

Geological Report

Palmer Oil, Inc.

Hiebsch #7-1

575' FSL & 838' FEL

Sec 7, T34s, R32w

Seward County, Kansas



Palmer Oil, Inc.

General Data

Well Data: Palmer Oil, Inc.
Hiebsch #7-1
575' FSL & 838' FEL
Sec. 7, T34s, R32w
Seward County, Kansas
API # 15-175-22236-00-00

Drilling Contractor: Duke Drilling Co. Rig #5

Geologist: Luke Thompson

Spud Date: May 5, 2015

Completion Date: May 22, 2015

Elevation 2811' G.L.
2823' K.B.

Directions: From the East side of Liberal, KS at the intersection of Hwy 83 and Hwy 54 – Now go 4 miles NE on Hwy 54 – Now go 1.5 mile North on Rd. M to the SW corner of section 7-34s-32w – Now go 0.8 mile East on Rd. 8 to ingress stake North into.

Casing: 1703' 8 5/8" #24 Surface Casing

Samples: 4200' to RTD 10' Wet & Dry

Drilling Time: 2500'-3000' & 4200' to RTD

Electric Logs: Pioneer Energy Services "D. Kerr"
Full Sweep

Drillstem Tests: One-Trilobite Testing "Cornelio Landa III"
Four-Trilobite Testing "Chuck Smith"

Problems: Stuck for 12 hours on first short trip @ 3625'

Formation Tops

Hiebsch #7-1

Sec. 7, T34s, R32w

575' FSL & 838' FEL

Anhydrite	1584' +1239
Base	1654' +1169
Heebner	4366' -1543
Lansing	4518' -1695
BKC	5203' -2380
Marmaton	5214' -2391
Cherokee	5418' -2595
Morrow	5782' -2959
Keyes	5971' -3148
Chester Lime	6130' -3307
St. Gen	6368' -3543
St. Louis	6430' -3607
RTD	6650' -3827
LTD	6645' -3822

Sample Zone Descriptions

Lansing (4980', -2156): Covered in DST #1
Limestone, tan, fine crystalline, occasionally sucrosic, scattered green fluorescence, slow milky cut. Gas 670 units hotwire.

Morrow (5980', -3157): Covered in DST #2
Sandstone, tan/grey/white, glauconitic, medium grain, sub round, poor/fair cementation, poor sorting, slight odor, NSFO. Gas 350 units hotwire.

Chester (6334, -3511): Covered in DST #3 & 4
Sandstone, brown, fine grained, sub round, well sorted, fair cementation, poor inter-crystalline porosity, slight odor, bright green fluorescence, fair flush cut, excellent flash cut when broke. Gas 80 units hotwire.

St. Louis (6580', -3757): Covered in DST #5
Limestone, grey, fine crystalline, scattered green fluorescence, slow milky cut, no visible porosity, poor show of free oil. Gas 175 units hotwire.

Drill Stem Tests
Trilobite Testing
“Cornelio Landa III”

DST #1

Toronto

Interval (4448' - 4514') Anchor Length 66'

IHP - 2184 #

IFP - 30" – BOB 1 ½ min GTS 10 min 43-97 #

ISI - 45" – 2" return 930 #

FFP - 45" – BOB & GTS 3 min 118-162 #

FSIP - 60" – 1 ½" return 910 #

FHP - 2125 #

BHT - 115° F

Recovery: 214' OGCM (15% Gas & 5% Oil)

120' GMCW (5% Gas)

Trilobite Testing
“Chuck Smith”

DST #2

Morrow

Interval (5771' – 6000') Anchor Length 229'

IHP - 3090 #

IFP - 30" – Built to 2" 227-523 #

ISI - 30" – no return 594 #

FFP - 30" – Weak surface blow died in 5 min 294-432#

FSIP - 30" – no return 366 #

FHP - 2865 #

BHT - 130° F

Recovery: 70' M with a few oil spots

DST #3

Chester

Interval (6183' – 6334') Anchor Length 151'

Details: N/A Packer Failure

Packer split circumferentially leaving 11" of rubber in hole

DST #4**Chester**

Interval (6082' – 6334') Anchor Length 252'

IHP - 3216 #

IFP - 30" – 1 ½" blow receded to 1" 100-243#

ISI - 30" – No Return 542#

FFP - 30" – No Blow Flush surged and died 122-184 #

FSIP - 30" – No Return 258#

FHP - 3069 #

BHT - 136 ° F

Recovery: 120' M**DST #5****St Louis**

Interval (6564' – 6600') Anchor Length 36'

IHP - 3474 #

IFP - 30" – ½" blow receded to weak surface blow 29-38#

ISI - 30" – No Return 1692#

FFP - 30" – No Blow Flush surged and died in 20 min 41-89 #

FSIP - 30" – No Return 1399#

FHP - 3328 #

BHT - 144 ° F

Recovery: 120' M

Structural Comparison

	Palmer Oil, Inc. Hiebsch #7-1 Sec. 7, T34s, R32w 575' FSL & 838' FEL		EOG Resources Hiebsch #7-1 Sec. 7, T34s, R32w 1320' FNL & 1320' FEL		Anadarko Petroleum Corp. Condit 3-A Sec. 7, T34s, R32w 660' FSL & 1980' FEL
<u>Formation</u>					
Heebner	4366' -1543	+8	4385' -1551	-5	4369' -1538
Lansing	4518' -1695	-1	4528' -1694	-3	4523' -1692
BKC	5203' -2380	-2	5212' -2378	-9	5202' -2371
Marmaton	5214' -2391	-2	5223' -2389	-6	5216' -2385
Cherokee	5418' -2595	-3	5426' -2592	-2	5424' -2593
Morrow	5782' -2959	-11	5782' -2948	-6	5784' -2953
Keyes	5971' -3148	+1	5983' -3149	+11	5990' -3159
Chester Lm	6130' -3307	-28	6113' -3279	-1	6137' -3306
St. Gen	6368' -3543	-45	6332' -3498	-2	6372' -3541
St. Louis	6430' -3607	-39	6402' -3568	-8	6439' -3599

Summary

The location for the Hiebsch #7-1 well was found via 3-D seismic survey. The new well ran structurally as expected. Five drill stem tests were conducted, none of which recovered commercial quantities of gas and oil. After all the gathered data had been examined, the decision was made to plug and abandon the Hiebsch #7-1 well.

Respectfully Submitted,

Lukas Thompson
Palmer Oil, Inc.