

For KCC Use: 11-15-2011  
 Effective Date: 11-15-2011  
 District #: 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010  
 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 well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 10 7 2011  
 month day year

OPERATOR: License# 32638 ✓  
 Name: Nadel and Gussman, LLC  
 Address 1: 15 E. 5th St  
 Address 2: Suite 3200  
 City: Tulsa State: OK Zip: 74103 +  
 Contact Person: Kim Tackett  
 Phone: 918.582.9900 ext 222  
 CONTRACTOR: License# 34600  
 Name: Horizon Energy Services, LLC

Spot Description:  
 NE - NW - NW - Sec. 7 Twp. 33 S. R. 9  E  W  
 (100.000) 265 feet from  N /  S Line of Section  
1,200 feet from  E /  W Line of Section  
 Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Chautauqua  
 Lease Name: Fulson Ranch Well #: 1A-7-33-9 H  
 Field Name: Unnamed

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

Nearest Lease or unit boundary line (in footage): 265' FNL ✓  
 Ground Surface Elevation: 1090 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: 140  
 Depth to bottom of usable water: 480

Surface Pipe by Alternate:   II  
 Length of Surface Pipe Planned to be set: 500 125'

Length of Conductor Pipe (if any): none  
 Projected Total Depth: 2340' ✓  
 Formation at Total Depth: Mississippi ✓

Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR)

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

Well Drilled For:  Oil  Gas  
 Gas  Storage  Disposal  
 Seismic; # of Holes \_\_\_\_\_  
 Other: \_\_\_\_\_

Well Class:  Infield  Pool Ext.  Wildcat  Other

Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:

Operator: Nadel and Gussman, LLC  
 Well Name: Fulson Ranch 1A-7-33-9 H  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: 2340'

Bottom Hole Location: 1200' FWL  
 KCC DKT #: 3565' FNL 12-CONS-114-CHOR

AFFIDAVIT

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 to the best of my knowledge and belief.

Date: 10.7.2011 Signature of Operator or Agent: [Signature] Title: Manager

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 API # 15: 019-27111-01-00  
 Conductor pipe required: None feet  
 Minimum surface pipe required: 40 feet per ALT.  I  II  
 Approved by: [Signature] 11-10-2011  
 This authorization expires: 11-10-2012  
 (This authorization void if drilling not started within 12 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

- Remember to:
- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
  - 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

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

7  
 33  
 9  
  
 in  
  
 W

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API # 15 -

019-27111-01-00

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Nadel and Gussman, LLC  
 Lease: Fulsom Ranch  
 Well Number: 1A-7-33-9 H  
 Field: \_\_\_\_\_

Location of Well: County: Chautauqua  
 \_\_\_\_\_  
 265 \_\_\_\_\_ feet from  N /  S Line of Section  
 1,200 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 7 Twp. 33 S. R. 9  E  W

