

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1064118

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		API No. 15 - 15-035-24435-00-00
Name: B-C Steel, L			Spot Description:
Address 1: 209 N FRY	ST		E2_NE_NW_NE_Sec 17_ Twp 33_S. R 6
Address 2:			330 Feet from North / South Line of Section
		ip: 66783 + 1280	Feet from ☑ East / ☐ West Line of Section
Contact Person: Bert C	arlson		Footages Calculated from Nearest Outside Section Corner:
Phone: (620) 625	5-2999		☑ NE □NW □SE □SW
CONTRACTOR: License	# 33734		County: Cowley
Name: Hat Drilling LL			Lease Name: DARFUS STEWART Well #: 17-3
Wellsite Geologist: Mark			Field Name: Wilson
Purchaser:			Producing Formation: Altamount
Designate Type of Compl	etion:		Elevation: Ground: 1330 Kelly Bushing: 1336
New Well	Re-Entry	Workover	Total Depth: 3170 Plug Back Total Depth: 440
		_	Amount of Surface Pipe Set and Cemented at: 466 Feet
∐ Oil		☐ slow ☐ slgw	Multiple Stage Cementing Collar Used? ☐ Yes ✓ No
☑ Gas ☐ De	GSW	Temp. Abd.	
CM (Coal Bed Meth			If yes, show depth set:Feet
			If Alternate II completion, cement circulated from:
If Workover/Re-entry: Ok	d Well Info as follows:		feet depth to:sx cmt
Operator:			
Well Name:			Drilling Fluid Management Plan (Data must be collected from the Reserve Pit)
		Total Depth:	
	Re-perf. Conv. to	<u> </u>	Chloride content: 220 ppm Fluid volume: 3000 bbls
	Conv. to		Dewatering method used: Evaporated
Plug Back:	Plu		Location of fluid disposal if hauled offsite:
Commingled			Operator Name:
Dual Completion	Permit #:		Operator Name:
SWD	Permit #:		Lease Name: License #:
ENHR	Permit #:		QuarterSecTwpS. R East West
☐ GSW	Permit #:	<i>.</i>	County: Permit #:
07/1/2011	07/21/2011	8/5/2011	
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date	

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: Dearns Garrison Date: 10/14/2011

Side Two



				Name: _	DARFUS STE	WART	Well #:17	-3		
Sec. 17 Twp.33	s. r. <u>6</u>	✓ East West	County	: Cowl	ey					
time tool open and close	ed, flowing and shu if gas to surface te	d base of formations per t-in pressures, whether s st, along with final chart(well site report.	hut-in press	sure read	ched static level,	hydrostatic p	ressures, bottom l	hole temp	erature, fluid	
Drill Stem Tests Taken	aats)	☐ Yes 🗸 No		V L	og Formation	n (Top), Depti	h and Datum		Sample	
(Attach Additional Sheets) Samples Sent to Geological Survey		☐ Yes 🗸 No		Name Altamount			Тор 2734		Datum 740	
•		☐ Yes ☑ No		pawne	e		2734	27	2798	
Electric Log Run		☑ Yes ☐ No		Missis	sippian		3128	31	3136	
Electric Log Submitted I (If no, Submit Copy)	Electronically	✓ Yes		Lexing			2794			
					ton Coal & shal	le	2810	28	313	
List All E. Logs Run:					ssippian		3128	31	42	
gammy ray cement be	ond				,					
		CASING Report all strings set-	RECORD	√ Ne	_	on, etc.		<u>-</u> .		
Purpose of String	Size Hole Orilled	Size Casing Set (In O.D.)	Weig Lbs.		Setting Depth	Type of Cement			and Percent dditives	
Surface	9.5	8.625	36.00		466	pos mix	120	20 kol-seal		
longstring	6.750	4.5	11.60		3169	thickset	100	kol-sea	3l	
		ADDITIONAL	L CEMENTII	NG / SQI	JEEZE RECORD		······································			
Purpose:	Depth Top Bottom	Type of Cement	s Used Type and Percent Additives							
Protect Casing Plug Back TD	-									
Plug Off Zone	_					•				
			1						· · · • · · •	
Shots Per Foot		ON RECORD - Bridge Plug Footage of Each Interval Per					ment Squeeze Reco of Material Used)	ırd	Depth	
				1						
-										
				•						
TUBING RECORD:	Size: 7/8	Set At: 3169	Packer A 3169	t:	Liner Run:	Yes 🗸] No			
Date of First, Resumed P 8/15/2011	roduction, SWD or EN	IHR. Producing Met	hod: Pumpin	9 🗆	Gas Lift 0	ther (Explain)				
Estimated Production Per 24 Hours	Oil	Bbls. Gas	Mcf	Wat	er Bi	bls.	Gas-Oil Ratio		Gravity	
	1					· ·				
DISPOSITION	N OF GAS:		METHOD OF	_			PRODUCTI	ION INTER	VAL:	
☐ Vented ☑ Sold	Used on Lease	Open Hole	Perf.	Dually (Submit.)		nmingled mit ACO-4)		-		
(If vented, Submit ACO-18.) Other (Specify)					•	·				



