



KANSAS CORPORATION COMMISSION 1063609
OIL & GAS CONSERVATION DIVISION

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 ST
Address 2:
City: YATES CENTER State: KS Zip: 66783 + 1280
Contact Person: Bert Carlson
Phone: (620) 625-2999
CONTRACTOR: License # 33734
Name: Hat Drilling LLC
Wellsite Geologist: Mark brecheisen
Purchaser:

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., 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
 Conv. to GSW
 Plug Back: Plug Back Total Depth
 Commingled Permit #:
 Dual Completion Permit #:
 SWD Permit #:
 ENHR Permit #:
 GSW Permit #:

| | | |
|-----------------------------------|-----------------|---|
| 6/3/2011 | 6/16/2011 | 7/1/2011 |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 15-035-24426-00-00

Spot Description:
SW NE NE SW Sec. 20 Twp. 34 S. R. 7 East West
2297 Feet from North / South Line of Section
2300 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW

County: Cowley
Lease Name: GAMMON Well #: 20-2

Field Name:

Producing Formation: Altamount

Elevation: Ground: 1293 Kelly Bushing: 1291

Total Depth: 2650 Plug Back Total Depth: 319

Amount of Surface Pipe Set and Cemented at: 319 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

(Data must be collected from the Reserve Pit)

Chloride content: 0 ppm Fluid volume: 3000 bbls

Dewatering method used: Evaporated

Location of fluid disposal if hauled offsite:

Operator Name:

Lease Name: License #:

Quarter Sec. Twp. S. R. East West

County: Permit #:

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.

Submitted Electronically

KCC Office Use ONLY

Letter of Confidentiality Received
Date:
 Confidential Release Date:
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Deanna Garrison Date: 09/29/2011



1063609

Operator Name: B-C Steel, LLC Lease Name: GAMMON Well #: 20-2
 Sec. 20 Twp. 34 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 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Gamma Ray Neutron Cement Bond Completion Log | <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>Altamount limestone</td> <td>2563</td> <td>2570</td> </tr> </table> | Name | Top | Datum | Altamount limestone | 2563 | 2570 |
| Name | Top | Datum | | | | | |
| Altamount limestone | 2563 | 2570 | | | | | |

| 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 | 9.5 | 8.625 | 36.00 | 319 | quickset | 300 | kol-seal |
| longstring | 6.625 | 4.5 | 11.60 | 2646 | quickset | 70 | kol-seal |
| | | | | | | | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|---------------------------------------|------------------|----------------|--------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | # Sacks Used | Type and Percent Additives |
| ___ Perforate | | | | |
| ___ Protect Casing | - | | | |
| ___ Plug Back TD | | | | |
| ___ 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 |
|----------------|---|--|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| | | | | |
|----------------|-------|---------|------------|---|
| TUBING RECORD: | Size: | Set At: | Packer At: | Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No |
|----------------|-------|---------|------------|---|

| | | | | | |
|--|--|---------|-------------|---------------|---------|
| Date of First, Resumed Production, SWD or ENHR. 07/05/2011 | Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____ | | | | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio | Gravity |

| | | |
|--|--|--|
| 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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL: _____ _____ |
|--|--|--|



CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
FAX 620/431-0012

INVOICE

Invoice # 243430

Invoice Date: 08/16/2011 Terms: 40/15/30,n/30

Page 1

B.C. STEEL GAS LLC
209 N. FRY
P.O. BOX 326
YATES CENTER KS 66783
(620) 625-2999

GAMMONS 20-2
164000293
08/15/11
20-34S-7E
KS

| Part Number | Description | Qty | Unit Price | Total |
|-------------|------------------------|----------|------------|----------|
| 1205 | SUPERSWEET (XC-102) | 2.00 | 30.0000 | 60.00 |
| 1213 | FOAMER (ESA 47) | 30.00 | 43.0000 | 1290.00 |
| 1275 | 15% HCL | 10000.00 | 1.7000 | 17000.00 |
| 1202 | ACID INHIBITOR | 10.00 | 46.0000 | 460.00 |
| 1214 | IRON CONTROL | 20.00 | 40.0000 | 800.00 |
| 1219B | STIMOIL FBA | 10.00 | 50.0000 | 500.00 |
| 5310A | BL ACID TRANSPORT | 8.00 | 140.0000 | 1120.00 |
| 5501F | WATER TRANSPORT (FRAC) | 6.00 | 112.0000 | 672.00 |
| 5604 | FRAC VALVES (2" OR 3") | 1.00 | 100.0000 | 100.00 |

| Sublet Performed | Description | Total |
|------------------|---------------|----------|
| 9999-240 | CASH DISCOUNT | -8713.10 |
| 9999-240 | CASH DISCOUNT | -3300.30 |

| Description | Hours | Unit Price | Total |
|--|-------|------------|----------|
| T-75 BLENDER TRUCK (0-20 BPM) | 1.00 | 1050.00 | 1050.00 |
| 396 IRON TRUCK | 1.00 | 250.00 | 250.00 |
| CHEMP FLOW METERED CHEMICAL PUMP | 1.00 | 125.00 | 125.00 |
| GORE NITROGEN SERVICES | 1.00 | 16357.75 | 16357.75 |
| 475 FRAC VAN | 1.00 | 725.00 | 725.00 |
| T-115 MINIMUM PUMP CHARGE 2000 HP UNIT | 1.00 | 3275.00 | 3275.00 |

