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Hupfer Operating Inc. Morgenstern #3

C-N/2-SE-NW; Section 9-16s-13w

Barton County, Kansas

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15-009-24910-00-00

5 1/2" Production Casing Set

Contractor:

Sterling Drilling Co Inc. (Rig #1)

Commenced:

March 23, 2006

Completed:

March 27, 2006

Elevation:

1933' K.B.; 1931' D.F.; 1924' G.L.

Casing Program:

Surface; 8 5/8" @ 475'

Production; 5 1/2" @ 3381'

Samples:

Samples saved and examined 2800' to the Rotary Total Depth.

Drilling Time:

One (1) foot drilling time recorded and kept 2800' to the Rotary

Total Depth.

Measurements:

All depths measured from the Kelly Bushing.

Formation Testing: There was one (1) Drill Stem Test ran by Diamond Testing Co.

Electric Log:

None.

Gas Detector:

By Sterling Drilling Company (Tooke Dag System)

<u>Formation</u>	Sample Depth	Sub-Sea Datum
Heebner	3051	-1118
Toronto	3073	-1140
Douglas	3086	-1153
Lansing	3134	-1201
Base Kansas City	3333	-1400
Arbuckle	3379	-1 44 6
Rotary Total Depth	3384	-1451

(All tops and zone determinations were made from a correlation of Drilling Time log and Sample Analysis.).

SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

TOPEKA SECTION

3000-3010'

Limestone; cream, light gray, chalky, brown to golden brown stain, show of free oil and questionable odor in fresh samples.

TORONTO SECTION

3073-3085'

Limestone; cream, white, chalky, poor visible porosity, no shows.

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LANSING SECTION

3138-3143'	Limestone; cream, tan, finely crystalline, scattered intercrystalline porosity, trace golden brown stain, no show of free oil and very faint odor in fresh samples.
3158-3164'	Limestone; gray, tan, fossiliferous, sub oomoldic, no shows.
3174-3180'	Limestone; cream, light gray, oomoldic, fossiliferous, poorly developed porosity, no shows.
3196-3202'	Limestone; cream, gray, finely crystalline, chalky in part, scattered intercrystalline porosity, golden brown stain, show of free oil and no odor in fresh samples, trace gray chert.
3216-3221'	Limestone; gray, buff, fossiliferous, oomoldic, fair oomoldic porosity, spotty brown stain, trace of free oil and faint odor in fresh samples.
3223-3234'	Limestone; cream, buff, oomoldic, brown spotty stain, trace of free oil and slight odor when broken.
3270-3276'	Limestone; gray, tan, finely crystalline, mottled, few oolitic, fossiliferous, no shows.
3290-3303'	Limestone; cream, finely crystalline, oolitic, fair interoolitic to intercrystalline type porosity, golden brown stain, trace of free oil and faint odor in fresh samples.
3313-3318'	Limestone; light gray, white, finely crystalline, oolitic/oomoldic, scattered porosity, golden brown stain, trace of free oil and faint odor in fresh samples.

ARBUCKLE SECTION

3379-3384'

Dolomite; white, cream, fine to medium crystalline, fair intercrystalline porosity, spotty brown stain, show of free oil and faint odor in fresh samples.

Drill Stom Toot #4	2257 22041
Drill Stem Test #1	3357-3384'

Times: 15-45-45

Blow: Strong

Recovery: 200' gas in pipe

1430' clean gassy oil

Pressures: ISIP 1108 psi

FSIP 1100 psi IFP 88-313 psi FFP 321-483 psi HSH psi -lupfer Operating Inc. Morgenstern #3 C-N/2-SE-NW; Section 9-16s-13w Barton County, Kansas Page No. 3

Rotary Total Depth 3384 (-1451)

Recommendations:

On the basis of the favorable structural position and the positive results of the Drill Stem Test, it was recommended by all parties involved to set and cement 5 1/2" production casing at 3380' (one foot off bottom) and the Morgenstern #3 be completed in the Arbuckle Dolomite by "open hole" completion methods.

Respectfully submitted;

Josh R. Austin
Petroleum Geologist