

JAMES C. MUSGROVE

Petroleum Geologist, LLC
212 Main Street
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Mai Oil Operations Inc.
Wagner #3
(710' FNL & 750' FWL)
Section 7-17s-14w
Barton County, Kansas
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5 1/2" Production Casing Set

Contractor: Southwind Drilling Co. (Rig #31)
Commenced: March 24, 2014
Completed: March 30, 2014
Elevation: 1972' K.B., 1970' D.F., 1964' G.L.
Casing program: Surface; 8 5/8" @ 937'
Production; 5 1/2" @ 3524'
Sample: Samples saved and examined 2800' to the Rotary Total Depth.
Drilling time: One (1) foot drilling time recorded and kept 2800 ft. to the Rotary Total Depth.
Measurements: All depths measured from the Kelly Bushing.
Drill Stem Tests: There were two (2) Drill Stem Tests ran by Trilobite Testing Co.
Electric Log: By Nabors; Dual Induction, Compensated Density, Neutron Log and Micro Log.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	957	+1015
Base Anhydrite	984	+988
Topeka	2916	-944
Heebner	3150	-1178
Toronto	3166	-1194
Lansing	3216	-1244
Base Kansas City	3416	-1444
Conglomerate	3430	-1458
Arbuckle	3456	-1484
Rotary Total Depth	3525	-1553
Log Total Depth	3525	-1553

(All top and zone determination were made from a correlation of Electric Log measurements).

SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

TOPEKA SECTION

3110-3120' Limestone, cream, tan, finely crystalline, oolitic, fossiliferous, poor scatter pinpoint to inter-crystalline type porosity, trace stain, no free oil and no odor.
3120-3140' Limestone, tan, cream, fine and medium crystalline, poorly

developed porosity slightly, chalky, trace spotty and stain, no free oil and no odor in fresh samples.

TORONTO SECTION

3165-3174' Limestone, tan, cream, finely crystalline, chalky, poor pinpoint porosity, trace stain, no free oil and no odor in fresh sample.

LANSING SECTION

3217-3224' Limestone, white, tan, finely crystalline, few fossiliferous, poor porosity, chalky, no shows.

3234-3245' Limestone, cream, tan, finely crystalline, oolitic, oomoldic, poor to fair oomoldic porosity, chalky, spotty dark brown stain, no free oil and no odor.

3286-3292' Limestone, cream, white, finely crystalline, oolitic, sub-oomoldic, poorly developed sub-oomoldic porosity, chalky, no shows.

3295-3310' Limestone, tan, light gray, fossiliferous, poor scattered porosity, slightly chalky, dense.

3313-3320' Limestone, cream, white finely crystalline, oolitic, fossiliferous, poorly scattered vuggy porosity, trace spotty stain, no free oil and faint odor in fresh sample.

3350-3360' Limestone, cream, white, finely crystalline, oolitic, poor to fair scattered pinpoint to finely vuggy type porosity, trace brown stain, no free oil and no odor in fresh samples.

3370-3378' Limestone, cream, light gray, finely crystalline, oolitic/fossiliferous, fair porosity, no shows.

3384-3400' Limestone, cream, tan, chalky, poor visible porosity, trace poor light brown spotty stain, no show of free oil and no odor in fresh samples.

3405-3416' Limestone, cream, tan, chalky, poor visible porosity, trace poor light brown spotty stain, no show of free oil and no odor in fresh samples

CONGLOMERATE SECTION

3430-3456' Chert, tan, cream, white in matrix of brown and brick red shales, no shows.

ARBUCKLE SECTION

3456-3463' Dolomite, white, fine and medium crystalline, poor to fair inter-crystalline porosity, dark to golden brown stain, show of free oil and good odor in fresh samples.

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Pressures: ISIP 303 psi
 FSIP 206 psi
 IFP 51-49 psi
 FFP 49-54 psi
 HSH 1735-1644 psi

Dolomite, white, cream, fine and medium crystalline, poor to fair inter-crystalline to finely vuggy type porosity, golden to dark brown stain, show of free oil and good odor in fresh sample.

Drill Stem Test #1 3387-3463

Times: 30-45-30-45
Blow: Strong
Recovery: 1' clean oil
 31' Heavy oil cut mud
 (60% oil; 40% mud)
Pressures: ISIP 303 psi
 FSIP 206 psi
 IFP 51-49 psi
 FFP 49-54 psi
 HSH 1735-1644 psi

3463-3469' Dolomite, white, cream, fine and medium crystalline, poor to fair inter-crystalline to finely vuggy type porosity, golden to dark brown stain, show of free oil and good odor in fresh samples.