Amount Due 43784.75 if paid after 09/15/2011

| | | | | | | | |
|--------|-----------|-----------|-----|---------|----------|----|----------|
| Parts: | 22002.00 | Freight: | .00 | Tax: | .00 | AR | 31771.35 |
| Labor: | .00 | Misc: | .00 | Total: | 31771.35 | | |
| Sublt: | -12013.40 | Supplies: | .00 | Change: | .00 | | |

Signed _____

Date _____

BARTLESVILLE, OK
918/338-0808

ELDORADO, KS
316/322-7022

EUREKA, KS
620/583-7664

GILLETTE, WY
307/686-4914

OAKLEY, KS
785/672-2227

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

WORLAND, WY
307/347-4577

8/15/2011

#243430



1640000293

FIELD TICKET

| | | | |
|------------------|---------------|-----------|-----------------------|
| Customer | B.C. Steel | Stage | 11 |
| Customer Acct # | 1132 | County | Cowley County, Kansas |
| Well No. | Gammons #20-2 | Section | 20 |
| Mailing Address | | TWP | 34S |
| City & State | | RGE | 7E |
| Zip Code | | Formation | Altamont Line |
| Company Location | Bartlesville | Perfs | 2555-2561 |

| Code | Description | Quantity | Unit | Price per Unit | |
|----------|----------------------------|----------|---------|----------------|--------------|
| 5102 | 2250 HP PUMP | 1 | PER JOB | 3275.00 | \$ 3,275.00 |
| 5106 | BLENDER TRUCK (0-20 BPM) | 1 | PER JOB | 1050.00 | \$ 1,050.00 |
| 5116 | IRON TRUCK | 1 | PER JOB | 250.00 | \$ 250.00 |
| 5107 | FLOW METERED CHEMICAL PUMP | 1 | PER JOB | 125.00 | \$ 125.00 |
| 0 | NITROGEN SERVICES | 1 | 0 | 0.00 | \$ 16,357.75 |
| 5111 | FRAC VAN | 1 | PER JOB | 725.00 | \$ 725.00 |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| SUBTOTAL | | | | | \$ 21,782.75 |

| | | | |
|--|-----|--------------------|--------------|
| | 40% | EQUIPMENT DISCOUNT | \$ 8,713.10 |
| | | | \$ 13,069.65 |

| | | | | | |
|----------|---|--------|---------|-------|--------------|
| 1205 | BACHCIDE | 2 | GALLONS | 30.00 | \$ 60.00 |
| 1213 | FOAMER (FA-410) | 30 | GALLONS | 43.00 | \$ 1,290.00 |
| 1275 | 15% HCL ACID (CHARGE FOR INHIBITOR IN ADDITION) | 10,000 | GALLONS | 1.70 | \$ 17,000.00 |
| 1202 | ACID INHIBITOR (AI-260) | 10 | GALLONS | 46.00 | \$ 460.00 |
| 1214 | IRON CONTROL (SP-950) | 20 | GALLONS | 40.00 | \$ 800.00 |
| 1219B | STIMFLO (FBA) | 10 | GALLONS | 50.00 | \$ 500.00 |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| SUBTOTAL | | | | | \$ 20,110.00 |

| | | | | | |
|----------|--|--|---|--------|------|
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| SUBTOTAL | | | | | \$ - |

| | | | | | |
|----------|------------------------|---|---------------|----------|-------------|
| 5310A | ACID TRANSPORT | 8 | /HR | \$140.00 | \$ 1,120.00 |
| #VALUE! | WATER TRANSPORT (FRAC) | 6 | /HR FROM CAMP | \$112.00 | \$ 672.00 |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| SUBTOTAL | | | | | \$ 1,792.00 |

| | | | | | |
|----------|-------------------|---|-------------------|----------|-----------|
| 5604 | 3 INCH FRAC VALVE | 1 | PER WELL (3 DAYS) | \$100.00 | \$ 100.00 |
| SUBTOTAL | | | | | \$ 100.00 |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| SUBTOTAL | | | | | \$ - |

| | | | | | |
|------------------|-----|--------------------------------|--|-----------|--------------|
| | | | | SUB TOTAL | 43,784.75 |
| | 40% | EQUIPMENT DISCOUNT(FROM ABOVE) | | | 8,713.10 |
| | 15% | MATERIALS DISCOUNT | | | 3,300.30 |
| | | SALES TAX | | | |
| DISCOUNTED TOTAL | | | | | \$ 31,771.35 |

