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Grady Bolding Corp.
Harold Schmeidler #3
90' South & 40' West of W/2, NE-SW; Section 33-12s-17w
Ellis County, Kansas
Page No. 1

5 1/2" Production Casing Set

Contractor: Vonfeldt Drilling Company

Commenced: May 21, 2004

Completed: May 27, 2004

Elevation: 2096' K.B.; 2094' D.F.; 2091' G. L.

Casing Program: Surface; 8 5/8" @ 266
Production; 5 1/2" @ 3699'

Samples: Samples saved and examined 2850' to the Rotary Total Depth.

Drilling Time: One (1) foot drilling time recorded and kept 2850' to the Rotary Total Depth.

Measurements: All depths measured from the Kelly Bushing..

Formation Testing: There were four (4) tests ran by Trilobite Testing Co.

Electric Log: By Log Tech; Dual Induction, Dual Compensated Porosity, Microresistivity and Borehole Compensated Sonic Log.

Gas Detector: By None.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	1303	+793
Topeka	3074	-978
Heebner	3311	-1215
Toronto	3330	-1234
Lansing	3355	-1259
Base Kansas City	3598	-1502
Arbuckle	3615	-1519
Rotary Total Depth	3700	-1604
Log Total Depth	3699	-1603

(All tops and zones are corrected to Electric Log measurements.)

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SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.**TOPEKA SECTION**

3103-3109'	Limestone; white, buff, finely crystalline, slightly dolomitic, fair porosity, no shows.
3201-3218'	Limestone; tan and brown, slightly fossiliferous, chalky, poorly developed porosity, no shows.
3248-3258'	Limestone; gray and white, fossiliferous, chalky, scattered porosity, no shows.
3261-3266'	Limestone; gray and white, finely crystalline, few granular, chalky in part, no shows.

3272-3278' Limestone; as above, chalky, poor porosity.

TORONTO SECTION

3330-3336' Limestone; white and gray, slightly fossiliferous, chalky, poor porosity, no shows.

LANSING SECTION

3355-3360' Limestone; white, gray, chalky, trace brown edge staining, no show of free oil or odor in fresh samples.

3368-3373' Limestone; white and gray, fine to medium crystalline, chalky in part, sparry calcite cement, no shows.

3383-3388' Limestone; gray, white, oolitic, spotty brown to golden brown stain, no show of free oil or odor in fresh samples.

3388-3391' Limestone; as above, trace of free oil and no odor in fresh samples.

3400-3406' Limestone; tan, fine to medium crystalline, slightly fossiliferous, chalky, scattered intercrystalline to vuggy type porosity, trace brown and golden brown stain, show of free oil and faint odor in fresh samples.

3423-3430' Limestone; gray, cream, oolitic, chalky, fair brown to golden brown stain and saturation, show of free oil and faint odor in fresh samples.

3434-3438' Limestone; as above.

3443-3450' Limestone; gray, cream, oolitic, oocastic, spotty brown stain, trace of free oil and faint odor in fresh samples.

Drill Stem Test #1 **3385-3460'**

Times: 30-30-45-60

Blow: Weak to strong

Recovery: 240' gas in pipe
20' clean gassy oil
80' muddy gassy oil
60' mud cut gassy oil, trace water
(35% gas, 50% oil, 10% water, 5% mud)

Pressures: ISIP 519 psi
FSIP 547 psi
IFP 18-49 psi
FFP 49-74 psi
HSH 1683-1637 psi

3488-3491' Limestone; cream, gray, fossiliferous in part, sub oocastic, chalky, trace poor stain.

3515-3520' Limestone; gray and white, tan, fossiliferous/oolitic, chalky in part, fair porosity, brown to golden brown stain, trace of free oil and fair odor in fresh samples.

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3530-3538' Limestone; white to cream, finely oolitic, fine and medium crystalline, fair brown stain and saturation, show of free oil and faint odor in fresh samples.

3555-3565' Limestone; gray and white, chalky, pinpoint type porosity, gray to black stain, trace of free oil and faint odor in fresh samples.

