

GENERAL INFORMATION

Elevation: G.L. 3,357' K.B. 3,368'
All measurements are from KB.

Field: Hugoton (Chase Group-Gas)
Wildcat (Deep Test)

Drilling Contractor: Cheyenne Drilling, Inc.

Rig: 5

Total Depth: RTD 5,300' LTD 5,304'

Surface Casing: 8 5/8" set @ 443'

Production Casing: 5 1/2" set @ 4,235'

Drill Time Kept: 3,700' to 5,300' RTD

Samples Examined: 3,700' to 5,300' RTD

Wellsite Geologist: Richard J. Hall - CPG No. 4749
Consulting Wellsite Geologist
Whitehall Exploration-Golden, CO

Mudlogging Unit/Type: MBC Leasing - Unit No. WCM1
Standard Hotwire & Chromatograph

Mudlogging Geologist: Wellsite Geologist (unmanned gas unit)

Drilling Engineer: Gary Cunningham

Drill Stem Test Company: Trilobite Testing, Inc.

Drill Stem Tests: 2 (Lansing "E-F-G" Zones &
Upper Morrow Formation)

Mud Company/Engineer: Mud Co. - Tony Maestas

Mud Type: Chemical

Mud Up: Displaced @ 3,757'

Electric Logging Company:

Schlumberger

Type Logs:

Platform Express

-Array Induction Linear Correlation/SP

-Compensated Neutron Litho-Density/GR

-Microlog Gamma Ray

-Natural Gamma Ray Spectroscopy Log

-Sonic

Total Depth Formation:

Mississippian Osage

Samples:

Dry cut sent to Kansas Geological Survey
Sample Library - Wichita, KS

Well Status:

5 1/2" production casing set to test and
evaluate the Lansing "F" Zone,
in-fill location -Chase Group gas

DAILY DRILLING CHRONOLOGY

<u>2001</u> <u>Date</u>	<u>7:00 A.M.</u> <u>Total depth</u>	<u>24 Hour</u> <u>Footage</u>	<u>7:00A.M. Operation; 24 Hour Activity</u>
11/26/01	0	0	MIRU; drill rat hole and mouse hole, spud @ 5:45 P.M., lost returns @ 135', mix 12#/gal pill-no returns, mix 20#/gal pill-no returns, mix 30#/gal pill-pump down backside, dry drill to 450', pump 22# mud down hole, mix mud, pull out of hole, pick up drill pipe and pump burlap sacks down hole.
11/27/01	450'	450'	Pump sacks down hole; hole full to bottom of cellar w/severe seepage, trip in hole - hit bridge @ 320', circ, trip out, rig up and run 10 jts 8 5/8" surf. csg., set @ 443' w/340 sx cement, plug down @ 1:45 P.M., WOC, trip in hole, test BOP, drill cement, drilling.
11/28/01	490'	40'	Drilling ahead; 1/2' rig repair, drilling, 1/2' rig repair, drilling, 1' rig repair, drilling.
11/29/01	2,655'	2,165'	Drilling ahead; drop survey and trip out for bit, 60' fill, drilling.
11/30/01	3,400'	745'	Drilling ahead; start mud displacement @ 3,757', drilling, 1/2' mix premix, drilling, CFS @ 4,062', 2 1/2' circ/WOO, 17 stand short trip.
12/01/01	4,062'	662'	Circ for DST No. 1; drop survey and trip out of hole, pick up test tool and trip in hole, run DST No. 1, trip out w/DST No. 1, break down test tool, trip in hole w/bit, drilling, CFS @ 4,116', drilling, CFS @ 4,170', drilling, CFS @ 4,189', drilling.
12/02/01	4,245'	83'	Drilling ahead; drilling,
12/03/01	4,690'	445'	Drilling ahead; CFS @ 4,735', drilling, CFS @ 4,750', circ/condition hole-work pipe

<u>2001</u> <u>Date</u>	<u>7:00 a.m.</u> <u>Total Depth</u>	<u>24 Hour</u> <u>Footage</u>	<u>7:00 A.M. Operation; 24 Hour Activity</u>
			every 15", 15 stand short trip, circ 2', drop survey and trip out of hole, pick up test tool and run DST No. 2, trip out of hole, break down test tool and trip in hole w/bit.
12/04/01	4,750'	60'	Tripping in hole w/bit; 45" circ, drilling, CFS @ 4,835', drilling, CFS @ 4,858', drilling, CFS @ 4,922', drilling.
12/05/01	5,100'	350'	Drilling ahead; CFS @ 5,157', drilling, CFS @ 5,170', drilling, reach RTD @ 7:00 P.M., circ 2', 15 stand short trip, circ 2', drop survey, trip out of hole, rig up and run wireline logs.
12/06/01	5,300'	200'	Running Schlumberger logs; rig down loggers, trip in hole, trip out laying down drillpipe, rig up casing crew, run 5 1/2" production casing, circ. cement to surface.
12/07/01	5,300'	0	Rig released.

