

JUL 29 2008

**BEREXCO, INC.
CLARENCE #1
E2NENW SECTION 22 T22S-R23W
HODGEMAN COUNTY, KANSAS**

CONFIDENTIAL

AUG 12 2008

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RECEIVED
KANSAS CORPORATION COMMISSION

AUG 13 2008

CONSERVATION DIVISION
WICHITA, KS

**GEOLOGIST
WILLIAM B. BYNOG**

RESUME

OPERATOR:	BEREXCO, INC.
WELL NAME & NUMBER:	CLARENCE # 1
LOCATION:	E2NENW SECTION 22 T22N-R23W
COUNTY:	HODGEMAN
STATE:	KANSAS
SPUD DATE: 6-21-2008	COMPLETION DATE: 7-1-2008
ELEVATIONS:	GL: 2341' KB: 2352'
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 4555-4610, DST#2 4610-20
WELL STATUS:	RAN PRODUCTION CASING

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SUMMARY AND CONCLUSION

Clarence # 1 was drilled a total depth of 4620 feet testing the Lansing Kansas City, Pawnee, Fort Scott and Mississippi Formations. Our primary objectives were the Fort Scott and Mississippian, secondary the Lansing Kansas City. This Prospect was drilled using 3D seismic.

A gas detection unit was used in order to help identify potential productive zones. There were no hydrocarbon shows in the upper Lansing Kansas City, Marmaton or Pawnee sections only small gas increases from carbonaceous shales.

The Mississippian Dolomite at 4596 came in eight feet low to the prognosis and tight in the first ten feet but had good shows with poor to fair porosity development.

Drill stem test # 1 4555-4610 recovered only 5 feet of drilling mud (10% oil). Drilling continued for another ten feet encountering a better developed microsugrosic Dolomite with very good oil shows that was tested on drill stem test # 2. Drill stem test # 2 recovered 600 feet of gas in pipe, 60 feet of clean oil, 3602 feet of gassy oil (20% gas, 80% oil) and 120 feet of gassy muddy oil (20% gas, 40% oil and 40% mud with good pressures.

Logs agreed with sample evaluation recording wet zones in upper Lansing Kansas City, Marmaton, Pawnee and Fort Scott sections. The Mississippian section has fair to good porosity development and tested oil on drill stem test # 2. A decision was made to stop drilling and run production casing on the very favorable drill stem test # 2 in the upper Mississippian Dolomite.

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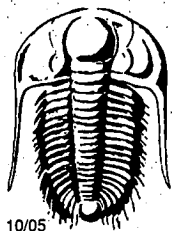
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FORMATION TOPS

FORMATION	DEPTH (LOGS)
STONE CORRAL	1570(+782)
TOPEKA	
35' ZONE	
PLATTSMOUTH	
HEEBNER	3916(-1564)
TORONTO	3930(-1578)
LANSING A	3970(-1618)
SWOPE	4240(-1888)
HERTHA	4278(-1926)
BKC	
MARMATON	4356(-2004)
PAWNEE	4422(-2070)
FORT SCOTT	4504(-2152)
CHEROKEE	4532(-2180)
MISSISSIPPI	4596(-2244)



TRILOBITE TESTING INC.

P.O. Box 362 • Hays, Kansas 67601

31376

Test Ticket

Well Name & No. <u>Clarence #1</u>	Test No. <u>#1</u>	Date <u>6-29-08</u>
Company <u>Berexco Inc.</u>	Zone Tested <u>M.SS</u>	
Address <u>P.O. Box 20380 Wichita, KS 67208</u>	Elevation <u>2352</u> KB <u>2341</u>	GL
Co. Rep / Geo. <u>Bryan Byrnes</u>	Rig <u>Buriedo #10</u>	
Location: Sec. <u>22</u> Twp. <u>22S</u> Rge. <u>23W</u>	Co. <u>Hodgeman</u>	State <u>KS</u>
Comment: _____		Release date / time: _____