DISCOUNT (GOOD IF PAID WITHIN 30 DAYS)

CUSTOMER or AGENTS SIGNATURE Bert Carlson COWS FOREMAN [Signature]

CUSTOMER or AGENT (PLEASE PRINT) _____ DATE 8-15-11

I acknowledge that the payment terms, unless specifically amended in writing on the front of this form or in the customer's account records at our office, and conditions of service on the back of this form are in effect for services identified on this form

8/15/2011



1640000293

TREATMENT REPORT
FRAC AND ACID

| | | | |
|-------------------|---------------|---------------------|-----------------------|
| Customer | B.C. Steel | Stage | 1 1 |
| Customer Acct # | 0 | Section | Cowley County, Kansas |
| Well No. | Gammons #20-2 | TWP | 20 |
| Mailing Address | 0 | RGE | 34S |
| City and State | 0 | County | 7E |
| Zip Code | 0 | Formation | Altamont Lime |
| Dispatch Location | Bartlesville | ARRIVED ON LOCATION | 1:31:30 PM DEPARTED |

| Type of Treatment | |
|---|-----|
| BACHCIDE | |
| FOAMER (FA-410) | |
| 15% HCL ACID (CHARGE FOR INHIBITOR IN ADDITION) | |
| ACID INHIBITOR (AI-280) | |
| IRON CONTROL (SP-850) | |
| STIMFLO (FBA) | |
| | 0 |
| | 0 |
| | 0 |
| | 0 |
| | 0 |
| | 0 |
| CASING SIZE | 4.5 |
| CASING WEIGHT | |
| TUBING SIZE | |
| TUBING WEIGHT | |
| TOTAL DEPTH | |
| PLUG DEPTH | |
| PACKER DEPTH | |
| OPEN HOLE | |

| TRUCK # | DRIVER | TRUCK # | DRIVER |
|-----------|----------|---------|---------|
| 513-115 | Dallas | | Randy D |
| 553-75 | Dusty | | |
| 398 | Russell | | |
| 475 | Brandon | | |
| 421-119 | Lenny | | |
| 413-125 | Big John | | |
| 403-111 | Rob | | |
| 454-109 | Mark | | |
| 2555-2561 | | | |

| Time | PSI | Flow | Time | PSI | Flow | PSI | |
|-------|----------|------|-------|-----|-----------|--------------|-------|
| Acid | 2000 Gal | | 7 | | 1300-1343 | BREAKDOWN | |
| Flush | 8 | | 12 | | 1343-1425 | START PRESS. | |
| Acid | 2000 Gal | | 12-14 | | 1425-1623 | END PRESS. | |
| Flush | 8 | | 14 | | 1623-1630 | BALL OFF | |
| Acid | 2000 Gal | | 14-16 | | 1630-1725 | ROCK SALT | |
| Flush | 8 | | 16 | | 1725-1724 | ISP | 1,100 |
| Acid | 2000 Gal | | 16 | | 1724-1753 | 5 MIN | 1,041 |
| Flush | 8 | | 16 | | 1753-1740 | 10 MIN | |
| Acid | 2000 Gal | | 16 | | 1740-1746 | 15 MIN | |
| Flush | 21 | | 16 | | 1746-1727 | MIN RATE | 7 |
| | | | | | | MAX RATE | 16 |
| | | | | | | DISPLACEMENT | 40.80 |

Authorization _____ Title _____ Date _____

8/15/2011



1640000293

| | | | |
|-------------------|---------------|-----------|-----------------------|
| Customer | B.C. Steel | Stage | 11 |
| Customer Acct # | | County | Cowley County, Kansas |
| Well No. | Gammons #20-2 | Section | 20 |
| Mailing Address | | TWP | 34S |
| City & State | | RGE | 7E |
| Zip Code | | Formation | Altamont Lime |
| Dispatch Location | Bartlesville | Perfs | 2555-2561 |