Drill Stem Test #2 3400-3469

Times: 30-45-30-45
Blow: Strong
Recovery: 252' gas in pipe
 2' clean oil
 126' Heavy oil cut mud
 (40% oil; 60% mud)
 126' Heavy oil and gas cut watery mud
 (65% oil; 5% gas; 10% mud; 10% water)
 126' very slightly oil cut mud
 (1% oil; 99% mud)
Pressures: ISIP 997 psi
 FSIP 964 psi
 IFP 20-91 psi
 FFP 95-158 psi
 HSH 1716-1634 psi

3469-3490' Dolomite, white, cream, fine to medium crystalline, fair vuggy porosity, dark brown stain, show of free oil and faint odor in fresh sample.

3490-3510' Dolomite, white, cream, medium crystalline, plus white sandy dolomite, no shows.

3510-3525' Dolomite, white fine to medium crystalline, fair to good inter-crystalline and vuggy type porosity, scattered stain, trace of free oil, plus trace white cream, boney chert and trace of pyrite.

Rotary Total Depth 3525 - 1553
Log Total Depth 3525 - 1553

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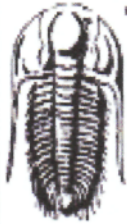
Recommendations:

The 5 1/2" production casing was set and cemented on the Mail Oil Operations Inc., Wagner #3.

Respectfully submitted;



Kurt Talbott,
Petroleum Geologist



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Mai Oil Operations
 8411 Preston Rd Ste 800
 Dallas TX. 75226
 ATTN: kurt Talbott

7-17s-14w Barton,KS
Wagner #3
 Job Ticket: 56170 **DST#: 1**
 Test Start: 2014.03.29 @ 00:17:00

GENERAL INFORMATION:

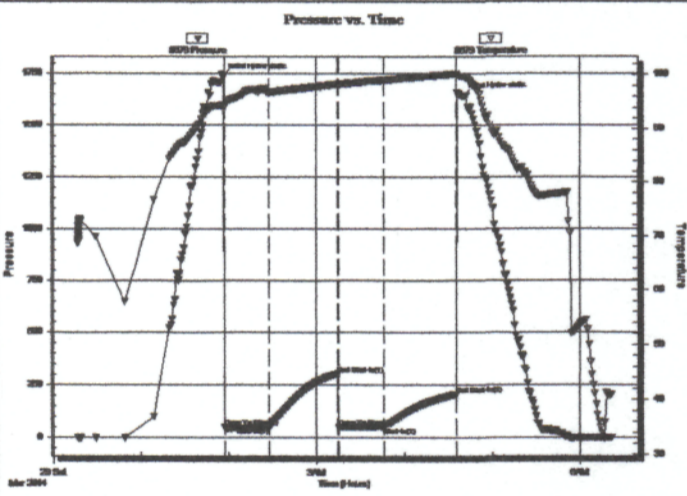
Formation: **Arbuckle**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 01:57:30
 Time Test Ended: 06:21:30
 Interval: **3387.00 ft (KB) To 3463.00 ft (KB) (TVD)**
 Total Depth: 3463.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches Hole Condition: Fair
 Test Type: Conventional Bottom Hole (Initial)
 Tester: Bob Hamel
 Unit No: 67
 Reference Elevations: 1972.00 ft (KB)
 1964.00 ft (CF)
 KB to GR/CF: 8.00 ft

Serial #: 8679

Inside

Press@RunDepth: 53.51 psig @ 3454.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2014.03.29 End Date: 2014.03.29 Last Calib.: 2014.04.29
 Start Time: 00:17:01 End Time: 06:21:30 Time On Btmr: 2014.03.29 @ 01:56:00
 Time Off Btmr: 2014.03.29 @ 04:40:00

TEST COMMENT: LF. - 30 - BOB in 7 min
 I.S.I. - 45 - No blow back
 F.F. - 30 - BOB in 9 min
 F.S.I. - 45 - No blow back



PRESSURE SUMMARY

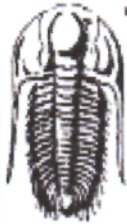
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1735.43	94.37	Initial Hydro-static
2	50.79	94.01	Open To Flow (1)
32	49.22	96.66	Shut-In(1)
79	302.59	98.18	End Shut-In(1)
80	49.13	98.10	Open To Flow (2)
110	53.51	98.95	Shut-In(2)
160	206.42	100.05	End Shut-In(2)
164	1644.25	99.66	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
31.00	H,M,C,O, 40 %MUD	0.43
1.00	CLEAN OIL 100%	0.01
0.00	200 G.I.P.	0.00