Interval Tested <u>4555</u> <u>4610</u>	Initial Str Wt./Lbs. <u>48,000</u>	Unseated Str Wt./Lbs. <u>48,000</u>
Anchor Length <u>55</u>	Wt. Set Lbs. <u>25,000</u>	Wt. Pulled Loose/Lbs. <u>7,000</u>
Top Packer Depth <u>4550</u>	Tool Weight <u>1500</u>	
Bottom Packer Depth <u>4555</u>	Hole Size <u>7 7/8"</u> ☒	Rubber Size <u>6 3/4"</u> ☒
Total Depth <u>4610</u>	Wt. Pipe Run <u>—</u>	Drill Collar Run <u>228'</u>
Mud Wt. <u>—</u> LCM <u>—</u> Vis. <u>—</u> WL <u>—</u>	Drill Pipe Size <u>4 1/2"</u>	Ft. Run <u>—</u>
Blow Description <u>CONFIDENTIAL</u> <u>Run and in 13 min</u> <u>Aug 1 2288 ft</u> <u>No blow</u> <u>No kick</u>		

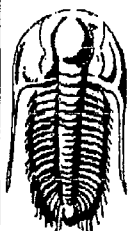
Recovery - Total Feet <u>5'</u>	GIP <u>—</u>	Ft. in DC <u>5'</u>	Ft. in DP <u>—</u>
Rec. <u>5'</u>	Feet of <u>50cm</u>	%gas <u>10</u>	%oil <u>—</u> %water <u>90</u> %mud <u>—</u>
Rec. <u>—</u>	Feet of <u>—</u>	%gas <u>—</u>	%oil <u>—</u> %water <u>—</u> %mud <u>—</u>
Rec. <u>—</u>	Feet of <u>—</u>	%gas <u>—</u>	%oil <u>—</u> %water <u>—</u> %mud <u>—</u>
Rec. <u>—</u>	Feet of <u>—</u>	%gas <u>—</u>	%oil <u>—</u> %water <u>—</u> %mud <u>—</u>
Rec. <u>—</u>	Feet of <u>—</u>	%gas <u>—</u>	%oil <u>—</u> %water <u>—</u> %mud <u>—</u>
BHT <u>128</u>	*F Gravity <u>—</u>	*API D @ <u>—</u>	*F Corrected Gravity <u>—</u> *API <u>—</u>
RW <u>—</u> @ <u>—</u> *F	Chlorides <u>—</u> ppm	Recovery <u>—</u>	Chlorides <u>4000</u> ppm System

	AK-1	Alpine				
(A) Initial Hydrostatic Mud	<u>2294</u>	PSI	Recorder No.	<u>6667</u>	Test <u>x</u>	
(B) First Initial Flow Pressure	<u>21</u>	PSI	(depth)	<u>4556</u>	Jars <u>y</u>	
(C) First Final Flow Pressure	<u>26</u>	PSI	Recorder No.	<u>6771</u>	Safety Jt. <u>x</u>	
(D) Initial Shut-In Pressure	<u>1321</u>	PSI	(depth)	<u>4556</u>	Circ Sub <u>x</u> <u>N/C</u>	
(E) Second Initial Flow Pressure	<u>25</u>	PSI	Recorder No.		Sampler	
(F) Second Final Flow Pressure	<u>35</u>	PSI	(depth)		Straddle	
(G) Final Shut-In Pressure	<u>1376</u>	PSI	Initial Opening	<u>15</u>	Ext. Packer	
(Q) Final Hydrostatic Mud	<u>2190</u>	PSI	Initial Shut-In	<u>30</u>	Shale Packer	
			Final Flow	<u>30</u>	Ruined Packer	
			Final Shut-In	<u>60</u>	Mileage <u>K168 RT</u>	
			T-On Location	<u>06:50</u> <u>4:00</u>	Sub Total:	
			T-Started	<u>07:40</u> <u>4:00</u>	Std. By	
			T-Open	<u>09:50</u> <u>AM</u>	Acc. Chg:	
			T-Pulled	<u>12:05</u> <u>P.M.</u>	Other:	
			T-Out	<u>14:30</u> <u>P.M.</u>	Total:	

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Approved By Walt G. G. G.