Drill Stem Test #2 **3502-3575'****Times: 30-30-45-60**

Blow: Weak to fair

Recovery: 90' gas in pipe
25' oil cut mud
(20% oil, 80% mud)
5' clean oil

Pressures:	ISIP	289	psi
	FSIP	856	psi
	IFP	15-74	psi
	FFP	17-23	psi
	HSH	1767-1622	psi

3578-3584' Limestone; white, cream, fossiliferous/oolitic, sub oocastic, spotty stain, no show of free oil or odor in fresh samples.

ARBUCKLE SECTION

3615-3618' Dolomite; white, tan, fine to medium crystalline, scattered intercrystalline to vugular type porosity, brown and golden brown stain, show of free oil and faint odor in fresh samples.

3618-3626' Dolomite; white, cream, finely crystalline, fair intercrystalline and vuggy porosity, fair stain and saturation, show of free oil and fair odor in fresh samples. Plus trace white chert.

Drill Stem Test #3 **3587-3626"**

Times: 30-30-45-45

Recovery: 30' mud
25' slightly oil cut mud

Pressures: invalid (mis-run)

3626-3632' Dolomite; as above, fine to medium crystalline, good dark brown to golden brown stain and saturation, fair show of free oil and fair odor in fresh samples. Plus dolomite, tan, sucrosic, fair pinpoint porosity, good stain and saturation, fair show of free oil.

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Drill Stem Test #4 **3587-3632'**

Times: 30-30-30-60

Blow: Strong, decreasing

Recovery: 770' clean oil
300' mud cut oil
(75% oil, 25% mud)

Pressures: ISIP invalid
FSIP 920 psi
IFP invalid
FFP 402-479 psi
HSH 1779-1720 psi

3632-3640' Dolomite; as above, trace white and gray chert, fair odor in fresh samples.

3640-3650' Dolomite; gray, tan, fine to medium crystalline, few sucrosic, dark brown to brown stain and saturation, show of free oil and fair odor in fresh samples.

3650-3670' Dolomite; gray, tan, pink, fine to medium crystalline, fair to good intercrystalline and vuggy type porosity, good stain and saturation, show of free oil and good odor in fresh samples.

3670-3690' Dolomite; gray, tan, sucrosic, fair to good pinpoint and vuggy porosity, brown to dark brown to black stain and saturation, show of free oil and good odor in fresh samples.

3690-3700' Dolomite; as above, plus gray and white boney chert.

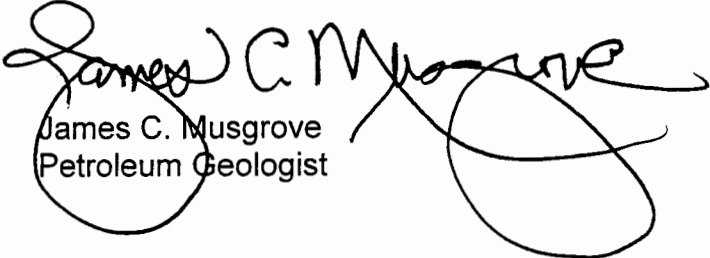
Rotary Total Depth3700 (-1604)
Log Total Depth 3699 (-1603)

Recommendations:
On the basis of the favorable structural position and the positive results of the Drill Stem Tests, it was recommended by all parties involved to set and cement 5 ½" production casing at 3699' (one foot off bottom) and the following zones be tested in the Harold Schmeidler #3:

- | | | |
|-------------|------------|-----------|
| 1. Arbuckle | 3644-3648 | perforate |
| 2. Arbuckle | 3638-3640 | perforate |
| 3. Arbuckle | 3626-3630 | perforate |
| 4. Arbuckle | 3616-3620 | perforate |
| 5. Lansing | 3532-3526 | perforate |
| 6. Lansing | 3516-3519 | perforate |
| 7. Lansing | 3444-3448 | perforate |
| 8. Lansing | 3426-3428 | perforate |
| 9. Lansing | 3382-3386' | perforate |

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Respectfully submitted;


James C. Musgrove
Petroleum Geologist

