OILFIELD RESEARCH LABORATORIES

P.O. BOX 647 536 N. HIGHLAND CHANUTE, KS 66720 PHONE (316) 431-2050 FAX (316) 431-[illegible]

May 3, 1996

KLM Exploration
600 E. Lake, P.O. Box 151
McLouth, KS 66054-0151

Gentlemen:

Attached hereto are the results of tests run on the rotary core taken from the Seaver Lease, Well No. 9-H, located in Section 7, T10S, R20E, Jefferson County, Kansas.

The core was sampled and sealed in plastic bags by a representative of the client and submitted to our laboratory on April 27, 1996.

Your business is greatly appreciated.

Very truly yours,

OILFIELD RESEARCH LABORATORIES

Alan M. Dunning

Alan M. Dunning

AMD:kw

4 c McLouth, KS

1 c Williams Natural Gas
Welda, KS

OILFIELD RESEARCH LABORATORIES

RESULTS OF SATURATION & PERMEABILITY TESTS

TABLE 1

Company KLM Exploration Lease Seaver . Well No. 9-H

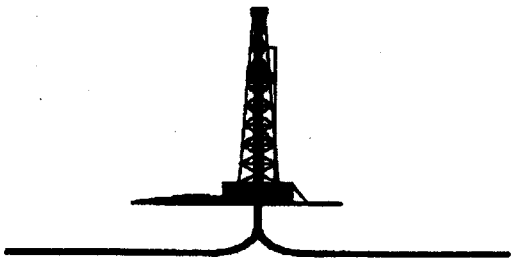
Sample No.	Depth, Feet	Porosity Percent	Percent Saturation			Oil Content Bbls./A.Ft.	Permeability, Millidarcys
			Oil	Water	Total		
1	1540.5	20.7	44	21	65	707	384.
2	1541.5	21.0	42	18	60	684	532.
3	1542.7	17.1	48	47	95	637	220.
4	1543.6	25.0	48	19	67	931	1,164.
5	1544.6	21.1	43	25	68	704	668.
6	1545.6	20.1	42	29	71	655	175.
7	1546.5	22.9	46	27	73	817	405.
8	1547.4	25.7	43	23	76	857	1,443.
9	1548.5	18.0	55	38	93	768	12.
10	1549.5	23.3	47	24	71	850	332.
11	1550.5	28.1	52	26	78	1,134	1,691.
12	1551.5	23.6	65	25	90	1,190	637.
13	1552.5	28.0	46	17	63	999	2,151.
14	1553.5	28.7	51	21	72	1,136	2,336.
15	1554.5	25.6	74	23	97	1,470	707.
16	1555.5	25.8	64	16	80	1,281	1,082.
17	1556.7	24.9	69	23	92	1,333	479.
18	1557.6	28.3	69	22	91	1,515	948.
19	1558.5	25.2	65	25	90	1,271	551.
20	1559.4	19.1	60	25	85	889	35.