REFERENCE WELLS

Reference Well "A"

Landmark Exploration/Vess Oil
Maune No. 1-22
SE-NW-NE
Section 22 - T21S - R38W
Kearny County, Kansas
Drilled: January 1993
Elevation: 3,378' KB
LTD: 4,901'
TD Formation: Upper Mississippian
Status: Dry and Abandoned

Reference Well "B"

Blaik Oil Co.
Lisette No. 1
SW-NE
Section 23 - T21S - R38W
Kearny County, Kansas
Drilled: December 1967
Elevation: 3,336' KB
TD Formation: Arbuckle
Status: Dry and Abandoned

Reference Well "C"

Kaiser-Francis
Plummer "A" No. 1
C-NW-SW
Section 35 - T21S - R38W
Kearny County, Kansas
Drilled: October 1960
Elevation: 3,367' KB
LTD: 5,144'
TD Formation: Mississippian Warsaw
Status: Dry and Abandoned

DEVIATION SURVEYS

<u>Depth</u>	<u>Degree(s)</u>	<u>Method</u>
450'	1/4	Dropped
3,005'	1/4	Dropped
4,062'	1	Dropped
4,750'	3/4	Dropped
5,300'	3/4	Dropped

FORMATION TOPS

FORMATION	Martin No. 1			Maune 1	Lisette 1	Plummer	DIFFERENCE TO		
	SAMPLE TOPS	ELECTRIC LOG TOPS	DATUM	REF. WELL "A"	REF. WELL "B"	REF. WELL "C"	REFERENCE WELL "A"	"B"	"C"
PENNSYLVANIAN									
Base/Heebner	3814	3814	-446	-401	-456	-453	-45	10	7
Toronto	3822	3827	-459	-409	-467	-478	-50	8	19
Lansing	3865	3862	-494	-453	-504	-510	-41	10	16
Stark Shale	4165	4166	-798	-761	-798	-815	-37	Flat	17
Marmaton	4340	4341	-973	-939	-980	-1001	-34	7	28
Cherokee	4475	4478	-1110	-1072	-1116	-1133	-38	6	23
Atoka	4601	4609	-1241	-1201	-1244	-1263	-40	3	22
Morrow	4704	4714	-1346	-1305	-1350	-1372	-41	4	26
Lower Mo. Ls	4781	4790	-1422	-1376	-1427	-1457	-46	5	35
MISSISSIPPIAN									
Chester	4832	4834	-1466	-1418	-1468	-1489	-48	2	23
Miss. Ls	4870	4873	-1505	-1446	-1516	-1524	-59	11	19
St. Louis	4910	4908	-1540	NDE	-1538	-1557	NA	-2	-17
Osage	5235	5237	-1869	NDE	-1852	NDE	NA	-17	NA

Note: LTD (5,304') is 4 feet lower than RTD (5,300').

NA = Not Available

NDE = Not Deep Enough

ZONES OF INTEREST

<u>Formation</u>	<u>Log Depth</u>	<u>Lithologic & Show Descriptions, Remarks</u>
Lansing "D"	3,976'-3,985'	<p>Limestone, buff, fine-very fine crystalline, firm-hard, moderately arenaceous-very fine grained, moderately chalky, fair to intermediate intercrystalline porosity, uneven oil stain, very good free oil show when crushed, good slow streaming cut, grading to excellent dull yellow milky cut, excellent moderately bright yellow dried residual cut. (No gas readings were available over this zone due to frozen gas unit flowline).</p> <p>Electric logs indicate this zone is well developed with a clean gamma ray, good SP and microlog development, 11.75-16 percent density porosity, and 8-30 ohms deep resistivity.</p>
Lansing "E"	4,002'-4,016'	<p>Limestone, buff, mostly fine with some very fine crystalline, hard-dense, slightly chalky, clean, moderately tight grainstone with poor-fair intercrystalline porosity, very spotty brown/black staining in part, trace show of free oil when crushed, fair-good very slow streaming cut, good milky cut, good dried residual cut. A hotwire gas increase to 106 units was recorded over this zone.</p> <p>Electric logs show this zone has a clean (top) to shaley (base) gamma ray, good SP and microlog development, 8 to 21 percent density porosity, and 2.75 to 20 ohms deep resistivity.</p>
Lansing "F"	4,032'-4,037'	<p>Limestone, light gray, very fine crystalline, occasional pieces fine crystalline, hard, scattered opaque/very light gray chert inclusions, poor-good intercrystalline porosity, slight odor, trace of fluorescence, uneven near saturated oil stain, fair show free oil, fair-good show free oil when crushed, fast moderately bright yellow</p>

streaming cut grading to excellent bright yellow streaming cut, grading to excellent bright yellow milky cut, excellent bright yellow residual cut. A 56 unit hotwire gas increase to 108 units total was recorded over this zone.

