NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date: September 28, 2005

OPERATOR: Licensee: 31725
Name: Shelby Resources, LLC
Address: 3200 Old I-35 West
City/State/Zip: Lawton, OK 73501
Contact Person: Barry McElroy
Phone: 580-243-4000

CONTRACTOR: Licensee: 30568
Name: Murfin Drilling Co.

Well Drilled For: Oil Class: Type Equipment:
Gas Storage Mud Rotary
DWD: Disposal Wildcat
Teleloc: 15-1/2 ft. of Hole: Other

If DWN: old well information as follows:
Operator: Name: 
Original Completion Date: 
Original Total Depth:
Directional, Deviated or Horizontal wellbore? 
If Yes, true vertical depth:
Borehole Hole Location: 
KCC DKT: 92F-05

Drilling Permit#: 11-16

County: Ellis
Lease Name: Berens N712
Field Name: Bonnie Shultz
Is this a Porelated / Spaced Field? 
Target Formation(s): Arbuckle
Nearest Lease or Unit Boundary: 1240'
Ground Surface Elevation: 1385
Well MSL:
Water well within one-quarter mile: 
Public water supply well within one mile: 
Depth to bottom of fresh water: 165'
Depth to bottom of usable water: 700'
Surface Pipe by Alternate: 2
Length of Surface Pipe Planned to be set: 220'
Length of Conductor Pipe: 900'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
DWH Permit #: 19-17

Will Core be Taken? 
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. 55-28 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. Maximum 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 unexploded materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry and 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 130 days of spud date.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief is true.

Date: 9/12/2005
Signature of Operator or Agent: 
Title: Managing Member

Remember to:
- File DWH Application (form CDP-1) with Intent to Drill;
- Fill In-pocket Form ACC-1 within 120 days of spud date;
- File acreage dedication plan according to field proportion orders;
- Notify appropriate agency office 48 hours prior to workover or re-entry;
- Submit plugging report (CR-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See Affidavit expiration date please check box below and return the affidavit below.
- Well Not Drilled - Permit Expired

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plot 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: Semis NW
Weller: 1
Number of Wells attributable to well:

| OTR / OTR | OTR / OTR of acreage: | 60' W | C MIN |

Location of Well: County: ENE
1240
feet from
1240
feet from

W / E /
S / N /

Sec. 28
Twp. 11
S. R. 17

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 acreage 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 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 6 surrounding sections, 4 sections, etc.
2. The distance of the proposed location from the section's south / north and east / west.
3. The distance to the nearest lease / 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; CO-6 for gas wells).