

*Ken
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2/17/09*

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33711
 Name: B C Steel, LLC.
 Address 1: 209 N. Fry
 Address 2: _____
 City: Yates Center State: Ks Zip: 66783 + _____
 Contact Person: Bert Carlson B-C Steel, LLC
 Phone: (620) 625 2999
 CONTRACTOR: License # 30567
 Name: Rig 6 Drilling
 Wellsite Geologist: Raymond Leigh
 Purchaser: Nat-Gas
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW
 Gas ENHR SIGW
 CM (Coal Bed Methane) Temp. Abd.
 Dry Other _____
 (Core, WSW, Expl., Cathodic, 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
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other (SWD or Enhr.?) Docket No.: _____

<u>11/24/08</u>	<u>12/5/08</u>	<u>12/6/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 035 24322 0000
 Spot Description: _____
 Cr. E2-SE-SE Sec. 10 Twp. 32 S. R. 7 East West
4000 Feet from North / South Line of Section
700 Feet from East / West Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
 County: Cowley
 Lease Name: Davis Well #: 2
 Field Name: School Creek North
 Producing Formation: Cleveland
 Elevation: Ground: 1398.7 Kelly Bushing: 5'
 Total Depth: 2563 Plug Back Total Depth: 2555
 Amount of Surface Pipe Set and Cemented at: 303 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 Air I sur 3-11-09
 (Data must be collected from the Reserve Pit)
 Chloride content: 1000 ppm Fluid volume: 20 bbls
 Dewatering method used: suction truck
 Location of fluid disposal if hauled offsite:
 Operator Name: B-C STEEL1
 Lease Name: Beamer License No.: 33711
 Quarter SE Sec. 10 Twp. 32 S. R. 7 East West
 County: Cowley Docket No.: E-06951

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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.

Signature: W. Roger Johnson
 Title: Area Manager Date: 2/13/09
 Subscribed and sworn to before me this 13 day of Feb.
20 09
 Notary Public: Carlton Hopper
 Date Commission Expires: 2-28-09

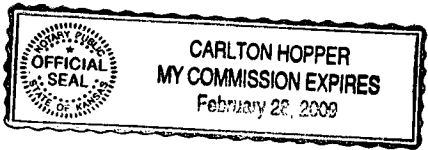
KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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WICHITA, KS



Operator Name: B C Steel, LLC. Lease Name: Davis Well #: 2
 Sec. 10 Twp. 32 S. R. 7 East West County: Cowley

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 copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Sonic cement bond log/Dual compensated Porosity log/Dual Induction log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample Name Top Datum Cleveland 2408 -1009.3
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CASING RECORD <input checked="" 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
Surface	12 1/4	8 5/8	28#	301	Class A	150	3%cad/2%gel/1/4#loseal
Production	6 3/4	4 1/2	11.6	2520	Thick Set	140	700#Koi-seal

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> 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
2	2405 to 2408	RECEIVED KANSAS CORPORATION COMMISSION FEB 17 2009	
2	2411 to 2424		
2	2429 to 2432		
2	2435 to 2445		

TUBING RECORD: Size: <u>2 3/8"</u> Set At: <u>2415</u> Packer At: <u>none</u>		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS
Date of First, Resumed Production, SWD or Enhr. <u>1/15/09</u>		Producing Method: <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls. <u>0</u>	Gas Mcf <u>150</u>	Water Bbls. <u>0</u> Gas-Oil Ratio <u>0</u> Gravity <u>0</u>

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" 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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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TECHNOLOGY

STIMULATION SERVICES

FORMATION Cleveland Sand

Fluid Hydrostatic Gradient	0.435
Bottom Perf Depth	2,445
Pipe Size	4 1/2
Pipe Volume Coefficient	0.01590
Flush Volume	1,606
Pipe Friction Pres. Grad.	90
Perf Diameter	0.420
Perf Friction Pres. Grad.	70

BHFP=	1,334
HH=	1,055
P _{f(perf)} =	170
P _{f(pipe)} =	218

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Stage	Slurry Rate	Gallons	Fluid Type	Proppant Type	Concentration	Stage Prop Total	Clean Bbls.	Cum. Bbls.	Slurry Bbls.	Stage Time (min)
Acid	6	150	Hcl		0.15		3.6	3.6	3.6	0.6
Pad	25	7000	AquaFrac-20				166.7	170.2	166.7	6.7
Sand	25	1000	AquaFrac-20	16/30 Brady	1	1000	23.8	194.0	24.9	1.0
Sand	25	750	AquaFrac-20	16/30 Brady	2	1500	17.9	211.9	19.5	0.8
Sand	25	500	AquaFrac-20	16/30 Brady	3	1500	11.9	223.8	13.5	0.5
Sand	25	1334	AquaFrac-20	12/20 Brady	3	4002	31.8	255.6	36.0	1.4
Flush	25	1600	AquaFrac-20				38.1	293.7	38.1	1.5
Over Flush	15	420	AquaFrac-20				10.0	10.0	10.0	0.7
Totals		12754				8002	303.7		312.2	13.2

TECHNOLOGY STIMULATION SERVICES

Chemicals

1112	3.0 Pound	Bio-5 Biocide
1126	14.0 Gallon	P-CSA - 5
1201	273.0 Pound	Guar W-30
1151	14.0 Gallon	Non E-1
1121	14.0 Gallon	Liquid KCL Substitute
1304	1.0 Gallon	Aqua-Breaker
1451	1.0 Gallon	I-4 Low Temperature Inhibitor

Proppants/Diverters/Acid

1003	40 CWT	18/30 Brady
1004	40 CWT	12/20 Brady
1405	150 Gallon	15% HCL

Equipment

2006	2.0 Each	Group Pump 1000 HP
2103	1.0 Each	21-30 BPM Blender
2403	1.0 Per Job	AMU
2903	1.0 Each	4 IN. 5000 PSI Valve
2111	2.0 Hr	Mixing Time
2201	300.0 Mi	Heavy Equip. One Way
2202	60.0 Mi	Light Equip. One Way
2204	120.0 TM	Sand Cartage
2805	1.0 Each	Radioactive Densimeter
2605	1.0 Per Job	Acid Delivery Charge

JOB ESTIMATE:

\$14,257.76

We appreciate the opportunity to present this proposal to you. If you have any questions or would like to make any changes to this proposal, please do not hesitate to contact me. We look forward to working with you in the near future.

Thank you,

Neal Rupp

Disclaimer Notice

This technical data is presented in good faith, but no warranty is given by and Technology Stimulation Services assumes no liability for advice or recommendations made concerning results to be obtained from the use of any product or service. The information presented is Technology Stimulation Services best estimate of the actual results that may be achieved and should be used for comparison purposes rather than absolute values. Prices quoted are estimates only and are good for 30 days from the date of issue. Pricing does not include federal, state, or local taxes, or royalties and stated price adjustments. Actual charges may vary depending upon time, equipment, and material ultimately required to perform these services. Discount rate is based on 30 days net payment terms or cash.

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