

For KCC Use: 12-19-2011
 Effective Date: 2
 District #: 2
 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: 12 month 19 day 2011 year

Spot Description:
 SW SW NW SW Sec. 10 Twp. 35 S. R. 7 E W
 (OOO) 1,600 feet from N / S Line of Section
 100 feet from E / W Line of Section

OPERATOR: License# 34226
 Name: Yale Oil Association, Inc.
 Address 1: 6 NE 63rd Street, Suite 425
 Address 2:
 City: Oklahoma City State: OK Zip: 73105 +
 Contact Person: Greg Cox
 Phone: 405-840-1811 ext. 107

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: Cowley
 Lease Name: Joe Well #: 1-10
 Field Name: unnamed

CONTRACTOR: License# 34293
 Name: Project Drilling LLC

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Hoover, Tonkawa, Layton, Marmaton, Cleveland, Skinner, Miss

Well Drilled For: Oil Gas Seismic Other
 Enh Rec Storage Disposal # of Holes
 Well Class: Infield Pool Ext. Wildcat Other
 Type Equipment: Mud Rotary Air Rotary Cable

Nearest Lease or unit boundary line (in footage): 100
 Ground Surface Elevation: 1230 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: 100
 Depth to bottom of usable water: 280
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 300
 Length of Conductor Pipe (if any): 0
 Projected Total Depth: 3000
 Formation at Total Depth: Miss

If OWWO: old well information as follows:
 Operator:
 Well Name:
 Original Completion Date: Original Total Depth:

Water Source for Drilling Operations:
 Well Farm Pond Other:
 DWR Permit #: (Note: Apply for Permit with DWR)

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth:
 Bottom Hole Location:
 KCC DKT #:

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

* Oil & Gas Leases w/ pooling clauses submitted.

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: 12/13/11 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY
 API # 15 - 035-24460-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 300 feet per ALT. I II
 Approved by: [Signature] 12-14-2011
 This authorization expires: 12-14-2012
 (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: E W
 Signature of Operator or Agent:

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

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10
35
7
 E W

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API # 15 - 035-24460-0000

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: Yale Oil Association, Inc.
Lease: Joe
Well Number: 1-10
Field: unnamed

Number of Acres attributable to well:
QTR/QTR/QTR/QTR of acreage: SW - SW - NW - SW

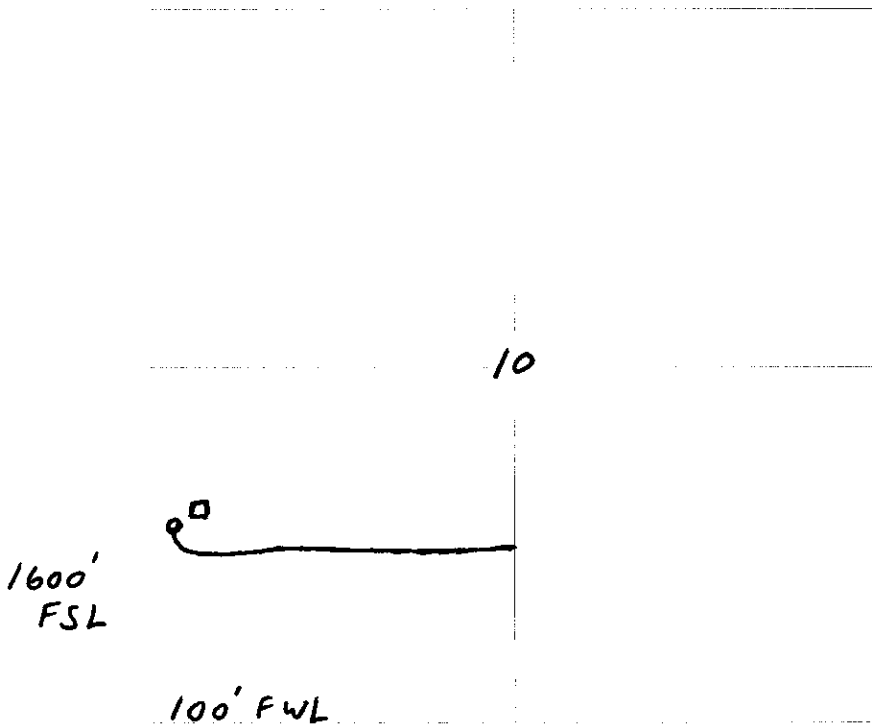
Location of Well: County: Cowley
1,600 feet from N / S Line of Section
100 feet from E / W Line of Section
Sec. 10 Twp. 35 S. R. 7 E W

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

PLAT

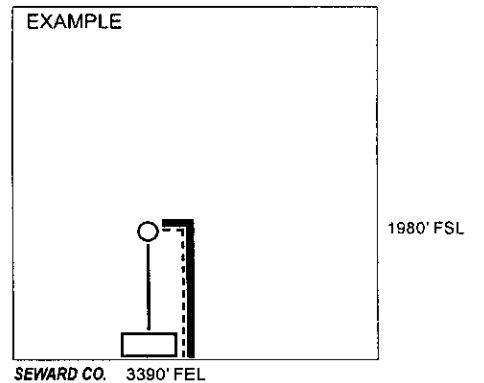
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



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LEGEND

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



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.

15-035-24460-0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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**

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 # 34226
Name: Yale Oil Association, Inc.
Address 1: 6 NE 63rd Street, Suite 425
Address 2:
City: Oklahoma City State: OK Zip: 73105 +
Contact Person: Greg Cox
Phone: (405) 840-1811 ext.107 Fax: (405) 840-4422
Email Address: gcox@yaleoil.com

Well Location:
SW SW NW SW Sec. 10 Twp. 35 S. R. 7 East West
County: Cowley
Lease Name: Joe Well #: 1-10

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

Surface Owner Information:

Name: Joe & Jean Fulsom
Address 1: 31462 K-15 Highway
Address 2:
City: Dexter State: KS Zip: 67038 +

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.

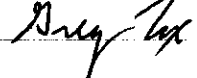
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary 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: 12/13/11 Signature of Operator or Agent: 

Title: Geologist

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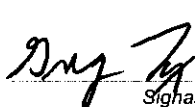
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**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Yale Oil Association, Inc.		License Number: 34226
Operator Address: 6 NE 63rd Street, Suite 425		Oklahoma City OK 73105
Contact Person: Greg Cox		Phone Number: 405-840-1811 ext. 107
Lease Name & Well No.: Joe 1-10		Pit Location (QQQQ): SW . SW . NW . SW Sec. 10 Twp. 35 R. 7 <input checked="" type="checkbox"/> East West 1,600 Feet from North / <input checked="" type="checkbox"/> South Line of Section 100 Feet from East / <input checked="" type="checkbox"/> West Line of Section Cowley County
Type of Pit: Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> <input checked="" type="checkbox"/> Drilling Pit Workover Pit <input type="checkbox"/> Haul-Off Pit <input type="checkbox"/> <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 10,143 (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ 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? NATIVE CLAY
Pit dimensions (all but working pits): 100 Length (feet) 60 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
		RECEIVED DEC 14 2011 KCC WICHITA
Distance to nearest water well within one-mile of pit: N/A feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	15-035-24460-0000
Emergency, Settling and Burn Pits ONLY: 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	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: water based drilling mud Number of working pits to be utilized: 1 Abandonment procedure: haul off liquids to an approved facility, then backfill, cover and restore pit location 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.		
12/13/11 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY			
Date Received: 12-14-11	Permit Number: _____	Permit Date: 12-14-11	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS			

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