LOG

Company KLM Exploration Lease Seaver Well No. 9-H

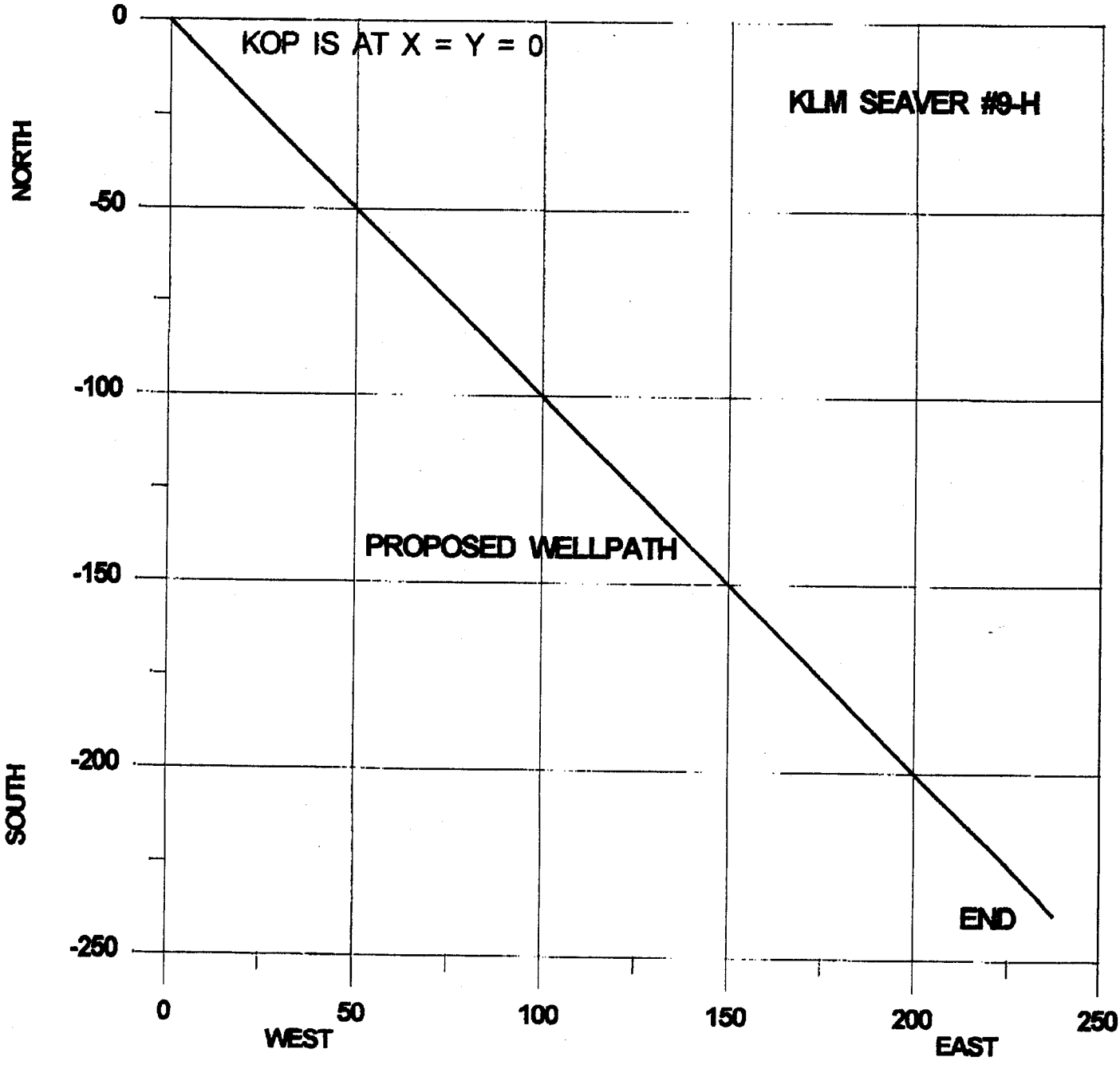
McLOUTH SAND

Depth Interval, Feet	Description
1540.0 - 1542.0	Sandstone, very dark brown with scattered shale nodules and inclusions.
1542.0 - 1542.6	Shale, dark gray with scattered layers of grayish brown conglomeratic sandstone.
1542.6 - 1544.5	Sandstone, very dark brown with scattered shale partings.
1544.5 - 1550.4	Sandstone, very dark brown with scattered shale partings.
1550.4 - 1551.3	Sandstone, brownish black.
1551.3 - 1553.6	Sandstone, brownish black, slightly carbonaceous with scattered shale partings.
1553.6 - 1559.5	Sandstone, brownish black, slightly carbonaceous with scattered shale partings and nodules.
1559.5 - 1559.9	Shale, gray with scattered coal partings.
1559.9 - 1562.5	Shale, light gray.
1562.5 - 1570.5	Shale, gray with scattered light gray siltstone partings.
1570.5 - 1571.5	Sandstone and shale, very light gray and gray laminated, with widely scattered coal inclusions.
1571.5 - 1573.0	Shale, light gray.



HORIZONTAL VENTURES, INC.