Our Representative [Signature]



TRILOBITE
TESTING, INC

DRILL STEM TEST REPORT

Berexco Inc

p.o. box 20380

Wichita, Ks

67208

ATTN: Berexco Inc

Clarence #1

22-22-23 Hodgeman, Ks

Job Ticket: 31376

DST#: 1

Test Start: 2008.06.29 @ 07:40:05

GENERAL INFORMATION:

Formation: Miss

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 09:49:15

Time Test Ended: 14:35:29

Test Type: Conventional Bottom Hole

Tester: Shane McBride

Unit No: 40

Interval: 4555.00 ft (KB) To 4610.00 ft (KB) (TVD)

Total Depth: 4610.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Fair

Reference Elevations: 2352.00 ft (KB)

2344.00 ft (CF)

KB to GR/CF: 8.00 ft

Serial #: 6667

Inside

Press@RunDepth: 35.78 psig @ 4556.00 ft (KB)

Start Date: 2008.06.29

End Date:

2008.06.29

Start Time: 07:40:05

End Time:

13:51:29

Capacity: 7000.00 psig

Last Calib.: 2008.06.29

Time On Btm: 2008.06.29 @ 09:48:15

Time Off Btm: 2008.06.29 @ 12:09:45

TEST COMMENT: 1/4" in blow died in 13 min

No return

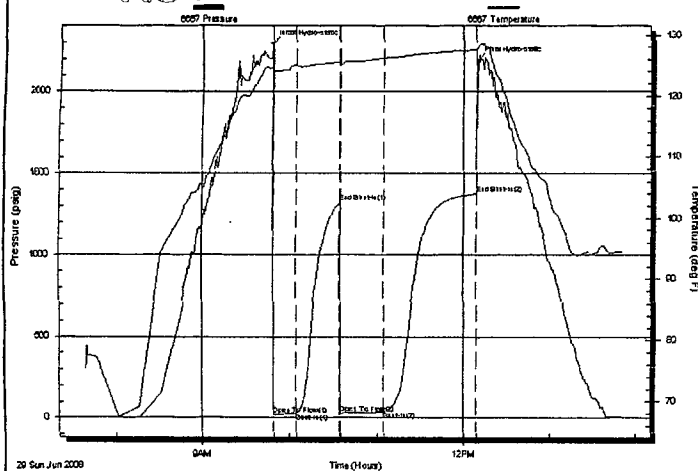
No blow

No return

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Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2294.85	124.61	Initial Hydro-static
1	21.01	124.12	Open To Flow (1)
17	26.76	124.94	Shut-In(1)
47	1321.32	125.50	End Shut-In(1)
47	29.31	125.12	Open To Flow (2)
77	35.78	126.16	Shut-In(2)
141	1376.71	127.56	End Shut-In(2)
142	2190.22	127.85	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
5.00	s o c m 10%o 90%m	0.02

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)
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Pressure & Temperature: Recorder# 6667

