

GPS 37.34011, 096.59588 0L1399

Corrected by Brent Whiteman
For B-C Steel, LLC

For KCC Use:
Effective Date: 3-8-2010
District #: 3
SGA? Yes No

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 CORRECTED
Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: 2-28-2010
month day year

OPERATOR: License# 33711
Name: B-C Steel LLC
Address 1: 200 N Fry Street
Address 2:
City: Yates Center State: Ks Zip: 66783
Contact Person: Bert Carlson
Phone: 620-285-0084

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

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic Other: # of Holes _____
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: 2380' FNL; 4224 FNL; Well #1
IS: 3339' FSL; 10078 FEL; Well # 19-1

Spot Description:
SW SE NW Sec. 19 Twp. 31 S. R. 8 E W
feet from W / S Line of Section
feet from E / W Line of Section

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

County: Cowley
Lease Name: Scoring * Well #: 19-1
Field Name: Winless-Southwest Redcliffe Northwest

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippi
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: 430
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 450
Length of Conductor Pipe (if any): _____
Projected Total Depth: 2800

Formation at Total Depth: Mississippi
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 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 correct to the best of my knowledge and belief.

Date: 2-11-2010 Signature of Operator or Agent: George Slayton Title: Agent

For KCC Use ONLY
API # 15 - 035-24349-00-00
Conductor pipe required None feet
Minimum surface pipe required 450 feet per ALT I II
Approved by: RWS 3-3-2010 / RUD 10-29-2010
This authorization expires: 2-3-2011
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:
- File Drill PK 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 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: _____

The footage was taken GPS & converted with the LEO program
The well # is the 19-1

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

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19 31 09

CORRECTED

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 - 035-24349-00-00
Operator: B-C Steel LLC
Lease: Sonlag
Well Number: 119-1
Field: Windsor Southeast

Location of Well: County: Cowley
2780 3339 feet from S Line of Section
4224 10078 feet from E Line of Section
Sec. 19 Twp. 31 S. R. 8

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

Is Section: Regular or Irregular

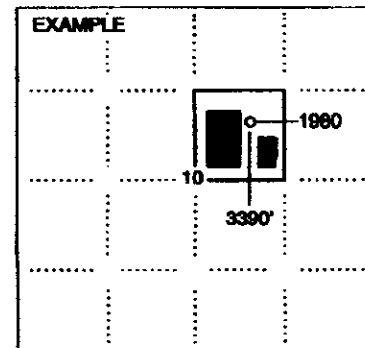
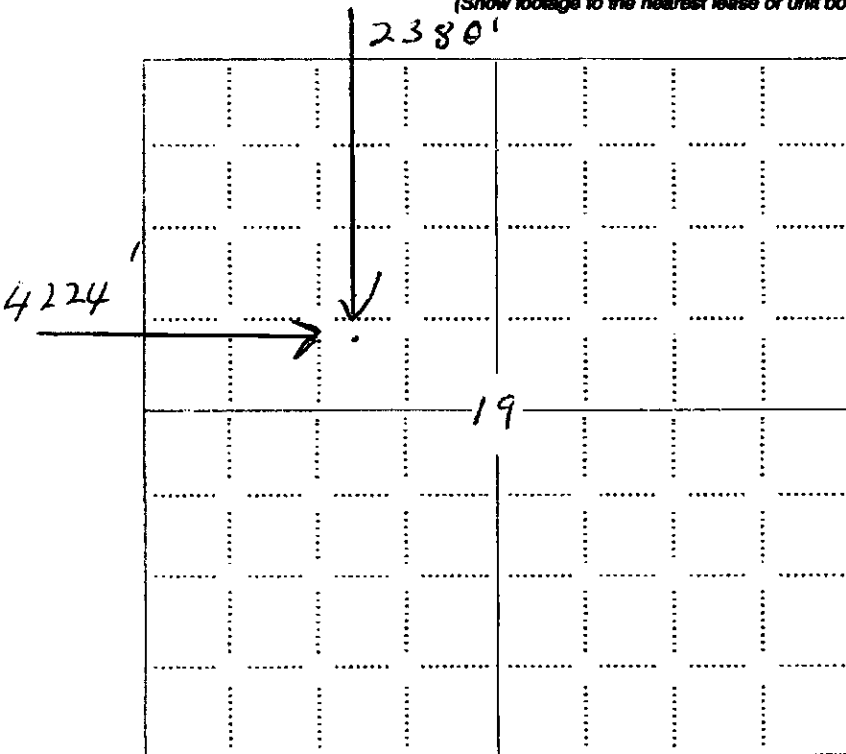
If Section is irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

Note

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 locator.

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).

