

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

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

MAY 23 2011
KCC WICHITA

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: Mcperson Drilling Co.
Wellsite Geologist: LEIGH RAYMOND
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 #: _____

<u>8/4/2010</u>	<u>8/8/2010</u>	<u>8/10/2010</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-035-24350-00-00

Spot Description: 990' FNL& 330' FEL
SE NE NE Sec. 18 Twp. 32 S. R. 8 East West
990 Feet from North / South Line of Section
330 Feet from East / West Line of Section

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

County: COWLEY
Lease Name: BUTTS Well #: 18-1
Field Name: WINDSOR SOUTHEAST
Producing Formation: LAYTON
Elevation: Ground: 1330 Kelly Bushing: 1335
Total Depth: 1950 Plug Back Total Depth: 1950
Amount of Surface Pipe Set and Cemented at: 1950 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: 712
feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: 110 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: *Araceli De Vries*
Title: agent Date: 5/18/2011

KCC Office Use ONLY

Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
X - - Alt - Dlg - 6/1/11

Operator Name: B-C Steel LLC Lease Name: BUTTS Well #: 18-1
 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: COMPENSATED DENSITY SIDEWALL LOG, MICRO LOG, DUAL INDUCTION LL3/ GR LOG, CEMENT LOG,	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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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. / FL	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
SURFACE	12.25	7"	23.00	20			
LONGSTRING	6 3/4	2 7/8	13.6	1950	THICKSET	375	KOLSEAL #5

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

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TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. **NO PRODUCTION REPAIRING GAS LINE** Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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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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B-C Steel LLC

Sept. 15, 2010

Butts # 18-1
990 FNL & 330 FEL
18-32s-8e, Cowley Co., KS
Billie McPherson Drilling Contractor
Com. 8/4/10 , Comp. 8/8/10
GL 1330 KB 1335
465 ft of 8 5/8 ths with 150 sx
1945 ft of 4 1/2 in with 75 sx
Geologist on location @ 1650 ft

Formation Tops:

Iatan 1426 (-91)

Stalnaker 1476 (-141)

Lansing 1645 (-310)

Iola 1856 (-521)

Layton A A Sand 1865 (-530)

Layton A Sand 1894 (-559)

Layton B 1917 (-582)

Layton Base B Sand 1940 (-605)

Layton C Sand 1950 (-615)

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Zones of interest:

1865 - 1887 Layton AA Sandy shale. Very fine grained angular sand in gray shale. Probably looks better on the log than looks in the samples. No visible porosity or odor. Will not produce.

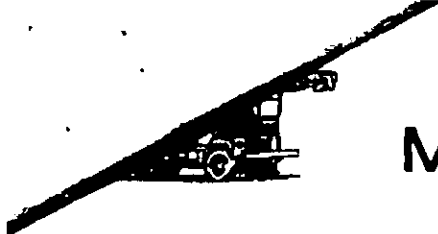
1894 - 1910 Layton A Sandstone. Well cemented becoming lightly cemented with depth, medium to fine grained, angular to rounded poorly sorted, fair pinpoint porosity. Occasionally fair light brown stain, good bright fluorescence and cut. Flash odor this zone. Could make gas. Perforate before abandoning.

1917 - 1940 Layton B Sandstone. Moderately cemented, good pinpoint porosity. Excellent odor. Fair show live light brown oil becoming better with depth. Very good bright fluorescence. Should make oil.

1950 Layton C Sandstone. Clean, large grained, subangular, excellent large pinpoint porosity, well sorted. No show, fluorescence, odor. Probably wet. Lost circulation. Unable to regain.

Pipe was set between the base of the Layton B and the top of the Layton C. The Layton C was successfully squeezed prior to running cement up the hole. It is probable that any wells drilled in this area will not be able to drill through the Layton C without extraordinary care.

