



KANSAS CORPORATION COMMISSION 1064118
OIL & GAS CONSERVATION DIVISION

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____

CONTRACTOR: License # _____

Name: _____

Wellsite Geologist: _____

Purchaser: _____

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
- Gas D&A ENHR SIGW
- OG GSW Temp. Abd.
- CM (Coal Bed Methane)
- Cathodic Other (Core, Expl., etc.): _____

If Workover/Re-entry: Old Well Info as follows:

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

- Deepening Re-perf. Conv. to ENHR Conv. to SWD
- Conv. to GSW
- Plug Back: _____ Plug Back Total Depth _____
- Commingled Permit #: _____
- Dual Completion Permit #: _____
- SWD Permit #: _____
- ENHR Permit #: _____
- GSW Permit #: _____

Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West

_____ Feet from North / South Line of Section

_____ Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Producing Formation: _____

Elevation: Ground: _____ Kelly Bushing: _____

Total Depth: _____ Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: _____ Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: _____

feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Submitted Electronically

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: _____ Date: _____



1064118

Operator Name: _____ Lease Name: _____ Well #: _____

Sec. _____ Twp. _____ S. R. _____ East West County: _____

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
_____ Perforate _____ Protect Casing _____ Plug Back TD _____ Plug Off Zone				

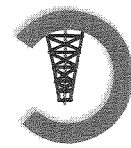
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. _____ Producing Method: Flowing Pumping Gas Lift Other *(Explain)* _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____ <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
FAX 620/431-0012

INVOICE

Invoice Date: 07/29/2011 Terms:

Page 1

Invoice # 242970

B.C. STEEL GAS LLC
209 N. FRY
P.O. BOX 326
YATES CENTER KS 66783
(620) 625-2999

DARFUS STEWART 17-3
31406
17-33S-6E
07-26-11
KS

Part Number	Description	Qty	Unit Price	Total
1126A	THICK SET CEMENT	100.00	18.3000	1830.00
1110A	KOL SEAL (50# BAG)	500.00	.4400	220.00
1123	CITY WATER	5000.00	.0156	78.00
4404	4 1/2" RUBBER PLUG	1.00	45.0000	45.00
T-63	WATER TRANSPORT (CEMENT)	6.00	112.00	672.00
445	CEMENT PUMP	1.00	975.00	975.00
445	EQUIPMENT MILEAGE (ONE WAY)	70.00	4.00	280.00
611	TON MILEAGE DELIVERY	385.01	1.26	485.11
Hours Unit Price				Total
Total				485.11

Parts:	2173.00	Freight:	.00	Tax:	147.76	AR	4732.87
Labor:	.00	Misc:	.00	Total:	4732.87		
Sublt:	.00	Supplies:	.00	Change:	.00		

Signed _____

Date _____

BARTLESVILLE, OK 918/338-0808
 EL DORADO, KS 316/322-7022
 EUREKA, KS 620/583-7664
 GILLETTE, WY 307/686-4914
 OAKLEY, KS 785/672-2227
 OTTAWA, KS 785/242-4044
 THAYER, KS 620/839-5269
 WORLAND, WY 307/347-4577



Invoice

McPherson Drilling Co.

15256 112th Road
Winfield, Kansas 67156

Phone/Fax: 620-221-3560

Customer:

BC Management Services Corp.
1432 Nighthawk Rd
Yates Center, KS 66783

Date:

8/3/2011

Invoice No.:

20110803

Terms:

Due on receipt

DESCRIPTION	QTY	RATE	AMOUNT
Lease name: Darfus-Stewart #17-2 TD: 466'; set 466' 8 5/8" casing	466	12.50	5,825.00
Cemented with 120 sx pos mix; pumped plug to 440'	1	3,000.00	3,000.00

Total \$8,825.00

Payments/Credits \$-6,000.00

Balance Due \$2,825.00

Thank you for your business!

Bill McPherson

CK# 8762 →
CK# 8773 →

If mailing payment please send to:
McPherson Drilling Co.
PO Box 41
Burden, KS 67019

Geological Report

Darfus Stewart #17-3
330' FNL; 1520' FEL
E1/2 NE NW NE
Cowley County, KS
API # 035-24435-00-00

Operator: B-C Steel, LLC, C/O Bert Carlson, 209 North Fry, Yates Center, KS. 66783. (License # 33734)

Drilling Contractor: Hat Drilling. Midway Mud Rotary Rig #2.

