

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: _____
City: Yates Center State: Ks Zip: 66783 + _____
Contact Person: Bert Carlson
Phone: (620-) 625-2999
CONTRACTOR: License # 5495
Name: McPherson Drilling Company
Wellsite Geologist: Leigh Raymond
Purchaser: Nat-Gas

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.): _____

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 #: _____

9-13-2010	9-19-2010	10-9-2010
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 035-24368-0000
Spot Description: 330fls and 660flw
S2_sw_sw Sec. 8 Twp. 32 S. R. 8 East West
330 Feet from North / South Line of Section
660 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Cowley
Lease Name: Butts Well #: 8-1
Field Name: Windsor Southeast
Producing Formation: Layton
Elevation: Ground: 1235 Kelly Bushing: 1240
Total Depth: 1940 Plug Back Total Depth: surface
Amount of Surface Pipe Set and Cemented at: 467 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: surface
feet depth to: 1940 w/ 117 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ 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 #: _____

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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: Annade DeKese
Title: agent Date: 5/19/2011

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
 X AMI - Dig - 5/31/11

Operator Name: B-C Steel, LLC Lease Name: Butts Well #: 8-1
 Sec. 8 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 Wireline 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:	<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 b</td> <td>1912</td> <td>-633</td> </tr> </table>	Name	Top	Datum	layton b	1912	-633
Name	Top	Datum					
layton b	1912	-633					

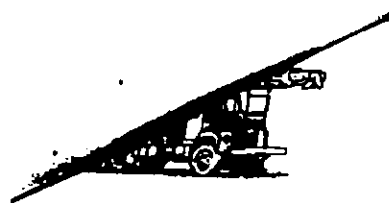
CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
longstring	6 3/4	4 1/2	9.5	1940	thickset	110	kol-seal
surface tubing	4 1/2	2 3/8	23	1892	class A		
Surface		8 5/8		467		105	

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 (Amount and Kind of Material Used)	Depth
13	1902-1908	frac	1902
9	1920-1924	frac	1920
9	1926-1930	frac	1926

TUBING RECORD: Size: <u>2 3/8</u> Set At: <u>1892</u> Packer At: <u>1790</u>		Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>not producing</u>		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 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)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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McPherson Drilling Co.

Invoice

15256 112th Road
Winfield, Kansas 67156

Phone/Fax: 620-221-3560

Customer:

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

Date: 9/20/2010

Invoice No.: 20100920

Terms:

Due on receipt

8-1 DESCRIPTION	QTY	RATE	AMOUNT
Drilling - Butts 18-1, Cowley Cty. Spud 9/2/2010; set 467' surface, TD 1939' (9/19/10) Cement surface	1,939	9.00	17,451.00
Rig hours - 2 hrs circulating, 3 hrs logging	1	3,000.00	3,000.00
	5	150.00	750.00

Paide
ck 8 529 \$10,000
ck 8 532 11,201.00

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Thank you for your business!

Bill McPherson

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

Total	\$21,201.00
Payments/Credits	\$-21,201.00
Balance Due	\$0.00



CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 29109
LOCATION Eureka
FOREMAN Troy Strickler

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
9-19-10	1152	Batts 8-1				Cowley
CUSTOMER			SAFETY MATRY			
B.C. Steel Gas LLC			TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS			485	Alan Am	Am	
1432 Nighthawk Rd.			479	J.P.	JP	
CITY	STATE	ZIP CODE	457	Jim	Jim	
Kata Center	Ks	66783				

JOB TYPE Longstay 0 HOLE SIZE 6 3/4" HOLE DEPTH 1940' CASING SIZE & WEIGHT 4 1/2" 9.5"
CASING DEPTH 1940' DRILL PIPE _____ TUBING _____ OTHER _____
SLURRY WEIGHT 12.6" SLURRY VOL 3381 WATER gal/sk 9.0 CEMENT LEFT IN CASING 0'
DISPLACEMENT 31.5 Bbl DISPLACEMENT PSI 500 MIX PSI 1000 Cmp Pl RATE _____