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Mai Oil Operations
 8411 Preston Rd Ste 800
 Dallas TX. 75226
 ATTN: kurt Talbott

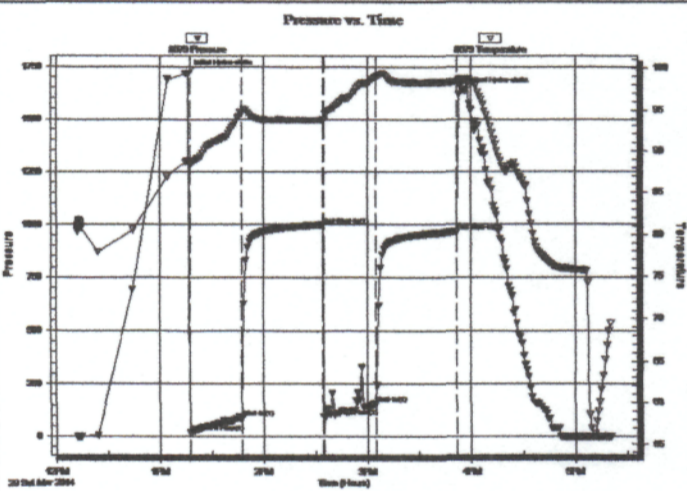
7-17s-14w Barton,KS
Wagner #3
 Job Ticket: 56171 **DST#: 2**
 Test Start: 2014.03.29 @ 12:12:00

GENERAL INFORMATION:

Formation: **Arbuckle**
 Deviated: **No** Whipstock: ft (KB)
 Time Tool Opened: 13:17:30
 Time Test Ended: 17:21:00
 Interval: **3400.00 ft (KB) To 3469.00 ft (KB) (TVD)**
 Total Depth: **3469.00 ft (KB) (TVD)**
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 Test Type: **Conventional Bottom Hole (Reset)**
 Tester: **Bob Hamel**
 Unit No: **67**
 Reference Elevations: **1972.00 ft (KB)**
 1964.00 ft (CF)
 KB to GR/CF: 8.00 ft

Serial #: 8679 **Inside**
 Press@RunDepth: **158.30 psig @ 3401.00 ft (KB)** Capacity: **8000.00 psig**
 Start Date: **2014.03.29** End Date: **2014.03.29** Last Calib.: **2014.03.29**
 Start Time: **12:12:01** End Time: **17:21:00** Time On Btrc: **2014.03.29 @ 13:16:30**
 Time Off Btrc: 2014.03.29 @ 15:56:30

TEST COMMENT: IF. - 30 - BOB in 9 min
 I.S.I. - 45 - Weak surface blow back
 F.F. - 30 - BOB in 13 min
 F.S.I. - 45 - Weak surface blow back



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1716.04	88.83	Initial Hydro-static
1	20.11	88.47	Open To Flow (1)
31	91.18	94.73	Shut-in(1)
78	996.71	93.74	End Shut-in(1)
78	94.89	93.79	Open To Flow (2)
108	158.30	99.05	Shut-in(2)
155	964.14	98.31	End Shut-in(2)
160	1634.36	98.47	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
126.00	S,O,C,M, (SCUM OF OIL) 1% OIL 99% M	1.77
126.00	S,G,W,C,M,O 5% GAS 10% WTR. 20% M	1.775%O
126.00	H,O,C,M, 40% OIL 60% MUD	1.77
2.00	CLEAN OIL 100%	0.03
0.00	252' G.I.P.	0.00

* Recovery from multiple tests

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.# 20-2886107

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 7135

Date <i>3-25-14</i>	Sec. <i>7</i>	Twp. <i>17</i>	Range <i>14</i>	County <i>Barton</i>	State <i>KS</i>	On Location	Finish <i>8:00AM</i>
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Location *281 & Eggs For sale, 4W, 1/2N, E12*

Lease <i>Wagner</i>	Well No. <i>3</i>	Owner To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.
Contractor <i>Southwind 3</i>		
Type Job <i>Surface</i>		
Hole Size <i>12 1/4</i>	T.D. <i>937</i>	Charge To <i>Mai Oil</i>
Csg. <i>8 5/8</i>	Depth <i>937</i>	Street
Tbg. Size	Depth	City State
Tool	Depth	The above was done to satisfaction and supervision of owner agent or contractor.
Cement Left in Csg.	Shoe Joint <i>20</i>	Cement Amount Ordered <i>350 sk 60% 40, 3% cc, 2% gel</i>
Meas Line	Displace <i>58 1/2 bbl</i>	