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 #

242970

Invoice Date: 07/29/2011

Terms:

Page

B.C. STEEL GAS LLC 209 N. FRY

P.O. BOX 326

YATES CENTER KS 66783

(620)625-2999

DARFUS STEWART 17-3

31406

17-33S-6E

07-26-11

KS

Part	Number Description	Qty	Unit Price	Total
1126A	======================================	100.00	18.3000	1830.00
1110A	KOL SEAL (50# BAG)	500.00	.4400	220.00
1123	CITY WATER	5000.00	.0156	78.00
4404	4 1/2" RUBBER PLUG	1.00	45.0000	45.00
	Description	Hours	Unit Price	Total
T-63	WATER TRANSPORT (CEMENT)	6.00	112.00	672.00
445	CEMENT PUMP	1.00	975.00	975.00
445	EQUIPMENT MILEAGE (ONE WAY)	70.00	4.00	280.00
611	TON MILEAGE DELIVERY	385.01	1.26	485.11

2173.00 Freight: Parts: .00 Tax: 147.76 AR 4732.87

Labor:

.00 Misc:

.00 Total:

4732.87

Sublt:

.00 Supplies:

.00 Change:

.00

Signed

Date





31406 TICKET NUMBER LOCATION Eureka, KS FOREMAN Shannon

PO Box 884, Chanute, KS 66720 620,421,0210 or 900,467,9676

FIELD TICKET & TREATMENT REPORT

620-431-9210	or 800-467-8676	<u> </u>		CEMEN	T API#	15-035-	24435	
DATE	CUSTOMER#	WE	LL NAME & NUME	BER	SECTION	TOWNSHIP	RANGE	COUNTY
7-26-11	1125	Dartus	Stewart	17-3	17	335	6E	Cowl ey
CUSTOMER 7	1 01	1 220		Hat	TRUCK#	PRIVED		
MAILING ADDRE	C. Steel	1 000		A 211		DRIVER	TRUCK#	DRIVER
MAILING ADDA		_		DRLL	445	DAVE 6		
	209 N.	rry			110	Chris B		1
CITY	^	STATE	ZIP CODE		452176	John G	-]
Yates	Center	_KS_	66783					
JOB TYPE Low		HOLE SIZE_	o}("	HOLE DEPTI	3170	CASING SIZE & W	/EIGHT <u>4</u> 2"	10.50 0 11.60 mig
CASING DEPTH		DRILL PIPE_		TUBING			OTHER	
SLURRY WEIGH	IT_13.6 #	SLURRY VOL	<u>40 Bb/</u>	WATER gal/s		CEMENT LEFT in	CASING ABA	<u>e</u>
DISPLACEMENT		DISPLACEME	NT PSI 900-/300	MIX PSI	0 - 200	RATE 58PM		
REMARKS: Li	'q up to	45" 69	sing Dallin	a Ria	circulated	hole + go	+ all air	out of
hole Did	_	+ any				cent. Went		
mixing	Mixed 10	OSKS Th	ick Set Cev	nont w	ith 5# KI	J-Seal/SK (0 /3 54/0	ellon. Skut
· - J		Pump	& lines. 2	Pelease 0	lug displa	ced with	50 Bb1	Fresh
water.					,	nped plug	to 1300 Ps	
two mi	nutes rele	ase pres	wre. Plug	held go	od Circulat	ion @ 91/		Tob complete
			Than	KS Shi	suppor 4 C	vew "		

ACCOUNT CODE	QUANITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	975.00	975,00
5406	70	MILEAGE	4.00	280.00
1126 A	100 SKS	Thick Set Cement	18,30	1830.00
1110 A	500#	Thick Set Cement Kol-Seal @ 5*/SK	,44	270.00
5407	5.5 tons	Ton-mileage bulk truck Water Transport	1, 26	485.11
5501 C	6 Hours	Water Transport	11200/Hour	672.00
//23	5000 ballons	City Water	15.60/1000	78.00
4404		4/2 Rubber Plug	45,00	45.00
			Sub total	4585.11
vin 3737	2 11/00	1 848910	6.8% SALES TAX ESTIMATED TOTAL	4732.87
UTHORIZTION	Most Whatera	TITLE	DATE	-1/

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.