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: NE - NW - NW - \_\_\_\_\_

Is Section:  Regular or  Irregular

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

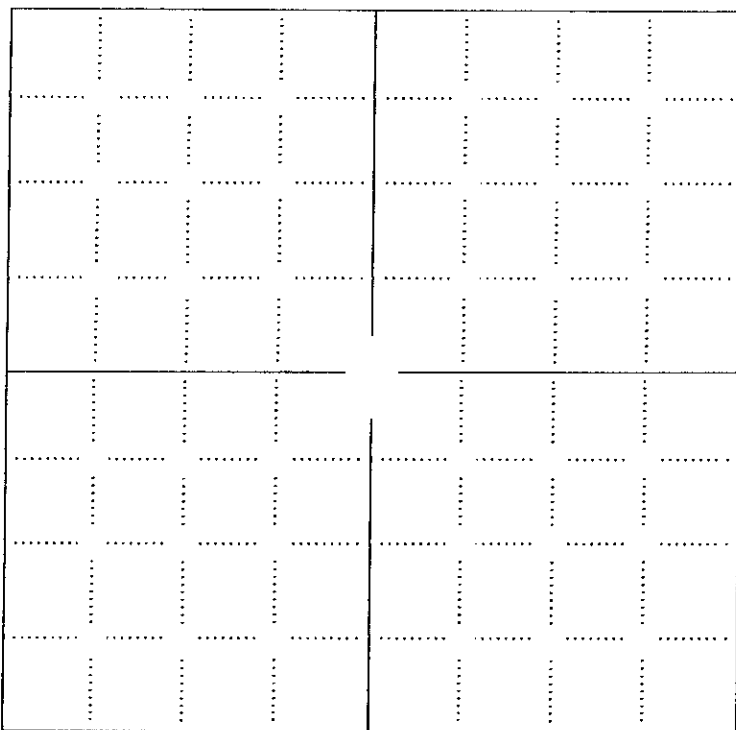
Section corner used:  NE  NW  SE  SW

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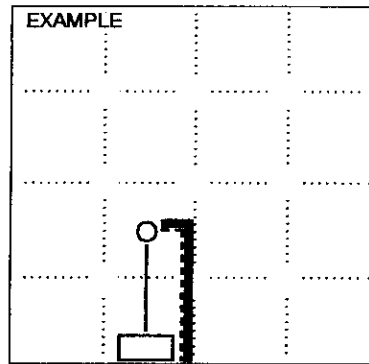
**PLAT**

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- - - - Electric Line Location
- ▬ Lease Road Location



1980' FSL

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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

