

OILFIELD RESEARCH LABORATORIES

536 NORTH HIGHLAND - CHANUTE, KANSAS 66720 - PHONE (316) 431-2650

December 17, 1980

Kanalta Resources, Ltd.
Box 112
Bronson, Kansas 66716

Gentlemen:

Enclosed herewith are the results of tests run on the rotary core taken from the Pancana Gordon Lease, Well No. 8, located in Woodson County, Kansas.

The core was sampled and sealed in plastic bags by a representative of the client and submitted to our laboratory on November 29, 1980.

Your business is greatly appreciated.

Very truly yours,

OILFIELD RESEARCH LABORATORIES



Sanford A. Michel

SAM/kas

5 c to Bronson, Kansas

- REGISTERED ENGINEERS -

CORE ANALYSIS - WATER ANALYSIS - REPRESSURING ENGINEERING - SURVEYING & MAPPING - PROPERTY EVALUATION & OPERATION

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GENERAL INFORMATION & SUMMARY

Company Kanalta Resources, Ltd. Lease Pancana Gordon Well No. 8
 Location 150' WEL & 15' SNE
 Section 13 Twp. 24S Rge. 15E County Woodson State Kansas

| | |
|--|----------------|
| Elevation, Feet | - |
| Name of Sand | Upper Squirrel |
| Top of Core | 1105.0 |
| Bottom of Core | 1119.5 |
| Top of Sand (Tested) | 1105.0 |
| Bottom of Sand (Tested) | 1118.5 |
| Total Feet of Permeable Sand | 10.7 |

| Distribution of Permeable Sand: Permeability Range Millidarcys | Feet | Cum. Ft. |
|--|------|----------|
| 10 - 20 | 2.0 | 2.0 |
| 20 - 30 | 1.4 | 3.4 |
| 30 - 50 | 3.8 | 7.2 |
| 50 - 100 | 2.5 | 9.7 |
| 100 & Above | 1.0 | 10.7 |

| | |
|--|--------|
| Average Permeability Millidarcys | 41.9 |
| Average Percent Porosity | 19.1 |
| Average Percent Oil Saturation | 58.8 |
| Average Percent Water Saturation | 26.3 |
| Average Oil Content, Bbls./A. Ft. | 869. |
| Total Oil Content, Bbls./Acre | 9,302. |

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LOG

Name Kanalta Resources, Ltd. Lease Pancana Gordon Well No. 8

| <u>Depth Interval,</u> <u>Feet</u> | <u>Description</u> |
|---------------------------------------|---|
| 1105.0 - 1109.7 | Dark brown sandstone. |
| 1109.7 - 1110.8 | Grayish brown shaly sandstone. |
| 1110.8 - 1113.2 | Dark brown sandstone. |
| 1113.2 - 1119.5 | Dark brown slightly calcareous sandstone. |

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RESULTS OF SATURATION & PERMEABILITY TESTS

TABLE 1-B

Company Kanalta Resources, Ltd. Lease Pancana Gordon Well No. 8

| Sample No. | Depth, Feet | Effective Porosity Percent | Percent Saturation | | | Oil Content Bbls. / A Ft. | Perm., Mill. | Feet of Sand | | Total Oil Content | Perm. Capacity Ft. X md. |
|------------|-------------|----------------------------|--------------------|-------|-------|---------------------------|--------------|--------------|----------|-------------------|--------------------------|
| | | | Oil | Water | Total | | | Ft. | Cum. Ft. | | |
| 1 | 1105.6 | 16.5 | 66 | 29 | 95 | 845 | 17. | 1.0 | 1.0 | 845 | 17.00 |
| 2 | 1108.2 | 19.7 | 54 | 26 | 80 | 825 | 30. | 1.0 | 2.0 | 825 | 30.00 |
| 3 | 1109.2 | 18.2 | 65 | 26 | 91 | 918 | 31. | 1.0 | 3.0 | 918 | 31.00 |
| 4 | 1111.3 | 18.1 | 51 | 31 | 82 | 716 | 17. | 1.0 | 4.0 | 716 | 17.00 |
| 5 | 1112.6 | 19.3 | 52 | 29 | 81 | 779 | 20. | 1.4 | 5.4 | 1091 | 28.00 |
| 6 | 1114.2 | 19.0 | 52 | 29 | 81 | 767 | 31. | 1.8 | 7.2 | 1381 | 55.80 |
| 7 | 1115.5 | 20.5 | 64 | 19 | 83 | 1018 | 105. | 1.0 | 8.2 | 1018 | 105.00 |
| 8 | 1116.5 | 20.2 | 59 | 23 | 82 | 925 | 53. | 1.0 | 9.2 | 925 | 53.00 |
| 9 | 1117.7 | 19.7 | 69 | 23 | 92 | 1055 | 74. | 1.5 | 10.7 | 1583 | 111.00 |

