

Colt Energy, Inc.
Geological Report

Well: **Pendley #17-i**

Draft: 5/09/2015

2350 FSL, 765 FEL

Section 22-T26S-R14E

Woodson Co., KS

API #: 15-207-29218

Elevation: 940 GL (est. from the surveyed location at Pendley #14)

Drilling Contractor: Andrew King (Op. Lic. #34953), dba BAR Drilling, LLC

Spud: 5/05/2015

Surface Casing: 1.75" bore hole, 8 5/8" set at 42.55', cmtd w/ 12 sx of Portland

Under Surface: 5/06/15

Drilling fluid: water "native mud" and a little polymer

Production bore hole: 6.75"

Rotary Total Depth (RTD): 1403' (5/07/15)

Geophysical E-Log(s): CDL and IES by Osage Wireline (5/07/15)

Production Casing: 1392' of 4 1/2", 10.5#/ft., includes 4' cmt pup jt., cmtd w/ 150 sx, (5/08/15)

Production Casing: Ran in hole by: BAR Drilling, LLC (5/08/15)

Formation/Member	DL/Spl Tops	Log Tops (Rdd off)	Datum (940)
Lansing Ls	----	220	720
Base Lansing	----	480	460
Kansas City Ls	----	559	381
Stark Sh	----	649	291
Hushpuckney Sh	----	689	251
Base Ks City	----	720	220
"Old Drillers Log" B. KC	----	736	204
South Mound Sh	----	828	112
"Weiser" Ss	----	928	12
Un-named Coal (Mulberry)	----	973	-33
Myrick Station Ls	----	995	-55
Anna (Lexington Coal Zone) Sh	----	1000	-60
Ft. Scott ("Oswego") Ls	----	1024	-84
Little Osage (Summit Coal Zone) Sh	----	1044	-104
Excello Sh	1059 (spl)	1060	-120
Mulky Coal	1062	1063	-123
Squirrel Sand	1078	1078	-138
Bevier Coal	1122 (drlg time)	1125	-185
Verdigris (Ardmore) Ls	1136	1137	-197
"V" (Croweburg) Sh	1139	1139	-199
Croweburg Coal	----	1141	-201
Fleming Coal	1177	1178	-238
Mineral Coal	1190	1194	-254
Scammon "Upper" Coal	1206 (spl)	1209	-269
"Lower" Cattleman Ss	1208	1212	-272

Formation/Member	Spl Tops	Log Tops (Rdd off)	Datum (940)
Un-named Carb. Zone	1235	1239	-299
Un-named Coal (Tebo?)	1241	1244	-304
Bartlesville Ss	1296	1299	-359
Base Bartlesville Ss	1356	1357	-417
Un-Named Coal	1367	1366	-426
Riverton Coal	1385	1386	-446
Mississippian ("Cgl.")	1402	Not logged	-462
Rotary Total Depth	1403	----	-463
E-log TD	----	1404	-464

The following report is based on microscopic examination of rotary drill cuttings collected on location while drilling, a core taken from the Bartlesville Sand Zone, and a series of open hole logs; depths have been corrected back to the open hole log measurements unless noted.

Note: Drill cuttings were collected, "bagged", and microscopically examined from 1070-1120 and 1240 to the rotary total depth of 1403'.

Major Zones of Interest:

"Weiser" Sandstone. The log shows sand from 928-941 and 949-974, both have "ohms" less than 4, sands are "watery" and could be a water source for water supply if needed on the Pendley and Cobble leases.

Mulberry Coal, 973-975. The log indicates a thin coal, looks to be around a foot +/- thick with a bulk density of 1.87.

Anna Shale (Lexington Coal Zone), 1000-1002+. No coal present, only black shale with a bulk density of 2.34.

Little Osage Shale (Summit Coal Zone), 1044-1047+. No coal present, only black shale with a bulk density of 2.20.

Excello Shale, 1060-1063. Shale, black, angular to blocky cuttings, pyritic, trace gritty textured, no shows.

Mulky Coal, 1063-1065+. Coal, 5%+/- were "floaters", fairly pyritic, no visible shows of free gas, coal is around a 1.5+/- feet thick and has a bulk density of 1.84.

