

15-101-21998

34-18s-29w

KGS

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GEOLOGICAL REPORT

KCC
MAY 26 2007
CONFIDENTIAL

Larson Operating Company

Lucille No. 2-34

2300 FNL& 440 FWL Sec. 34-18S-29W

Lane County, Kansas

CONTRACTOR:

Murfin Drilling Company Rig #21

SPUDDED:

January 30, 2007

DRILLING COMPLETED:

February 10, 2007

SURFACE CASING:

8 5/8" @ 267 KBM/180 sx.

ELECTRIC LOGS:

Log-Tech CDN BHCS MEL DIL

ELEVATIONS:

2828 KB 2817 GL

FORMATION TOPS (Electric Log):

Anhydrite	2144 (+ 684)
Base Anhydrite	2170 (+ 658)
Heebner Shale	3930 (-1102)
Lansing-Kansas City Group	3974 (-1146)
Muncie Creek Shale	4145 (-1317)
Stark Shale	4248 (-1420)
Hushpuckney shale	4287 (-1459)
Base Kansas City	4332 (-1504)
Marmaton	4388 (-1560)
Altamont	4402 (-1574)
Pawnee	4448 (-1620)
Myrick Station	4473 (-1645)
Fort Scott	4497 (-1669)
Cherokee	4520 (-1692)
Mississippian	4584 (-1756)
Log Total Depth	4644 (-1816)

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Samples were examined microscopically from 3850 to Rotary Total Depth. Samples were examined wet and dry and samples from potentially productive zones were viewed under a fluoroscope and checked for oil cut. Electric log measurements are used in this report and the Electric log total depth is four feet deeper than the Driller's total depth. Depths on the drill stem tests have been moved down four feet to correlate with Electric log depths. Following is a description of zones of interest, Drill Stem Tests, etc. For a complete lithologic description of all formations, refer to the sample log in the back pages of this report.

Lansing-Kansas City Zones:

3954-3962 (A Zone)

Limestone, buff, dense to finely crystalline, some cream chalky, trace of very poor intercrystalline porosity, no show of oil.

4008-4016 (B Zone)

Limestone, buff, finely crystalline and chalky, some finely crystalline with poor scattered intercrystalline porosity, no show of oil, some white to light gray opaque chert.

4027-4055 (C-D Zone)

Limestone, cream to buff, some tan, some cream chalky, dense to finely crystalline, zone is mostly tight with no show of oil, some light gray opaque chert.

4058-4071 (E-F Zone)

Limestone, buff to tan, dense to finely crystalline, slightly fossiliferous, scattered poor intercrystalline porosity with rare trace of very poor spotted stain, no free oil, no odor, no fluorescence, no cut, some oolitic with traces of dead stain.

4082-4087 (G Zone)

Limestone, buff to tan, finely crystalline and oolitic, fair intercrystalline and fair to good ooliticastic porosity, no show of oil.

4122-4130 (G2 Zone)

Limestone, buff, dense and chalky with trace of very poor vugular porosity, no show of oil.

4157-4164 (H Zone)

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Limestone, buff, finely crystalline, slightly fossiliferous, trace of oolitic, poor to fair intercrystalline porosity, fair spotted stain, very slight show of free oil, no odor, no fluorescence, no cut.

4204-4208 (I Zone)

Limestone, buff to tan, some brown, dense to finely crystalline, partly oolitic and fossiliferous, poor interoolitic and interfossil porosity with poor intercrystalline porosity, fair spotted stain with some saturated stain, slight show of free oil, faint to fair odor, poor fluorescence, poor cut.

Drill Stem Test No. 1 4140-4212

Open 15 minutes, shut in 30 minutes, open 45 minutes, shut in 90 minutes; one-half inch blow on first flow built to 1 ¼ inch blow; second flow, surface blow built to 3 ¾ inch blow; recovered 180 feet of slightly oil and water cut mud (5% oil, 10% water, 85% mud). ISIP 935# FSHP 948# IFP 17-55# FFP 58-119# IHP 2035# FHP 2010# BHT 115 degrees.

4231-4236 (J Zone)

Limestone, buff to tan, finely crystalline and oolitic, good ooliticastic porosity, 95% barren, 5% with fair spotted stain, fair show of free oil, fair odor, poor fluorescence, poor cut. Zone contains too much barren porosity to be productive of oil.

4251-4267 (K Zone)

Limestone, buff to tan, dense to finely crystalline, scattered poor to fair intercrystalline porosity, poor spotted stain, slight show of free oil, faint to fair odor, poor fluorescence, fair cut.

