Geological Report

Baker #SCZ-I-34 W2-SE-NW, Sec. 26, T18S, R22E 1980' FNL & 1650' FWL Miami County, KS API #15-121-30505-00-00

| Operator: | SCZ Resources LLC, Jorge Ranz, 8614 Cedarspur Drive, Houston, TX, 77055 | |
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| Drilling Contractor: JTC Oil Inc. | | |
| Well Site Geologist: Mark Brecheisen | | |
| Date Drilled: | August 14 th , 2014 | |
| Size of Hole: | 6" | |
| Total Depth: | 420' | |
| Elevation: | 966' (estimated) | |
| Drilling Fluid: | Compressed air with fresh water injection | |
| Surface casing: | 20' of 7" casing cemented with 3 sacks of cement to surface | |
| Formation Tops: | Formation tops have not been correlated to electric logs | |
| Field Name: | Paola-Rantoul | |
| Status: | Injection Well | |
| Oil Shows: | Hepler Sandstone @ 307'-312' | |
| | Peru Sandstone @ 328'-350' | |
| Water Encountered: No appreciable water encountered while drilling. | | |
| On Location: | August 14 th , 2014, 7:28 AM. Drilling depth of 268'; left location @ TD 420' @ approximately 8:06 AM. | |
| Notes: | Well cuttings were examined at rig and discarded. Samples of zones of interest were saved and examined with binocular microscope and UV light. | |

Top of the Hepler Sandstone @ 307'

307'-312' Mostly laminated shale. Few sandstone samples; exhibit no free oil or staining. No free oil show to pit

Top of the Peru Sandstone @ 328'

| 328'-332' | Sandstone; light brown. "Sugar sand" section. Very fine to fine-grained. Well-sorted with angular to subrounded grains. Slightly micaceous. Glauconitic. Traces of interbedded shale and limestone present. Sample is a mixture of "sugar sand" and porous, calcareous sandstone. "Sugar sand" is fairly clean; poorly-cemented grainstone. Friability for overall sample is good, with abundant vugular porosity observed on sample surfaces. Slightly mottled to mostly even, light to medium-brown staining on sample surfaces. Saturation overall poor to fair. Visible evidence of water passing through this footage from previous water flooding attempts. Sample had a good petroliferous odor. Good free oil show to sample surfaces and to pit. 30-35% even, very dull yellow hydrocarbon fluorescence. Very slow, bleeding, very poor milky blue cut; no residual oil show to tray after cut |
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| Note: | This well should never be perforated above 332' |
| 332'-336' | Sandstone; medium-dark to dark brown. Mottled in part. Very fine to fine- grained. Well-sorted with angular to subrounded grains. Slightly micaceous. Glauconitic. Traces of interbedded shale present in sample. Majority of sample is porous, calcareous sandstone with light grey, non- porous, interbedded limestone. Few traces of "sugar sandstone" present; majority of "sugar sand" from this footage probably lost during collection. Friability overall fair, with abundant vugular porosity observed on many sample surfaces. Mottled to even, medium-dark to dark brown oil staining on sample surfaces. Saturation overall good to very good. Sample had a very strong petroliferous odor. Very strong free oil show to sample surfaces and to pit. Probable "sugar sand" section is 338'-340'. 30-35% mostly even, variegated yellow hydrocarbon fluorescence. Fast, even, strong milky blue cut; fair residual oil show to tray after cut |
| 336'-340' | Sandstone; medium-dark to dark brown. Mottled in part. Few traces of "sugar sandstone" present in sample; majority of sample is porous, calcareous sandstone with traces of light grey, non-porous limestone present in sample. Very fine to fine-grained. Well-sorted with angular to subrounded grains. Slightly micaceous. Glauconitic. Friability overall fair, with abundant vugular porosity observed on many sample surfaces. Mottled to even, medium-dark to dark brown oil staining on sample surfaces. Saturation overall very good. Sample had a very strong |

petroliferous odor. Very strong free oil show to sample surfaces and to pit. 65% mottled to mostly even, variegated yellow hydrocarbon fluorescence.

Fairly fast, streaming to even, good milky blue cut; slight residual oil show to tray after cut

- 340'-344' Sandstone; medium to dark brown. Mottled in part. Very fine to finegrained. Well-sorted with angular to subrounded grains. Slightly micaceous. Glauconitic. Argillaceous in part, with some shale laminae present. Traces of non-porous, interbedded limestone present in sample. Friability overall good to very good, with vugular porosity observed on many sample surfaces. Slightly mottled to even, medium to dark brown oil staining on sample surfaces. Saturation overall good. Sample had very strong petroliferous odor. Strong free oil show to sample surfaces and to pit. 45-50% slightly mottled to even, variegated yellow hydrocarbon fluorescence. Fairly fast, streaming to blooming, fair milky blue cut; slight residual oil show to tray after cut
- 344'-348' Sandstone; medium to dark brown. Very laminated. Very fine to finegrained. Well-sorted with angular to subrounded grains. Slightly micaceous. Glauconitic. Abundant, non-porous limestone present in sample. Sandstone overall fairly hard; very laminated; poor quality. Friability overall fair, with no vugular porosity observed on sample surfaces. Slightly mottled to laminar, medium to dark brown oil staining on few sample surfaces. Saturation overall poor. Sample had a fair to good petroliferous odor. Fair free oil show to sample surfaces and to pit. 15-20% mottled, dull yellow hydrocarbon fluorescence. Slow, bleeding, poor milky blue cut; no residual oil show to tray after cut
- Note: This well should not be perforated below 348'
- 348'-350' Trace sand. Sample mainly shale and sandy shale; with very few sandstone laminae present. This sample should not be perforated

TD 420' @ approximately 8:06 AM, August 14th, 2014

Mark Brochist Sr.