| Code | Vehicles, Equipment and Mileage | Quantity | Unit | Price per Unit | |
|-------------------------------------|---|----------|--------------------|----------------|---------------------|
| 5102 | 2250 HP PUMP | 1 | PER JOB | 3275.00 | \$ 3,275.00 |
| 5106 | BLENDER TRUCK (0-20 BPM) | 1 | PER JOB | 1050.00 | \$ 1,050.00 |
| 5116 | IRON TRUCK | 1 | PER JOB | 250.00 | \$ 250.00 |
| 5107 | FLOW METERED CHEMICAL PUMP | 1 | PER JOB | 125.00 | \$ 125.00 |
| 0 | NITROGEN SERVICES | 1 | 0 | 0.00 | \$ 16,357.75 |
| 5111 | FRAC VAN | 1 | PER JOB | 725.00 | \$ 725.00 |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| SUBTOTAL | | | | | \$ 21,782.75 |
| | | 40% | EQUIPMENT DISCOUNT | | \$ 8,713.10 |
| EQUIPMENT TOTAL | | | | | \$ 13,069.65 |
| Chemical Treatment and Water | | | | | |
| 1205 | BACHIDE | 2 | GALLONS | 30.00 | \$ 60.00 |
| 1213 | FOAMER (FA-410) | 30 | GALLONS | 43.00 | \$ 1,290.00 |
| 1275 | 15% HCL ACID (CHARGE FOR INHIBITOR IN ADDITION) | 10,000 | GALLONS | 1.70 | \$ 17,000.00 |
| 1202 | ACID INHIBITOR (AI-260) | 10 | GALLONS | 46.00 | \$ 460.00 |
| 1214 | IRON CONTROL (SP-950) | 20 | GALLONS | 40.00 | \$ 800.00 |
| 1219B | STIMFLO (FBA) | 10 | GALLONS | 50.00 | \$ 500.00 |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| 0 | | | 0 | 0.00 | \$ - |
| SUBTOTAL | | | | | \$ 20,110.00 |
| Sand | | | | | |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| SAND TOTAL | | | | | \$ - |
| Water and Chemical Transport | | | | | |
| 5310A | ACID TRANSPORT | 8 | /HR | \$140.00 | \$ 1,120.00 |
| #VALUE! | WATER TRANSPORT (FRAC) | 6 | /HR FROM CAMP | \$112.00 | \$ 672.00 |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| TRANSPORT TOTAL | | | | | \$ 1,792.00 |
| Frac Valves | | | | | |
| 5604 | 3 INCH FRAC VALVE | 1 | PER WELL (3 DAYS) | \$100.00 | \$ 100.00 |
| FRAC VALVE TOTAL | | | | | \$ 100.00 |
| Miscellaneous Costs | | | | | |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| 0 | | | 0 | \$0.00 | \$ - |
| MISC. TOTAL | | | | | \$ - |

| | | | | | |
|-------------------------------------|--|--|--|--|---------------------|
| SUB TOTAL | | | | | 43,784.75 |
| 40% EQUIPMENT DISCOUNT (FROM ABOVE) | | | | | 8,713.10 |
| 15% MATERIALS DISCOUNT | | | | | 3,300.30 |
| SALES TAX | | | | | |
| DISCOUNTED TOTAL | | | | | \$ 31,771.35 |

DISCOUNT
(GOOD IF PAID WITHIN 30 DAYS)

CUSTOMER or AGENTS SIGNATURE BCE COWS FOREMAN [Signature]
 CUSTOMER or AGENT (PLEASE PRINT) _____ DATE 8-15-11

I acknowledge that the payment terms, unless specifically amended in writing on the front of this form or in the customer's account records at our office, and conditions of service on the back of this form are in effect for services identified on this form

Invoice

McPherson Drilling Co.

15256 112th Road
Winfield, Kansas 67156

Phone/Fax: 620-221-3560

Customer:

BC Management Services Corp.
1432 Nighthawk Rd
Yates Center, KS 66783

Date:

6/6/2011

Invoice No.:

20110606

Terms:

Due on receipt

| DESCRIPTION | QTY | RATE | AMOUNT |
|--|-----|----------|----------|
| Lease name: Gammon 20-2 325' drilling; 8 5/8" casing set to 319'; 100 sax pos mix Casing running, water hauling, etc. | | 8,462.50 | 8,462.50 |

*paid 6/7/2011
✓ # 8732*

Total \$8,462.50

Payments/Credits \$0.00

Balance Due \$8,462.50

Thank you for your business!

Bill McPherson

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

McPherson Drilling Co.

15256 112th Road
Winfield, KS 67156
620-221-3560

Bill McPherson
620-229-0216

Cement Record

Type: surface Ticket No. 110607

6/7/2011

Operator: BC Steel

Location: Cowley County

Well name: Gammon 20-2

Cement with: 100 Sks

Notes: pumped 100 sx 60/40 pos mix. Pump plug to 300'. Shut in, plug down at 4:00 pm

Keep a copy for State

Geological Report

Gammon #20-2
SW,NE,NE,SW of Sec.20, T34S;R7E
2297' FSL; 2300' FWL
Cowley County, KS
API #15-035-24426-00-00

Operator: B-C Steel, LLC., C/O Bert Carlson, 209 North Fry, Yates Center, KS, 66783.