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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:

8/10/2010

Invoice No.:

20100810

Terms:

Due on receipt

DESCRIPTION	QTY	RATE	AMOUNT
Drilling - Butts #18-1, Cowley Cty. Drilled TD 1950'	1,950	9.00	17,550.00
Surface cement job	1	3,000.00	3,000.00

Handwritten:
Paid
8/10/10
[Signature]

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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	\$20,550.00
Payments/Credits	\$0.00
Balance Due	\$20,550.00

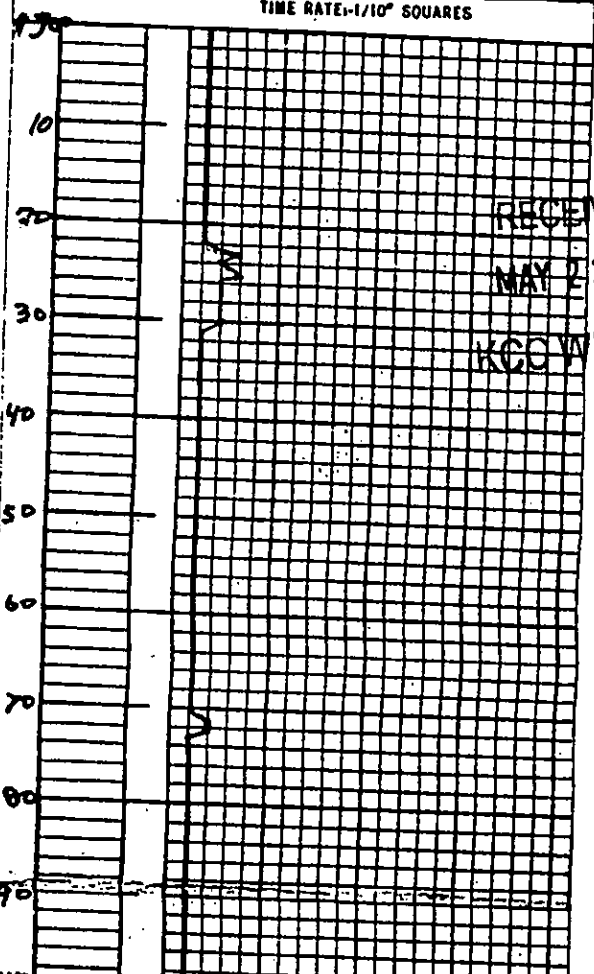
STATE **Ks** COMPANY **BC Steel**
 COUNTY **Cowley** FARM **Butts #18-1**
 BLOCK SURVEY

SEC. **18**
32 8E TOTAL DEPTH

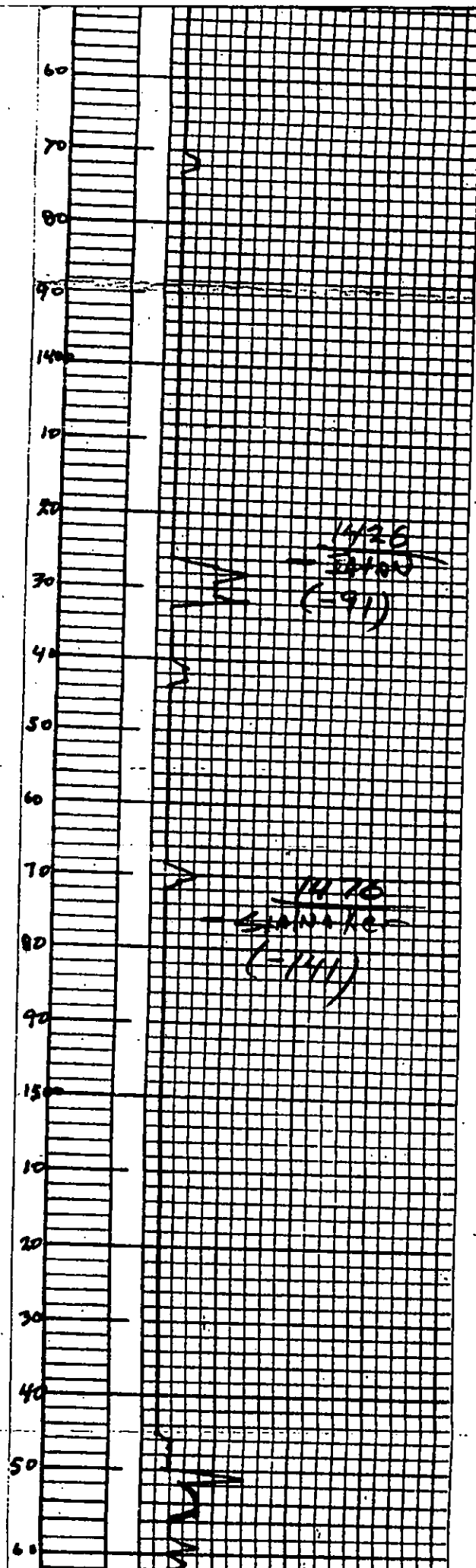
CONTRACTOR **B. McPherson**
 COMMENCED
 COMPLETED
 REMARKS
 ALTITUDE **1335.16**
 PRODUCTION