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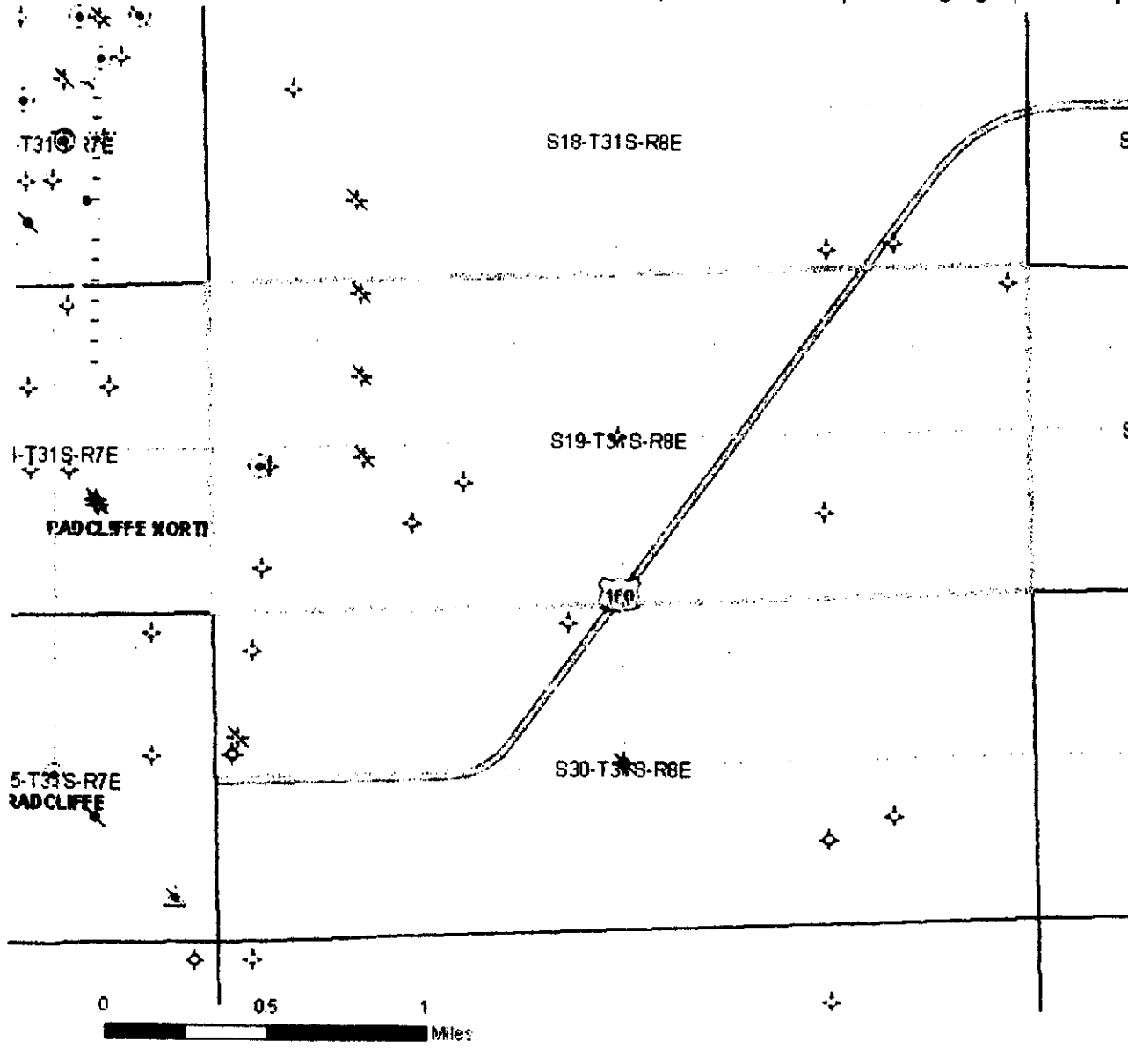
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Kansas Oil and Gas

Kansas Geological Survey

Statewide View | Zoom to Location | Filter Wells | Label Wells | Download Wells | Clear Highlight | Save Map | Help

Layers Info Legend
Click on a well or field to display information.



15-035-24349-0000

UNRECORDED

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2/16/2010 2:57 PM

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

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Form GDP-1
April 2004
must be Typed

Submit in Duplicate

Operator Name: B-C Steel LLC		License Number: 33711	
Operator Address: 209 N Fry Street		Yates Center Ks 66783	
Contact Person: Bert Carlson		Phone Number: 620-285-6064	
Lease Name & Well No.: Sontag X 19-1		Pit Location (QQQQ): SW SE NW Sec. <u>19</u> Twp. <u>31</u> R. <u>8</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>2,380</u> <u>3339</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>4,274</u> <u>10078</u> 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 (If WP Supply API No. or Year Drilled)		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 (For Emergency Pits and Settling Pits only)	
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? <u>Mud</u>			
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. <u>Mud</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. RECEIVED OCT 29 2010 KCC WICHITA	
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 let air dry, 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.			
_____ 2-11-2010 Date		_____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> Date Received: <u>2-16-10</u> Permit Number: _____ Permit Date: <u>3-3-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-035-24349-00-00

Mail to: KCC - Conservation Division, 139 S. Market - Room 2078, Wichita, Kansas 67202

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KANSAS
CORPORATION COMMISSION

Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner

March 3, 2010

B-C Steel LLC
209 N Fry St
Yates Center, KS 66783

Re: Drilling Pit Application
Sontag Lease Well No. 19-1
NW/4 Sec. 19-31S-08W
Cowley County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and all pits must be lined with bentonite. The free fluids must be removed. The fluids are to be removed from the reserve pit within 72 hours after drilling operations have ceased.

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:
www.kcc.state.ks.us/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,


Kathy Haynes

Environmental Protection and Remediation Department

cc: File

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