McPherson Drilling Co.

15256 112th Road Winfield, Kansas 67156

Phone/Fax: 620-221-3560

Customer:

Date:

8/3/2011

BC Management Services Corp.

1432 Nighthawk Rd Yates Center, KS 66783

Invoice No.:

20110803

Terms:

Due on receipt

QTY	RATE	AMOUNT
466	12.50	5,825.00
1	3,000.00	3,000.00
		466 12.50

Thank you for your business! CK 8762>

Total \$8,825.00

Bill McPherson

CK#8773 >

Payments/Credits 5-6,000 00 Balance Due \$2,825.00

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

Geological Report

Darfus Stewart #17-3 330' FNL: 1520' FEL E1/2 NE NW NE Cowley County, KS API#035-24435-00-00

Operator:

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

66783. (License # 33734)

Drilling Contractor:

Hat Drilling. Midway Mud Rotary Rig #2.

Wellsite Geologist:

Mark Brecheisen.

Dates Drilled:

July 18th, 2011 to July 21st, 2011.

Size Hole:

8 1/4"

Total Depth:

3170'

Elevation:

1336

Drilling Fluid:

Freshwater, bentonite and additives.

Surface Casing:

300' of 8-5/8" casing cement to surface.

Formation Tops:

Formation tops were picked from cased-hole electric logs.

Field Name:

Wilson

Status:

Oil Well.

Oil Shows:

Altamont Limestone \widehat{a} 2734'-2740'. Pawnee Limestone @ 2794'-2798'.

Mississippian Chert (Chat) @3128'-3136' & 3136'-3142'

Gas Shows:

South Mound Shale @ 2594'-2597', 96 unit gas kick on hotwire. Altamont Limestone @ 2734'-2740', 33 unit gas kick on hotwire. Pawnee Limestone @ 2794'-2798', 73 unit gas kick on hotwire. Lexington Coal & Shale @ 2810 '-2813', 49 unit gas kick on hotwire. . Mississippian Chert (Chat) @ 3128'-3142', 152 unit gas kick on hot

wire.

Water Encountered: No appreciable water encountered upon drilling.

On Location:

July 18th, 2011, 3:52 p.m. Left location \tilde{a} TD. Well Depth of 3170 \tilde{a}

12:17 p.m., July 215, 2011.

- $0^{\circ} 500^{\circ}$: Samples not examined
- 500*-2200*: Samples examined for oil content with binocular microscope and black light. No sample description recorded no appreciable oil shows detected in this interval.
- 2200'-2228': Shale, medium dark to dark gray with red shale present, soft, greasy, sifty in part. No fluorescence no petroliferous odor/show.
- 2228'-2291': Shale, medium dark gray with traces of red shale present, soft, silty to sandy with few scattered sandstone laminae present. Traces of inter-bedded limestone present pale brown, fine crystalline, fairly hard, fossiliferous. No fluorescence, no petroliferous odor/show.
- 2291'-2293': Limestone, olive gray, fine crystalline, hard, dense, slightly sucrosic, mottled, no visible porosity. No fluorescence, no petroliferous odor show.
- 2293'-2316': Shale, medium dark gray with traces of red shale present. Soft, greasy to silty/sandy. Sandstone laminae present very light gray, very fine to fine grained, good sorting with sub-angular to sub-rounded grains, fairly friable. No fluorescence, no petroliferous odor/show.
- 2316'-2350': Shale with inter-bedded sandstone present. White to very light gray, extremely fine grained, well sorted with well rounded grains, extremely friable, very clean. Traces of limestone present. No fluorescence, no petroliferous odor/show.
- 2350'-2370': Layton "A" Sandstone, light to medium gray, very fine grained, well sorted with sub-angular to sub-rounded grains, extremely friable, no visible oil staining present. Traces of thin shale laminations present. No fluorescence, no petroliferous odor/show.
- 2370'-2397': Shale, medium to medium dark gray with red present. Traces of black shale present. No fluorescence, no petroliferous odor/show.
- 2397'-2437': Layton "B" Sandstone, light to medium gray, very fine grained, fair sorting with angular to sub-rounded grains, fairly friable, glauconitic, calcareous and argillaceous in part, micaceous in part. No visible oil staining present. Scattered shale laminae present, medium dark gray and red, soft, slightly silty. No fluorescence, no petroliferous odor/show.
- 2437'-2498': Shale, medium to medium dark gray with traces of red shale present. Soft and greasy to silty/sandy, micaceous in part, scattered sandstone laminae present.

