NOTICE OF INTENT TO DRILL

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

Date: December 12, 2005

Name: Shelly Oil Corporation, Inc.
Address: 155 North Market, Suite #650
City/Zip: Topeka, Ks. 66601
Contact Person: Rodney L. Manderhill
Phone: 316/264-8378

Licensor: 32701
C&S Drilling, Inc.

Well Drilled For: Oil
Well Class: Oil
Type of Equipment: Mod Rotary
Quality: Storage
Disposal: Wdcat
Sodium: 2 of Wells

If OWNED: old well information as follows:
Operator: Shelly Oil Corporation, Inc.
Well Name: Shelly Oil Corporation, Inc.
Original Completion Date: November 20, 2005
Original Total Depth: 60 feet
Directional, Deviated or Horizontal? Yes
Bottom Hole Location: 120 feet
KCC DKT #: 11-23-6E

Affidavit

The undersigned hereby affirms that the tubbing, completion and eventual plugging of this well will comply with K.S.A. 55-55, et seq.

It is affirmed 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 in below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix “D” - Eastern Kansas surface casing order #153,881-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 in the best of my knowledge and belief.

Date: 11/17/05
Signature of Operator or Agent:

For KCC Use ONLY
API # 19-0-0-0-0-0-0-0-0-0-0
Conversion pipe required: 2014.5地球上
Minimum surface pipe required: 2014.5地球上

This authorization expires: 02/18/06
(The authorization shall be revoked if driling is not started within 6 months of effective date)

Spud date: 11-23-6E
Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 this 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: 15902
Operator: Shell Oil Corporation
Lessee: Amoco
Well Number: 2
Field: Landon-Floyd
Number of Acres attributable to well: 330
QTR / QTR / QTR of acreage: SE1 / SE2 / SE4

Location of Well: County: Chautauqua
Sec: 23
Rep: 32
S. F.: 32

Line of Section: W
Line of Section: 3

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 levee 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 5 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 levee or unit boundary line.
4. If prorated location is located within a prorated or spaced field a certificate of acreage attribution plan must be attached. (CO-7 for oil wells; CO-8 for gas wells.)