commenced.
6. If an alternate ii completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Pursuant to Appendix "G" - Eastern Kansas surface casing order #15U691-C, which applies to the KCC District 3 area, alternate ii cementing must be completed within 20 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.

Signature of Operator or Agent:

Date:

For KCC Use ONLY

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Signature of Operator or Agent:

Date:
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. 1665-2307-1/0-00
Operator: Shelby Resources, LLC
Lessor: Budman
Well Number: 1
Field: Cooper
Location of Well: County: Graham

2310, 330, Sec. 3, Twp. 10, S. H. 21

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.)

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

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

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

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 4 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: (CD-7 for oil wells; CG-8 for gas wells).