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FRANCIS C. WHISLER
CERTIFIED PETROLEUM GEOLOGIST
AAPG
RUSSELL, KANSAS 67665



ORIGINAL

SHIELDS OIL PRODUCERS, INC.

Russell, Kansas

API# 15-141-20296

GEOLOGICAL REPORT

KCC

FEB 26 1997

NELSON No. 1

NE NE NW of Section 3

Twp. 10 South, Rge. 12 West

Osborne County, Kansas

April 10, 1995

RECEIVED
STATE CORPORATION COMMISSION

JUN 26 1995

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WICHITA, KANSAS

SHIELDS OIL PRODUCERS, INC.

Russell, Kansas

Geological Report: Nelson No. 1
NE NE NW Sec. 3, T 10 S, R 12 W
Osborne County, Kansas

Contractor: Shields Drilling Co., Inc.

Drilling Commenced: April 1, 1995

Drilling Completed: April 8, 1995

Casing Record: 8 5/8" surface casing set 215' with 160 sx.
4 1/2" production casing set at 3261' w/ 150 sx.
DV Tool set in Anhydrite (948 w/175 sx)

Samples: Saved and examined from 2700' to 3263', RTD.
Zones of interest are described in this report. The samples will be sent to the Kansas Sample Library at Wichita, Kansas.

Drilling Time: Recorded and plotted from 2700' to 3263', RTD. A copy of the drilling time/lithology log is included with this report.

Drillstem Tests: 3 by Swift Formation Testers

Electric Logs: Radiation-Guard-Caliper by ELI Wireline

Elevations: Kelly Bushing: 1859'
Ground Level: 1854
Measurements From: K. B.

Formations:

	Rotary Depths:	E. Log Depths:	E. Log Datums:
Anhydrite	918-949	918-948	+ 941
Howard Lime	2755	2754	- 895
Topeka Lime	2791	2790	- 931
Heebner Shale	3028	3026	-1167
Toronto Lime	3050	3048	-1189
Lansing-Kansas City	3084	3082	-1223
C zone Porosity	3133	3133	-1274
Total Depth	3263	3261	-1402

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Remarks & Recommendations:

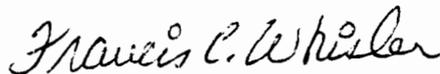
The following table compares the Nelson #1 with the Chatham A-1 and the Brant #1: (E. Log measurements, all wells).

	Nelson #1 NE NE NW Sec. 3-10-12	Chatham A-1 SW SW SE Sec. 34-9-12	Brant #1 NE SE SW Sec. 34-9-12
Anhydrite	+ 941	+ 946	+ 944
Topeka Lime	- 931	- 932	- 932
Heebner Shale	-1167	-1168	-1167
Lansing-Kansas City	-1223	-1226	-1224
Top of C zone Porosity	-1274	-1274	-1274

You will note that using E. log measurements on all three wells, that the three wells are very nearly flat on all horizons. Also, each well has as its productive zone the A zone of the LKC.

Because of the positive results on the drillstem test #1 (A zone) it was decided that production casing should be set for further testing and commercial oil production. I recommend perforating the A zone from 3084 to 3088.

Respectfully submitted;



Francis C. Whisler

Lithology; Zones of Interest & Test Data: (Corrected to E. Log Depths)

Lansing-Kansas City:

3082-3092: LS-white, buff, crystalline, dense to slight crystalline porosity. Some vuggy porosity. Trace of fossil porosity. Scattered light oil stain and saturation. Faint odor but no free oil. Tested by drillstem test #1.

DRILLSTEM TEST No. 1: 3060 to 3095 (Log: 3058-93)

Times: 30-60-60-60 with fair to good blow. Off bottom of bucket in 40 min.

Recovery: 495' of gas
105' of clean oil
120' of muddy oil

IFP:	67-84	IBHP:	1050
FFP:	92-109	FBHP:	1023

3110-3118: LS-white, buff, dense to slight fossil porosity. Abundant white, gray, vitreous and blocky chert. Rare light and dark oil stain. No free oil or odor. Tested by drillstem test #2.

DRILLSTEM TEST No. 2: 3104 to 3120 (Log: 3102-18)

Times: 30-45-30-45 with very weak blow throughout first open. No blow on second open.

Recovery: 30' of mud with show of free oil on top of fluid.

IFP:	20-20	IBHP:	1041
FFP:	25-25	FBHP:	981

3132-3138: LS-white, buff, fine to medium oolitic with good porosity and barren porosity. Rare light and dark oil stain and poor saturation. Faint odor, but no free oil. Tested by drillstem test #3.

DRILLSTEM TEST No. 3: 3124 to 3140 (Log: 3122-38)

Times: 15-45-45-45 with good blow throughout test. Off bottom of bucket in 10 min.

Recovery: 60' of gas
30' of clean gassy oil
30' of muddy water
420' of very slight oil cut water

IFP:	92-126	IBHP:	998
FFP:	168-260	FBHP:	782