

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
June 2009  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 33711  
Name: B-C Steel, LLC  
Address 1: 209 N Fry  
Address 2: P.O. Box 326  
City: Yates Center State: KS Zip: 66783 + \_\_\_\_\_  
Contact Person: Bert Carlson  
Phone: ( 620 ) 625-2999  
CONTRACTOR: License # 5495  
Name: McPherson drilling Co.  
Wellsite Geologist: Leigh Raymond  
Purchaser: Nat-Gas CVR

API No. 15 - 035-24351-00-00  
Spot Description: \_\_\_\_\_  
\_\_\_\_\_ c \_\_\_\_\_ s/2 \_\_\_\_\_ NE Sec. 18 Twp. 32 S. R. 8  East  West  
1,980 Feet from  North /  South Line of Section  
1,320 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Cowley  
Lease Name: Butts Well #: 18-2  
Field Name: Windsor Southeast  
Producing Formation: Layton

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  WSW  SWD  SLOW  
 Gas  D&A  ENHR  SIGW  
 OG  GSW  Temp. Abd.  
 CM (Coal Bed Methane)  
 Cathodic  Other (Core, Expl., etc.): \_\_\_\_\_

Elevation: Ground: 1265 Kelly Bushing: \_\_\_\_\_  
Total Depth: 1924 Plug Back Total Depth: 1915.5  
Amount of Surface Pipe Set and Cemented at: 451 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.

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  
 Conv. to GSW  
 Plug Back: \_\_\_\_\_ Plug Back Total Depth  
 Commingled Permit #: \_\_\_\_\_  
 Dual Completion Permit #: \_\_\_\_\_  
 SWD Permit #: \_\_\_\_\_  
 ENHR Permit #: \_\_\_\_\_  
 GSW Permit #: \_\_\_\_\_  
3-12-10                      3-16-10                      4-3-10  
Spud Date or                      Date Reached TD                      Completion Date or  
Recompletion Date                                                                Recompletion Date

**Drilling Fluid Management Plan**  
(Data must be collected from the Reserve Pit)  
Chloride content: N/A ppm Fluid volume: 200 bbls  
Dewatering method used: Evaporated Dry  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_ East \_\_\_\_\_ West  
County: \_\_\_\_\_ Permit #: \_\_\_\_\_

**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.

**AFFIDAVIT**  
I am the affiant and I hereby certify that 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: [Signature]  
Title: GENERAL MANAGER Date: 10-26-10

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
Date: \_\_\_\_\_  
 Confidential Release Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
ALT  I  III Approved by: [Signature] Date: 11/5/10

Operator Name: B-C Steel, LLC Lease Name: Butts Well #: 18-2  
 Sec. 18 Twp. 32 S. R. 8  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 complete copy of all Electric Wire-line 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 type="checkbox"/> Yes <input checked="" 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 Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i>  List All E. Logs Run: <b>Gamma Ray Neutron Cement bond Completion Log</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Layton A</td> <td>1851</td> <td>-586</td> </tr> </table>	Name	Top	Datum	Layton A	1851	-586
Name	Top	Datum					
Layton A	1851	-586					

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	12.25	8 5/8	23	451	Portland	165	1% cc
intermediate	6.75	4.5	9.5	1918	thick Set	60	5# kol-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
6	24 shots @ 1856 -1870	acid 15% 1000 gal	1856-1870
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TUBING RECORD:		Size: <u>2 3/8</u>	Set At: <u>1850</u>	Packer At: <u>n/a</u>	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <b>not in production waiting on gas line</b>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input 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 <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: have not produced waiting on gas line
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B-C STEEL LLC

April 29 , 2010

Butts # 18-2  
1980 ft FNL & 1320 ft FEL  
18-32s-8e , Cowley Co. , Ks  
API # 15-035-24349  
Billie McPherson Drilling Contractor  
Com. 3/15/10 , Comp. 3/16/10  
GL 1265 KB 1270 TD 1924  
451 ft of 8 5/8ths with 165 sx  
1918 ft of 4 ½ with 60 sx  
Geologist on location @ 1605 ft

Formation Tops:

Iatan 1393 (-128)

Stalnaker 1434 (-169)

Iola 1814 (-549)

Upper Lansing Limestone 1603 (-338)

Layton A 1851 (-586)

Upper Layton B 1865 (-600)

Lower Layton B 1900 (-635)

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Zones of Interest:

1604-1610 Upper Lansing Limestone. Limestone; white and gray, crystalline, mostly hard, some fair to good pinpoint porosity. Rare questionable light brown stain and good flash odor. No show of free oil or gas. This zone looks marginally tight on the logs, and may be too tight to produce, but otherwise calculates productive. Attempt to complete this interval before abandoning this well.