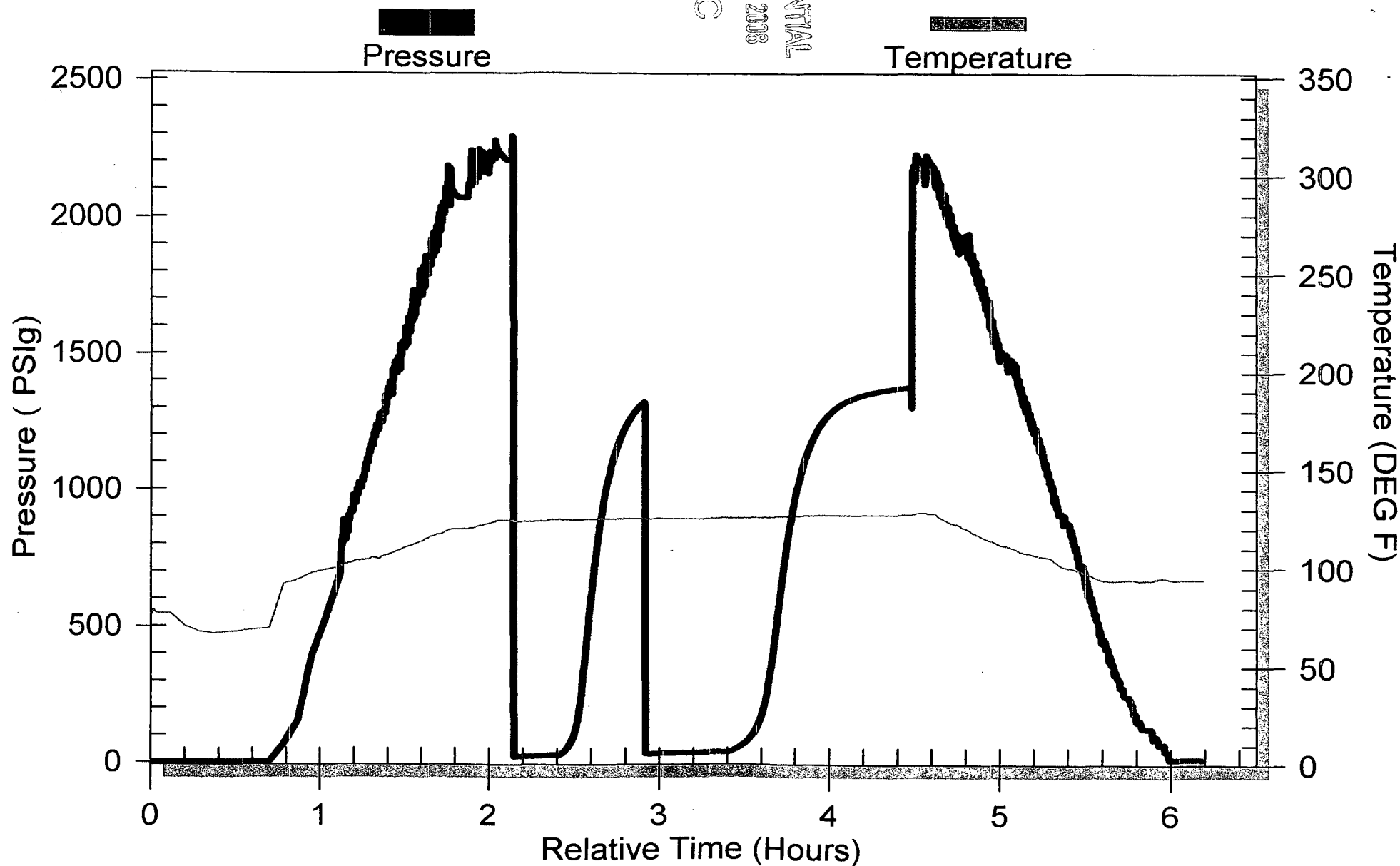
Every 1 Points are Plotted.

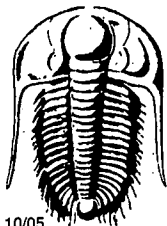
Run ID: 31376 DST #1 Berexco Inc Clarence #1

Start Time: Sun Jun 29 07:40:00 2008

File: C:\Test Data\62980740.667

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TRILOBITE TESTING INC.

P.O. Box 362 • Hays, Kansas 67601

31377

Test Ticket

Well Name & No. <u>Clarence #1</u>	Test No. <u>#2</u>	Date <u>6-30-08</u>
Company <u>Enxco Inc</u>	Zone Tested <u>M.S.</u>	
Address <u>P.O. Box 20380 Wichita KS 67208</u>	Elevation <u>2352</u> KB <u>2341</u> GL	
Co. Rep / Geo. <u>Dylan Byrd</u>	Rig <u>Beredo #10</u>	
Location: Sec. <u>22</u> Twp. <u>22S</u> Rge. <u>23W</u>	Co. <u>Adgerman</u>	State <u>KS</u>
Comment: _____	Release date / time: _____	

Interval Tested <u>4610</u> <u>4620</u>	Initial Str Wt./Lbs. <u>48000</u>	Unseated Str Wt./Lbs. <u>58000</u>
Anchor Length <u>10</u>	Wt. Set Lbs. <u>25000</u>	Wt. Pulled Loose/Lbs. <u>80000</u>
Top Packer Depth <u>4605</u>	Tool Weight <u>1500</u>	
Bottom Packer Depth <u>4610</u>	Hole Size 7 7/8" <u>✓</u>	Rubber Size 6 3/4" <u>✓</u>
Total Depth <u>4620</u>	Wt. Pipe Run <u>—</u>	Drill Collar Run <u>228'</u>
Mud Wt. <u>9.4</u> LCM <u>#1</u> Vis. <u>54</u> WL <u>9.4</u>	Drill Pipe Size <u>—</u>	Ft. Run <u>4389'</u>

Blow Description BOB in 1 min.