Drilling Contractor: Hat Drilling. Midway Mud Rotary Rig #2.

Wellsite Geologist: Mark Brecheisen.

Dates Drilled: June 16th, 2011.

Size Hole: 8 1/4"

Total Depth: 2650'

Elevation: 1291'

Drilling Fluid: Freshwater bentonite and additives.

Surface Casing: 300' of 8-5/8" casing cemented to surface

Formation Tops: Formation tops were correlated to electric logs ran.

Field Name: Donelson West

Status: Oil Well

Oil Shows: Altamont Limestone @ 2563' - 2570'

Gas Shows: None observed while on location

Water Encountered: No appreciable water encountered upon drilling.

On Location: June 16th, 2011 @ 10:10 A.M. Depth - 2618'

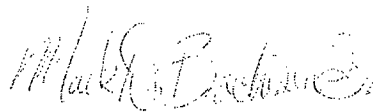
Notes: Well cuttings were examined at rig and discarded. Samples of "zones of interest" were saved and examined with a binocular microscope and black light.

- 1800'-2500': Samples examined for oil content only – no sample description available. Samples overall exhibited only trace mineral fluorescence with no petroliferous odor or show throughout entire interval.
- 2500'-2508': Shale, medium-dark gray, slightly silty, micaceous
- 2508'-2556': Cleveland Sandstone, light gray, very fine to fine grained, well sorted with sub-angular to sub-rounded grains, very friable, argillaceous, micaceous. No fluorescence, no petroliferous odor or show.