1851-1861 Layton A Sandstone. Sandstone; medium grained, sub rounded, friable, well sorted, appears well cemented until samples are rewashed - showing that the sand is clean but invaded with drilling mud. Fair to good pinpoint porosity. Few pieces bright fluorescence with very light cut, good flash odor, rare gas bubbles, occasional light brown stain, no show free oil. This interval calculated productive. I believe it will make mostly gas.

1866-1880 Upper Layton B Sandstone. Sandstone; large grained, sub angular to sub rounded, friable, well sorted, mostly clean with some drilling mud washing from the sand clusters. Fair to good pinpoint porosity. Abundant pieces with bright fluorescence and good cut, very good odor, abundant gas bubbles and some small beads of very light brown free oil coming from the sand clusters. This interval looks marginally wet but compares favorably with productive wells in the area (which also looked marginally wet). I believe this interval will make gas with some oil.

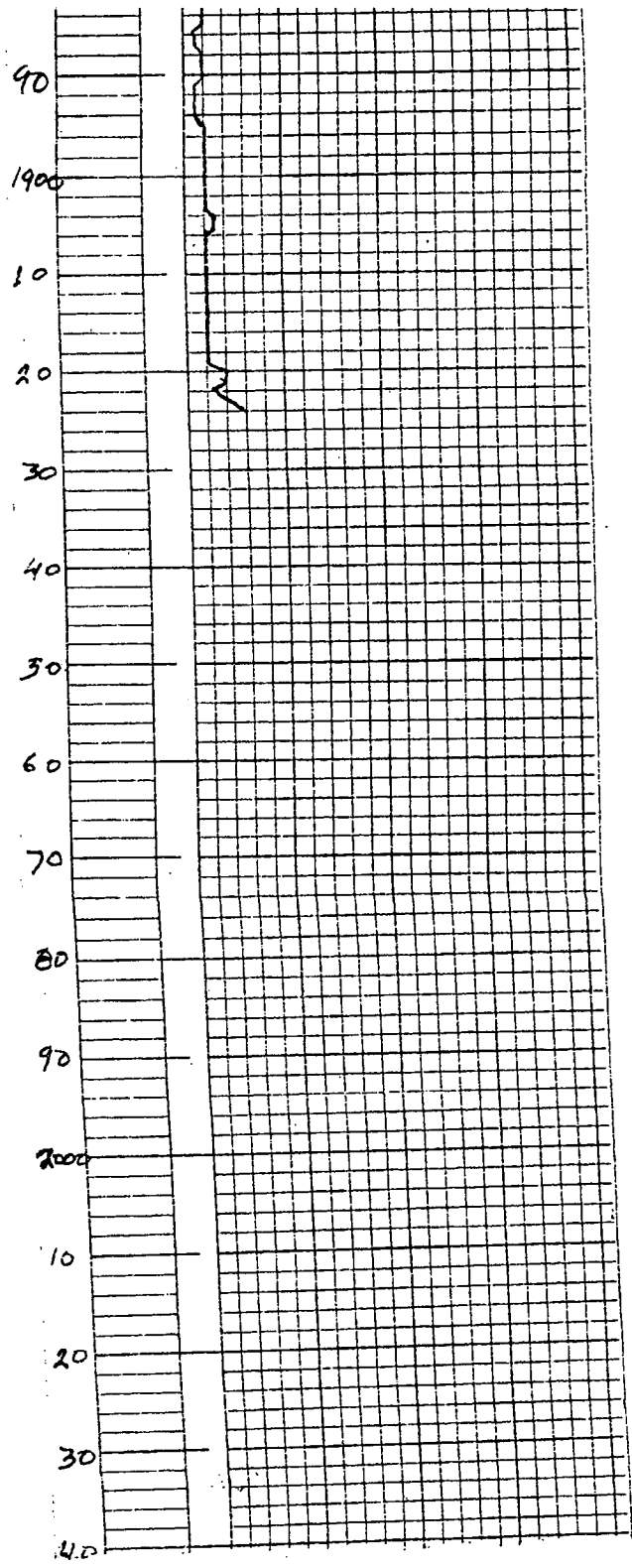
1900-1919 (?) Lower Layton B Sandstone, Sandstone; large grained, angular to sub angular with depth, friable, well sorted, mostly clean becoming slightly shaley and micaceous with depth. Good pinpoint porosity. Abundant dull and bright fluorescence with good cut, good odor, abundant gas bubbles decreasing with depth, fair show live light brown oil increasing with depth, some brown oil stain in samples. Good show of oil breaking out of the mud and floating in the pits. The logging tools did not go deep enough to look at this interval. Look at this interval with the cased hole log, and if not too shaley, attempt to complete this interval. If unsuccessful, squeeze this with cement before attempting to complete the other Layton Sands, it will help prevent communication between sands during subsequent completions.