CASING RECORD

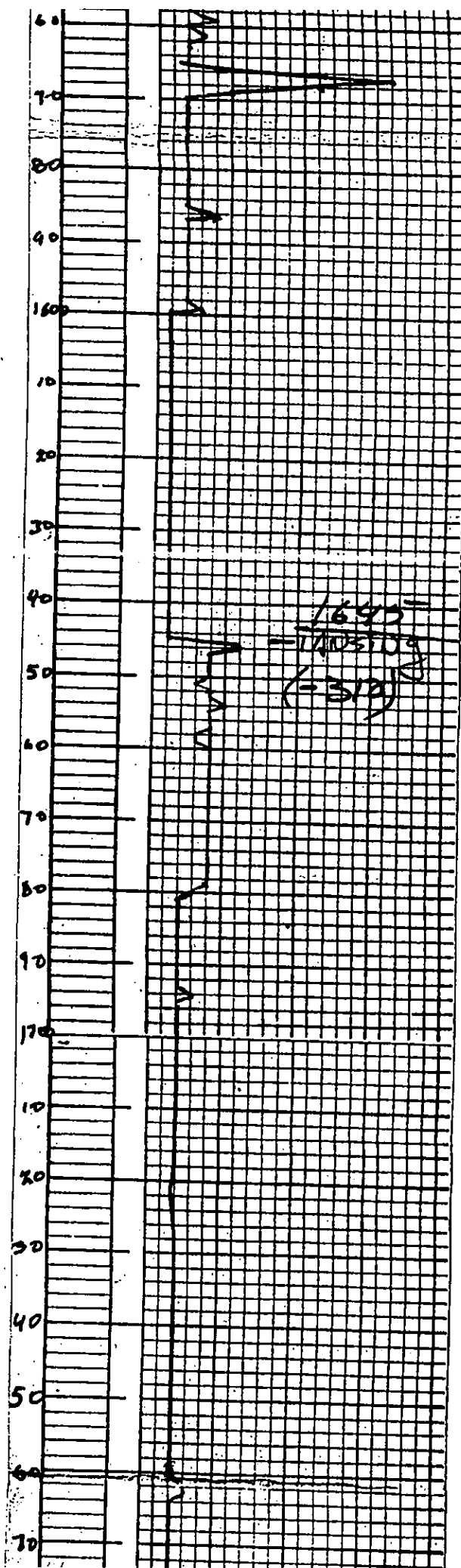
SHOT QUARTS BETWEEN
 TIME RATE SCALE: 1/10" = MINUTES
450 TULSA, OKLAHOMA 74101 PRINTED IN U.S.A.
 TIME RATE: 1/10" SQUARES



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