KLM EXPLORATION COMPANY, INC. SEAVER #9-H



KLM EXPLORATION COMPANY, INC. - SEAVER #9-H PROPOSED LATERAL

#	MD	TVD	INCL	AZ	X	Y	DEG/FT	ROC	HD
1	1534.	1534.	.0	135.0	.00	.00	.00	.00	.0
2	1536.	1536.	3.4	135.0	.04	-.04	1.69	34.00	.1
3	1538.	1538.	6.7	135.0	.17	-.17	1.69	34.00	.2
4	1540.	1540.	10.1	135.0	.37	-.37	1.69	34.00	.5
5	1542.	1542.	13.5	135.0	.66	-.66	1.69	34.00	.9
6	1544.	1544.	16.9	135.0	1.03	-1.03	1.69	34.00	1.5
7	1546.	1546.	20.2	135.0	1.48	-1.48	1.69	34.00	2.1
8	1548.	1548.	23.6	135.0	2.01	-2.01	1.69	34.00	2.8
9	1550.	1549.	27.0	135.0	2.61	-2.61	1.69	34.00	3.7
10	1552.	1551.	30.3	135.0	3.29	-3.29	1.69	34.00	4.7
11	1554.	1553.	33.7	135.0	4.04	-4.04	1.69	34.00	5.7
12	1556.	1554.	37.1	135.0	4.86	-4.86	1.69	34.00	6.9
13	1558.	1556.	40.4	135.0	5.74	-5.74	1.69	34.00	8.1
14	1560.	1558.	43.8	135.0	6.69	-6.69	1.69	34.00	9.5
15	1562.	1559.	47.2	135.0	7.70	-7.70	1.69	34.00	10.9
16	1564.	1560.	50.6	135.0	8.77	-8.77	1.69	33.90	12.4
17	1566.	1561.	53.9	135.0	9.88	-9.88	1.69	34.00	14.0
18	1568.	1563.	57.3	135.0	11.05	-11.05	1.69	34.00	15.6
19	1570.	1564.	60.7	135.0	12.26	-12.26	1.69	34.00	17.3
20	1572.	1565.	64.0	135.0	13.52	-13.52	1.69	34.00	19.1
21	1574.	1565.	67.4	135.0	14.80	-14.80	1.69	34.00	20.9
22	1576.	1566.	70.8	135.0	16.13	-16.13	1.69	34.00	22.8
23	1578.	1567.	74.2	135.0	17.47	-17.47	1.69	34.00	24.7
24	1580.	1567.	77.5	135.0	18.85	-18.85	1.69	34.00	26.7
25	1582.	1568.	80.9	135.0	20.23	-20.23	1.69	34.00	28.6
26	1584.	1568.	84.3	135.0	21.64	-21.64	1.69	34.00	30.6
27	1586.	1568.	87.6	135.0	23.05	-23.05	1.69	34.00	32.6
28	1588.	1568.	91.0	135.0	24.46	-24.46	1.69	34.00	34.6
29	1590.	1568.	94.4	135.0	25.87	-25.87	1.69	34.00	36.6
30	1590.	1568.	95.0	135.0	26.15	-26.15	1.58	36.35	37.0
31	1765.	1553.	95.0	135.0	149.43	-149.43	.00	*******	211.3
32	1790.	1551.	94.0	135.0	167.05	-167.05	.04	1432.20	236.2
33	1815.	1549.	93.0	135.0	184.70	-184.70	.04	1432.20	261.2
34	1840.	1548.	92.0	135.0	202.36	-202.36	.04	1432.20	286.2
35	1865.	1547.	91.0	135.0	220.03	-220.03	.04	1432.20	311.2
36	1890.	1547.	90.0	135.0	237.70	-237.70	.04	1432.20	336.2

# = STATION NUMBER
MD = MEASURED DEPTH
TVD = TRUE VERTICAL DEPTH
INCL = STATION INCLINATION
AZ = STATION AZIMUTH
X = EASTING + EAST - WEST
Y = NORTHING + NORTH - SOUTH
DEG/FT = CURVATURE
ROC = RADIUS OF CURVATURE ******* = VERY LARGE VALUE
HD = HORIZONTAL DEPARTURE
KOP COORDINATES X AND Y = 0 MD AND TVD = KOP DEPTH
*** CLOSURE: DISTANCE = 336.16 FT AZIMUTH = 135.00 DEGREES

Second Well #1 page

WILSON DOWNHOLE DIRECTIONAL SERVICES

21-May-96

KLM Exploration
Seaver Well No. 9H
Section 7, T10S - R20E
Jefferson County, Kansas