Wellsite Geologist: Mark Brecheisen.

Dates Drilled: July 18th, 2011 to July 21st, 2011.

Size Hole: 8 1/4"

Total Depth: 3170'

Elevation: 1336'

Drilling Fluid: Freshwater, bentonite and additives.

Surface Casing: 300' of 8-5/8" casing cement to surface.

Formation Tops: Formation tops were picked from cased-hole electric logs.

Field Name: Wilson

Status: Oil Well.

Oil Shows: Altamont Limestone @ 2734'-2740';
Pawnee Limestone @ 2794'-2798';

Mississippian Chert (Chat) @ 3128'-3136' & 3136'-3142'

Gas Shows: South Mound Shale @ 2594'-2597', 96 unit gas kick on horwire.
Altamont Limestone @ 2734'-2740', 33 unit gas kick on horwire.
Pawnee Limestone @ 2794'-2798', 73 unit gas kick on horwire.
Lexington Coal & Shale @ 2810'-2813', 49 unit gas kick on horwire.
Mississippian Chert (Chat) @ 3128' - 3142', 152 unit gas kick on hor wire.

Water Encountered: No appreciable water encountered upon drilling.

On Location: July 18th, 2011, 3:52 p.m. Left location @ TD. Well Depth of 3170' @ 12:17 p.m., July 21st, 2011.

0 - 500': Samples not examined

500'-2200': Samples examined for oil content with binocular microscope and black light. No sample description recorded - no appreciable oil shows detected in this interval.

2200'-2228': Shale, medium dark to dark gray with red shale present, soft, greasy, silty in part. No fluorescence no petroliferous odor/show.

2228'-2291': Shale, medium dark gray with traces of red shale present, soft, silty to sandy with few scattered sandstone laminae present. Traces of inter-bedded limestone present - pale brown, fine crystalline, fairly hard, fossiliferous. No fluorescence, no petroliferous odor/show.

2291'-2293': Limestone, olive gray, fine crystalline, hard, dense, slightly sugrosic, mottled, no visible porosity. No fluorescence, no petroliferous odor/show.

2293'-2316': Shale, medium dark gray with traces of red shale present. Soft, greasy to silty/sandy. Sandstone laminae present - very light gray, very fine to fine grained, good sorting with sub-angular to sub-rounded grains, fairly friable. No fluorescence, no petroliferous odor/show.

2316'-2350': Shale with inter-bedded sandstone present. White to very light gray, extremely fine grained, well sorted with well rounded grains, extremely friable, very clean. Traces of limestone present. No fluorescence, no petroliferous odor/show.

2350'-2370': Layton "A" Sandstone, light to medium gray, very fine grained, well sorted with sub-angular to sub-rounded grains, extremely friable, no visible oil staining present. Traces of thin shale laminations present. No fluorescence, no petroliferous odor/show.

2370'-2397': Shale, medium to medium dark gray with red present. Traces of black shale present. No fluorescence, no petroliferous odor/show.

2397'-2437': Layton "B" Sandstone, light to medium gray, very fine grained, fair sorting with angular to sub-rounded grains, fairly friable, glauconitic, calcareous and argillaceous in part, micaceous in part. No visible oil staining present. Scattered shale laminae present, medium dark gray and red, soft, slightly silty. No fluorescence, no petroliferous odor/show.

2437'-2498': Shale, medium to medium dark gray with traces of red shale present. Soft and greasy to silty/sandy, micaceous in part, scattered sandstone laminae present.

Top of Kansas City Limestone @2498'(-1162')

2498'-2518': Limestone, grayish red to dark yellowish brown, fine crystalline, mottled, hard, dense, massive in part, no visible porosity present. No fluorescence, no petroliferous odor/show.

2518'-2548': Sandstone, light to medium light gray, very fine grained, well sorted with sub-angular to sub-rounded grains, fairly friable, glauconitic and micaceous in part, inter-bedded shale present. No fluorescence, no petroliferous odor/show.

