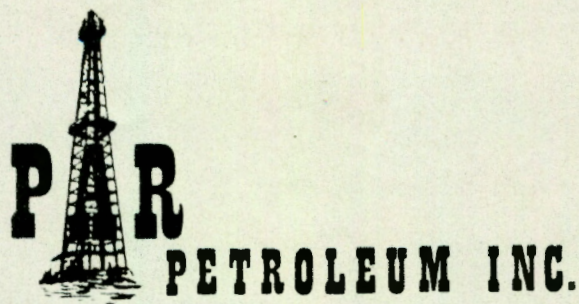




Box 280
Liberal, Kansas 67901

May 9, 1978

BRADSHAW FIELD PROSPECTS
GREELEY AND HAMILTON COUNTIES, KANSAS

The three proposed wells are located along the west edge of the Bradshaw Field which is the updip pinch-out edge of the Winfield formation. This is the zone that produces in the Bradshaw Field.

The wells are the #1 Munsey, C SE SE of Section 17-20S-40W, Greeley County, Kansas; the #1 Huser, C SE SE of Section 8-21S-41W, Hamilton County, Kansas, and the #1 Frost, C SE SE of Section 18-21S-41W, Hamilton County, Kansas. The Bradshaw Field is located between the towns of Tribune, Kansas, and Syracuse, Kansas. This is not a package program. Each well is a separate prospect and should be considered on its own merits.

GENERAL GEOLOGY

The regional geology of this area indicates a gentle monocline dipping to the east-southeast at approximately 25 feet per mile. The Winfield formation, which produces in the area, pinches out in a northeast-southwest direction. This pinch-out cuts across regional dip and forms a classical stratigraphic type trap. There are numerous small closures located throughout the field. This interpretation is illustrated on the attached Geological Map.

BRADSHAW FIELD PROSPECTS

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These small closures do not appear to bear any relationship to whether the well is productive or not or to how much the well will produce.

The Winfield formation in this area is a tan, very fine grained, dolomitic sandstone that becomes a red shaly sandstone with depth. The entire zone becomes shaly and tight to the west-northwest as indicated by the northwest Winfield porosity pinch-out line on the attached plat.

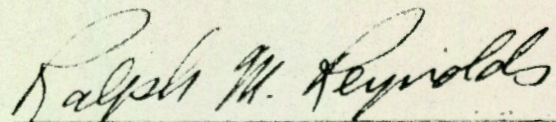
The eastern limits to the Bradshaw Field is controled by water encroachment on the downdip side of the reservoir. The gas filled portion of this reservoir is shaded in yellow on the attached Structure Plat.

SUMMARY AND EVALUATION

The geological control indicates that each of these locations should be within the productive confines of the Bradshaw Field.

These three wells are location near the edge of the field but it appears they should encounter enough porosity to provide an adequate reservoir.

The attached AFE and economics sheet indicate the expected recoveries and cash flow for these prospects.


Ralph M. Reynolds