Vert. Sect. Dir. = N 75.0000 E Calculations using the Radius of Curvature Method

Meas. Depth	Hole Ang.	T.V.D.	V. S. Dist.	Hole Dir.	Total Coordinates Lat.	Dep.	C L O S U R E S Distance	Direction	D. L. Sev.
0	.00	.00	.00	Vertical	.00	.00	.00 N	.0000 E	.00
1526	.00	1526.00	.00	Vertical	.00	.00	.00 N	.0000 E	.00
1529	4.00	1529.00	.10	N 64.00 E	.05 N	.09 E	.10 N	64.0000 E	133.33
1531	8.25	1530.99	.31	N 61.00 E	.14 N	.28 E	.32 N	62.9937 E	213.10
1533	11.75	1532.96	.64	N 55.00 E	.33 N	.58 E	.66 N	60.3875 E	182.59
1535	15.75	1534.90	1.09	N 52.00 E	.61 N	.96 E	1.14 N	57.5162 E	203.15
1537	19.25	1536.80	1.64	N 53.00 E	.98 N	1.44 E	1.74 N	55.7821 E	175.64
1539	23.00	1538.67	2.31	N 54.00 E	1.41 N	2.02 E	2.46 N	55.1131 E	188.36
1541	26.25	1540.49	3.09	N 56.00 E	1.88 N	2.70 E	3.29 N	55.0845 E	167.76
1543	30.25	1542.25	3.99	N 56.00 E	2.41 N	3.48 E	4.24 N	55.2889 E	200.00
1545	34.00	1543.94	5.00	N 59.00 E	2.98 N	4.38 E	5.30 N	55.7324 E	203.77
1547	37.75	1545.56	6.13	N 59.00 E	3.59 N	5.38 E	6.47 N	56.3239 E	187.50
1549	41.75	1547.10	7.36	N 59.00 E	4.25 N	6.48 E	7.75 N	56.7654 E	200.00
1551	45.50	1548.55	8.69	N 60.00 E	4.95 N	7.67 E	9.13 N	57.1786 E	190.65
1553	49.75	1549.90	10.12	N 61.00 E	5.67 N	8.95 E	10.60 N	57.6412 E	215.69
1555	52.25	1551.15	11.63	N 61.00 E	6.43 N	10.31 E	12.15 N	58.0705 E	125.00
1557	56.00	1552.33	13.20	N 62.00 E	7.20 N	11.74 E	13.77 N	58.4738 E	191.83
1559	59.75	1553.39	14.85	N 63.00 E	7.98 N	13.24 E	15.46 N	58.9144 E	192.22
1561	62.50	1554.35	16.57	N 64.00 E	8.76 N	14.81 E	17.21 N	59.3806 E	144.30
1563	66.25	1555.22	18.34	N 64.00 E	9.55 N	16.43 E	19.00 N	59.8184 E	187.50
1565	69.75	1555.97	20.16	N 65.00 E	10.35 N	18.10 E	20.85 N	60.2342 E	181.04
1567	72.25	1556.62	22.03	N 67.00 E	11.12 N	19.83 E	22.73 N	60.7130 E	156.74
1569	75.75	1557.17	23.94	N 68.00 E	11.86 N	21.60 E	24.64 N	61.2411 E	181.48
1571	78.00	1557.62	25.87	N 68.00 E	12.59 N	23.41 E	26.58 N	61.7352 E	112.50
1573	80.75	1557.99	27.82	N 69.00 E	13.31 N	25.24 E	28.53 N	62.2002 E	146.02

Second well #2 page

WILSON DOWNHOLE DIRECTIONAL SERVICES

22-May-96

KLM Exploration
Seaver Well No. 9H
Section 7, T10S - R20E
Jefferson County, Kansas

Vert. Sect. Dir. = N 75.0000 E Calculations using the Radius of Curvature Method

Meas. Depth	Hole Ang.	T.V.D.	V. S. Dist.	Hole Dir.	Total Coordinates Lat.	Dep.	CLOSURES Distance	Direction	D. L. Sev.
1575	83.75	1558.26	29.79	N 69.00 E	14.02 N	27.09 E	30.50 N	62.6409	E150.00
1577	87.00	1558.42	31.78	N 69.00 E	14.73 N	28.95 E	32.48 N	63.0303	E162.50
1579	89.75	1558.48	33.77	N 71.00 E	15.41 N	30.83 E	34.47 N	63.4335	E170.00
1581	93.25	1558.43	35.76	N 72.00 E	16.05 N	32.72 E	36.45 N	63.8745	E182.00
1583	94.75	1558.29	37.76	N 73.00 E	16.65 N	34.63 E	38.42 N	64.3207	E 90.07
The following survey are not Mutli-Shot just the Amoco Drift survey tool									
1590	97.20	1557.56	44.71	N 73.00 E	18.68 N	41.28 E	45.31 N	65.6490	E 35.00
1600	93.30	1556.65	54.66	N 73.00 E	21.60 N	50.80 E	55.20 N	66.9713	E 39.00
1610	93.50	1556.05	64.64	N 73.00 E	24.51 N	60.35 E	65.14 N	67.8935	E 2.00
1620	92.50	1555.53	74.62	N 73.00 E	27.43 N	69.90 E	75.09 N	68.5717	E 10.00
1622	91.40	1555.46	76.62	N 73.00 E	28.02 N	71.81 E	77.08 N	68.6864	E 55.00
1624	84.20	1555.54	78.61	N 73.00 E	28.60 N	73.72 E	79.08 N	68.7953	E360.00
1626	81.70	1555.78	80.60	N 73.00 E	29.18 N	75.62 E	81.06 N	68.8981	E125.00

Due to the dogleg severity from 1622' M.D. to 1626' M.D.Wilson Downhole is against drilling futher due to the stress on the composite drill pipe

We have twisted off once and we will twist off a second time .

Bottom Hole Closure 81.06 at N 68.8981 E