Top of Kansas City Limestone @2498'(-1162')

- 2498'-2518': Limestone, grayish red to dark yellowish brown, fine crystalline, mottied, hard, dense, massive in part, no visible porosity present. No fluorescence, no petroliferous odor/show.
- 25181-25481: Sandstone, light to medium light gray, very fine graine (well sorted to subangular to sub-rounded grains, fairly friable, glauconit cand micaco (\$100 out, inter-bedded shale present No fluorescence, no petro (\$100 out 15).

- 2548'-2582': Limestone, dark to dusky yellowish brown, fine crystalline, mottled, very hard, dense, no visible porosity, sucrosic in part. Few scattered shale partings present. No fluorescence, no petroliferous odor/show.
- 2582'-2594': Shale, dark gray, soft, greasy.
- 2594'-2597': South Mound Shale, black, carbonaceous, very slight gaseous flash odor. A 96 unit gas kick was observed on the hotwire after drilling this interval.
- 2597'-2622': Shale, dark gray and red soft, greasy, calcareous in part. Few scattered limestone partings present.
- 2622'-2630': Limestone, dark to dusky yellowish brown, fine crystalline, mottled, very hard, dense, slightly sucrosic, no visible porosity. No fluorescence, no petroliferous odor/show.
- 2630'-2644': Shale, medium dark to dark gray with traces of black shale present, soft to fairly hard, fissile and carbonaceous in part.

Top of Lenapah Limestone @ 2644'(-1308')

- 2644'-2647': Limestone, dark yellowish brown to olive gray, fine crystalline, very hard, dense, sucrosic, no visible porosity present. Trace mottled, very dull yellow hydrocarbon fluorescence, poor saturation with only slight surface staining on some samples. Slow, uneven, very faint milky blue cut. Slight flash odor very poor show.
- 2647'-2714': Shale, medium-dark to dark gray, soft to fairly hard, silty to sandy in part, micaceous in part. Sandstone laminae present medium gray, very fine to fine grained, fairly well sorted with sub-angular grains, fairly hard, argillaceous. No fluorescence, no petroliferous odor/show.

Top of Altamont Limestone @ 2714'(-1378')

- 2714'-2761': Limestone, dark yellowish brown, fine crystalline, very hard, dense, sucrosic, fossiliferous. A drilling break was encountered from 2734'-2740'. A description of the rock samples within that interval is a follows:
 - Select limestone samples had good, even light brown oil stain on their surfaces, saturation was even throughout inside of sample pieces. Good pinpoint and vugular porosity was exhibited on samples with oil saturation.40% to 50% mottled to even, bright yellow hydrocarbon fluorescence. Samples produced an uneven, fairly fast, fair to good milky blue cut, good residual show to tray after cut when examined under black light but no visible oil show in white light. Wet acid test of rock samples produced a good residual oil oil show to dimple tray in white light.

A 33 unit gas kick was observed while drilling the overall interval

276 1-27861: Shale, medium to medium dark gray and red, soft, greas in Traces in the source and pyrite present. No fluorescence, no petroliferous odor show.

Top of the Pawnee Limestone @ 2786' (-1450')

- 2786'-2810: Limestone, dark yellowish brown, fine crystalline, hard,dense, slightly sucrosic. A drilling break was encountered from 2794'-2798'. A description of that interval is as follows:
 - Samples exhibit poor to good friability, many samples have good intercrystalline porosity as well as visible pinpoint and vugular porosity on surface of individual rock samples. Light brown oil stain is even on many sample surfaces, saturation in these samples is good. Samples exhibited a fairly fast, uneven, good milky blue cut. Faint residual oil show to tray, in white light, after reagent cut as well as after wet acid cut. Samples overall showed a 30% mottled to even, bright yellow hydrocarbon fluorescence.

A 33 unit gas kick was observed on the hotwire while drilling this interval.

- 2810*-2813*: Lexington shale and coal, black shale, carbonaceous. A 49 unit gas kick was observed, on the hotwire, after this interval was drilled.
- 2813'-2821': Shale, medium dark gray, fairly hard.