It was my intention to bottom this hole in the shale above the Layton C. I hope the cased hole log shows this.

Due to sample shows, log calculations, and oil flowing into the pits while drilling, pipe was set to the bottom of the hole in an attempt to complete this well as a producer.

Leigh Raymond  
2404 W. 27<sup>th</sup> S. South  
Wichita, Ks. 67217

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90

1700

10

20

30

40

50

60

70

80

90

1800

10

20

30

40

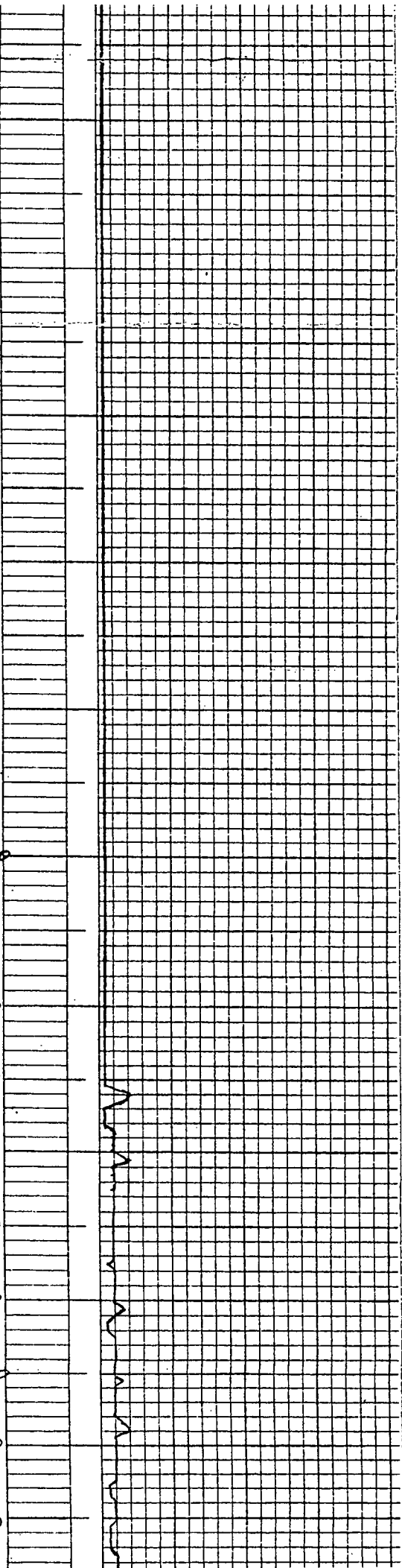
50

60

70

80

90



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COUNTY	COMPANY	WELL NO.
18	D-C Steel	
BLOCK	FARM	
Cowley	Butts 18-2	
	SURVEY	
SEC.		
18		
T	R	TOTAL DEPTH
32	8E	1924
CONTRACTOR Billy McPherson		
COMMENCED 3/15/10		
COMPLETED 4/2/10		
REMARKS 1265 GL		

