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December 1, 1999

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

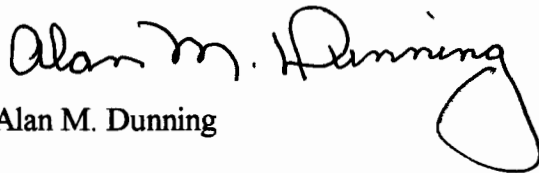
Gentlemen:

Attached hereto are the results of testing the rotary core taken from the Butler lease, Well No. PO-37, located 3960'NSL & 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 October 22, 1999.

Your business is greatly appreciated.

OILFIELD RESEARCH LABORATORIES



Alan M. Dunning

AMD: td

1 c: John Bumgardner

1 c: Paul Beck

LOG

Company Phoenix Kansas Energy, LLC Lease Butler Well No. PO - 37

Upper Squirrel

<u>Depth Interval, Feet</u>	<u>Description</u>
958.5 - 959.0	Shale, light grayish brown, shaly.
959.0 - 962.0	Sandstone, dark brown.
962.0 - 962.3	Sandstone and shale, brown and gray, laminated.
962.3 - 962.7	Sandstone, brownish black, slightly carbonaceous, containing numerous vertical fractures.
962.7 - 963.3	Sandstone, grayish brown, very shaly, with scattered shale partings.
963.3 - 963.6	Sandstone, dark brown, with scattered shale and mica partings.
963.6 - 963.9	Shale, gray, with scattered brown sandstone partings.
963.9 - 964.6	Sandstone, grayish brown, shaly, with scattered shale partings and containing a vertical fracture.
964.6 - 965.3	Shale, gray, with scattered brown, sandstone partings, and streaks.
965.3 - 965.9	Sandstone, grayish brown, shaly, with scattered shale partings.
965.9 - 966.2	Shale, gray, with scattered brown, sandstone partings.
966.2 - 966.6	Sandstone and shale, light brown and gray, laminated.
966.6 - 969.7	Shale, gray, with widely scattered shale partings, and streaks.
969.7 - 970.2	Sandstone, brownish black, shaly, slightly carbonaceous, with scattered shale and mica partings.
970.2 - 973.5	Shale, light gray.

LOG (Page 2) Lower Squirrel

<u>Depth Interval</u> <u>Feet</u>	<u>Description</u>
998.0 - 998.6	Shale, gray, with widely scattered brown, sandstone partings.
998.6 - 999.3	Sandstone, light grayish brown, very shaly, with scattered shale and mica partings.
999.3 - 1001.0	Shale, gray.
1001.0 - 1001.2	Sandstone, brown.
1001.2 - 1003.7	Shale, gray.
1003.7 - 1004.0	Sandstone, brown, with scattered shale and mica partings.
1004.0 - 1006.3	Shale, gray.
1006.3 - 1006.7	Sandstone, grayish brown, very shaly, with scattered shale and mica partings.

RESULTS OF SATURATION & PERMEABILITY TESTS

TABLE 1-B

Company <u>Phoenix Kansas Energy, LLC</u>				Lease <u>Butler</u>		Well No. <u>PO-37</u>					
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.		
						<u>Upper Squirrel</u>					
1	959.5	20.3	46	25	71	724	87.	1.0	1.0	724	87.00
2	960.5	22.2	46	20	66	790	92.	1.0	2.0	790	92.00
3	961.5	21.8	49	20	68	827	116.	1.0	3.0	827	116.00
4	962.5	23.3	53	24	77	960	97.	0.4	3.4	384	38.80
5	963.5	20.5	40	32	72	641	63.	0.3	3.7	192	18.90
6	964.5	17.3	44	43	87	586	5.0	0.7	4.4	410	3.50
7	965.5	18.5	42	39	81	600	5.3	0.6	5.0	360	3.18
8	966.5	13.6	19	59	78	198	1.0	0.4	5.4	79	0.40
9	969.8	18.1	61	22	83	852	6.1	0.5	5.9	426	3.05
						<u>Lower Squirrel</u>					
10	998.8	15.1	40	38	78	474	0.67	0.7	0.7	332	0.47
11	1003.8	17.4	47	23	70	636	12.	0.3	1.0	191	3.60
12	1006.5	15.6	49	33	83	598	0.29	0.4	1.4	239	0.12

Oilfield Research Laboratories

Results of Laboratory Flooding Tests

Company Phoenix Kansas Energy, LLC Lease Butler

Well No. PO-37

Sample No.	Depth, Feet	Effective Porosity Percent	Original Oil Saturation		Oil Recovery		Residual Saturation			Effective Permeability Millidarcys*	Initial Fluid Production Pressure P.S.I.
			%	Barrels Ac./Ft.	%	Barrels Per Acre Ft.	% Oil	% Water	Barrels Per Ac./Ft.		
1	959.5	20.1	46	717	2	31	Upper Squirrel 44	52	686	1-27	30
2	960.5	22.0	46	785	2	34	44	51	751	0-67	35
3	961.5	21.7	49	825	3	51	46	58	774	0-93	30
4	962.5	23.1	53	950	0	0	53	42	950	0-13	50
5	963.5	20.4	40	633	0	0	40	55	633	0-47	45
6	964.5	17.3	44	591	0	0	44	43	591	Imp.	-
7	965.5	18.5	42	603	0	0	42	39	603	Imp.	-
8	966.5	13.9	19	205	0	0	19	59	205	Imp.	-
9	969.8	18.3	61	866	0	0	61	22	866	Imp.	-
							Lower Squirrel				
10	998.8	15.4	40	478	0	0	40	38	478	Imp.	-
11	1003.8	17.1	47	624	0	0	47	47	624	0-07	50
12	1006.5	15.6	49	593	0	0	49	33	593	Imp.	-

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