REMARKS: Safety Matry: Rig up to 4 1/2" Casing. Break Circulation w/ 5000 Fresh Water.
Mixed 110ct Thick Set Cement w/ 5" Kol-Seal, Pore + 1/2" Phenoseal Pore.
@ 13.6" gal. Wash out Plug + liner Release Plug. Displace w/ 315 Bbl Fresh water.
Final Pumping Pressure 500 PSI. Bump Plug to 1000 PSI. Wait 2 min Release
Pressure. Plug Hold. Good Circulation @ All Times while cementing.
JTB Cmp Kts

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	925.00	925.00
5406	60	MILEAGE	3.65	219.00
1126A	110ct	Thick Set Cement	17.00	1870.00
1110A	550"	Kol-Seal 5" / sk	.42"	231.00
1107A	55"	Pheno Seal 5" / sk	1.15	63.25
5407A	6.05 Ton	Ton-Mileage	1.20	435.60
5502C	4hrs	80001 Vac Truck	100.00/hr	400.00
1123	3000gal	City Water	14.90/gal	44.70
4404	1	4 1/2" Top Rubber Plug	45.00	45.00
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Thank You!				
236681				
			Sub Total	4233.55
			SALES TAX	153.27
			ESTIMATED TOTAL	4386.82

Revin 3737

AUTHORIZATION Brent W. [Signature] TITLE _____ DATE _____

I acknowledge that the payment terms, unless specifically amended in writing on the front of the 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.

B-C Management Services Corp.

209 N. Fry P.O. Box 326

Yates Center, KS 66785 Phone: 1-820-625-2999

Fax: 1-820-625-3302

GROUP JOB SHEET

DATE WORKED: Sept 13, 2010

S M T W T F S
Please Circle One

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NEW CONSTRUCTION
BOUSTABOUT

JOB LOCATION: Butts 8-1

DESCRIPTION OF WORK:	Materials/Parts Used	Where did parts come from	Quantity
Run 467' of new 8 5/8" 23# Surface Pipe & cemented w/ sx Class A Common	(16 JTs Pick up at Cates Supply)		
Run 1940' 4 1/2" 9.5# Casing from Cates Supply cemented w/ 110sx thick set w/ 5# per sx of Kolsel			
1-Shoe, 2-Baskets, 4 centralizers	from (Oil Patch)		
Spud Sept 13th Completion Sept 19th 2010			

Name	Time In	Less Lunch	Hours Worked	Employees Signature	Equip./Trk. Number	Eq/Trk Hours

Supervisors Signature:

DATE:



CONSOLIDATED
Oil Well Services, LLC

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

2nd well

TICKET NUMBER 50989
FIELD TICKET REF # _____
LOCATION Thayer
FOREMAN Brent Busby

TREATMENT REPORT
FRAC & ACID

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
10-19-10		Butts 48-1				
CUSTOMER						
B-C Steel						
MAILING ADDRESS						
CITY STATE ZIP CODE						
TRUCK # DRIVER TRUCK # DRIVER						
524 Landon 489T103 Steve						
490 Eric						
482 Mark						
453T91 Charles						
455T95 Trampis						
488T102 Steve II						

WELL DATA

CASING SIZE <u>4 1/2</u>	TOTAL DEPTH <u>1990</u>
CASING WEIGHT	PLUG DEPTH
TUBING SIZE <u>2 3/8 SEUC</u>	PACKER DEPTH <u>1790</u>
TUBING WEIGHT	OPEN HOLE
PERFS & FORMATION	
<u>1886-92</u>	<u>(23) Layton</u>

TYPE OF TREATMENT

FRAC

CHEMICALS

Formation water / StimOil
Biocide
Breaker

STAGE	BBL'S PUMPED	INJ RATE	PROPPANT PPG	SAND / STAGE	PSI	
PAD	30	12			900	BREAKDOWN
20-40		12	1.5			START PRESSURE
20-40			1.0-2.0	1,000#		END PRESSURE
12-20			1.0			BALL OFF PRESS
12-20			2.0	1,000#		ROCK SALT PRESS
12-20 (7) + (4)		some oil in fluid	0-1.5		1900	ISIP VACUUM
12-20			1.0-2.0	1,000#	1300	5 MIN
12-20 (2)			1.0	1,000#	1400	10 MIN RECEIVED
12-20 (2) balls			1.0		1600	15 MIN
12-20			2.0	1,000#	1300	MIN RATE MAY 23 2011
FLUSH TUB/CAS. 10		12				MAX RATE
Release balls to T.D.						DISPLACEMENT 8.5
OVER FLUSH 25		12	TOTAL	5,000 #	1050	
TOTAL BBL'S 200			SANDS			

REMARKS: well acidized ahead w/ABO

Location 12:45PM - 2:30PM 100 miles

AUTHORIZATION Brent Whiteman TITLE field sup DATE 10-19-10

Terms and Conditions are printed on reverse side.

