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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 Daq System)

<u>Formation</u>	<u>Sample Depth</u>	<u>Sub-Sea Datum</u>
Heebner	3051	-1118
Toronto	3073	-1140
Douglas	3086	-1153
Lansing	3134	-1201
Base Kansas City	3333	-1400
Arbuckle	3379	-1446
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.

RECEIVED

MAY 25 2006

KCC WICHITA

9-16-13w

Pressures:	ISIP	1108	psi
	FSIP	1100	psi
	IFP	88-313	psi
	FFP	321-483	psi
	HSH		psi

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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

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Petroleum Geologist

by [Signature]