15-049-22432-00-00

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February 2, 2006

Coronado Resources
8556 East 101st Street, Suite C
Tulsa, OK

Attention: Steve McDaniel

18-31-10E

Re: Mel Boeckman 18-1, 1980' FSL, 1920' FEL
NW/4 SE/4 Section 18, T31S, R10E. Elk County, KS.

Gentlemen:

Pursuant to your request, wellsite geological services were performed on the above mentioned well. Enclosed is the resulting report and sample examination.

Please feel free to contact me if you have any questions. I have enjoyed this opportunity to be of service.

Respectfully Submitted,

J.P. Grissom
Registered Professional Geologist
Arkansas Registration #1795

18-31-10E

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REPORT ON THE MEL BOECKMAN 18-1
PREPAIRED FOR
CORONADO RESOURCES

LOCATION: 1980' FSL and 1920' FEL of the NW/4 SE/4 of Sec 18, T31S, R10E. Elk County, KS

OBJECTIVE: Arbuckle test

TYPE OF TEST: Wildcat

RESULTS OF TEST: Oil well

TOTAL DEPTH: 2519'

DRILLING COMPLETION DATE: 2-2-06

ELEVATION: 1196'

DRILLING PROCEDURE

Drilling operations were contracted by Gulick Drilling Company of Eureka, KS using a Spencer Harris mud rotary drilling rig with 250 Cardwell draw works. The hole was spudded on January 30, 2006. A 12 1/4" bit was used to drill the surface hole. 45' of 8 5/8" thread and coupled, 10 round surface casing was set and pressure grouted from the shoe to the surface by Consolidated Cementing. A 7 7/8" bit was used from the surface casing to total depth. The well was drilled with fresh water to 1784'. Mud was used to drill from 1784' to total depth.

GEOLOGIC PROCEEDURE:

Samples were examined at the wellsite using a binocular microscope and ultraviolet light. Samples were taken at 10 foot intervals from 500' to 2460' and 5' intervals from 2460' to 2505'. A four foot sample was taken from 2505' to 2509' and circulated to the surface. The hole was advanced to 2513' when a drilling break was observed. The sample was circulated to the surface and an oil show was observed. The hole was subsequently advanced by one foot intervals to 2519'. At each interval, samples were circulated to the top and oil shows were observed. A drill stem test was performed on the Arbuckle dolomite following TD. Stratigraphic names of rock formations and their members were assigned with reference to the Oklahoma Geological Survey Guide Book VI, "Subsurface Stratigraphic Names of Oklahoma", L. Jordan, 1957; "General Geologic Section of Oklahoma Oil Producing Areas", R.H. Dott, Oklahoma Geological Survey, 1948 and "Rock Formations of Kansas", R.C. Moore, Kansas Geological Survey. Several other stratigraphic sections of the area were also used that are of unknown origin.

GEOLOGIC MARKERS (measured from +9 KB):

Geologic formations/members	Sample tops	Sea Level Datum
Lansing Group	1060	+136
Kansas City Group	1540	-344
Lenapah Limestone	1690	-494
Altamont Limestone	1780	-584
Pawnee Limestone	1860	-664
Ft. Scott Limestone	1900	-704
Mississippian System	2220	-1024
Woodford Shale	2470	-1274
Arbuckle Group	2511	- 1315

DISCUSSION OF HYDROCARBON SHOWS:

Minor oil shows were observed in a porous interval between 2230 and 2240' in the Mississippian Limestone. Previous production in the area appears to have depleted this reservoir and economic oil production is unlikely.

The Arbuckle Dolomite was topped at 2511'. The porosity from observed from 2511' to 2515' appeared to be minor however oil shows were noted. A significant increase in porosity was noted between 2515' and 2518'. This interval exhibited good oil staining, a trace of free oil and fluorescence values ranging from 40% to 70%. Samples from the 2518' to 2519' (TD) showed a decrease in porosity and hydrocarbon saturation.

A Drill Stem Test performed on the Arbuckle following TD resulted in 310' of fluid in the drill stem. 130' of this was observed to be oil, 60' oil/mud mix and 120' mud. Pressure data reveals that the formation pressure on the zone is equal to the normal hydrostatic pressure at this depth. No depletion of the reserve appears to have occurred

MEL BOECKMAN 18-1

SECTION 18, T31S, R10E

ELK COUNTY, KANSAS

SAMPLE EXAMINATION

Operator: Coronado Resources.

Drilling Contractor: Gulick Drilling Company.

