For KCC Use: Effective Date: District # SGA2 Ves VNo

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1
October 2007
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

Expected Spud Date:	October 01	2008	Spot Description:	
	month day	year	C . E/2 . SE . SE . Sec. 3 Twp. 32 S. R. 7	⊠E ∏w
OPERATOR: License#	33711 🗸		(2)(2)(2)	Line of Section
Name: B-C Steel, LLC		•	330 feet from 💢 E / 🗍 W	V Line of Section
Address 1: 209 North Fry	Street		Is SECTION: Regular Irregular?	
Address 2:			(Note: Locate well on the Section Plat on reverse side	40)
	State: KS Zip: 66	783 +	County: Cowley	10)
Contact Person: Bert Carl	son		Lease Name: Barger Well	4. 4
Phone: 620-485-6067 or 6	20-496-6746		Field Name: School Creek North	"-
CONTRACTOR: License#.	30567		Is this a Prorated / Spaced Field?	Yes No
Name: Rig 6 Drilling			Target Formation(s): Cleveland	
Well Drilled For:	Well Class: Type	e Equipment:	Nearest Lease or unit boundary line (in footage): 330	
_ /m		. ' '	Ground Surface Elevation: 1411.4	feet MSL
Oil Enh R		Mud Rotary	Water well within one-quarter mile:	Yes No
Gas Storaç		Air Rotary Cable	Public water supply well within one mile:	Yes X No
	f Holes Other	Cable	Depth to bottom of fresh water: 150	
Other:			Depth to bottom of usable water: 280	
_			Surface Pipe by Aiternate: XI III	
if OWWO: old well	information as follows:		Length of Surface Pipe Planned to be set: 300 Ft	
Operator:			Length of Conductor Pipe (if any):	
Well Name:			Projected Total Depth: 2500 ft	
Original Completion Da	te: Original Total	Depth:	Formation at Total Depth: Cleveland	
			Water Source for Drilling Operations:	
Directional, Deviated or Hor If Yes, true vertical depth:		Yes No	Well Farm Pond Other:	
			DWR Permit #:	
			(Note: Apply for Permit with DWR [] Will Cores be taken?	Yes No
				I tres LATIVO
			If Yes, proposed zone:	PECENT
		AFFI	If Yes, proposed zone:	PECENT
	affirms that the drilling, compl		If Yes, proposed zone:	RECEIVED AS CORPORATION COMMISSI
The undersigned hereby a	uffirms that the drilling, compl ing minimum requirements wi	etion and eventual plug	If Yes, proposed zone:	RECEIVED AS CORPORATION COMMISSI
The undersigned hereby a	ing minimum requirements wi	etion and eventual plug Il be met:	If Yes, proposed zone: KANS gging of this well will comply with K.S.A. 55 et. seq.	RECEIVED AS CORPORATION COMMISSI SEP 1 1 2008
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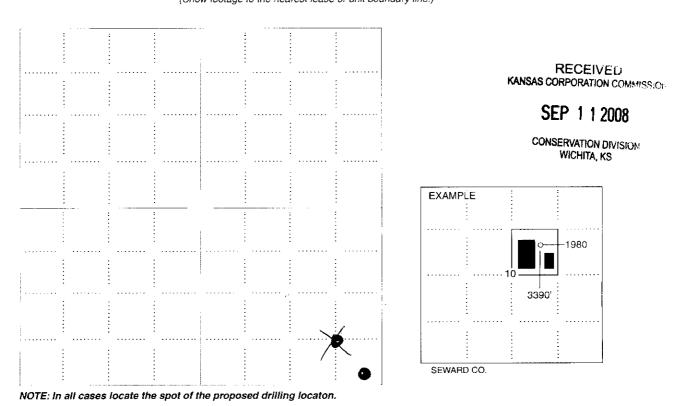
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 the 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 - 035-24315-0000	
Operator: B-C Steel, LLC Lease: Barger	Location of Well: County: Cowley 4,620
Well Number: 4 Field: School Creek North	330 feet from
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: C - E/2 - SE - SE	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 and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)



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).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: B-C Steel, LLC	License Number: 33711				
Operator Address: 209 North Fry Street	Yates Center KS 66783				
Contact Person: Bert Carlson	Phone Number: 620-485-6067 or 620-496-6746				
Lease Name & Well No.: Barger	Pit Location (QQQQ):				
Type of Pit: Pit is:		C E/2 SE/4 SE/4			
Emergency Pit Burn Pit Propos	Sec. 3 Twp. 32 R. 7 East West 4,620 Feet from North / South Line of Section				
Workover Pit Haul-Off Pit Pit capacity:		Feet from East / West Line of Section			
	(bbls)	Cowley			
Is the pit located in a Sensitive Ground Water Area? Yes	No.	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)			
Is the bottom below ground level? Artificial Line	r?	How is the pit lined if a plastic liner is not used?			
Yes No Yes	∑ No	MUD			
Pit dimensions (all but working pits):60Leng	jth (feet)10	Width (feet) N/A: Steel Pits			
Depth from ground leve		4 (feet) No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.	Describe proc	Describe procedures for periodic maintenance and determining RECEIVED liner integrity, including any special monitoring.			
MUD		KANSAS CORPORATION COMMISSION			
		SEP 1 1 2008			
		CONSERVATION DIVISION			
Distance to nearest water well within one-mile of pit	Depth to shall	Depth to shallowest fresh water5feet.			
n/afeet Depth of water wellfe		Source of information:			
Emergency, Settling and Burn Pits ONLY:	Drilling, Worl	Drilling, Workover and Haul-Off Pits ONLY:			
Producing Formation:		ype of material utilized in drilling/workover: Drilling MUD			
Number of producing wells on lease:		Number of working pits to be utilized: 2			
Barrels of fluid produced daily:	Abandonment	Abandonment procedure: Remove Fluids and Back Fill			
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.			
I hereby certify that the above statements are true	and correct to the bes	st of my knowledge and belief.			
9-9-08 POUL Signature of Applicant or Agent					
KCC OFFICE USE ONLY Steel Pit RFAC RFAS					
Date Received: 9(11(08 Permit Number:	Pern	nit Date: 10/13/08 Lease Inspection: Yes No			



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

October 13, 2008

Bert Carlson B-C Steel, LLC 209 North Fry Street Yates Center KS 66783

Re:

Drilling Pit Application

Barger Lease Well No. 4

SE/4 3-32S-7E

Cowley County, Kansas

Dear Mr. Carlson:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and **lined with bentonite**. The fluids are to be removed from the reserve pit within 72 hours of completion of drilling operations.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: http://kcc.ks.gov/conservation/forms/

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Jonelle Rains, Supervisor

Somelle Rains

Department of Environmental Protection and Remediation

CC:

Jeff Klock

File