

Corrected by Brent Whitman
For B-C Steel, LLC

For KCC Use: 1-27-2010
Effective Date: _____
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007

NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

CORRECTED

Expected Spud Date: 2-10-2010
month day year

OPERATOR: License# 33711
Name: B-C Steel, LLC
Address 1: 209 N Fry Street
Address 2: _____
City: Bert Carlson State: Ks Zip: 66783
Contact Person: Bert Carlson
Phone: 620-265-8084

CONTRACTOR: License# _____
Name: Advise on ACO-1 - Must be licensed by KCC

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

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

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

* WAS: Lease name: Team #1 IS: Butts #17-1
WAS: Target Formation: Bartlesville IS: Layton

Spot Description: _____
17-1 NW - NW - NW Sec. 17 Twp. 32 S. R. 8 E W
330 feet from N / S Line of Section
330 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Cowley
Lease Name: Team Butts Well #: 17-1
Field Name: School-Greek-North Windsor Southeast

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

Nearest Lease or unit boundary line (in footage): 330
Ground Surface Elevation: 1400 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: 150
Depth to bottom of usable water: 200-430
Surface Pipe by Alternate: 1" 1 1/2"
Length of Surface Pipe Planned to be set: 300-450
Length of Conductor Pipe (if any): _____
Projected Total Depth: 3000 ft
Formation at Total Depth: Bartlesville

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: _____

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 cemented 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 correct to the best of my knowledge and belief.

Date: 1-11-10 Signature of Operator or Agent: Bert Carlson BC Steel Title: Manager

For KCC Use ONLY
API # 15 - 035-2434500-00
Conductor pipe required None feet
Minimum surface pipe required 450 feet per ALT
Approved by: Butt 1-22-2010 / But 10-29-2010
This authorization expires: 1-22-2011
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:
- 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 prorator 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 this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 Well Not Drilled - Permit Expired Date: _____
Signature of Operator or Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 13 2010
CONSERVATION DIVISION
WICHITA, KS

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

RECEIVED
OCT 29 2010
KCC WICHITA

17
32
8
E
W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

CORRECTED

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 - 035-24345-00-00

Operator: B-C Steel, LLC

X Lease: Team Butts

Well Number: 2-17-1

Field: School Creek North

Number of Acres attributable to well:

QTR/QTR/QTR/QTR of acreage: NW - NW - NW - NW

Location of Well: County: Cowley

330 feet from [X] N / [] S Line of Section

330 feet from [] E / [X] W Line of Section

Sec. 17 Twp. 32 S. R. 8 [X] E [] W

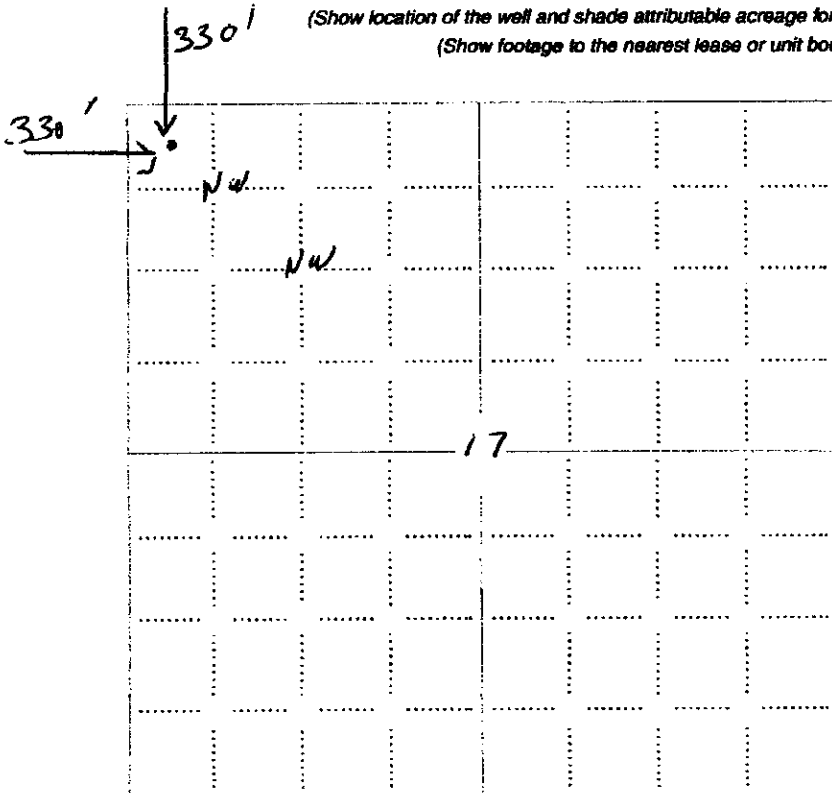
Is Section: [X] Regular or [] Irregular

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

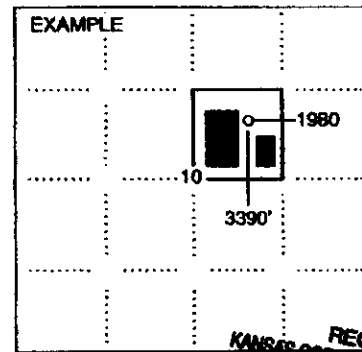
Section corner used: [] NE [] NW [] SE [] SW

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.)



NOTE: In all cases locate the spot of the proposed drilling location.



SEWARD CO.

RECEIVED KANSAS CORPORATION COMMISSION

JAN 13 2010

CONSERVATION DIVISION WICHITA, KS

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).

RECEIVED OCT 29 2010

KCC WICHITA

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

CORRECTED

Operator Name: B-C Steel, LLC		License Number: 33711	
Operator Address: 209 N Fry Street		Bert Carlson Ks 66783	
Contact Person: Bert Carlson		Phone Number: 620-285-6064	
Lease Name & Well No.: <u>Leann Butts</u> <u>X 17-1</u>		Pit Location (QQQQ): <u>17</u> NW <u>32</u> NW <u>8</u> NW Sec. <u>17</u> Twp. <u>32</u> R. <u>8</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Cowley</u> County	
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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
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? Mud	
Pit dimensions (all but working pits): <u>60</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Mud		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit <input checked="" type="checkbox"/> n/a feet Depth of water well _____ feet	Depth to shallowest fresh water <u>3</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR		
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: <u>Drilling Mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Remove fluids 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.			
<u>1-11-10</u> Date		<u>BC Steel LLC Bert Carlson</u> Signature of Applicant or Agent	

15035-24345-00-00

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 13 2010

CONSERVATION DIVISION
WICHITA, KS

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>1-13-10</u>	Permit Number: _____	Permit Date: <u>1-13-10</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

RECEIVED
OCT 29 2010
KCC WICHITA