

GEOLOGICAL REPORT

Dan A. Nixon, Petroleum Geologist - Licensed & Certified

RECEIVED
NOV 29 2005
KCC WICHITA

Well Name: #3 Neely

Location: 50' north of SE NE NW
Section 16, T14S-R20W
Ellis County, Kansas

Operator: R.P. Nixon Oper., Inc.
207 West 12th Street
Hays, KS 67601-3898

Contractor: Southwind Drilling, Inc.
112 North Main
Ellinwood, KS 67526

Elevation: Central Kansas Surveying and Mapping
2344 Washington
Great Bend, Kansas 67530
Rotary Bushing: 2234'
Ground Level: 2224

Samples: Ten foot samples from 3150'
to 3460' and five foot samples
from 3460' to 3863' RTD.

Time Log: One foot intervals from 3150'
to 3863' RTD. A copy of the
time log is included in this report.

Surface Casing: 8 5/8" @ 225' w/160 sacks

Production Casing: 5 1/2" @ 3861' w/100 sacks ASC cement

Port Collar or DV Tool: DV tool @ 1518' cemented to surface

Spud Date: 7.27.05

Completion Date: 8.4.05

API #: 15-151-25419-00-00

RECEIVED

FORMATION TOPS:

NOV 29 2005

SAMPLE
DEPTH

LOG
DEPTH

MINUS
DATUM

KCC WICHITA

Anhydrite (driller's)	1517'	1516'	+718
Anhydrite Base (driller's)	1561'	1559'	+675
Topeka	3233'	3233'	-999
Heebner Shale	3475'	3476'	-1242
Toronto Lime	3498'	3497'	-1263
Lansing	3516'	3516'	-1282
Base of the Kansas City	3763'	3763'	-1529
Marmaton Chert	3824'	3824'	-1590
Reagan Sand	3861'	3860'	-1626
Total Depth	3863'	3863'	-1629

SAMPLE ANALYSIS OF ZONES OF INTEREST: (corrected to the electric log)

Topeka 3260'-71' Fossiliferous and occasionally oolitic, white limestone with fair to good porosity. Trace of rare spotty stain. Oolitic samples were totally barren. Not worthy of testing.

Lansing 3550'-54' Dense, fine crystalline, white, chalky limestone, slight inter-fossil porosity and rare spotty stain. Slight show of free oil and slight odor in the wet samples. Calculated 7-8% porosity and 32-40% water saturation on the electric log. Consider testing prior to abandoning well.

3613'-16' Tight, fossiliferous, off-white limestone, rare spotty stain with a very slight show of free oil and faint odor in the wet samples. Calculated wet on log. Not worthy of testing.

RECEIVED

NOV 29 2005

KCC WICHITA

3676'-80' Fine crystalline, white, buff limestone, very poor inter-crystalline porosity, trace of dead oil stain. No shows of oil or odor in the wet samples. Calculated 9-10% porosity and 18-22% water on the electric log. Not worthy of testing.

3705'-08' Fine crystalline, white limestone, very poor vuggy porosity, rare spotty stain. Slight show of free oil and faint odor in the wet samples. Calculated very tight on the electric log. Not worthy of testing.

Reagan Sand 3860'-63' Fine grained, poorly-sorted, sub-rounded and sub-angular, frosty, fine to medium grained, friable sand clusters. Fair intergranular porosity. Spotty to occasional saturated stain with a show of free oil and odor in the wet samples. Open on Drill Stem Test #1 and #2. Test this zone.

Drill Stem Test #1 Results: Interval: 3798'-3863'
 Times: packer failed after 10" of 1st opening
 Recovered: 600' of slightly oil cut mud (3% oil, 97% mud)
 Initial flow pressures: 57 to 114#

Drill Stem Test #2 Results: Interval: 3837'-3863'
 Times: 15"-30"-60"-30"
 Recovered: 185' heavy, mud cut, gassy oil (10% gas, 60% oil, 30% mud), 800' clean, gassy oil (10% gas, 90% oil), 310' water
 Initial flow pressures: 33-236 psi with strong blow
 Initial shut-in pressure: 1186 psi
 Final flow pressures: 198-555 psi with strong blow
 Final shut-in pressure: 1185 psi
 Bottom hole temp: 124° F

RECEIVED
NOV 29 2005
KCC WICHITA

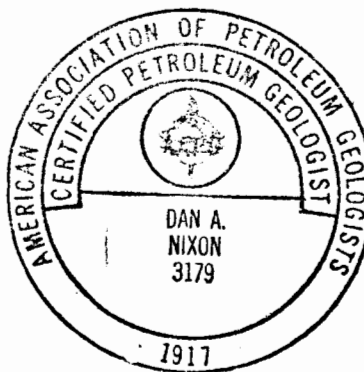
REMARKS:

Structurally, the Lansing top on the #3 Neely ran 3' high to the Reagan Sand producer to the west one location, the #1 Neely (R.P. Nixon Oper., Inc.) and 13' high to the dry hole to the east one location and north one location, the #1 Befort (Murfin Drlg.). The Reagan Sand top on the #3 Neely ran 1' low to the same #1 Neely and 21' high to the same #1 Befort.