2548'-2582': Limestone, dark to dusky yellowish brown, fine crystalline, mottled, very hard, dense, no visible porosity; sucrosic in part. Few scattered shale partings present. No fluorescence, no petroliferous odor/show.

2582'-2594': Shale, dark gray, soft, greasy.

2594'-2597': South Mound Shale, black, carbonaceous, very slight gaseous flash odor. A 96 unit gas kick was observed on the hotwire after drilling this interval.

2597'-2622': Shale, dark gray and red soft, greasy, calcareous in part. Few scattered limestone partings present.

2622'-2630': Limestone, dark to dusky yellowish brown, fine crystalline, mottled, very hard, dense, slightly sucrosic, no visible porosity. No fluorescence, no petroliferous odor/show.

2630'-2644': Shale, medium dark to dark gray with traces of black shale present, soft to fairly hard, fissile and carbonaceous in part.

Top of Lenapah Limestone @ 2644'(-1308')

2644'-2647': Limestone, dark yellowish brown to olive gray, fine crystalline, very hard, dense, sucrosic, no visible porosity present. Trace mottled, very dull yellow hydrocarbon fluorescence, poor saturation with only slight surface staining on some samples. Slow, uneven, very faint milky blue cut. Slight flash odor/very poor show.

2647'-2714': Shale, medium-dark to dark gray, soft to fairly hard, silty to sandy in part, micaceous in part. Sandstone laminae present - medium gray, very fine to fine grained, fairly well sorted with sub-angular grains, fairly hard, argillaceous. No fluorescence, no petroliferous odor/show.

Top of Altamont Limestone @ 2714'(-1378')

2714'-2761': Limestone, dark yellowish brown, fine crystalline, very hard, dense, sucrosic, fossiliferous. A drilling break was encountered from 2734'-

2740'. A description of the rock samples within that interval is as follows:

- Select limestone samples had good, even light brown oil stain on their surfaces, saturation was even throughout inside of sample pieces. Good pinpoint and vugular porosity was exhibited on samples with oil saturation, 40% to 50% mottled to even, bright yellow hydrocarbon fluorescence. Samples produced an uneven, fairly fast, fair to good milky blue cut. good residual show to tray after cut when examined under black light but no visible oil show in white light. Wet acid test of rock samples produced a good residual oil oil show to dimple tray in white light.

A 33 unit gas kick was observed while drilling the overall interval

2761'-2786': Shale, medium to medium dark gray and red, soft, greasy. Traces of black shale and pyrite present. No fluorescence, no petroliferous odor/show.

Top of the Pawnee Limestone @ 2786' (-1450')

2786'-2810': Limestone, dark yellowish brown, fine crystalline, hard, dense, slightly sucrosic. A drilling break was encountered from 2794'-2798'. A description of that interval is as follows:

- Samples exhibit poor to good friability, many samples have good inter-crystalline porosity as well as visible pinpoint and vugular porosity on surface of individual rock samples. Light brown oil stain is even on many sample surfaces, saturation in these samples is good. Samples exhibited a fairly fast, uneven, good milky blue cut. Faint residual oil show to tray, in white light, after reagent cut as well as after wet acid cut. Samples overall showed a 30% mottled to even, bright yellow hydrocarbon fluorescence.

A 33 unit gas kick was observed on the horwite while drilling this interval.

2810'-2813': Lexington shale and coal, black shale, carbonaceous. A 49 unit gas kick was observed, on the horwite, after this interval was drilled.

Top of the Fort Scott Limestone @ 2821' (-1485')

2821'-2840': Limestone, dark yellowish brown, fine crystalline, hard, sucrosic, no visible porosity observed. Slight surface oil stain on few rock samples. Samples exhibited a very slow, uneven poor milky blue cut. Overall 7% mottled to even, variegated yellow mineral and hydrocarbon fluorescence. No petrolierous odor/very poor show.

2840'-2847': Summit shale, dark gray to black, carbonaceous.

2847'-2852': Limestone, dark yellowish brown, fine crystalline, hard, dense, no visible porosity. No fluorescence, no petrolierous odor/show.