Blow off for 4 min Return blow built to 11" in.

CONFIDENTIAL in 1 min.

Blow off for 4 min Return blow built to 3" in died in 65 min

Recovery Total Feet <u>3782'</u>	GIP <u>600'</u>	Ft. in DC <u>228'</u>	Ft. in DP <u>3554'</u>
Rec. <u>1200'</u>	Feet of <u>CGO</u>	20 %gas	60%oil %water %mud
Rec. <u>3602'</u>	Feet of <u>reversed out</u>	20 %gas	80%oil %water %mud
Rec. <u>120'</u>	Feet of <u>gmo</u>	20%gas	40 %oil %water 40% mud
Rec. _____	Feet of <u>(under Circ sub)</u>	%gas	%oil %water %mud
Rec. _____	Feet of _____	%gas	%oil %water %mud
BHT <u>138°</u>	*F Gravity <u>39</u>	*API D @ <u>110°</u>	*F Corrected Gravity <u>34</u> *API
RW _____ @ _____ *F	Chlorides _____ ppm	Recovery _____	Chlorides <u>4000</u> ppm System

AK-1

Alpine

(A) Initial Hydrostatic Mud <u>2324</u> PSI	Recorder No. <u>6667</u>	Test x _____
(B) First Initial Flow Pressure <u>220</u> PSI	(depth) <u>4611</u>	Jars _____
(C) First Final Flow Pressure <u>677</u> PSI	Recorder No. <u>6771</u>	Safety Jt. _____
(D) Initial Shut-In Pressure <u>1411</u> PSI	(depth) <u>4611</u>	Circ SubX <u>50°</u>
(E) Second Initial Flow Pressure <u>722</u> PSI	Recorder No. _____	Sampler _____
(F) Second Final Flow Pressure <u>1349</u> PSI	(depth) _____	Straddle _____
(G) Final Shut-In Pressure <u>1436</u> PSI	Initial Opening <u>15</u>	Ext. Packer _____
(Q) Final Hydrostatic Mud <u>2259</u> PSI	Initial Shut-In <u>30</u>	Shale Packer _____

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Final Flow <u>60</u>	Ruined Packer <u>X</u>
Final Shut-In <u>90</u>	Mileage <u>X 58 RT</u>
T-On Location <u>22:50 p.m.</u>	Sub Total: _____
T-Started <u>23:00 p.m.</u>	Std. By <u>X</u>
T-Open <u>01:40 a.m.</u>	Acc. Chg: _____
T-Pulled <u>04:55 a.m.</u>	Other: _____
T-Out <u>13:20 p.m.</u>	Total: _____

Approved By [Signature]

Our Representative [Signature]



TRILOBITE
TESTING, INC

DRILL STEM TEST REPORT

Berexco Inc

p.o. box 20380

Wichita, Ks

67208

ATTN: Berexco Inc

Clarence #1

22-22-23 Hodgeman, Ks

Job Ticket: 31377

DST#: 2

Test Start: 2008.06.29 @ 23:00:05

GENERAL INFORMATION:

Formation: Miss

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 01:38:45

Time Test Ended: 13:20:45

Test Type: Conventional Bottom Hole

Tester: Shane McBride

Unit No: 40

Interval: 4610.00 ft (KB) To 4620.00 ft (KB) (TVD)

Total Depth: 4620.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Fair

Reference Elevations: 2352.00 ft (KB)

2341.00 ft (CF)

KB to GR/CF: 11.00 ft

Serial #: 6667

Inside

Press@RunDepth: 1349.95 psig @ 4611.00 ft (KB)

Start Date: 2008.06.29

End Date:

2008.06.30

Capacity: 7000.00 psig

Last Calib.: 2008.06.30

Start Time: 23:00:05

End Time:

12:58:45

Time On Btm: 2008.06.30 @ 01:38:15

Time Off Btm: 2008.06.30 @ 04:57:14

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TEST COMMENT: B.O.B. in 1 min.