Surface Casing: 45' of 8 5/8"

Elevation: 1196'

Date of sample examination at wellsite: January 30 and 31, February 1 and 2, 2006

DEPTH	DESCRIPTION	FLUORESENCE
PENNSYLVANIAN SYSTEM VIRGILLIAN SERIES SHAWNEE GROUP		
DEPTHS ARE MEASURED FROM KELLY BUSHING KELLY BUSHING IS ELEVATION IS 9' ABOVE GROUND LEVEL		
500 – 520	Shale, dark gray, silty.	
520 – 530	Shale, dark gray, fissile.	
530 – 540	Shale, gray, silty.	
540 – 560	Shale, gray, sandy.	
560 – 580	Sandstone, white, fine grained, well sorted, sub round, silty laminations.	
580 – 600	Shale, gray, sandy.	
600 – 640	Shale, gray, sandy.	
640 – 650	Limestone, tan, finely crystalline, dense.	
650 – 660	Shale, dark gray.	
660 – 680	Shale, gray, silty with claystone, red, soft.	

DEPTH	DESCRIPTION	FLUORESENCE
680 – 690	Sandstone, gray, very fine grained, silty.	
690 – 710	Claystone, red, soft.	
710 – 720	Limestone, brown, argillaceous.	
720 – 740	Limestone as above with shale, gray.	
740 – 760	Shale, gray, sandy.	
760 – 790	Shale, dark gray.	
790 – 800	Limestone, tan, finely crystalline, dense.	
800 – 820	Shale, dark gray, fissile.	
820 – 840	Shale, gray, sandy.	
840 – 850	Shale as above with sandstone, gray, very fine grained, silty.	
850 – 930	Shale, gray, silty.	
930 – 940	Limestone, tan, finely crystalline, dense.	
940 – 950	Limestone as above with shale, gray, silty.	
950 – 970	Shale, gray, fissile.	
970 – 990	Shale, gray, silty with sandstone, gray very fine grained, silty.	
990 – 1000	Shale as above with limestone, brown, finely crystalline, argillaceous.	
MISSOURIAN SERIES PEDEE GROUP		
1000 – 1010	Limestone, tan, finely crystalline, dense.	
1010 – 1040	Shale, gray.	
1040 – 1060	Shale, dark gray, fissile.	

DEPTH	DESCRIPTION	FLUORESENCE
LANSING GROUP		
1060 – 1080	Limestone, light tan and gray, mottled, finely crystalline, dense.	
1080 – 1100	Shale, dark gray with limestone as above.	
1100 – 1120	Claystone, red with shale as above.	
1120 – 1130	Limestone, tan, finely crystalline, dense.	Trace, spotty
1130 – 1140	Limestone, tan, finely crystalline, calcite fracture filling.	
1140 – 1200	Limestone, tan, finely crystalline, dense.	
1200 – 1220	Limestone, tan and brown, fine to medium crystalline, dense.	
1220 – 1240	Shale, dark gray.	
1240 – 1250	Shale, gray, silty.	
1250 – 1270	Shale, black, carbonaceous, fissile.	
1270 – 1280	Limestone, tan, finely crystalline, crinoid fragments.	
1280 – 1290	Limestone, dark gray, finely crystalline, argillaceous.	
1290 – 1320	Shale, dark gray.	
1320 – 1340	Shale, gray, sandy laminations.	
1340 – 1380	Shale, dark gray.	
1380 – 1390	Limestone, brown, finely crystalline, dense.	
1390 – 1410	Shale, gray sandy with sandstone, very fine grained, silty.	
1410 – 1430	Sandstone, gray, fine grained, well sorted, well rounded, silty, slightly calcareous, fair porosity.	
1430 – 1440	Shale, dark gray.	
1440 – 1450	Limestone, tan, finely crystalline, dense.	
1450 – 1470	Shale, dark gray.	

DEPTH	DESCRIPTION	FLUORESCENCE
1470 – 1510	Shale, black.	
1510 – 1540	Shale, gray, silty.	
KANSAS CITY GROUP		
1540 – 1560	Limestone, white and light tan, finely crystalline, dense.	
1560 – 1570	Shale, black, carbonaceous, fissile.	
1570 – 1590	Limestone, white and tan, fine to medium crystalline, dense	
1590 – 1620	Shale, dark gray.	
1620 – 1630	Limestone, dark gray, finely crystalline, argillaceous.	
1630 – 1660	Limestone, white and tan, finely crystalline, dense.	
1660 – 1670	Limestone as above, minor intercrystalline porosity.	
MARMATON GROUP PLEASANTON SHALE FORMATION		
1670 – 1680	Shale, dark gray.	
1680 – 1690	Shale, black, carbonaceous, fissile.	
LENAPAH LIMESTONE FORMATION		
1690 – 1700	Limestone, finely crystalline, dense.	
1700 – 1710	Shale, black, carbonaceous, fissile.	
1710 – 1720	Shale, gray, sandy.	
1720 – 1740	Sandstone, gray, very fine grained, silty.	
1740 – 1780	Shale, gray, silty.	
ALTAMONT LIMETONE FORMATION		
1780 – 1790	Limestone, light tan and white, finely crystalline, dense.	Trace
1790 – 1800	Limestone as above with shale, dark gray.	