Based on its structural position and results of Drill Stem Test #2, 5½" casing was cemented at 3861' with 100 sacks for further testing.

Respectfully Submitted,

Dan A. Nixon
 Dan A. Nixon, Petroleum Geologist
 Kansas License #179
 AAPG Certification #3179



DRILLING TIME LOG

3150'-3175'	2-1-2-1-1	1-1-1-1-1	1-1-1-3-3	4-3-3-3-2	2-2-2-3-2
3175'-3200'	2-2-2-1-2	1-1-1-2-2	1-1-1-3-2	1-1-1-1-1	1-1-1-1-1
3200'-3225'	1-1-1-1-1	1-1-1-1-1	1-1-1-3-2	2-1-2-2-2	2-2-3-3-3
3225'-3250'	2-1-3-3-1	2-1-1-3-2	3-3-3-3-3	3-2-2-2-2	2-2-3-2-3
3250'-3275'	3-3-2-2-2	2-3-3-2-3	2-2-1-1/2-1/2	1/2-1/2-1/2-1/2-1	1-1-2-3-3
3275'-3300'	3-3-3-3-3	3-4-4-3-2	3-3-2-2-2	3-4-4-4-4	3-3-5-4-3
3300'-3325'	3-4-3-3-4	3-3-2-2-2	1-1-2-1-2	2-2-2-2-1	1-1-1-1-1
3325'-3350'	2-1-1-1-1	1-1-1-1-1	1-1/2-1/2-1-2	2-1-2-3-2	3-2-2-2-2
3350'-3375'	3-2-2-3-3	4-3-3-4-3	2-2-2-2-1/2	1/2-1-1-1-2	2-3-1-1-1
3375'-3400'	1-1-1-1-3	2-2-2-2-3	2-3-3-3-2	2-2-3-4-4	4-4-4-5-3
3400'-3425'	3-2-2-4-3	3-4-3-3-2	2-2-3-2-2	2-3-3-3-3	3-3-3-3-3
3425'-3450'	2-3-3-3-4	3-4-3-3-3	3-4-3-2-2	3-4-3-3-2	2-3-3-2-3
3450'-3475'	4-4-4-4-4	4-4-4-4-5	4-4-2-3-3	3-4-3-4-4	4-4-4-3-5
3475'-3500'	3-3-1-3-4	5-5-3-4-3	4-3-4-4-4	4-3-3-4-4	4-3-4-5-4
3500'-3525'	4-5-3-4-3	4-4-4-4-4	3-3-3-4-2	3-5-5-4-3	3-5-4-2-4
3525'-3550'	5-4-3-4-3	3-4-4-5-4	3-5-4-5-3	4-4-5-3-3	4-3-3-3-4
3550'-3575'	3-2-3-3-4	4-5-3-2-4	4-4-4-4-4	4-3-4-5-5	5-4-4-4-5
3575'-3600'	3-5-4-4-4	4-3-3-4-5	4-4-2-3-3	4-4-5-3-4	2-2-3-2-3
3600'-3625'	3-2-3-5-4	4-5-4-3-3	4-4-3-3-2	2-2-4-4-5	3-4-4-4-4
3625'-3650'	4-4-3-4-4	4-4-4-4-3	3-4-3-4-4	4-4-4-3-3	4-3-3-3-3
3650'-3675'	3-2-2-2-2	5-3-2-3-3	3-3-4-4-4	4-4-4-4-4	3-5-4-3-3
3675'-3700'	3-3-3-2-3	3-3-4-3-4	4-4-4-4-4	4-4-4-5-5	5-4-4-4-3
3700'-3725'	3-3-3-4-5	5-5-5-5-4	5-4-4-5-5	5-5-5-5-5	5-4-4-4-6
3725'-3750'	5-6-5-5-5	6-6-5-6-6	5-5-4-5-6	5-6-5-5-4	4-2-2-3-2
3750'-3775'	3-3-5-5-4	5-5-4-5-4	5-5-5-4-3	4-3-5-4-3	3-4-3-4-3
3775'-3800'	4-4-5-4-5	5-5-5-5-3	4-3-2-3-3	2-2-2-3-5	5-4-5-4-5
3800'-3825'	5-4-4-4-3	4-3-5-4-6	4-4-6-4-5	5-3-3-3-4	3-4-3-3-5
3825'-3850'	6-4-2-4-4	4-4-5-5-5	5-6-6-3-4	5-5-5-5-5	5-5-6-4-4
3850'-3863'	5-5-5-4-4	3-3-4-4-4	4-3-3		

RECEIVED
 NOV 29 2005
 KCC WICHITA

3863' RTD CFS @ 3542' CFS @ 3620'
 CFS @ 3665' CFS @ 3690' CFS @ 3850'
 CFS @ 3858' CFS @ 3863'