Top of the Fort Scott Limestone @ 2821' (-1485')

- 2821'-2840': Limestone, dark yellowish brown, fine crystalline, hard, sucrosic, no visible porosity observed. Slight surface oil stain on few rock samples. Samples exhibited a very slow, uneven poor milky blue cut. Overall 7% mottled to even, variegated yellow mineral and hydrocarbon fluorescence. No petroliferous odor/very poor show.
- 2840'-2847': Summit shale, dark gray to black, carbonaceous.
- 2847'-2852': Limestone, dark yellowish brown, fine crystalline, hard, dense, no visible porosity. No fluorescence, no petroliferous odor/show.
- 2852'-2856': Mulky shale, black, hard, carbonaceous

Top of the Cherokee Group @ 2856' (-1520')

2856'-2938': Shale, medium-dark gray, silty to sandy in part, micaceous in part, traces of dark gray and red shale present. Scattered traces of inter-bedded sandstone and limestone present. No fluorescence, no petroliferous odor/show.

Top of the Ardmore (Verdigris) Limestone @ 2938' (-1602')

- 2938'-2940': Limestone, dark yellowish brown, fine crystalline, very hard, dense, sucrosic, fossiliferous. Trace mottled to even, dull yellow mineral fluorescence, no petroliferous odor/show.
- 29401-29451; Croweburg shale and coal, dark gray to black, carbonace us, traces of varain coal present.

- 2945'-3027': Shale, medium dark gray and red, scattered traces of limestone, black shale and coal present. Few scattered sandstone laminae present. No fluorescence, no petroliferous odor/show.
- 3027'-3106': Shale, medium dark to dark gray, soft, greasy to silty/sandy. Traces of thinly banded vitrain coal present, Inter-bedded limestone present, few scattered sandstone laminae present. Overall no fluorescence, no petroliferous odor/show.

Top of the Mississippian @ 3106' (-1770')

- 3106'-3128': Shale (60%), medium dark to dark gray, soft, greasy. Chert (40%), pale yellowish brown, amorphous to almost crystalline in appearance, trace of tripolitic chert present, hard, no visible porosity, no oil staining observed. No fluorescence, no petroliferous odor/show.
- 3128'-3136': Chert (65%), many samples are tripolitic and have good vugular porosity-these samples exhibit an even to mottled, light brown oil stain on their surface. Light brown oil observed bleeding out of few select samples, slight show of oil to pit and rainbow sheen observed on samples taken directly out of shale shaker. Saturation is mottled to complete, samples exhibited an extremely fast, uneven, good milky blue cut, strong residual oil show to tray when observed under black light. Faint residual show to tray in white light, 25% to 30% mottled to even, bright yellow hydrocarbon fluorescence, strong petroliferous odor/ good show. This zone should be commercially productive for oil production.
- 3136'-3142': Shale (60%), medium dark gray and red: Chert (30%), 10% to 12% mottled to even, bright yellow hydrocarbon fluorescence, mottled to even light brown oil stain on tripolitic chert samples, saturation mottled to even. Samples exhibited a very fast, uneven, strong milky blue cut. Good residual oil show to tray after cut when observed under black light. Fair residual oil show to tray when observed in white light. Limestone (10%), olive gray, fine crystalline, fairly friable, sucrosic, At 3140', a gas kick of 152 units was observed on the hotwire this kick was probably from previous interval and not this one. Continued to have a strong gas carry on the hotwire to TD after the initial gas kick.
- 3142'-3170': Limestone (50%), brown to ofive gray, fine to medium crystalline, fairly nard, dense, few traces of pinpoint porosity. Shale (40%), medium dark gray. Dolomite (10%), olive gray, mottled, very hard, dense, slightly sucrosic. Chert (trace%), no oil staining present. No fluorescence, no petroliferous odor/show.

T.D. @ 3170° @ 12:17 pm. July 214, 2011

INVOICE	
HAT Delling 12371 Ks Hwy 7 Mound City Ks 16056	NO. 352 INVOICE DATE 7-26-11 CUSTOMER'S ORDER NO.
Dartus-Stewart #17-3 T.D. 3170	SHIP TO: RMS F.O.B.
OTY DROBRED DESCRIPTION 2850 63/4 hole as \$13.50/47 73 hrs sig time a 295 42 hrs water hauling a 4	105 hr 38495 00 5/hr 20075 00 5/hr 54410 00 62760 00 105 100 00

A-2872-3872 / T-3813