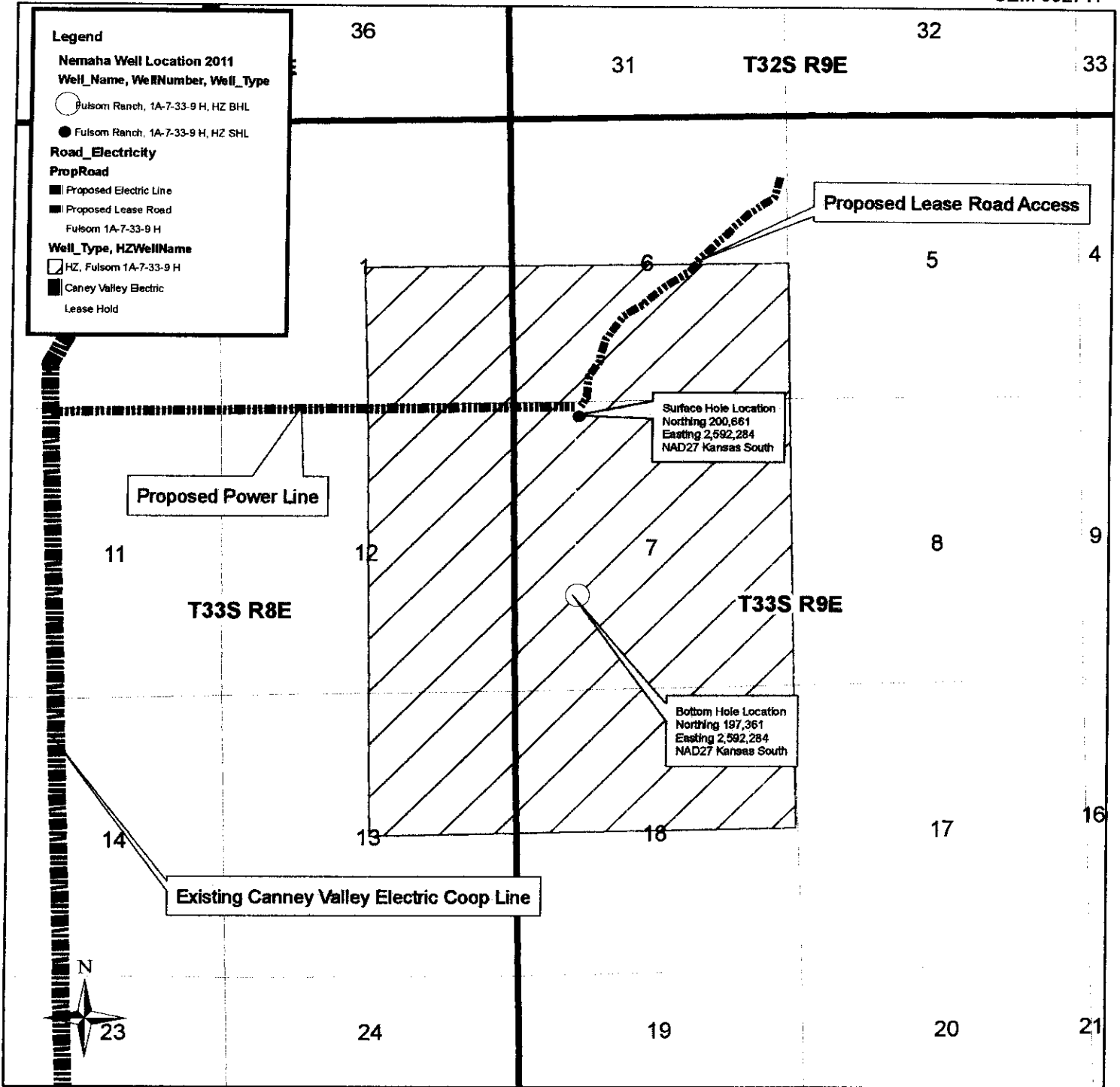
Exhibit A

15-019-27111-01-00

Fulsom Ranch 1A-7-33-9 H  
Surface Hole Location: 1200' FWL, 265' FNL Section 7 T33S R9E  
Bottom Hole Location: 1200' FWL, 3,565' FNL Sectuib 7 T33S R9E  
Topo Elevation 1090'

Chatauqua County, KS

SEM 092711



0 1,250 2,500 5,000 Feet

1 inch equals 2,500 feet

Fulsom Ranch 1A-7-33-9 H Plat SEM092911.mxd

1:30,000

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KANSAS CORPORATION COMMISSION  
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Form KSONA-1  
July 2010  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

15-019-2711-01-00

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).  
Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # 32638  
Name: Nadel and Gussman, LLC  
Address 1: 15 E. 5th St  
Address 2: Suite 3200  
City: Tulsa State: OK Zip: 74103 + \_\_\_\_\_  
Contact Person: Kim Tackett  
Phone: ( 918 ) 582.9900 x222 Fax: ( \_\_\_\_\_ )  
Email Address: kimt@spyglassenergy.com

Well Location:  
NE NW NW Sec. 7 Twp. 33 S. R. 9  East  West  
County: Chautauqua  
Lease Name: Fulsom Ranch Well #: 1A-7-33-9 H

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

**Surface Owner Information:**

Name: Fulsom Family  
Address 1: 980 Road 5  
Address 2: \_\_\_\_\_  
City: Cedar Vale State: KS Zip: 67024 + \_\_\_\_\_

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

**Select one of the following:**

I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

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

Date: 10.7.2011 Signature of Operator or Agent:  Title: Manager

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

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**Exhibit B**

Fulsom Ranch 1A-7-33-9 H

Surface Hole Location: 1200' FWL, 265' FNL Section 7 T33S R9E

Bottom Hole Location: 1200' FWL, 3,565' FNL Section 7 T33S Offset  
Operators and Unleased Mineral Owners

**SE/4 Sec 1 T33S R8E**

Nemaha Oil and Gas, LLC

**E/2 Sec 12 T33S R8E**

Nemaha Oil and Gas, LLC

**NE/4 Sec 13 T33S R8E**

Nemaha Oil and Gas, LLC

**NW/4 Sec 18 T33S R9E**

100 acres Nemaha Oil and Gas, LLC

Partial S/2 NW/4 - 60 acres: Mineral Owner Dale. R. Ramsey – Leased to Yale Oil Association

**NE/4 Sec 18 T33S R9E**

Nemaha Oil and Gas, LLC

**NW/4 Sec 17 T33S R9E**

Nemaha Oil and Gas, LLC

**All Sec 7 T33S R9E**

Nemaha Oil and Gas, LLC

**S/2 Sec 6 T33S R9E**

Nemaha Oil and Gas, LLC

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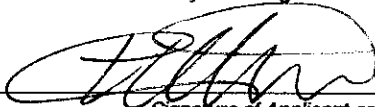
OCT 11 2011

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

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Nadel and Gussman, LLC</b>		License Number: <b>32638</b>
Operator Address: <b>15 E. 5th St</b>		<b>Suite 3200 Tulsa OK 74103</b>
Contact Person: <b>Kim Tackett</b>		Phone Number: <b>918.582.9900 ext 222</b>
Lease Name & Well No.: <b>Fulsom Ranch 1A-7-33-9 H</b>		Pit Location (QQQQ): <b>NE - NW - NW</b>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbbls)	Sec. <u>7</u> Twp. <u>33</u> R. <u>9</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>165</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1,200</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Chautauqua</b> County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>6,000</u> mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>30</u> Width (feet) Depth from ground level to deepest point: <u>10</u> (feet)		<input type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>Native Clay</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit: <u>N/A</u> feet    Depth of water well _____ feet		Depth to shallowest fresh water <u>20</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>fresh water fluid</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Evaporate and Backfill</u> 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.		
_____ 10.7.2011 Date		 Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>10-12-11</u> Permit Number: _____    Permit Date: <u>10-12-11</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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