Electric logs indicate this zone is moderately well developed with a moderately shaley gamma ray, good SP and microlog development, 8 to 17 percent maximum density porosity, slight neutron/density crossover gas effect, and 20-35 ohms deep resistivity.

Lansing "G"

4,058'-4,066'

Limestone, buff-tan, very fine-fine crystalline, hard, slightly chalky, poor-fair intercrystalline porosity, scattered small vugs, near saturated dark brown stain, trace show of free oil, fair odor, moderately fast streaming cut, grading to moderately bright yellow milky cut, excellent bright dried cut. A 38 unit hotwire gas increase to 98 units total was recorded over this zone.

Electric logs show this zone has an extremely clean gamma ray, good SP and microlog development, 10 to 24 percent density porosity (not oolitic), and 20-60 ohms deep resistivity.

Lansing "H"

4,102'-4,108'

Limestone, tan, some buff, fine-very fine crystalline, firm, moderately chalky, mostly oolitic, fair-medium intercrystalline porosity, fair odor, fair dull fluorescence, mostly even spotty oil stain, good show free oil when crushed, fair slow streaming cut, medium bright yellow dried cut. A modest 10 unit hotwire gas increase to 17 units total (C1 = 8, C2 = 12, and C3 = 6 units) was recorded over this zone.

Electric logs show this zone has an extremely clean gamma ray, good SP and microlog development, maximum 18 percent density porosity and 18-30 ohms deep resistivity.

Lansing "T"

4,145'-4,155'

Limestone, light-medium gray/buff, fine-very fine crystalline, sub-friable to very firm, oolitic, slightly oolmoldic, slightly shaley, scattered medium-coarse subangular grains, fair intercrystalline porosity, spotty good vuggy porosity, fair odor, no fluorescence, bleeding dark brown oil, excellent show free oil when crushed, fast intermediate moderately bright white streaming cut, very good fast moderately bright yellow/white milky cut, good pale gold dried residual cut. No gas increase was recorded over this zone.

Electric logs show this zone is very well developed with very clean gamma ray, good SP and microlog development, maximum 17-26 percent density porosity and 18-35 ohms deep resistivity.

Kansas City "A"

4,177'-4,187'

Limestone, buff-tan, very fine to fine crystalline, slightly chalky, scattered oolites, fossil fragments, poor-fair intergranular porosity, some vuggy (non-oolmoldic) porosity in part, fair-good odor, spotty/uneven black and brown oil stain in part, some bleeding brown oil, excellent show free oil when crushed, intermediate dull yellowish/white cut, fair slightly milky cut, good moderately bright dried cut. No gas increase was recorded over this zone.

Electric logs indicate this zone is very well developed with a clean gamma ray, good SP and microlog development, 15-30 percent density porosity, and 22-70+ ohms deep resistivity.

Kansas City "B"

4,229'-4,236'

Limestone, light gray-buff/tan, very fine crystalline, tight in part, oolitic, some oolmoldic development in part, abundant fossil fragments-fusulinid, poor intergranular porosity, very good vuggy/oolmoldic porosity in part, trace very dull fluorescence in part, no stain, no show oil, no live or dried cut. No gas increase was recorded over this zone.

Electric logs show this zone has a very clean gamma ray, very good microlog and SP development, maximum 25 percent density porosity, and 8-20 ohms deep resistivity.

Morrow
Sandstone
Stringer

4,725'-4,734'

Sandstone, light gray clusters, firm-hard, siliceous, very fine-medium upper grained, angular-subangular, fair sorting, well silica cementing, scattered subhedral quartz overgrowths, minor white clay fill in part, clear individual grains, fair to good in part intercrystalline porosity, good vuggy/pore throat porosity, intermediate-good bright yellow/white fluorescence, minor spotty light brown stain in part, slight show free oil when broken, moderately fast fair-intermediate dull yellow/white streaming cut and milky cut, intermediate pale yellow dried residual cut. A 12 unit hotwire gas increase to 24 units total (C1 = 22 units, C2 = 10 units, C3 = 3 units) was recorded over this interval.

Electric logs show no sandstone development is present. The sandstone observed in the samples is interpreted to be a thin bedded sandstone stringer interbedded in the Upper Morrow Shale.