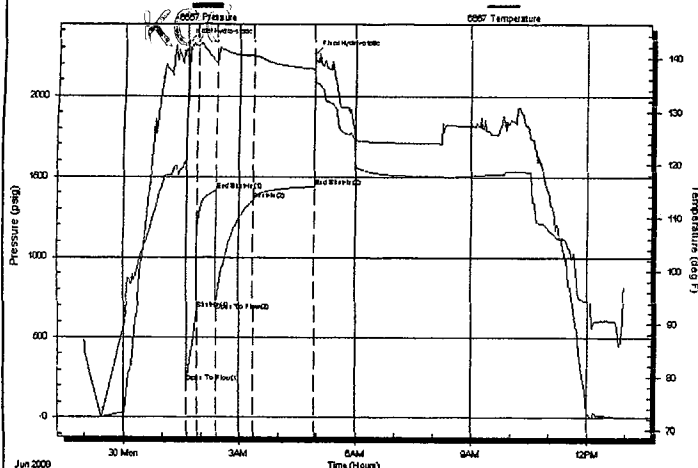
Bled off for 4 min return blow built to 11" in

CONFIDENTIAL B.O.B. in 1 min.

Bled off for 4 min return blow built to 3" in died in 65 min

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Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2324.23	121.01	Initial Hydro-static
1	220.35	127.65	Open To Flow (1)
17	677.91	142.15	Shut-In(1)
46	1411.18	139.24	End Shut-In(1)
47	722.90	138.83	Open To Flow (2)
105	1349.95	140.45	Shut-In(2)
199	1436.41	138.05	End Shut-In(2)
199	2259.10	137.69	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
120.00	under circ sub g m o 20g 40m 40o	0.59
3602.00	reversed out c g o 20g 80o	31.08
60.00	c g o 20g 80o	0.52
	600' GAS in P.P.e.	

Gas Rates

Choke (Inches)	Pressure (psig)	Gas Rate (Mcf/d)
----------------	-----------------	------------------

Pressure & Temperature: Recorder# 6667

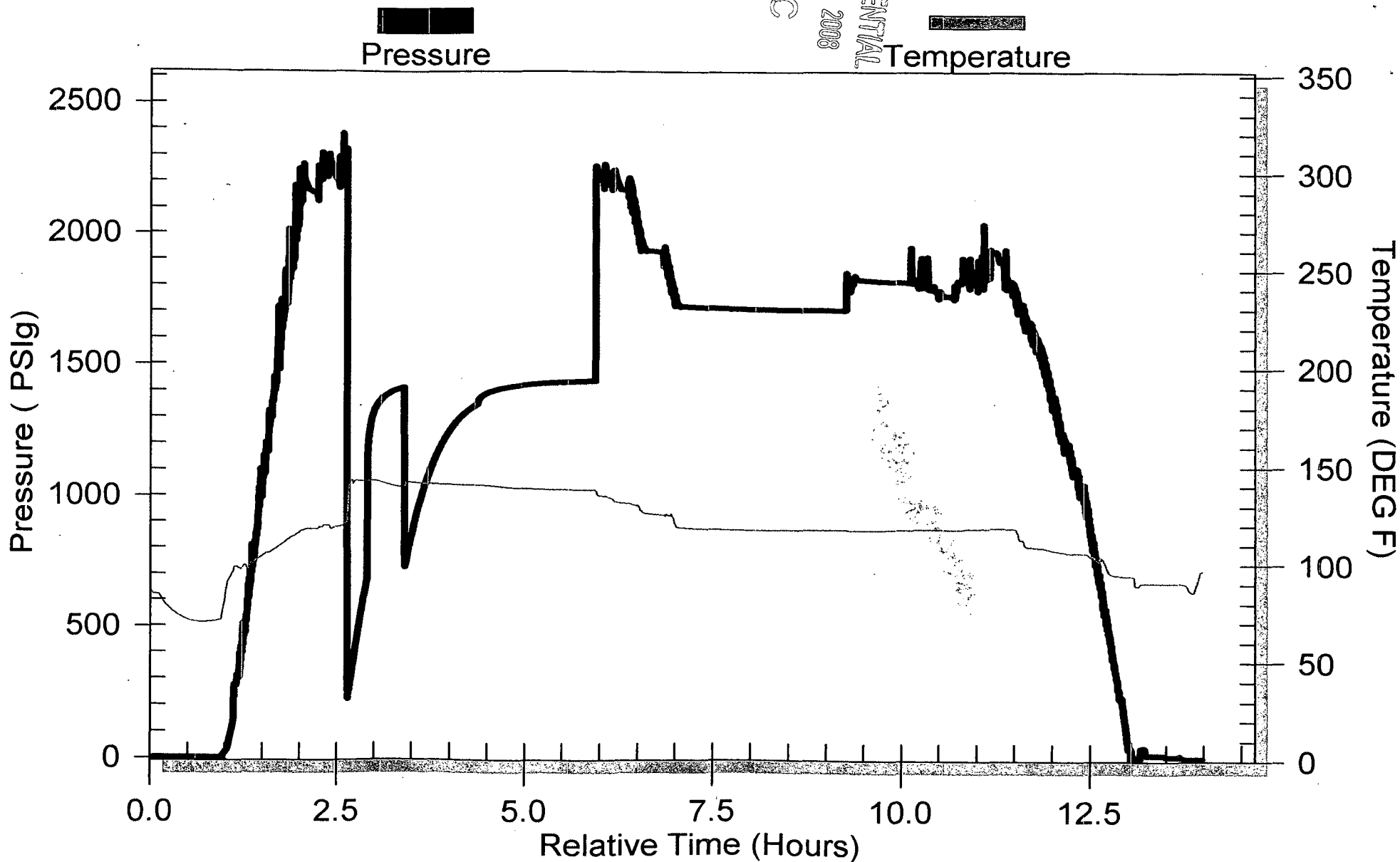
Every 1 Points are Plotted.

