

HESS OIL COMPANY

225 N. Market, Suite 300

Wichita, Kansas 67202

(316) 263-2243

GEOLOGICAL REPORT

BEATRICE #1 - 27

900' FNL, 1850' FEL of

SECTION 27 - 18S - 1E

MARION COUNTY, KANSAS

Commenced: 2-1-12 Elevations: 1500' GR, 1509' KB
Completed: 2-10-12 Surface Pipe: 8-5/8" at 200' KB
Contractor: C & G Drilling Production Pipe: none

One foot drilling time was kept from 1800' to Rotary Total Depth. Ten foot drilling samples (wet & dry) were kept from 2100' to RTD.

Following are sample tops, descriptions of zones of interest (including all shows of oil & gas), and the results of all drill stem tests.

| | | |
|-----------------------|-------------|----------------|
| <u>HEEBNER</u> | <u>1947</u> | <u>(-438)</u> |
| <u>BROWN LIME</u> | <u>2141</u> | <u>(-632)</u> |
| <u>LANSING</u> | <u>2188</u> | <u>(-679)</u> |
| <u>STARK SHALE</u> | <u>2454</u> | <u>(-945)</u> |
| <u>CHEROKEE SHALE</u> | <u>2702</u> | <u>(-1193)</u> |
| <u>MISSISSIPPI</u> | <u>2771</u> | <u>(-1262)</u> |

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MISSISSIPPI (cont.)

2771-80' KB White, very fine to finely crystalline, dolomite. Good show of gas bubbles, no show of free oil in very poor intercrystalline porosity, slight odor, no stain, and no cut.

2781-84' KB White dolomite as above & some White tripolitic & sharp cherts. Good show of gas bubbles, No free oil, weak stain that cuts good, slight odor.

DRILL STEM TEST #1 2730 to 2784' KB 54' Anchor

Blow: bottom of bucket in 2 min., 2nd -- gas to surface 10 min. (TSTM)

Times: Open 30, Closed 45, Open 30, Closed 45.

Recovered: 312' Water Cut Mud (no chlorides ?)

Pressures: IH 1381# IF 69 - 137# ISIP 382#
FH 1331# FF 108 - 150# FSIP 383#

2785-94' KB White, tripolitic & sharp, cherts. Good show of gas bubbles, fair show of free oil in poor intercrystalline porosity, good stain, light odor, and a good cut.

DRILL STEM TEST #2 2774 - 2794' KB 20' Anchor

Blow: bottom of bucket in 25 sec. 2nd-- BOB in 5 min.

Times: Open 30, Closed 45, Open 15, Closed 45.

Recovered: 2215' Gas
335' Mud Cut SW Chlorides 94,000 ppm

Pressures: IH 1402# IF 32 - 121# ISIP 615#
FH 1377# FF 144 - 154# FSIP 617#

KINDERHOOK SHALE 2939 (-1430)

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HUNTON 3105 (-1596)

VIOLA 3218 (-1709)

SIMPSON SAND 3325 (-1816)

3325-30' KB Clear to brown, fine to medium grained, well rounded, fairly sorted, sandstone clusters & loose grains. Fair show of free oil in ss clusters, slight odor, good stain, and a strong cut.

3331-34' KB Clear to tan, fine to medium grained, well sorted, well rounded, sandstone clusters & loose grains. Weak show of free oil in "tite" sandstone clusters, slight stain, no odor, and a fair cut.

DRILL STEM TEST #3 3314 to 3334' KB 20' Anchor

Blow: weak surface blow -- died in 20 min.
2nd -- no blow.

Times: Open 30, Closed 45, Open 30, Closed 45.

Recovered: 10' Mud

Pressures: IH 1668# IF 17 - 19# ISIP 926#
FH 1600# FF 19 - 20# FSIP 977#

3335-40' KB Clear, medium grained, well rounded, well sorted, sandstone clusters & loose grains. Good show of free oil in fair intergranular porosity, fair odor, good stain, and a strong cut !!!

DRILL STEM TEST #4 3314 to 3344' KB 30' Anchor

Blow: Slow build to 6". 2nd -- weak build to 1½".

Times: Open 45, Closed 45, Open 45, Closed 45.

Recovered: 496' Mud Cut SW with show of oil.

Pressures: IH 1657# IF 21 - 170# ISIP 1202#
FH 1624# FF 172 - 234# FSIP 1185#

3348-52' KB Clear to tan, small grained, well sorted, fairly rounded, sandstone clusters & loose grains.

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3348-52' KB

(cont.)

Slight show of free oil in poor intergranular porosity, no odor, slight stain, and a weak cut.

Looks to "tite" to produce and would be 4 - 8' below water test.

ROTARY TOTAL DEPTH

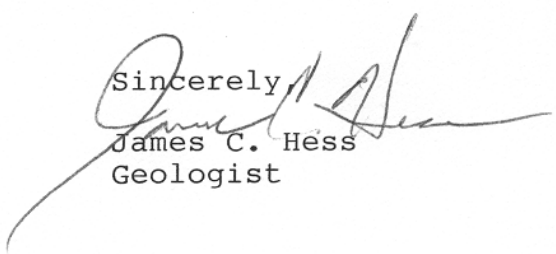
3393 (-1884)

A full set of Dual Compensated Porosity and Dual Induction logs were run to evaluate the well & prospect. Most of the tops were reasonably close. There was some development in the top of the Viola --- 2' 8% with 55% SW and 2' 10% with 58% SW. There were no sample shows !

There were 2 sample shows untested. The first was below the water test in the Miss. 2795 - 2800' KB --- few gas bubbles & slight show of free oil. The second was below the water test in the Simpson Sand 3348-52' KB. ---- slight show & no odor.

It was decided to plug the Beatrice #1 - 27 on 2-10-12. I believe there is an oilwell close by, but I may not be the one to find it. Crud.

Sincerely,


James C. Hess
Geologist