OPS 37.34010, 096.59373 GL 1393' Corrected by Brent Whiteman

for B-C steel, LLC

District S	SERVATION DIVISION PARTY Form must be Typed
	WIENT TO DRILL
Form KSONA-1, Cartificution of Compliance with the Kaneas	o (5) clays prior to communicing wall. Surface Owner Mediculus Act, MUST be submitted with this form.
Expected Spud Date: September 1 2010 month day year	Spot Description:SW8EME_Sec_19_Terp_31_S.R_8XEW
OPERATOR: Licenself 33711 Name: B-C Steel LLC	model Asset 3 2/3 (See from 1984 / X 8 Line of Section 4864 / 4864 (Line of Section
Address 1: 209 N Fry Street Address 2:	From the East
City: Value contex State: No. Zip: 86783 +	(Note: Locate well on the Section Flut on reverse side) County: Couley
Contact Person: Bert certeon Phone: 620-365-6064	Lease Name: Sorting Well g: 19-2
CONTRACTOR: Licenself 33734 V	Post Name: Raddille romeast Is this a Prorated / Soscad Field?
Name: Hat Drilling LLC	Is this a Prorated / Spaced Field? Target Fonsetion(s): Ministration
Well Drilled For: Well Class: Type Equipment.	Nearest Lease or unit boundary line (in todage): 360 Ground Surface Elevation: 1450 6 feet latt
XONEnh Rec X Infeid X Mud Rotery X	Water well within one-quarter mile:
Disposet Wildcet Cubie	Public water supply wall within one mile:
Balante ; # of Holes Other	Depth to bottom of freeh water: 150 Depth to bottom of unable water: 450
FOWWO: old well information as follows:	Surface Pipe by Alternate: 🔯 🔲
Operator:	Length of Surface Pipe Pleaned to be est: 450 Length of Conductor Pipe (if erw):
Wall Name:	Projected Total Dapilis: 2009
Original Completion Date: Original Total Depth:	Formation at Total Deptit: Milesteeppi
Directional, Deviated or Horizontal wellbore?	Welter Source for Drilling Speciations: Net Form Pond Deber:
If Yes, true vertical depth:	DWR Permit #:
KCC DKT #	(Mote: Apply for Permit with DMR
UAS: 2230'FNL; 4554 FWL	#Yes, proposed zone:
ITS: 3300' FSL; 9453 FEL The undersigned hereby affirms that the drifting, completion and eventual pla	FIDAVIT
it is agreed that the following minimum regularments will be met:	
1. Notify the appropriete district office prior to spudding of welt; 2. A copy of the approved notice of intent to drill aftelf the posted on ead. 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materiets plus a minimum of 20 test into the 4. If the well is dry hole, an agreement between the operator and the district.	t by circulating coment to the top; in all cases surface pipe shall be set as underlying formation. If ict office on than brooth and planement is necessary pulse to observe.
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For KCC Line CMLY API # 15 - 035 - 24372-00-00



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

in all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Lease: Son	-C Sheef LL dag							Well: County: <u>Co</u> 3330		53	_	
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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 conflicate of acreage attribution plan must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

RECEIVED OCT 2 9 2010 KCC WICHITA RECEIVED
AUG 3 1 2010
KCC WICHITA

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CORRECTED :

July 2010
Form Must be Typed
Ferm must be Signed
All blanks anathe Filler

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

OPERATOR: License # 33711	Well Location:
Name: B-C Steel LLC	SW SE NE Sec. 19 Twp. 31 S. R. 8 X East West
Address 1: 209 N Fry Street	County: Cowley
Address 2:	Lease Name: Sontag Well #: 19-2
City: Yates center State: Ks Zip: 66783	
Contact Person: Bert Carlson	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Phone: (620) 625-2999 Fax: (620) 625-3302	
Email Address:	- -
Surface Owner Information:	
Name: Bill Sontag	When filing a Form T-1 involving multiple surface owners, attach an additional
Address T: 1640 Tiara Pines P!	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: Derby State: Ks Zip: 67037 If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathe KCC with a plat showing the gredicard locations of lease marks)	county, and in the real estate property tax records of the county treasurer. thodic Protection Borehole Intent), you must supply the surface owners and and anti-holics phelipses and electrical lines. The least is surface
City: Derby State: Ks Zip: 67037 If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathe KCC with a plat showing the predicted locations of lease roads, the preliminary non-binding estimates. The locations may be entered.	county, and in the real estate property tax records of the county treasurer. thodic Protection Borehole Intent), you must supply the surface owners and and anti-protection for the limited protection.
City: Derby State: Ks zip: 67037 If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathe KCC with a plot showing the predicted locations of lease roads, that are preliminary non-binding estimates. The locations may be entered Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will he	thodic Protection Borehole Intent), you must supply the surface owners and ank betterles, pipelines, and electrical lines. The locations shown on the plat d on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. e Act (House Bill 2032), I have provided the following to the surface the located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form theiring filled is a Form C-1 or Form CB-1.
City: Derby State: Ks Zip: 67037 If this form is being submitted with a Form C-1 (Intent) or C8-1 (Cathe KCC with a plat showing the predicted locations of lease roads, I are preliminary non-binding estimates. The locations may be entered Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be CP-1 that I am filting in connection with this form: 2) if the for form; and 3) my operator name, address, phone number, fail. I have not provided this information to the surface owner(s). KCC will be required to send this information in the surface.	thodic Protection Borehole Intent), you must supply the surface owners and ank betterles, pipelines, and electrical lines. The locations shown on the plat d on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. e Act (House Bill 2032), I have provided the following to the surface the located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form theiring filled is a Form C-1 or Form CB-1.
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wiemito, Kansas, 67207