EQUIPMENT

Pumptrk <i>5</i>	No.	Cementer Helper <i>Lonniew</i>	Common
Bulktrk <i>4</i>	No.	Driver <i>Ryan</i>	Poz. Mix
Bulktrk <i>PH</i>	No.	Driver <i>Travis</i>	Gel.
			Calcium

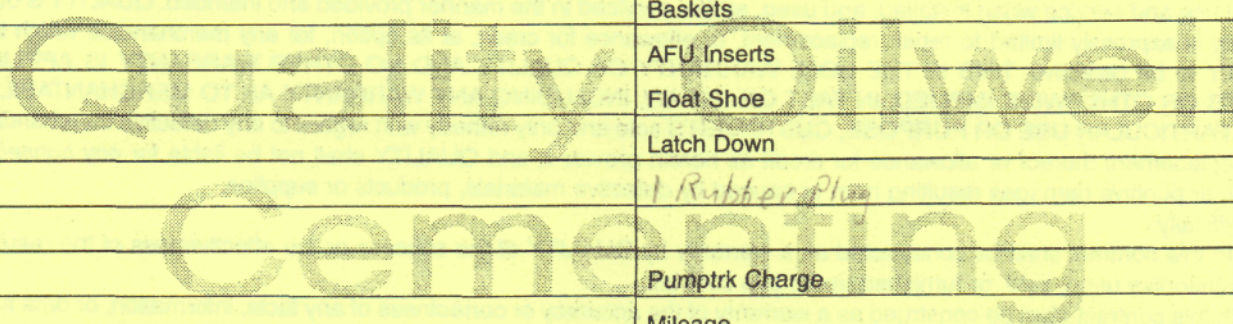
JOB SERVICES & REMARKS

Remarks: <i>Cement did circulate</i>	Hulls
Rat Hole	Salt
Mouse Hole	Flowseal
Centralizers	Kol-Seal
Baskets	Mud CLR 48
D/V or Port Collar	CFL-117 or CD110 CAF 38
	Sand
	Handling
	Mileage

FLOAT EQUIPMENT

	Guide Shoe
	Centralizer
	Baskets
	AFU Inserts
	Float Shoe
	Latch Down
	<i>1 Rubber Plug</i>
	Pumptrk Charge
	Mileage

	Tax	
	Discount	
X Signature <i>Jay Driver</i>	Total Charge	



QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.# 20-2886107

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 7141

Date 3-30-14	Sec. 7	Twp. 17	Range 14	County Barton	State KS	On Location	Finish 12:45 PM
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Location Eggs 4 Sale, 4w, 1/2N, E2

Lease Wagner	Well No. 3	Owner
Contractor Southwind	#3	To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.
Type Job long string		
Hole Size 7 7/8	T.D. 3525	Charge To Mai Oil
Csg. 5 1/2 14#	Depth 3523	Street
Tbg. Size	Depth	City State
Tool	Depth	The above was done to satisfaction and supervision of owner agent or contractor.
Cement Left in Csg.	Shoe Joint 20.28	Cement Amount Ordered 160 sx 60% 40, 2% gel, 10% salt.
Meas Line	Displace 85 1/2 bbl	1/4 # Flow

EQUIPMENT

Pumptrk 17	No.	Cementer	Common
		Helper Nick	Poz. Mix
Bulktrk 14	No.	Driver Lonnie M.	Gel.
Bulktrk PH	No.	Driver Travis	Calcium

JOB SERVICES & REMARKS

Remarks:	Salt
Rat Hole 30 sx	Flowseal
Mouse Hole	Kol-Seal
Centralizers 1-7, 9-11	Mud CLR 48 1,000 gal
Baskets	CFL-117 or CD110 CAF 38
D/V or Port Collar	Sand
Pipe on bottom broke circulation. Pumped 1,000 gal mud CLR 48 with 10 bbl fw behind it.	Handling
Plugged Rat hole with 30 sx. Hooked to 5 1/2	Mileage
Mixed 130 sx shut down warned pump and lines.	FLOAT EQUIPMENT
Released plug and displaced with 85 bbl fw.	Guide Shoe
Plug landed and held.	Centralizer 10 Turbos
	Baskets
	AFU Inserts
	Float Shoe 1
	Latch Down 1

litt pressure 800 psi

Plug landed at 1,400 psi

X Signature *Benjamin*

Pumptrk Charge	Tax
Mileage	Discount
	Total Charge