DEPTH	DESCRIPTION	FLUORESCENCE
BANDERA SHALE FORMATION BANDERA SANDSTONE MEMBER		
1800 – 1820	Sandstone, gray, fine grained well sorted, subround, silty.	
1820 – 1850	Shale, dark gray, silty, sandy laminations.	
1850 – 1860	Shale, dark gray.	
PAWNEE LIMESTONE FORMATION		
1860 – 1880	Limestone, tan and brown, finely crystalline, dense.	
1880 – 1890	Limestone, tan, finely crystalline, minor intercrystalline porosity.	10% medium.
CHEROKEE GROUP LABETTE SHALE FORMATION		
1890 – 1900	Shale, black, carbonaceous.	
FORT SCOTT LIMESTONE FORMATION		
1900 – 1910	Limestone, white and tan, finely crystalline, dense.	
1910 – 1920	Limestone as above, minor intercrystalline porosity.	10% medium.
CABANNISS FORMATION		
1920 – 1930	Shale, gray, silty.	
1930 – 1940	Shale, dark gray.	
BEVIER COAL		
1940 – 1950	Shale, black, carbonaceous with coal.	
1950 – 1970	Shale, gray, silty, sandy.	
1970 – 2020	Shale, dark gray.	
2020 – 2050	Shale, gray, sandy laminations.	

DEPTH	DESCRIPTION	FLUORESENCE
CATTLEMANS SANDSTONE MEMBER		
2050 – 2060	Sandstone, gray, fine grained, well sorted, subround, silty, micaceous, fair porosity.	
2060 – 2070	Sandstone as above with shale, dark gray, sandy laminations.	
2070 – 2090	Shale, light gray, sandy.	
2090 – 2100	Shale, gray.	
WEIR-PITTSBURG COAL		
2100 – 2110	Shale, dark gray with coal.	
KREBS FORMATION		
2110 – 2020	Shale, gray, sandy.	
2020 – 2030	Claystone, red, soft.	
2030 – 2070	Shale, dark gray, fissile.	
2070 – 2080	Claystone, red, soft.	
2080 – 2200	Shale, dark gray, fissile.	
RIVERTON COAL		
2200 – 2210	Shale as above with coal.	
MISSISSIPPIAN SYSTEM CHESTERIAN SERIES BOONE FORMATION		
2220 – 2230	Chert, light and dark gray, cryptocrystalline, dense.	
2230 – 2240	Limestone, tan, fine to medium crystalline, moderate inter-crystalline porosity, oil staining.	20% medium-bright.
2240 – 2250	Limestone as above, decrease in show, probable oil/water contact.	
2250 – 2260	Limestone, tan and gray, finely crystalline, dense.	

DEPTH	DESCRIPTION	FLUORESENCE
2260 – 2300	Limestone as above with chert, gray and white, mottled.	
2300 – 2310	Limestone, tan and gray, oolitic, dense.	
2310 – 2330	Limestone, tan, finely crystalline, dense with chert, gray and white, mottled.	
2330 – 2390	Limestone, tan and brown, finely crystalline, dense.	
2390 – 2430	Limestone as above with chert, clear and white.	
2430 – 2460	Limestone, dark brown, very argillaceous, glauconitic.	
PIERSON LIMESTONE MEMBER		
2460 – 2470	Limestone, light gray, finely crystalline, dense.	
KINDERHOOKIAN SERIES WOODFORD SHALE FORMATION		
2470 – 2511	Shale, black, carbonaceous, pyritic.	
ORDOVICIAN SYSTEM BECKMANTOWNIAN SERIES ARBUCKLE GROUP		
2511 - 2513	Dolomite, buff, finely crystalline, minor porosity, minor oil cut.	20% medium-bright.
2513 – 2514	Dolomite as above, trace oil stain, increase in porosity and oil cut.	20% bright.
2514 – 2515	Dolomite as above, decrease in porosity and show.	10% bright.
2515 – 2516	Dolomite as above, moderate porosity, increase in show.	40% medium-bright.
2516 – 2517	Dolomite as above, increase in show.	50% medium-bright.
2517 – 2518	Dolomite as above, good porosity, few small vugs, increase in oil stain, trace free oil.	70% medium-bright.
2518 – 2519	Dolomite as above, decrease in porosity and show.	30% medium-bright.