

January 19, 2000

Phoenix Kansas Energy, LLC
536 N. Highland
Chanute, KS 66720

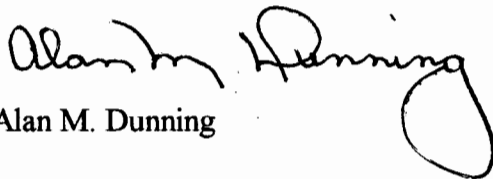
Gentlemen:

Attached hereto are the results of testing the rotary core taken from the Butler Lease, Well No. PO-23, located 3300' NSL and 2310' WEL, Section 35, T23S, R16E, Woodson County, Kansas.

The core was sampled by a representative of the client and submitted to our laboratory on January 3 & 4, 2000.

Your business is greatly appreciated.

OILFIELD RESEARCH LABORATORIES

A handwritten signature in cursive script, appearing to read "Alan M. Dunning". The signature is written in dark ink and is positioned above the printed name.

Alan M. Dunning

AMD: td

1 c: John Bumgardner
1 c: Paul Beck

LOG

Company Phoenix Kansas Energy, LLC Lease Butler Well No. PO-23

Upper Squirrel

<u>Depth Interval, Feet</u>	<u>Description</u>
940.0 – 942.2	Sandstone, light brown, very shaly, with scattered shale partings and streaks.
942.2 – 942.7	Shale, gray, with scattered brown, sandstone streaks.
942.7 – 943.2	Sandstone, light brown, very shaly, with scattered shale partings.
943.2 – 946.2	Shale, gray, with widely scattered brown, sandstone streaks.
946.2 – 947.3	Sandstone, light grayish brown, very shaly, with scattered shale partings.
947.3 – 954.5	Shale, light gray.

Lower Squirrel

978.0 – 978.7	Sandstone, brown, slightly calcareous, with widely scattered shale and mica partings.
978.7 – 978.9	Shale, gray, with scattered brown, sandstone partings and inclusions.
978.9 – 982.0	Sandstone, brown, with scattered shale and mica partings.
982.0 – 982.4	Sandstone and shale, brown and gray, laminated.
982.4 – 983.7	Shale, gray, with widely scattered brown, sandstone streaks.
983.7 – 984.0	Sandstone and shale, brown and gray, laminated.
984.0 – 986.2	Sandstone, brown, with widely scattered shale and mica partings and inclusions.
986.2 – 986.5	Sandstone and shale, brown and gray, laminated.
986.5 – 987.2	Sandstone, brown, with widely scattered mica inclusions.
987.2 – 987.9	Sandstone, brownish black, slightly carbonaceous, with scattered shale and mica partings.

Company Phoenix Kansas Energy, LLC Lease Butler Well No. PO - 23.

LOG (Page 2)

<u>Depth Interval,</u> <u>Feet</u>	<u>Description</u>
987.9 - 988.3	Sandstone, light grayish brown, very shaly, with scattered shale partings and inclusions.
988.3 - 990.0	Shale, gray, with widely scattered brown, sandstone partings and streaks.
990.0 - 990.9	Sandstone, light grayish brown, very shaly, with widely scattered shale and mica partings.
990.9 - 991.6	Shale, gray.

OILFIELD RESEARCH LABORATORIES

RESULTS OF SATURATION & PERMEABILITY TESTS

TABLE 1-B

Company Phoenix Kansas Energy, LLC				Lease		Butler		Well No. PO-23			
Sample No.	Depth, Feet	Porosity Percent	Percent Saturation			Oil Content Bbls/AF	Perm., md.	Feet of Sand		Total Oil Content	Perm. Capacity Ft X md
			Oil	Water	Total			Ft.	Cum. Ft.		
1	940.5	15.9	24	53	77	296	1.6	1.0	1.0	296	1.60
2	941.6	15.7	33	48	81	402	2.7	1.2	2.2	482	3.24
3	946.5	11.4	17	78	95	150	Imp.	1.1	3.3	165	0.00
						<u>Lower Squirrel</u>					
4	978.5	14.0	61	21	82	663	6.9	0.8	0.8	530	5.52
5	979.5	22.2	54	23	77	930	41.	1.1	1.9	1023	45.10
6	980.5	20.6	60	17	77	959	26.	1.0	2.9	959	26.00
7	981.4	20.6	53	19	72	847	23.	1.0	3.9	847	23.00
8	984.5	22.3	47	17	64	813	113.	1.0	4.9	813	113.00
9	985.5	22.4	52	17	69	904	161.	1.2	6.1	1085	193.20
10	986.6	20.4	46	21	67	728	54.	0.7	6.8	510	37.80
11	987.4	21.1	72	14	86	1179	18.	0.7	7.5	825	12.60
12	990.4	14.2	36	50	86	397	0.37	0.9	8.4	357	0.33

Oilfield Research Laboratories

Results of Laboratory Flooding Tests

Company Phoenix Kansas Energy, LLC Lease Butler Well No. PO-23

Sample No.	Depth, Feet	Effective Porosity Percent	Original Oil Saturation		Oil Recovery		Residual Saturation		Effective Permeability Millidarcys*	Initial Fluid Production Pressur P.S.I.
			%	Barrels Ac./Ft.	%	Barrels Per Acre Ft.	% Oil	% Water		
1	940.5	15.9	24	296	0	0	24	53	Imp.	-
2	941.6	15.4	33	394	0	0	33	48	Imp.	-
3	946.5	11.6	17	153	0	0	17	78	Imp.	-
4	978.5	14.4	61	681	0	0	61	36	0.60	40
5	979.5	22.0	54	922	3	51	51	47	9.60	15
6	980.5	20.3	60	945	8	126	52	46	2.27	20
7	981.4	20.4	53	839	2	32	51	46	1.13	20
8	984.5	22.5	47	820	2	35	45	53	8.80	15
9	985.5	22.1	52	892	2	34	50	46	9.13	15
10	986.6	20.1	46	717	0	0	46	52	2.40	25
11	987.4	21.0	72	1173	0	0	72	14	Imp.	-
12	990.4	14.4	36	402	0	0	36	50	Imp.	-

* Determined by passing water through sample which still contains residual oil