Top of the Altamont Limestone @ 2556'(-1265')

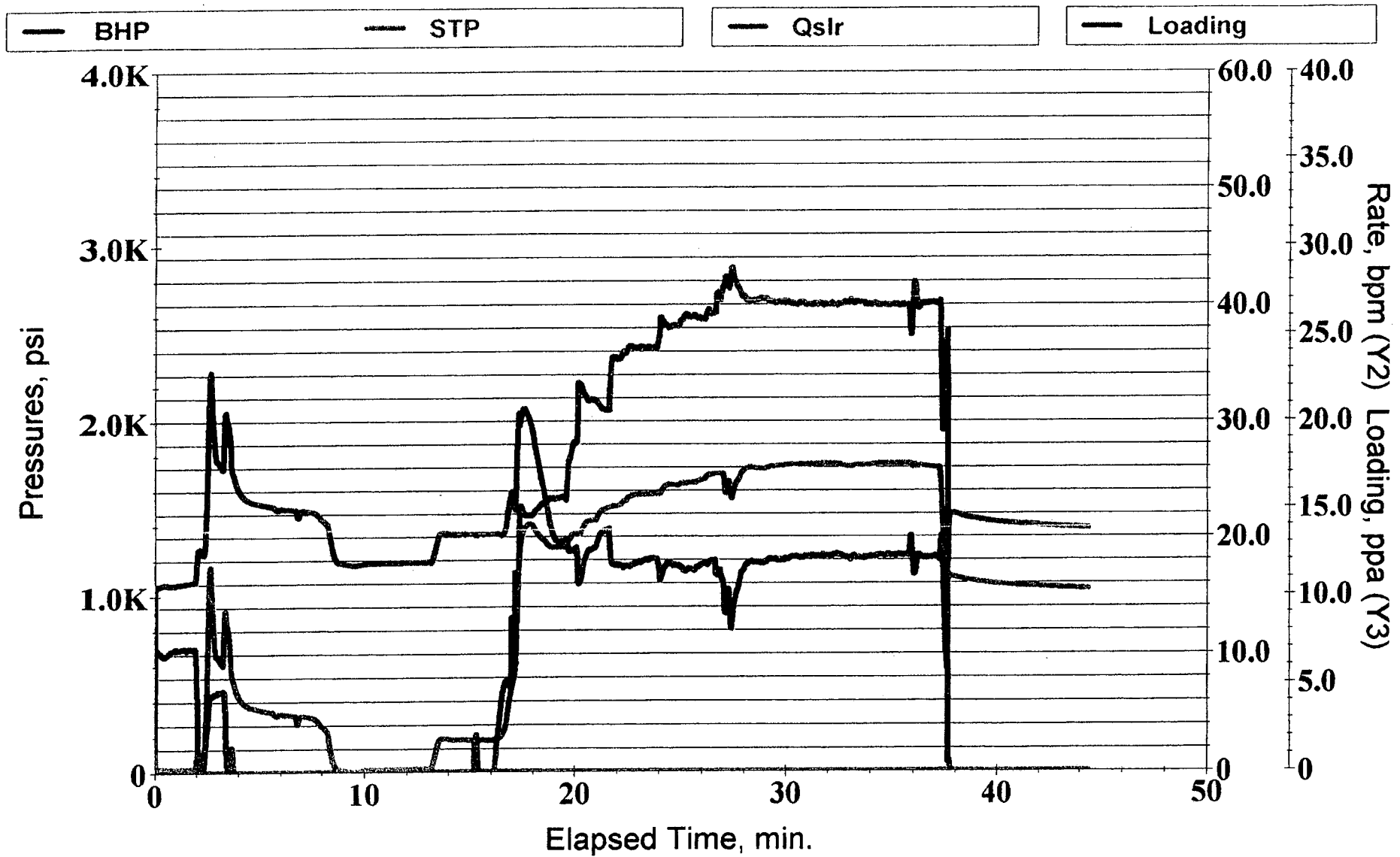
- 2556'-2559': Limestone, pale yellowish brown to olive gray, fine to medium crystalline, mottled in part, hard, dense, sucrosic, no petroliferous odor or show.
- 2559'-2563': Shale, medium dark to dark gray, calcareous in part
- 2563'-2570': Limestone, light brown, fine crystalline, very friable, pinpoint and vugular porosity exhibited on many samples, excellent even brown staining on and throughout many rock samples; fairly fast, even, strong milky blue cut. Good residual oil show to tray after cut. Visible light brown oil show to tray with hydrochloric acid cut. It should be noted that a very strong petroliferous odor was observed upwind, from the drilling platform, as soon as the oil break was scratched. A 25% even, bright yellow hydrocarbon fluorescence was observed in the 2560' to 2580' sample. Very good show overall.
- 2570'-2587': Limestone, tan to olive gray, fine to medium crystalline, mottled, hard, dense, no fluorescence, no petroliferous odor or show.
- 2587'-2650': Peru sandstone, light gray, very fine grained, well sorted with sub-rounded to well rounded grains, micaceous, argillaceous in part, fairly hard. Few shale partings present. Overall, no petroliferous odor or show.

