

**BEREXCO, INC.
REED E #1
S2N2NWE SECTION 18 T22S-R23W
HODGEMAN COUNTY, KANSAS**

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WICHITA, KS**

**GEOLOGIST
WILLIAM B. BYNOG**

RESUME

OPERATOR: BEREXCO, INC.
WELL NAME & NUMBER: REED E # 1
LOCATION: S2N2NWNE SECTION 18 T22N-R23W
COUNTY: HODGEMAN
STATE: KANSAS
SPUD DATE: 5-21-2008 COMPLETION DATE: 6-2-2008
ELEVATIONS: GL: 2425' KB: 2436'
CONTRACTOR: BEREDCO RIG 10
LOGS: LOG TECH TYPES: DIL, DENSITY-NEUTRON,
MICROLOG & SONIC
ENGINEER: B. BECKER
WELLSITE ENGINEER: NONE
MUD COMPANY: MUD CO. MUD
MUD TYPE & ENGINEER: FRESH CHEMICAL: JODY DIETZ
GEOLOGIST: WILLIAM B. BYNOG
HOLE SIZE: 7 7/8
MUD LOGGING BY: EARTH TECH
DRILL STEM TEST COMPANY: TRILOBITE TESTING
DRILL STEM TEST: DST#1 2665-2705, DST#2 4690-4713,
and DST #3 4713-19
WELL STATUS: RAN PRODUCTION PIPE

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SUMMARY AND CONCLUSION

Reed E # 1 was a Mississippian Test drilled a total depth of 4719 feet testing the Lansing Kansas City, Pawnee, Fort Scott and Mississippian Formations. Our primary objectives were the Fort Scott and Mississippian, secondary the Lansing Kansas City. This Prospect was drilled using 3D seismic.

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A gas detection unit was used in the upper hole and continued to total depth because of the possibility of shallow gas in the upper Chase zones. The Chase Winfield zone at 2650 feet did have a small gas show and was tested on drill stem test # 1 recovering only 10 feet of drilling mud. The Towanda zone at 2790-2800 also had a small gas increase but was not tested. Drilling continued to the Mississippian with only minor gas increases in carbonaceous shales, none of them worthy of a drill stem test.

The Upper Mississippian porosity zone at 4708-19 was primarily a dolomite with fair intercrystalline and vuggy porosity development, spotty to even stain, good cut and abundant white Chert. Drill stem test # 2 recovered 170 feet of clean oil and 90 feet of muddy oil. Another six feet were drilled and tested again on drill stem # 3 with fair results recovering 210 feet of clean oil and 60 feet of muddy salt water.

Logs agreed with sample evaluation recording porous but wet zones in the upper Lansing Kansas City and tight zones in the Fort Scott and Cherokee sections.

A decision was made to run production casing on the two favorable Mississippian drill stem tests. An eleven foot depth correction was made after logs, resulting in less Structure than originally thought.

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FORMATION TOPS

FORMATION	DEPTH (LOGS)
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STONE CORRAL	1704(+732)
TOPEKA	
35' ZONE	
PLATTSMOUTH	
HEEBNER	3994(-1558)
TORONTO	4014(-1578)
LANSING A	4046(-1610)
SWOPE	4322(-1886)
HERTHA	4354(-1918)
BKC	4436(-2000)
MARMATON	4444(-2008)
PAWNEE	4518(-2082)
FORT SCOTT	4592(-2156)
CHEROKEE	4622(-2186)
MISSISSIPPI	4688(-2252)

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LITHOLOGY

KEIDER

- 2600-90 Dolomite gray, hard, microcrystalline, poor porosity
2690-2700 Dolomite white, pale gray, firm, microsucrosic, poor to fair porosity
2700-25 Shale gray, firm, argillaceous