B-C STEEL LLC

Oct 13 , 2010

Butts # 8 - 1

330' FNL & 660' FWL

8 - 32s - 8e , Cowley Co. , Ks.

API # 15-035-24368

Billy McPherson Drilling

Com. 9/13/10 , Comp. 9/19/10

GL 1235 , KB 1240

467' 8 5/8ths w 105 sx , 1940' 4" w 110 sx

Geologist on location drilling out from surface casing

Mud sniffer working at 1100 ft deep

Top Douglas 1130 (+149)

Top Stalnaker 1462 (-183)

Top Lansing 1638 (-359)

Top Iola 1854 (-575)

Top Layton AA 1869 (-590)

Top Layton A 1893 (-614)

Top Layton B 1912 (-633)

Base Layton B 1928 (-649)

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Zones and notes of interest :

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Douglas Sand 1120-1173 Sandstone & Shale , samples very fine with some pyrite, Some very well cemented , very fine grained well sorted angular sandstone . No visible porosity or show of oil , rare gas bubbles , spotted bright fluorescence with weak cut . A +500 unit hotwire kick started here . With depth ; some large sand clusters , subangular , friable , mostly clean to slightly cemented , fair to good pinpoint porosity . No odor , fluorescence , or cut . Rare gas bubbles and very rare droplets of hydrocarbon distillite which evaporated under the microscope light . The chromatograph started to kick off , building to a + 200 unit kick at the bottom of the formation .

The +500 unit hotwire kick and the +200 unit chromatograph kick continued to the bottom of the hole , making it impossible to differentiate any additional sniffer kicks from other potential pay zones . The mud sniffer was tested several times by different people and found To be in good working order . I did not see any coal in the samples above or through this interval . This does not eliminate the gama ray hot streak on top of this interval as being the source of this show . I recommend blowing the hole dry in subsequent wells in this immediate area , through this interval , the shale above it , and the Jarvis Sands (Ref : F. Morgan sample log) below it .

Jarvis Sands 1239-1247 , 1296-1304 , 1320-1326 , Sandstone , clusters , fine to medium grained , poorly sorted , subrounded . Occasional fair visible porosity . Rare scattered dull fluorescence , questionable very weak cut . Possible/questionable rare gas bubble & very light oil bead .

Layton AA 1870-1885 Sandstone , very fine grained , angular , very well sorted , no visible porosity or show , with depth becoming some small friable sand clusters , medium grained , angular , well sorted , lightly cemented , fair to good pinpoint porosity . Very light odor , No show oil or gas , dull fluorescence , with very weak cut . This zone looks slightly wet and tight on the logs , but may make economic gas with a little water .

Layton A 1893 - 1907 Sandstone , medium to large grained , subangular , well sorted , fairly clean , friable . Good to very good pinpoint porosity . Good odor , rare droplets of live light brown oil , rare gas bubbles , very rare dull fluorescence with very weak cut . This interval has micro porosity , mudcake , and good neutron-density crossover (suggesting gas) . Though

this area looks slightly wet , I believe this formation will make economic gas with some water

Layton B 1912 – 1928 Sandstone , medium to large grained , angular to subangular , well sorted , clean ,friable . Good to very good pinpoint porosity . Good odor , few spots live light brown oil , rare gas bubbles , some oil rainbows , abundant scattered bright fluorescence , With very good cut .The logs here looked a little tightish and a little wet , but there is good mudcake here and the shows in the samples looked economic . I believe this well will make economic gas with some water and perhaps some oil .

Pipe was set in this well to the bottom of the hole in an attempt to make economic oil and gas.

**Leigh Raymond
2404 W 27th St. S
Wichita , Kansas 67217**

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