18

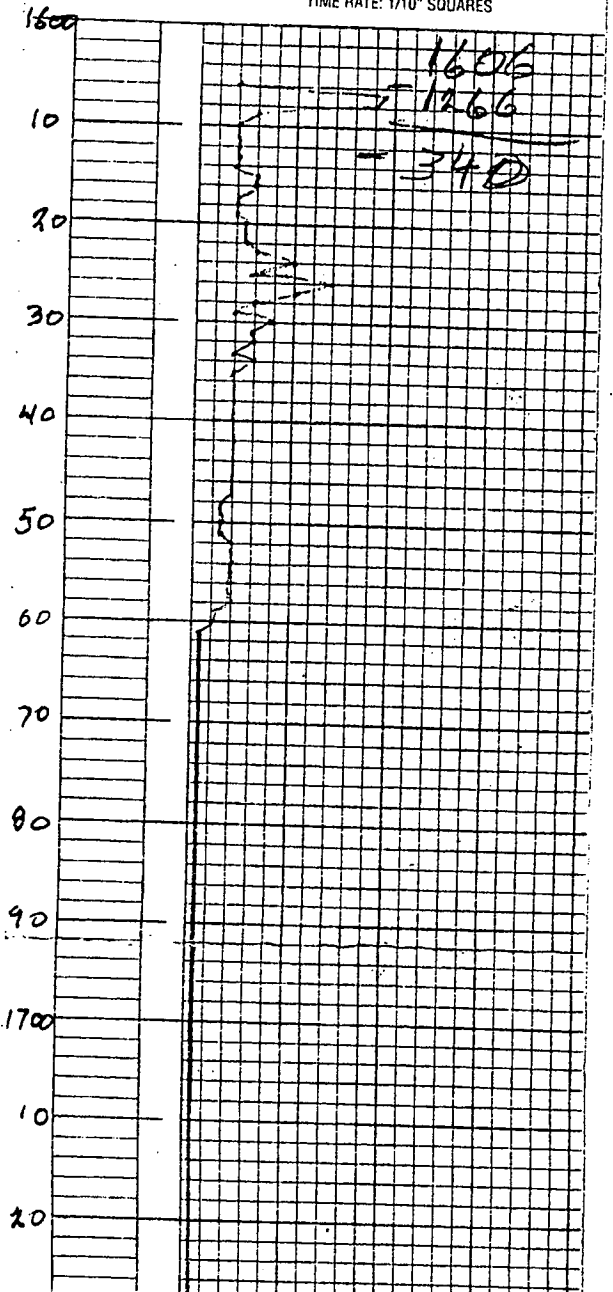
CASING RECORD

451' 8 5/8" W 165 SX

SHOT	QUARTS	BETWEEN

TIME RATE SCALE: 1/10" = MINUTES

**Kraftbill** 450-A TULSA, OKLAHOMA 74101 PRINTED IN U.S.A.



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# Invoice

## McPherson Drilling Co.

15256 112th Road  
Winfield, Kansas 67156

Phone: 620-221-3560 Fax: 620-229-8272

**Customer:**  
BC Management  
Yates Center, KS 66783

**Date:** 4/3/2010

**Invoice No.:** 20100403

**Terms:** Due on receipt

DESCRIPTION	QTY	RATE	AMOUNT
Drilling - Butts 18-2 TD 1924'	1,924	9.00	17,316.00
Cement - 165 sks portland 1% cc	165	12.50	2,062.50
Pump charge	1	750.00	750.00
Rig time - 5 hrs	5	150.00	750.00
Haul mud	1	350.00	350.00
Misc. charges			
<b>JOB/INVOICE TOTAL</b>			21,228.50
Pre-payment received.			-12,000.00
<i>5495 STATE LCC#</i>			
<i>Pd CK# 1856</i>			
<b>Balance Due</b>			<b>\$9,228.50</b>

**Thank you for your business!**

Bill McPherson

*2nd Well*

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*Hole 12 1/4 23 1/8  
6 3/4 9 1/2*

If mailing payment please send to:  
McPherson Drilling Co.  
PO Box 41  
Burden, KS 67019

*cc*





**CONSOLIDATED**  
Oil Well Services, LLC

**ENTERED**

TICKET NUMBER 24094  
LOCATION Eureka  
FOREMAN Kevin McCoy

PO Box 884, Chanute, KS 66720  
620-431-9210 or 800-467-8676

**FIELD TICKET & TREATMENT REPORT**  
**CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-3-10	1152	Butts 18-2				Cowley
CUSTOMER			TRUCK #	DRIVER	TRUCK #	DRIVER
B.C. Steel Gas LLC			445	Justin		
MAILING ADDRESS			515	Chris		
1432 Nighthawk Rd			437	Jim		
CITY	STATE	ZIP CODE				
Yates Center	Ks	66783				

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1920' CASING SIZE & WEIGHT 4 1/2 10.5" New  
 CASING DEPTH 1924' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.6 # SLURRY VOL 19 BBL WATER gal/sk 9.0 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 30.6 BBL DISPLACEMENT PSI 700 ~~PSI~~ 1100 Bump Plug RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break Circulation w/ 10 BBL fresh water. Mixed 60 sks Thick Set Cement w/ 5" Kol-Seal /sk @ 13.6 #/gal, yield 1.75, wash out Pump & Lines. Shut down. Release Plug. Displace w/ 30.6 BBL fresh water. Final Pumping Pressure 700 psi. Bump Plug to 1100 psi. wait 2 minutes. Release Pressure. Float Held. Good Circulation AT ALL times while Cementing. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	900.00	900.00
5406	60	MILEAGE	3.55	213.00
1126 A	60 sks	THICK SET Cement	16.50	990.00
1110 A	300 #	KOLSEAL 5" /sk	.40	120.00
5407	3.3 TONS	TON Mileage BULK TRUCK	MIC	305.00
5502 C	5 HRS	80 BBL VAC TRUCK	96.00	480.00
1123	3000 gals	City water	14.50/1000	43.50
4404	1	4 1/2 Top Rubber Plug	44.00	44.00
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			PAID IN FULL w/ 5% Discount	
			CK #1857 4-3-10 \$3006.71	
			OCT 29 2010	
			KCC WICHITA	
			Sub Total	3095.50
			SALES TAX	69.45
			ESTIMATED TOTAL	3164.95

THANK YOU 5.8%  
 AUTHORIZATION Brent Williams TITLE Field Sup DATE \_\_\_\_\_  
 233500

Revin 3737