Run ID: 31377 DST #2 Berexco Inc Clarence #1

Start Time: Sun Jun 29 23:00:00 2008

File: C:\Test Data\62982300.667

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LITHOLOGY

3700-3780 Limestone buff, hard, fossiliferous

3780-3915 Limestone buff, firm, very fossiliferous, good porosity

HEEBNER

3915-20 Shale black, firm, carbonaceous

3920-30 Shale green, soft

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3930-50 Limestone cream, buff, firm, microcrystalline, fossiliferous, fair porosity

3950-70 Shale green, firm, waxy

LANSING

3970-90 Limestone tan, buff, very hard, dense, abundant Chert white

3990-4000 Shale green, red, soft

4000-10 Limestone white, hard, dense

4010-25 Shale as above

4025-40 Limestone tan, buff, firm, fossiliferous, good porosity

4040-70 Limestone buff, hard, dense, abundant Chert white

4070-80 Shale gray, green, firm, waxy

4080-4100 Limestone buff, hard, dense, abundant Chert white

4100-10 Shale as above

4110-20 Limestone as above

4120-40 Limestone buff, firm, microsugrosic, fair to good porosity

4140-50 Shale black, firm, carbonaceous

4150-4200 Limestone buff, hard, dense, abundant Chert white with thin interbedded Shale as above

4200-25 Limestone buff, firm, very oolitic, good moldic porosity

4225-40 Limestone buff, hard, dense abundant Chert white

4240-45 Shale black, firm, carbonaceous

SWOPE

4245-80 Limestone buff, white, firm, chalky, fair vuggy porosity

HERTHA

4280-4300 Limestone buff, hard, microcrystalline, dense with thin Shale gray, green, firm

4300-50 Limestone buff, hard, dense

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4350-60 Shale gray, green, red, soft-firm

4360-85 Limestone tan, buff, hard, microcrystalline, dense

4385-95 Shale gray, gray black

4395-4420 Limestone buff, hard, microcrystalline, poor vuggy porosity

4420-24 Shale black, firm, carbonaceous

PAWNEE

4424-30 Limestone buff, white, firm, chalky, poor vuggy porosity

4430-35 Shale as above

4435-90 Limestone buff, hard, dense

4490-4500 Shale green, brown, firm

4500-05 Shale black, firm, carbonaceous