TD 2650' @ 12:20 pm, June 16th, 2011.



(Mark D. Brecheisen)

B.C. Steel Gammon #20-2.dat Gammon #20-2 Altamont Lime

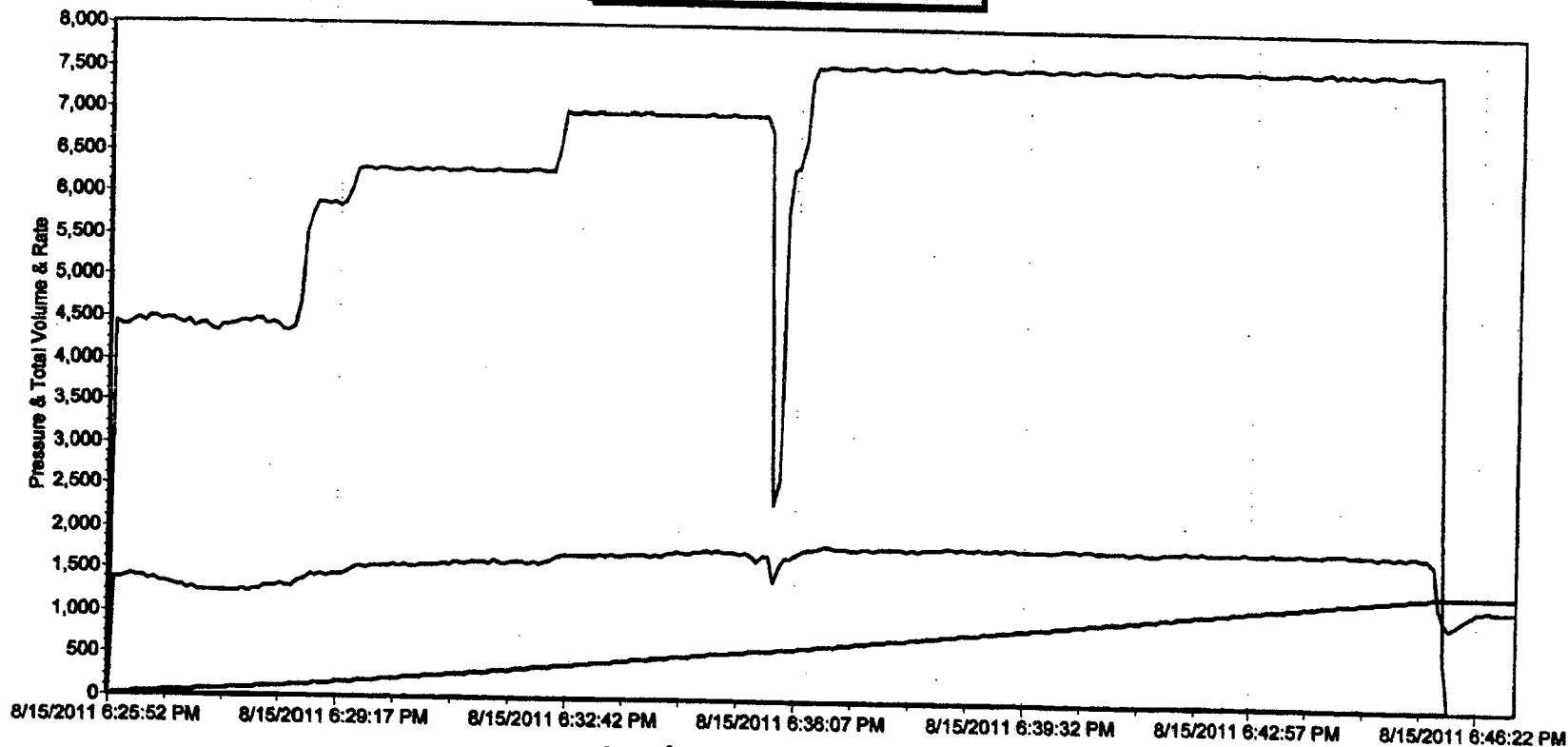


CurrentJobRpt.RPT

| STAGE # | FINAL JOB TOTAL REPORT | | | | | | | | | | JOB AVERAGES | | SOLIDS |
|---------|------------------------|----------|------|---------------|----------|---------------|----------|--------|----------|----------|--------------|---------|--------|
| | CARRIER | | FLA | CONCENTRATION | | SOLIDS WEIGHT | | SLURRY | | SLR-RATE | STP | BHP | |
| | PUMPED | DESIGNED | | PUMPED | DESIGNED | PUMPED | DESIGNED | PUMPED | DESIGNED | | | | |
| BBLs | BBLs | gal | ppa | ppa | LBS | LBS | BBLs | BBLs | bpm | psi | psi | ppa | |
| 1 | 52.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 94.0 | 47.6 | 12.8 | 348.50 | 1390.22 | 0.00 |
| 2 | 9.4 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 23.0 | 8.3 | 30.7 | 1364.26 | 1186.32 | 0.00 |
| 3 | 48.0 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 126.4 | 47.6 | 35.8 | 1526.80 | 1216.25 | 0.00 |
| 4 | 9.2 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.8 | 8.3 | 37.2 | 1628.42 | 1169.23 | 0.00 |
| 5 | 50.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 128.9 | 47.6 | 39.0 | 1655.98 | 1104.14 | 0.00 |
| 6 | 9.6 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.2 | 8.3 | 40.3 | 1726.46 | 1182.07 | 0.00 |
| 7 | 55.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 139.1 | 47.6 | 40.1 | 1742.53 | 1207.79 | 0.00 |
| 8 | 9.8 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.7 | 8.3 | 40.0 | 1748.86 | 1225.09 | 0.00 |
| 9 | 51.4 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 129.8 | 47.6 | 39.9 | 1746.93 | 1222.53 | 0.00 |
| 10 | 21.1 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 63.3 | 8.3 | 35.5 | 1370.14 | 1595.68 | 0.00 |
| FracJob | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| TotlJob | 316.2 | 279.8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 778.2 | 279.8 | 30.8 | 1059.72 | 1383.23 | 0.00 |
| ##### | | | | | | | | | | | | | |

