15-167-23695

32-14s-14w

FRANCIS C. WHISLER
CPG 1933
837 East first St.
Russell, Kansas

GEOLOGICAL REPORT FOR

JASON OIL COMPANY, LLC.
P.O.Box 701
Russell, Kansas

Lic. No. 33813

Schoenberger No. 3

2310' From North Line
330' From East Line

Sec. 32 T 14 S, R 14 W
Russell County, Kansas

March 22, 2011

RECEIVED
MAR 30 2011
KCC WICHITA

GEOLOGICAL REPORT	Schoenberger No. 3 2310' FNL & 330' FEL Sec. 32 T 14 S, R 14 W Russell County, Kansas
CONTRACTOR:	Royal Drilling, Inc. Rig 1 Russell, Kansas Lic. No. 33905
Drilling Commenced:	March 16, 2011
Drilling Completed:	March 21, 2011
Casing Record:	Surface Casing: 734' of 8 5/8" cemented with 315 sx.
Samples:	Saved and examined from 2250 to 2420 and from 2600 to 3220, R.T.D. Zones of interest are descibed in this report. Samples will be sent to the Kansas Sample Bureau at4150 Monroe St. Wichita, Kansas.
Drilling Time:	Recorded and plotted from 2250 to 2420; and from 2600 to 3220, RTD. .A copy of the drilling time/lithology log is included with this report.
Drillstem Tests:	2 by Trilobite Testing, Inc. of Hays, Kansas.
Electric Logs:	Radiation-Guard Log and Micro Log by Superior Well Services of Hays, Kansas.
Elevations:	Kelly Bushing: 1736' Ground Level: 1731'
Measurements From:	Kelly Bushing 1736'
Well Status:	D & A

RECEIVED
MAR 30 2011
KCC WICHITA

FORMATIONS:	ROTARY DEPTHS:	E. LOG DEPTHS:	DATUMS:
Anhydrite:	729-66	730-766	+1006
Grandhaven Lm:	2295	2293	- 557
Dover Lm:	2321	2320	- 585
Tarkio Lm:	2364	2364	-628
Topeka Lime:	2629	2629	- 893
Heebner Shale:	2854	2854	-1118
Toronto Lime:	2872	2870	-1134
Douglas Shale:	2884	2884	-1148
Lansing-Kansas City:	2912	2911	-1175
Base of Kansas City:	3144	3144	-1408
Arbuckle Dolomite:	3163	3160	-1424
Total Depth:	3220	3219	-1483

LITHOLOGY, ZONES OF INTEREST: Corrected to E. Log measurements.

Tarkio Sand:
2304-2310; SS-very small amount of very fine grained ss, micaceous, with scattered oil stain -saturation, slight oily taste. No free oil or odor.

2334-2342: SS-Small amount of very fine grained ss as above with same oil stain-saturaion and oily taste. No free oil or odor.

Topeka Lime:
2666-2680: LS-Two porosity breaks showing white chalky lime with trace of fossil porosity and no oil stain.

2806-2814: LS-white, fossiliferrous with rare dark oil stain, poor saturation. No free oil or odor. Fair porosity.

Toronto: ls-white, light gray, dense with very minor trace of oil stain. No free oil or odor. Poor porosity.

Lansing-Kansas City:
A zone 2912-13: LS-white, dense to slight fossil porosity. Poor porosity, with rare light oil stain poor saturation. Faint odor but no free oil. Tight, no value. Not tested by DST #1.

2934-2939: LS-white, fossiliferrous, slight oolitic with good porosity,
B zone with fair scattered oil stain; slight show of free oil and faint odor. Tested by drillstem test #1.

2951-2954: LS-white, fineoolitic and oolicastic with barren porosity. Rare
C zone oil stain with very slight show of free oil and faint odor. Tested by drillstem test #1. E. Log shows virtually no porosity at all. However, the drilling time indicated about a four foot porosity break.

RECEIVED
MAR 30 2011
KCC WICHITA

Lithology, cont...

DRILLSTEM TEST No. 1: 2915 to 2960:

Tool open: 30 min. with weak blow building to 5".
Tool shut in: 60 min.
Tool open: 60 min. with weak blow building to bottom of bucket in 37 min.
Tool shut in: 60 min.

Recovery: 20' SOCM. 8% oil, 925 mud
60' MWO. 10% oil, 15% water, 75% mud
60' WMO 105 oil, 50% water, 40% MUD

Initial Flow Pressure: 37-57 psi
Initial Bottom Hole Press. 678 psi
Final Flow Pressure: 57-96 psi
Final Bottom Hole Press. 664 psi

3007-3012: G zone — LS-White, fine oolicastic and oolitic and barren with no shows of oil.

3070-3078: I zone — LS-white, dense, mottled, some chert with partly oolitic with rare light oil stain. No free oil or odor.

3088-3094: J zone — LS-white, dense and slight fossil porosity. Rare light oil stain, Tight.

ARBUCKLE DOLOMITE:

3163-3167: DOL-Samples circulated at 3167 showed white, fine-medium-coarse crystalline dolomite with abundant dark, heavy oil stain & saturation. Show of free oil and good odor. Tested by DST #2.

DRILLSTEM TEST No. 2: 3143 to3167:

Tool open 30 min. Strong blow. BOB in 15 seconds.
Tool shut in 30: No blow back.
Tool open 30 min. No blow
Tool shut in 30 min.

Recovery: 496' watery mud. 30% water & 70% mud
2092' muddy water 95% water & 5% mud
Initial Flow Pressure: 708-1103 psi
Initial Bottom Hole Pressure: 1103 psi
Final FLOW Pressure: 1103-1103 psi
Final Bottom Hole Pressure: 1103 psi

RECEIVED
MAR 3 1 2011
KCC WICHITA

Lithology, cont...

Arbuckle, cont..

3167-3180: DOL-as above with dark, heavy oil stain-saturation as above. Show of free oil and odor. increase in dense dolomite.

3180-3190: DOL-white, fine to medium crstalline, more dense with rare oil stain and faint odor.

3190-3200; DOL-white, dense crystalline. Faint odor but no oil stain noted.

3200-3210: DOL-as above with some fine, clear, sandstone and fine grained sandy dolomite. Faint odor but no stain.

3210-3220: DOL-as above with sandy crystalline dolomite and very fine grained, clear sandstone clusters. No stain, no odor.

REMARKS & RECOMMENDATIONS:

When comparing the Schoenberger #3 to the Driscoll #1, two locations to the south; the well ran five feet higher on top of the Lansing and eight feet higher on top of the Arbuckle. Two drillstem tests were taken; in the LKC the B and C zones were tested and a small amount of oil was recovered with water, and considered to be non-commercial. When the Arbuckle depth was reached, samples were circulated at 3167 with 4 feet of good porosity and oil shows from 3163 to 3167. At that depth the drillstem test was taken and recovered only water and watery mud (the water reached hydrostatic head in 30 min.)

After penetrating the Arbuckle to depth of 3220', E. logs were run and evaluated. After much consideration, it was decided that the completion of the well for commercial production (from any horizon, including the Tarkio Sands and the LKC would be very costly and probably not successful). At that time is was decided that the Schoenberger #3 should be plugged and abandoned as a dry hole. It was a difficult decision.

Respectfully submitted;

Francis C. Whisler

Francis C. Whisler, CPG.

RECEIVED
MAR 30
KCC WICHITA