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Major Zones of Interest continued:

Squirrel Sand, 1078-1088. Sandstone gray, light gray-green, black (due to oily residue), silt size to medium grain, sub-angular to very angular, poor to very poorly sorted, well consolidated to poorly consolidated with depth, friable to “mushy” clusters, loose grains with depth, scattered micro pale green and light green-gray platelets in most clusters, micaceous, fair to mostly poor porosity, weak oily odor, no fluorescence, weak shows of very dark brown to black free oil, fair to somewhat good show of “tacky” to “dead” oil residue, no apparent shows of free gas, sand is “watery” and does not merit further testing.

Bevier Coal, 1125-1126+. Log indicates about a foot of coal with a bulk density of 2.10.

Croweburg Coal, 1141-1142. Log shows less than a foot of coal with a bulk density of 2.08.

Fleming Coal, 1178-1180. The open hole log(s) indicated about a 2 feet coal seam with a bulk density of 1.67.

Mineral Coal, 1194-1196. Coal looks to be around 1.5+/- feet thick, but is probably less than a foot thick, has a bulk density of 2.10.

Scammon Coal, 1209-1211. Coal, 30%+ were “floaters”, no visible shows of free gas, is less than 2 feet (based on the log, but is probable around a foot or so), has a bulk density of 1.79.

“Lower” Cattleman Sand, 1212-1217. Silt/sandstone, light gray, silt size to very fine grain, poorly developed, fairly dense, and carrying no shows, noted for the record only.

Un-named Carbonaceous Zone, 1239-1242. Shale, black, fairly pyritic in part, no visible shows of gas.

Tebo(?) Coal, 1244-1246. Coal, 20%+ were “floaters”, no shows; log indicates this coal to be little under 2 feet thick with a bulk density of 1.72.

Bartlesville Sand Zone:

1299-1302. Sandstone, dark tans, light browns, trace brown (color varied due to oil content), very fine to medium grain, mostly fine grain, sub-angular to very angular, poorly sorted, moderately well consolidated, friable, fair to somewhat good porosity in part, trace a little shaley, very-very dull fluorescence, good to very good oily odor, good to very good show of free oil, no apparent shows of free gas, estimated had drilled about 3 or 4 feet, so elected to core. Cored from 1300-1325 Driller’s depths or about 1302-1327+/-, please see the Core Report for details.

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Bartlesville Sand continued:

Note: Had drilling indications that the top of the sand was at 1296 (Driller's depths), but went back to drilling relatively fast, so drilled to 1300 and circulated again, after looking at the cuttings and lagging back up the hole, called the top of the sand at 1296, but the open hole log shows the top of the sand to be about 1299.5+/- (rounded off to 1299). The log depth is about 2 feet deeper than the Driller's depths, so based on this must of drilled sand from 1299 to 1302.

Bartlesville Sand Zone Drill Cuttings continued:

1327+/- - 1339. Sandstone, grays, gray-browns, black (due to hydrocarbon residue, silt size to fine grain, sub-angular to mostly very angular, poorly sorted, very poor to moderately consolidated, friable clusters to loose grains, (most passed through the fine mesh wash screen), fair to very good porosity, scattered micro shale platelets, weak to fair "pungent" petroliferous odor, no fluorescence, few specks of black free oil, fair to very good shows of "tarry" and "dead" oil residue, no shows of gas.

1339-1346. Shale, gray to medium grays, silty to very silty, trace sand as above.

1346-1357. Sandstone, as above, but poor to very poorly consolidated, abundant loose grains and very fine clusters, most of the sand grains are white to semi-translucent but the hydrocarbons makes it appear various shades of gray-browns, brown to black. Has the same type of shows as noted above without the specks of free black oil.

Note: As of report date, cannot recommend further testing of the Bartlesville Sand below 1320 – open hole log depth.

Un-named Coal (one of the Neutrals / "AW" or "BW"), 1366-1368+. Only a small amount of coal in sample, few floaters, log shows this coal to be about 1.5+/- feet thick, probable just under a foot, has a bulk density of 2.03.

Riverton Coal, 1386-1390. Coal, 20% were "floaters", pyritic in part, trace secondary fracturing with gypsum along fracture planes, no visible shows of free gas, log indicates this coal to be over 3 feet thick with a bulk density of 1.60, looked to be a very "clean" coal.

Mississippi Conglomerate, 1402-1403 (Driller's depths, footage not logged). Off white, white, semi-translucent chert, weathered mottled tan limestone fragments, trace dull olive green shale, no shows

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Summary:

Due to the shows of oil found in the Bartlesville Sand, the decision was made to run production casing for further testing of this sand for commercial production, after a given time will be converted into an injection well as was first intended.

End Report

Rex R. Ashlock
For: Colt Energy, Inc.