http://cdn.purlsoho.com/create/wp-content/uploads/2011/12/felt_baby_shoes_template.pdf

This link gives the template

Cutting and Pinning



Cut the templates from one of the felt pieces. Using the erasable fabric marker mark the felt corresponding to dashes and Xs on the template. You don't need to make the full X markings, just mark a dot corresponding to the center of each X.

Cut two 1-inch lengths from the elastic.



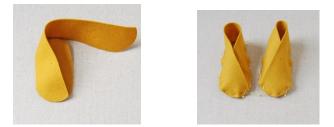
Pin one sole piece and one upper piece together at their back center marked dashes.



Arrange the sole so it's laying flat. Wrap the right side of the upper piece across the front so that the front curves of both pieces match up.



Then wrap the left side across the sole and match up its curve with the sole's front curve. Pin the three layers (the sole, the left right side, and the left side) together at the front of the sole.



For the opposite shoe wrap the left side first, and then the right and pin them together in the same manner.

Pin the upper section all the way around the perimeter of the sole, keeping the sole flat, on both of the shoes.

Sewing



Arrange one of the shoes so it's facing forward. Thread a hand sewing need with a 46-inch length of the pearl cotton. Do not tie a knot in the thread. Pull the needle from the sole section through to the upper section at the back marking dash, 1/4-inch from the edge, leaving a 4-inch tail. Lay the tail over the working thread and arrange the working thread to point towards the right



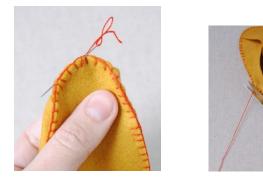
Take a stitch, 1/4-inch from the edge and 1/4-inch to the right of the previous stitch, entering from the upper piece. Pull the needle out through the sole keeping the needle on top of the thread coming from the previous stitch, as shown above. This is a buttonhole stitch.



Use this buttonhole stitch to sew around the entire perimeter of the shoe, making sure to sew through all three layers at the toe section.



When you get all the way around to where you started tie a knot with your tail and working yarn.



Snip off the thread right at its exit point to make it disappear. Thread the needle with the tail and repeat the same process to hide it.



Here is the first shoe, all stitched up. Repeat all of these steps for the second shoe.

Adding the Elastic



On the first shoe, sew the left side of one of the elastic pieces to the left hand dot marked on the upper section with a doubled cross stitch.



Tuck the right hand side of the elastic inside the shoe and stitch it to the marked right hand dot with a double cross stitch. You might have to pull the left and right sides apart a bit in order to do this. This will help the shoe to stand up.



Attach the elastic to the second shoe in the same manner, only this time sew it the the right side first and then to the left side.