Consolidated Oil Well Services
BC Steel Gammon #20-2

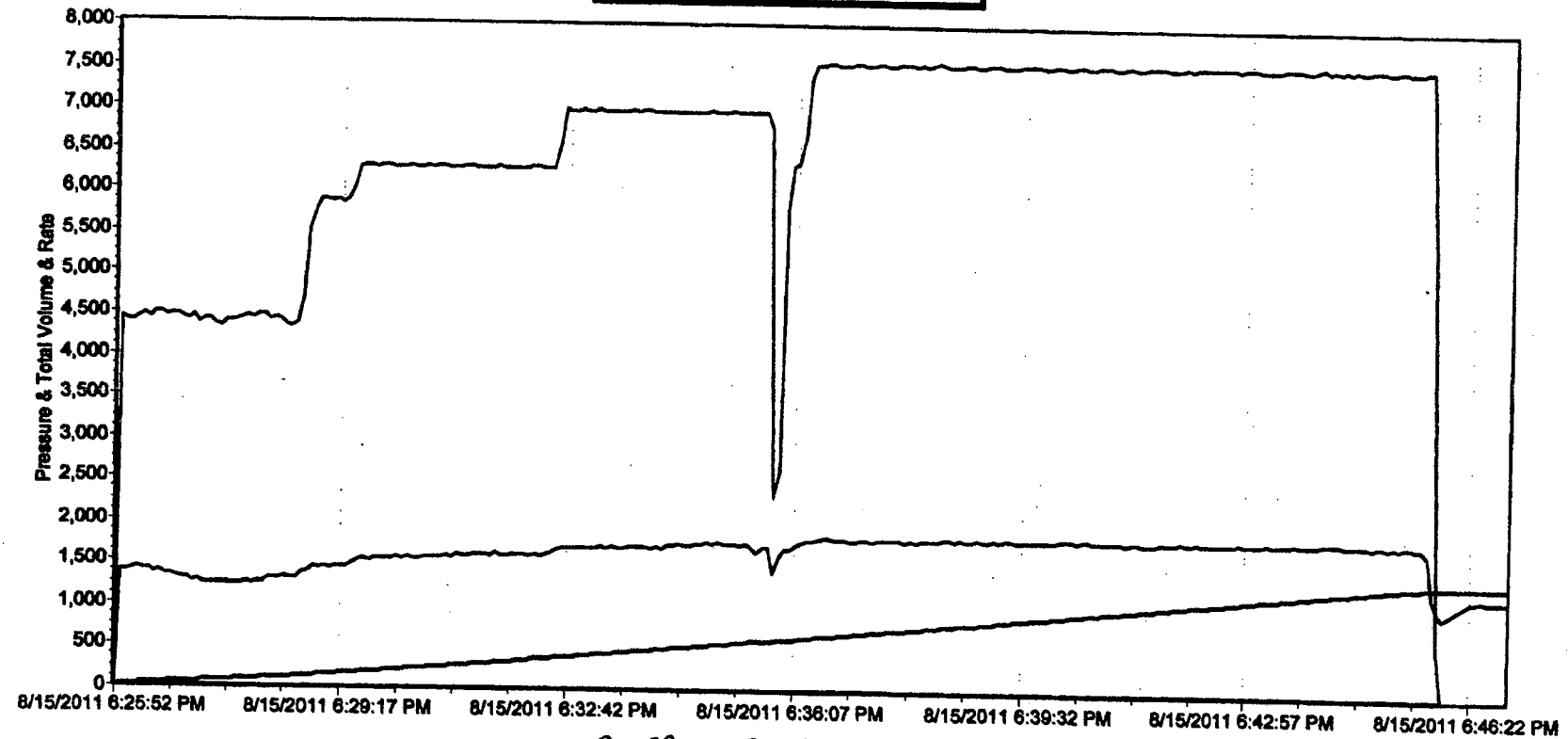
— PSI — Scf / Minute — Scf x 100



Gore Nitrogen Pumping Service, LLC

Consolidated Oil Well Services
BC Steel Gammon #20-2

— PSI — Scf / Minute — Scf x 100



Gore Nitrogen Pumping Service, LLC

CurrentJobRpt.RPT

| STAGE # | CARRIER | | FINAL JOB TOTAL REPORT | | FLA | | CONCENTRATION | | SOLIDS | | SLURRY | | JOB AVERAGES | | SOLIDS | |
|---------|-----------------|-------|------------------------|--------|----------|----------|---------------|------|--------|----------|----------|-------|--------------|---------|---------|------|
| | PUMPED DESIGNED | | PUMPED | PUMPED | DESIGNED | DESIGNED | WEIGHT | | PUMPED | DESIGNED | SLR-RATE | STP | BHP | | | |
| | BBLs | BBLs | | | | | gal | ppa | | | | | | ppa | | LBS |
| 1 | 52.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 94.0 | 47.6 | 12.8 | 348.50 | 1390.22 | 0.00 |
| 2 | 9.4 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 23.0 | 8.3 | 30.7 | 1364.26 | 1186.32 | 0.00 |
| 3 | 48.0 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 126.4 | 47.6 | 35.8 | 1526.80 | 1216.25 | 0.00 |
| 4 | 9.2 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.8 | 8.3 | 37.2 | 1628.42 | 1169.23 | 0.00 |
| 5 | 50.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 128.9 | 47.6 | 39.0 | 1655.98 | 1104.14 | 0.00 |
| 6 | 9.6 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.2 | 8.3 | 40.3 | 1726.46 | 1182.07 | 0.00 |
| 7 | 55.3 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 139.1 | 47.6 | 40.1 | 1742.53 | 1207.79 | 0.00 |
| 8 | 9.8 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24.7 | 8.3 | 40.0 | 1748.86 | 1225.09 | 0.00 |
| 9 | 51.4 | 47.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 129.8 | 47.6 | 39.9 | 1746.93 | 1222.53 | 0.00 |
| 10 | 21.1 | 8.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 63.3 | 8.3 | 35.5 | 1370.14 | 1595.68 | 0.00 |
| FracJob | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| TotlJob | 316.2 | 279.8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 778.2 | 279.8 | 30.8 | 1059.72 | 1383.23 | 0.00 |

B.C. Steel Gammon #20-2.dat Gammon #20-2 Altamont Lime