2852'-2856': Milky shale, black, hard, carbonaceous

Top of the Cherokee Group @ 2856' (-1520')

2856'-2938': Shale, medium-dark gray, silty to sandy in part, micaceous in part, traces of dark gray and red shale present. Scattered traces of inter-bedded sandstone and limestone present. No fluorescence, no petrolierous odor/show.

Top of the Ardmore (Verdigris) Limestone @ 2938' (-1602')

2938'-2940': Limestone, dark yellowish brown, fine crystalline, very hard, dense, sucrosic, fossiliferous. Trace mottled to even, dull yellow mineral fluorescence, no petrolierous odor/show.

2940'-2945': Croweburg shale and coal, dark gray to black, carbonaceous, traces of vitrain coal present.

2945-3027: Shale, medium dark gray and red, scattered traces of limestone, black shale and coal present. Few scattered sandstone laminae present. No fluorescence, no petroliferous odor/show.

3027-3106: Shale, medium dark to dark gray, soft, greasy to silty/sandy. Traces of thinly banded vitrain coal present. Inter-bedded limestone present, few scattered sandstone laminae present. Overall no fluorescence, no petroliferous odor/show.

Top of the Mississippian @ 3106' (-1770')

3106-3128: Shale (60%), medium dark to dark gray, soft, greasy. Chert (40%), pale yellowish brown, amorphous to almost crystalline in appearance, trace of tripolitic chert present. hard, no visible porosity, no oil staining observed. No fluorescence, no petroliferous odor/show.

3128-3136: Chert (65%), many samples are tripolitic and have good vugular porosity- these samples exhibit an even to mottled, light brown oil stain on their surface. Light brown oil observed bleeding out of few select samples, slight show of oil to pit and rainbow sheen observed on samples taken directly out of shale shaker. Saturation is mottled to complete, samples exhibited an extremely fast, uneven, good milky blue cut, strong residual oil show to tray when observed under black light. Faint residual show to tray in white light, 25% to 30% mottled to even, bright yellow hydrocarbon fluorescence, strong petroliferous odor/ good show. This zone should be commercially productive for oil production.

3136-3142: Shale (60%), medium dark gray and red; Chert (30%), 10% to 12% mottled to even, bright yellow hydrocarbon fluorescence, mottled to even light brown oil stain on tripolitic chert samples, saturation mottled to even. Samples exhibited a very fast, uneven, strong milky blue cut. Good residual oil show to tray after cut when observed under black light. Fair residual oil show to tray when observed in white light. Limestone (10%), olive gray, fine crystalline, fairly friable, sucrosic. At 3140', a gas kick of 152 units was observed on the horwire - this kick was probably from previous interval and not this one. Continued to have a strong gas carry on the horwire to TD after the initial gas kick.

3142-3170: Limestone (50%), brown to olive gray, fine to medium crystalline, fairly hard, dense, few traces of pinpoint porosity. Shale (40%), medium dark gray. Dolomite (10%), olive gray, mottled, very hard, dense, slightly sucrosic. Chert (trace%), no oil staining present. No fluorescence, no petroliferous odor/show.

T.D. @ 3170' @ 12:17 pm, July 21st, 2011

QTY ORDERED	QTY SHIPPED	DESCRIPTION	UNIT	AMOUNT
2850		6 3/4 h/c @ \$13.50/ft		\$384195.00
73		hrs rig time @ \$295/hr		\$20075.00
42		hrs water hauling @ \$105/hr		\$4410.00
				\$1200.00
				\$1200.00
				\$1200.00
				\$1200.00
				\$1200.00
				\$1200.00
				\$1200.00

PK # 8969

Drilling

SALESPERSON	SHIPPED VIA	SHIP DATE	TERMS	F.O.B.
-------------	-------------	-----------	-------	--------

SHIP TO:

SOLD TO:
B.C. Steele
Darius-Stewart #19-3 T.D. 3190

CUSTOMER'S ORDER NO.
INVOICE DATE

HRT Drilling
 12391 KS Hwy 9
 Mound City, KS
 66056

NO. 352

7-26-11

INVOICE