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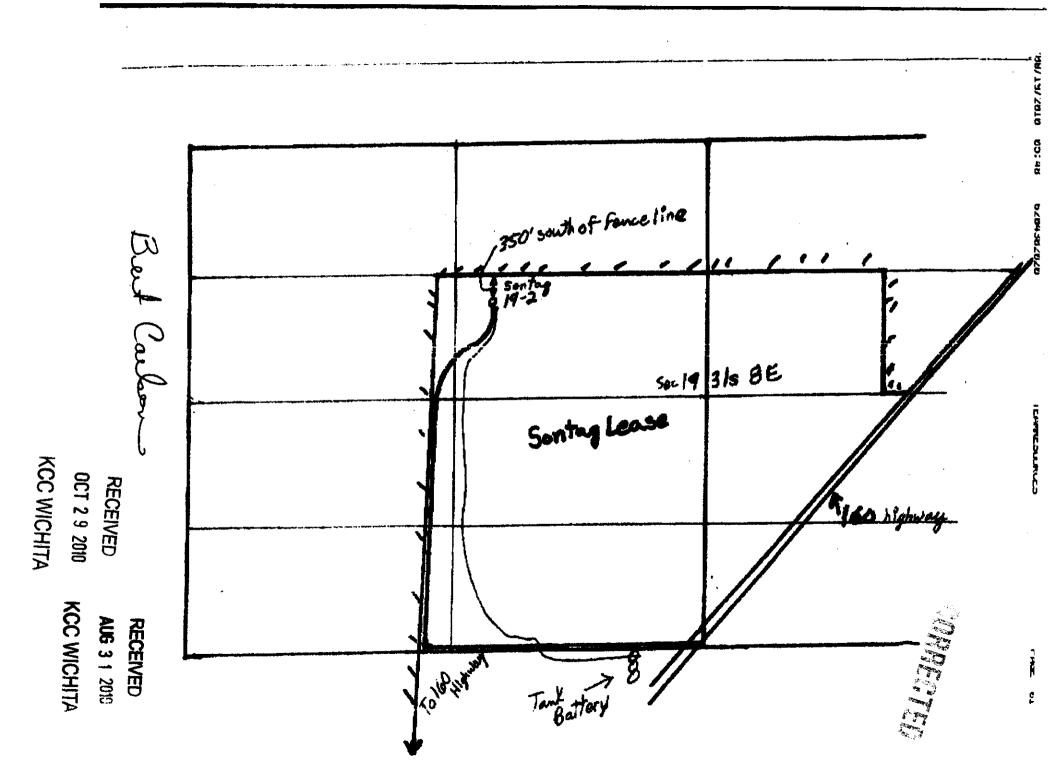
AUG 3 1 2010

KCC WICHITA

KCC WICHITA

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OCT 2 9 2010



RECEIVED

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

AUG 3 1 2010

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT KCC V

KCC WICHITAFO

	Su	bmit in Duplica	te		CODpr			
Operator Name: B-C Steel LLC			License Number:	33711				
Operator Address: 209 N Fry Stree	t	Yate	es Center	KS	66783			
Contact Person: Bert Carlson			Phone Number:	620-485-6	6064			
Lease Name & Well No.: Sontag	19-	-2	Pit Location (QQ	QQ):				
Type of Pit:	Plt is:		sw	SE <u>N</u>	<u>E</u>			
Emergency Pit Burn Pit	Proposed Existing		Sec. 19 Twp. 31 R. 8 X East West					
Settling Pit X Drilling Pit	If Existing, date constructed:		2230 3339 Feet from 22 seath / 12 South Line of Section					
Workover Pit Haul-Off Pit	Pit capacity: (bbis)		4,554 945 Fe	3 et from East	/ Section			
(If WP Supply API No. or Year Drilled)			4,554 9453 Feet from East / East / Cowley Cowley					
Is the pit located in a Sensitive Ground Water A	vea? Yes X		Chloride concentra	tion-	ma/l			
			1		nd Settling Pits only)			
Is the bottom below ground level? X Yes No	Artificial Liner?	io	How is the pit lined Mud	if a plastic liner	is not used?			
	0 Length (fee		Width (feet)		N/A: Steel Pits			
, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	om ground level to dea	•	(feet)		No Pit			
Distance to nearest water well within one-mile	of pit:	Depth to shallo Source of infor	west fresh water nation:	3	fact.			
NA feet Depth of water well	feet	measured	well owner	electri	c log KDWR			
Emergency, Settling and Burn Pits ONLY:		Drilling, Works	wer and Haul-Off P					
Producing Formation: Ty			Type of material utilized in drilling/workover: Dritting Mud					
Number of producing wells on lease:	Number of working pits to be utilized:							
Barrels of fluid produced daily:		Abandonment p	procedure: Kemo	ve mulas and	d let air dry, Backfill			
Does the slope from the tank battery allow all s flow into the pit? Yes No	Drill pits must be closed within 365 days of spud date.							
I hereby certify that the above statem	ents are true and corr	ect to the best of	my knowledge and b	elief.				
8-30-2010 Date	_8	rent C	a Jacon mature of Applicant of	or Agent				
	KCC	OFFICE USE O	NLY	Steel Pit	RFAC ☐ RFAS			
Date Received: 8-31-10 Permit Numl	ber:	Permi		7-10 10 Lease Insp				

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

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OCT 2 9 2010

KCC WICHITA

15-035-24372-00-00



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

September 14, 2010

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

Re:

Drilling Pit Application

Sontag Lease Well No. 19-2 NE/4 Sec. 19-31S-08E 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 <u>without slots</u>, the bottom shall be flat and reasonably level, and <u>all pits must be lined with bentonite</u>. The free fluids must be removed. The fluids are to be removed from the reserve pit within 5 days 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