Drill Stem Test No. 2 4251-4264

Open 15 minutes, shut in 30 minutes, open 15 minutes, shut in 30 minutes; weak blow on first blow, died in five minutes, did not return on second flow; recovered three feet of mud with six inches of oil on top. ISIP 723# FSIP 549# IFP 16-19# FFP 20-24# IHP 2107# FHP 2093# BHT 114 degrees.

4289-4294 (L1 Zone)

The Middle Creek zone and the L1 zone were pretty much merged together with no real separation between the two. Limestone, buff to tan, mottled in part, dense to finely crystalline, poor to fair intercrystalline porosity, poor spotted stain, slight show of free oil, faint to fair odor, poor fluorescence, fair cut.

Drill Stem Test No. 3 4280-4302

Open 15 minutes, shut in 30 minutes, open 15 minutes, shut in 30 minutes; weak blow on first flow period, died in seven minutes, did not return on second flow; recovered five

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feet of water cut mud (30% water, 70% mud). ISIP 780# FSIP 763# IFP 15-24# FFP 27-35# IHP 2133# FHP 2076# BHT 117 degrees.

4304-4315 (L2 Zone)

Limestone, buff, finely crystalline, trace of very poor scattered intercrystalline porosity, no show of oil.

Pleasanton Zones:

4332-4388

The Pleasanton section consisted of limestones, buff to tan, some brown, dense to finely crystalline with scattered poor to fair intercrystalline porosity, poor to fair spotted stain, fair show of free oil, faint to fair odor, poor fluorescence and poor cut. The best show was in the interval 4348-4351.

Drill Stem Test No. 4 4331-4394

Open 15 minutes, shut in 30 minutes, open 45 minutes, shut in 90 minutes; surface blow built to 1 ¾ inch blow on first flow, no blowback, second flow built to 1 ¼ inch blow, no blowback; recovered 60 feet of mud cut water (60% water, 40% mud) and 120 feet of slightly mud cut water (90% water, 10% mud). ISIP 406# FSIP 401# IFP 28-67# FFP 68-132# IHP 2172# FHP 2094# BHT 117 degrees.

Altamont Zones:

4405-4410

Limestone, buff, some tan, dense to finely crystalline, fair intercrystalline porosity, poor to fair spotted stain, rare trace of saturated stain, fair show of free oil, faint to fair odor, poor fluorescence, fair cut.

Drill Stem Test No. 5 4400-4428

Open 15 minutes, shut in 30 minutes, open 45 minutes, shut in 90 minutes; surface to one-inch blow on first flow, no blowback, surface to ½ inch blow through second flow period; recovered 15 feet of mud with oil spots. ISIP 448# FSIP 465# IFP 16-25# FFP 26-40# IHP 2164# FHP 2104# BHT 116 degrees.

Pawnee Zones:

4448-4491

The Pawnee section consisted of limestones, tan to brown, dense to sub-lithographic with scattered cream chalky limestone, some white to light gray, fresh, opaque chert.

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The Myrick Station member from 4473-4491 consisted of limestone, cream to buff, some tan, dense to finely crystalline and chalky with only two or three pieces (possibly cavings) having poor intercrystalline porosity and poor to fair light spotted stain, slight show of free oil, faint to questionable odor, no fluorescence and no cut.

Fort Scott Zones:

4497-4520

The upper member of the Fort Scott consisted of limestone, tan to brown, dense, some oolitic and dense-oolitic, mostly tight with rare trace of poor spotted stain, no free oil, no odor, no fluorescence, no cut.

The lower member consisted of limestone, buff to tan, some grown, dense to finely crystalline, some oolitic, trace of very poor inter-crystalline and vugular porosity with rare trace of very poor spotted stain, faint odor, very slight show of free oil, no fluorescence, slight cut, trace of pyrite along with a trace of light gray oolitic chert.

Cherokee Zones:

4560-4580 (Johnson Zone)

Limestone, tan to brown to mottled, dense to finely crystalline, scattered poor to fair intercrystalline porosity, poor spotted stain, very slight show of free oil, faint to fair odor, poor fluorescence, poor cut.

Drill Stem Test No. 6

4468-4586

Open 15 min, shut in 30 minutes, open 30 minutes, shut in 135 minutes (working on draw-works), blow built to 10 ½ " immediately, no blowback; blow built to bottom of bucket in 20 minutes on second flow, no blowback. Recovered 240 feet of weak gas in pipe, 60 feet of slightly gassy oil cut mud (5% gas, 30% oil, 65% mud), and 300 feet of gassy mud cut oil (25% gas, 45% oil, 30% mud). ISIP 1192# FSIP 1236# IFP 31-123# FFP 124-182# IHP 2248# FHP 2116# BHT 122 degrees.