St. Louis

4,985'-4,992'

Limestone, tan, fine crystalline, firm-hard, slightly chalky pieces, scattered oolites, slightly arenaceous-fine to medium grained, subrounded, fair to intermediate intercrystalline porosity, good moderately bright yellow fluorescence, uneven brown stain in part, no show free oil, intermediate bright yellow streaming cut when crushed, grading to fair milky cut, slight pale dried residual cut.

Electric logs indicate this zone is moderately well developed with 9-10 percent density porosity, 19-20 percent, slight SP development, no microlog development, and 4.5-7 ohms deep resistivity.

SUMMARY

The Martin No. 1 was drilled as a deep wildcat test developed through an east west 2-D seismic line and subsurface geology which indicated a structurally high area at this location. This test is located on the prominent NW-SE trending Kearny County High anticlinal structural feature, and is located within the northwestern portion of the massive Hugoton Gas Field which produces from the Permian aged Chase Group.

The Martin No. 1 is located in extreme northwest Kearny County, Kansas, approximately 17 miles north and 11 miles west of Lakin, Kansas.

The primary objectives in this deep test included the Pennsylvanian aged Lansing/Kansas City Formation and Morrow Sandstone(s), and the Meramec/Mississippian aged Chester Sandstone(s), St. Louis, Spergen, Warsaw, and Osage Formations. Secondary objectives included the Pennsylvanian aged Toronto and Marmaton Formations. If the deep portion of this well proves non-productive commercially, the well will be completed as a shallow gas Permian aged Chase Group in-fill gas well.

The Martin No. 1 was spudded on November 26, 2001 and RTD was reached on December 5, 2001. Schlumberger open hole wireline logs were run on December 6, 2001 and 5 1/2 inch production casing was set on December 7, 2001.

Two (2) conventional open hole drill stem tests were run over the Lansing "E-F-G" Zones and the Upper Morrow Formation. No cores were taken in this well.

Ten-foot wet and dry samples were caught by the drilling crews from 3,300 to 5,300 feet. The lithologic descriptions and mud gases were lagged by the consulting wellsite geologist. The well was under 24-hour geological supervision and mud gas detection (unmanned gas unit) from 3,700 to 5,300 feet.

Hydrocarbon Shows

Numerous fair to very good oil sample shows, ~~some~~ ^{WICPITA} associated hotwire/chromatograph gas increases, were observed in the Lansing "D", "E", "F", "G", "H", and "I" zones; Kansas City "A" and "C" zones; Morrow Sandstone (interbedded stringer); Chester Sandstone (interbedded stringers); and St. Louis Formations. Complete detailed lithologic and hydrocarbon shows descriptions can be found in the "Zones of Interest" section of this report.

No hydrocarbon sample shows were observed or significant gas increases recorded in the Toronto, Lansing "A", Kansas City "B", Marmaton, Cherokee, Lower St. Louis, Spergen, Warsaw or Osage Formations.

Compared to the three (3) reference wells used for correlation, the Martin No. 1 ran structurally mixed. The Martin No. 1 ran structurally low throughout the well in relation to the Landmark Maune No. 1-22; structurally mixed (structurally high from the Heebner through the Mississippian Limestone, then structurally low from the St. Louis through the Osage Formation) compared to the Blaik Oil Lisette No. 1; and structurally high throughout the well in relation to the Kaiser-Fransis Plummer "A" No. 1.

Complete Formation Tops and structural comparison to the reference wells can be found in the "Formation Tops" section of this report.

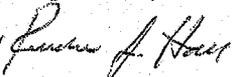
Summary

The drilling of the Martin No. 1 deep well identified numerous very well developed limestone reservoirs within the Lansing ("A", "B", "D", "E", "F", "G", and "H" zones) and Kansas City ("A", "B" and "C" zones), with most al of the zones recording fair to very good sample oil shows and/or mud gas increases. However, based on electric log analysis and a drill stem test of the Lansing "E-F-G" zones which recovered saltwater, all zones appear wet. Only the Lansing "F" zone calculates as possible hydrocarbon production though electric log evaluation and analysis.

Although several porosity zones are developed in the Mississippian (St. Louis, Spergen, Warsaw and Osage Formations), electric logs indicate limited permeability development (poor-fair SP and very limited microlog development) is present in these zones.

Therefore, based on the very good sample oil show, electric log analysis, and the moderately favorable structural position, production casing was set to 4,235 feet to further test and evaluate the Lansing "F" zone. If this zone proves to be non-commercial, the Martin No. 1 will be completed in the Chase Group as an in-fill shallow gas well.

Respectfully Submitted,



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