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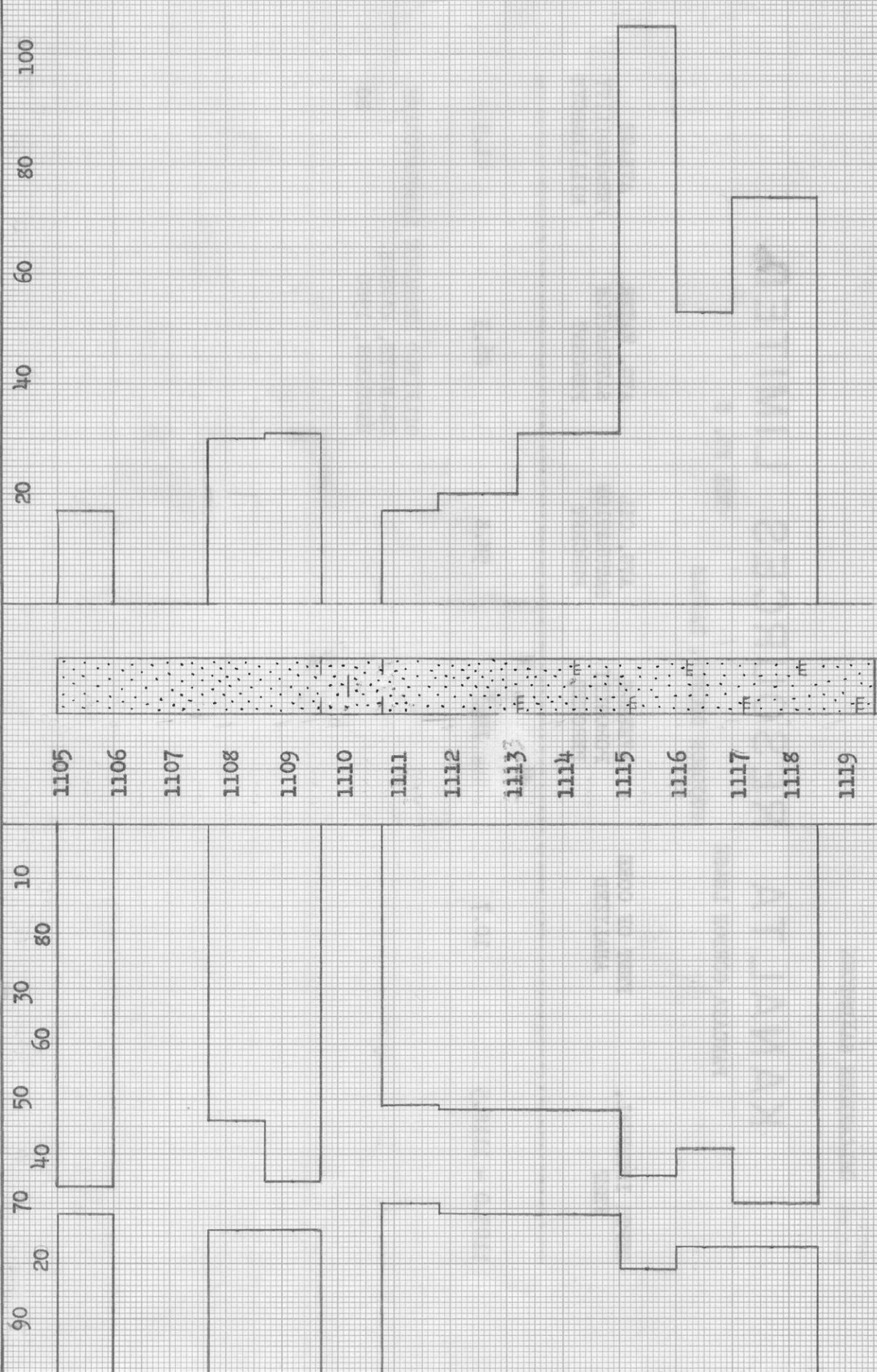
SUMMARY OF PERMEABILITY & SATURATION TESTS

TABLE III

| Company | Lease | Well No. | 8 |
|-------------------------|--------------------------|---|---------------------------------------|
| Kanalta Resources, Ltd. | Pancana Gordon | | |
| | | | |
| Depth Interval, Feet | Feet of Core Analyzed | Average Permeability, Millidarcys | Permeability Capacity Ft. x Md. |
| 1105.0 - 1118.5 | 10.7 | 41.9 | 447.8 |
| | | | |
| Depth Interval, Feet | Feet of Core Analyzed | Average Percent Oil Saturation | Average Oil Content Bbl./A. Ft. |
| 1105.0 - 1118.5 | 10.7 | 58.8 | 869 |
| | | 26.3 | 9,302 |

PERMEABILITY, IN MILLIDARCY

WATER SAT., PERCENT
OIL SAT., PERCENT



KEY:

SANDSTONE

SHALY SANDSTONE

CALCAREOUS SANDSTONE

KANALTA RESOURCES LIMITED

PANCIANA GORDON LEASE

WOODSON COUNTY, KANSAS

WELL NO. 8

| DEPTH INTERVAL, FEET | FEET OF CORE ANALYZED | AVERAGE POROSITY PERCENT | AVG. OIL SATURATION PERCENT | AVG. WATER SATURATION PERCENT | AVERAGE PERMEABILITY MILLIDARCY |
|-------------------------|--------------------------|--------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|
|-------------------------|--------------------------|--------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|

1105.0 - 1118.5

10.7

19.1

58.8

26.3

41.9

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 CHA NUTE, KANSAS
 DECEMBER, 1980

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