Mississippian Zones:

4584-4596

Limestone, cream to buff, dense, with scattered light gray opaque to sub-translucent fresh chert, section is mostly tight with no shows of oil.

4596-4600

Limestone, buff, dense, scattered poor to fair intercrystalline porosity, no show of oil, trace of chert as mentioned above.

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4600-4614

Limestone, cream to buff, dense to finely crystalline, some tan oolitic, zone is mostly tight with no shows of oil, some gray opaque, fresh chert and gray oolitic chert.

4614-4622

Limestone, cream to buff to tan, dense to finely crystalline with considerable chalky limestone, zone is mostly tight, no show of oil.

4622-4644

Dolomite, buff to tan, finely crystalline, sucrosic in part, scattered poor intercrystalline porosity, no show of oil.

4644

Electric log total depth

Conclusions and Recommendations:

The long anchor test covering the Myrick Station, the Fort Scott, and the Johnson zone yielded sufficient quantities of oil to indicate that the No. 2-34 Lucille should be a commercial producer. Judging from the shows and the electric log, the bulk of the oil appears to have come from the Johnson zone.

Respectfully submitted,

Robert C. Lewellyn
Petroleum Geologist

RCL:me

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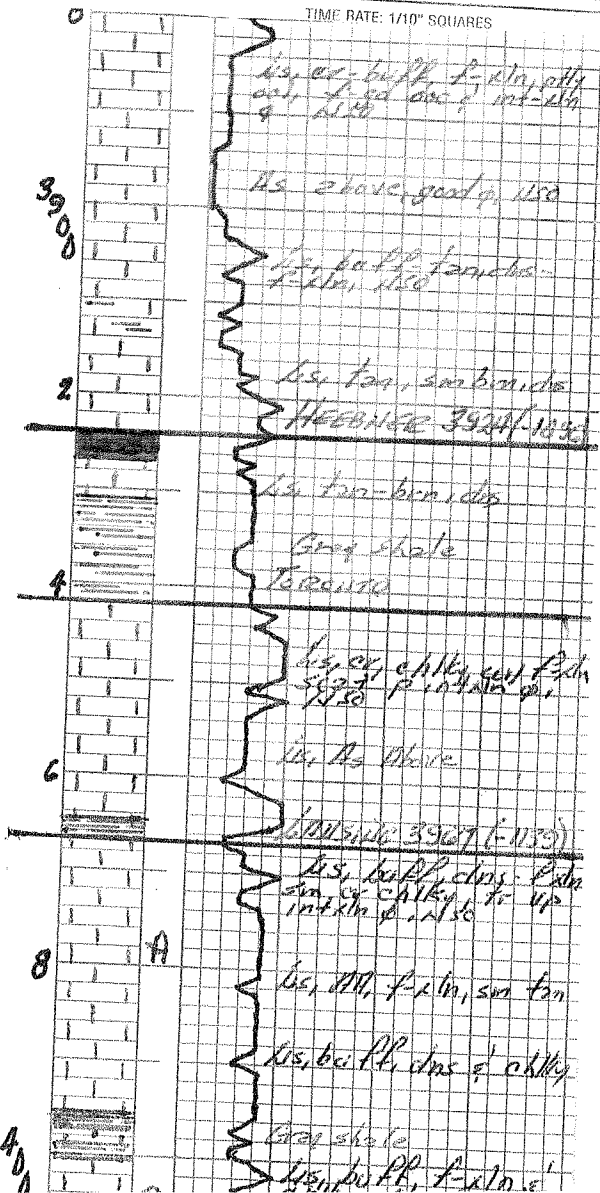
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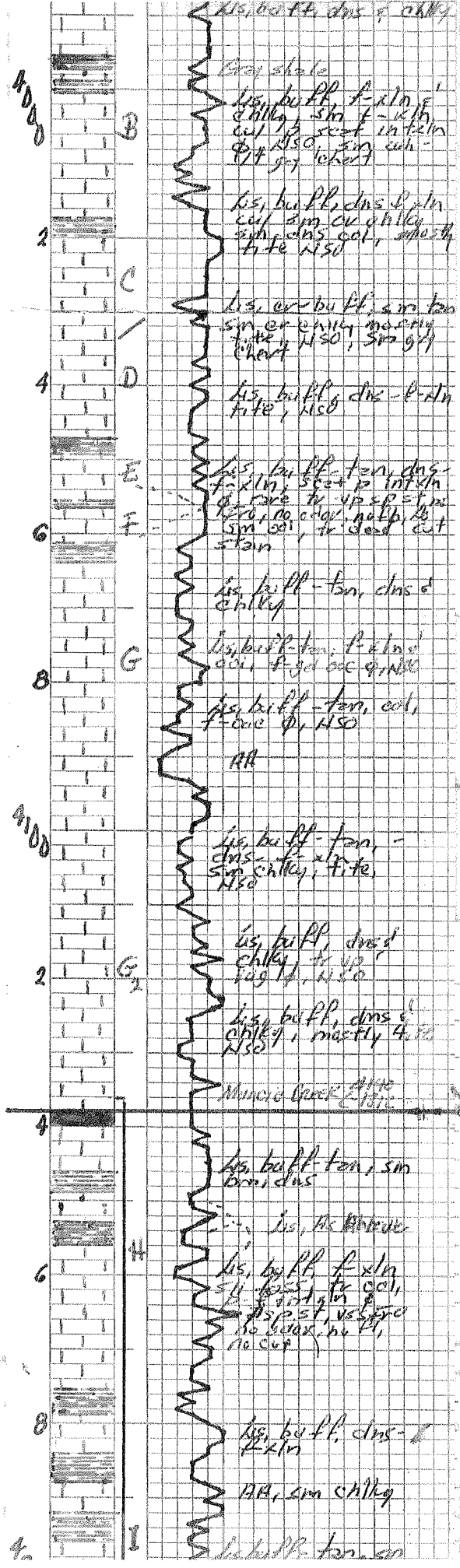
STATE KANSAS		COMPANY Larson Operating Co	
COUNTY LANE	FARM LUCILLE	WELL NO. 2-34	
BLOCK	SURVEY 2300' FNL & 440' FNL		
SEC. 34			
T 18S	R 29W	TOTAL DEPTH 4690	
		CONTRACTOR Murkin Rig # 21	
		COMMENCED 01-30-07	
		COMPLETED 02-10-07	
ALTITUDE 2828 KB		REMARKS Robert C. Jewelllyn-Good	
PRODUCTION Oil			