TOWANDA

- 2725-80 Dolomite gray, hard, fossiliferous, poor porosity
2780-90 Dolomite gray, firm, microcrystalline, fair porosity
2790-35 Dolomite gray, hard, dense
2735-2930 Limestone gray, hard, fossiliferous, poor porosity
2930-3000 Limestone gray, hard, dense, abundant Chert white
3000-50 Limestone white, very hard, dense, chalky
3050-70 Limestone white, firm, fossiliferous, very chalky, fair vuggy porosity
3070-3100 Limestone buff, hard, dense
3100-15 Shale red, soft, very argillaceous
3115-40 Limestone white, firm, very chalky
3140-60 Limestone buff, firm, very fossiliferous, chalky, fair porosity
3160-85 Limestone gray, hard, dense
3185-3200 Shale gray, green, soft
3200-50 Limestone gray, hard, dense
3200-60 Limestone gray, firm, fossiliferous, chalky

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3260-90 Limestone white, firm, chalky, fossiliferous

3290-3450 Shale gray, green, soft, silty

3450-80 Limestone tan, hard, dense

3480-3500 Shale gray, green, black, firm, fissile

3500-70 Limestone buff to tan, very hard, dense

3570-3620 Limestone gray brown, very hard, dense

3620-70 Limestone cream, hard, microcrystalline

3670-3700 Limestone cream, white, firms, chalky

3700-25 Limestone gray, tan, very hard, dense

3725-70 Limestone gray brown, buff, hard, dense

3770-80 Limestone buff, firm, fossiliferous, fair vuggy porosity

3780-3825 Limestone cream, tan, very hard, dense

3825-40 Limestone cream, firm, chalky, fossiliferous, fair porosity

3840-60 Limestone tan, very hard, dense

3860-3950 Limestone buff, firm, fossiliferous, granular, fair porosity

3950-70 Limestone buff, tan, very hard, dense, some pyrite

3970-80 Limestone buff, firm, chalky, fair porosity

3980-90 Shale green, firm, silty

HEEBNER

3990-95 Shale black, firm, carbonaceous

3995-4002 Shale green, soft

TORONTO

4002-20 Limestone cream, buff, firm, microcrystalline, chalky, fair porosity

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4020-50 Shale green, firm

LANSING

4050-65 Limestone tan, very hard, dense

4065-75 Limestone white, firm, fossiliferous, fair porosity

4075-4120 Limestone white, firm, fossiliferous, fair porosity

4120-65 Limestone buff, very hard, dense, abundant Chert white

4165-4200 Limestone white, firm, chalky, fair porosity

4200-10 Limestone gray, tan, very hard, abundant Chert white, tan

4210-20 Shale black, firm, carbonaceous

~~CONFIDENTIAL~~ 4220-30 Shale gray, green, firm

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4230-75 Limestone as above

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4275-4300 Limestone buff, firm, oolitic, fair porosity

4300-20 Shale as above

SWOPE

4320-45 Limestone buff, hard, chalky, crystalline

4345-50 Shale black, firm, carbonaceous

HERTHA

4350-80 Limestone buff, hard, microcrystalline, sandy, chalky, tight

4380-4425 Limestone buff, very hard, dense

4425-30 Shale gray, green, firm

4430-50 Limestone buff, hard, dense

4450-70 Shale gray, green, red, soft-firm

4470-4500 Limestone white, buff, hard, microcrystalline, tight

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- 4500-40 Shale/Limestone as above
4540-80 Limestone cream, very hard, dense
4580-85 Shale black, firm, carbonaceous

FT. SCOTT

- 4585-4610 Limestone buff, tan, very hard, dense with thin Shale as above

CHEROKEE

- 4610-15 Shale black, firm, carbonaceous
4615-30 Limestone & Shale as above
4630-35 Shale gray, green, firm,
4635-60 Limestone buff, hard, dense trace sand
4660-75 Shale purple, green, yellow, firm
4675-90 Limestone buff, very hard, dense abundant Chert white

MISSISSIPPI

- 4690-4700 Limestone/Dolomite white, hard, dense, scattered poor vuggy porosity, spotty stain, fair cut & odor
4700-10 Dolomite buff, hard, microcrystalline, poor to fair vuggy porosity, spotty to even stain, good cut & odor, show free oil
4710-19 Dolomite buff, firm, microsucrosic, fair intercrystalline, fair to good vuggy porosity, spotty to even stain, good cut & odor, good show free oil, abundant Chert white

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