MCREYNOLDS NO.1 SE SW NE SE Sec. 21 T7S R16W ROOKS COUNTY, KANSAS

WELL SUMMARY

The McReynolds No. 1 is an Arbuckle test with the primary objective a 3-D seismic anomaly indicating a sand deposit up to 40 feet thick developed in the Marmaton section between the Base of Kansas city and the Arbuckle. Secondary objectives included the Topeka, Toronto and Lansing limes. The well is located approximately one half mile north of the old Excelsior field that produced oil from the Topeka formation. The closest control point is the Keating Sayles No.1, an Arbuckle test drilled and abandoned in the NE NE SW Sec. 21 in 1952.

The McReynolds No.1 spudded on January 27, 2015 and a 12 1/4" hole was drilled to 1071'. The top of the Permian Stone Corral was drilled at 1069' (+687), 4' high to the Stone Corral in the Sayles No.1. 27 joints of new 23# 8 5/8" surface casing were set at 1070' KB, and cemented with 415 sacks 80/20 poz with 2% gel and 3% CaCl. Cement was circulated to surface. On January 29th a 7 7/8" hole was drilled out from under casing and new hole was begun in the Permian Stone Corral at a depth of 1071.

The top of the Topeka was drilled on January 30th at 2665' (-909), 2 feet low to the Topeka in the Sayles No.1. A show of oil in fair porosity was observed in the upper Topeka. However based on the history of low productivity from the Topeka in the Excelsior Field the show did not appear significant enough to warrant a drill stem test. No other shows were observed in the upper and lower Topeka Formation.

The top of the Heebner Shale was drilled at 2885' (-1129), 4' low to the Sayles No.1.

The top of the Toronto Lime was found at 2909' (-1153), 4' low to the Sayles No.1. There was no good porosity development and there were no shows of oil in the Toronto Lime in the McReynolds No.1.

The top of the Lansing was drilled on January 31st at a depth of 2931' (-1175), 4' low to the Sayles No.1. The Lansing limes are for the most part micritic or very fine peletoid limestones with neutron/density porosity generally in the 2-6% range. No shows of oil or gas were observed in the Lansing Formation.

The Base/Kansas City was found at a depth of 3188' (-1432), 5' low to the Sayles No.1.

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The top of the Marmaton was drilled at a depth of 3219' (-1463), 4' low to the Marmaton in the Sayles No.1. The McReynolds No.1 has a typical Marmaton section consisting of hard dense limes becoming slightly sandy at times and soft varicolored shales, predominantly red. One well developed 4' sandstone was encountered from 3294' to 3298'. The sand is fine grained, clean, well sorted and rounded and highly cemented. The neutron /density log indicates porosity of approximately 8%. The logs calculate wet and no shows of oil or gas were observed in the samples. In comparing the Marmaton section in the McReynolds No.1 and that in the Sayles No.1, The Marmaton in the McReynolds No.1 is 30' thicker and much of the added thickness is seen as a thick shale section at the base of the Marmaton sitting on the Arbuckle. It is possible that this added shale section may be the cause of the anomaly seen on the 3-D seismic.

The top of the Arbuckle was drilled the morning of February 1 at a depth of 3337' (-1581) 34' low to the Sayles No.1. In light of the lack of sand seen in the Marmaton, the decision was made to drill through the Arbuckle looking for potential pay in the lower Arbuckle and possible Regan sand below it. However 243' into the Arbuckle at a depth of 3580' circulation was lost and the decision was made to TD the well at that point. The Arbuckle drilled and observed was typically dolomite off white, tan and light brown, crypto-crystalline to medium crystalline with porosity ranging from no visible porosity to good inter-crystalline porosity. No shows of oil or gas were observed in the Arbuckle drilled and logged.

Circulation was regained and the well was logged. Pioneer ran their Dual Compensated Porosity Log (Neutron Density) and their Dual Induction Log. These logs do not indicate any potential pay in the well. Therefore with the lack of physical hydrocarbon shows and lack of potential indicated by the mechanical logs, the decision was made to plug and abandon the well.

Per instructions from the KCC, the well was plugged with a total of 255 sacks of 60/40 Poz 4% Gel-1/4#FS/sack. Cementing was completed at 15:00 February 2, 2015.

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