CASING RECORD
8 5/8" @ 267' KBM / 180 SX

SHOT QUARTS BETWEEN
TIME RATE SCALE: 1/10" = MINUTES
Heath 450-A TULSA, OKLAHOMA 74101 PRINTED IN U.S.A.

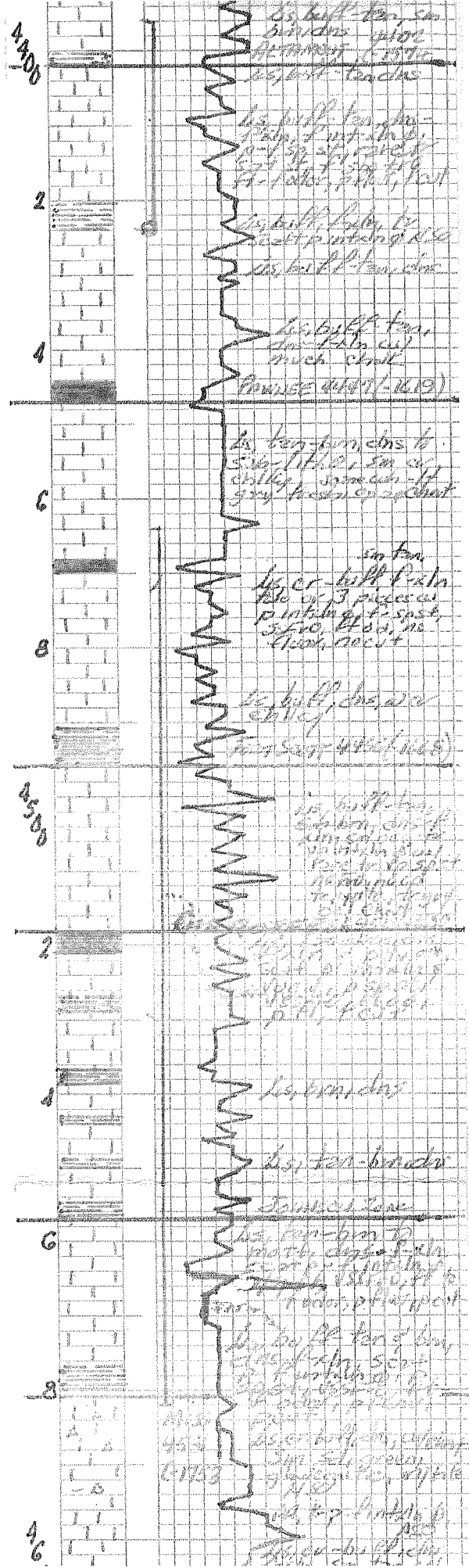


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