

Martin K. Dubois

Consulting Geologist

1321 East 11th Avenue • Winfield, Kansas 67156 • 316-221-4129

December 22, 1979

GEOLOGICAL REPORT

Monarch Energy Corporation
#1 Mines
C-SE-NW Sec. 12-2S-30W
Decatur County, Kansas

Elevations:	GL 2776 KB 2780 Measurements from KB
Contractor:	J&C Drilling
Spud:	12/9/79
Completed:	12/21/79
RTD/LTD	4340/4337
Surface Casing:	8 5/8" @ 247'
Hole Size:	7 7/8" from 247' to TD
Mud Up:	3600'
Drill Time:	1' drill time 2450-2580, 3200-TD
Samples:	10' samples 3200 to TD
Geological Supervision:	2800 to TD
Drill Stem Tests:	Four-Miller Testing
Electric Log Surveys:	Great Guns- Radiation Guard Log with Caliper
Mud Service:	Total Mud Services Inc.
Bits Run:	256-1960 HT 3AJ 1960-2547 HT 3J 2547-3305 S 84 F (Rerun) 3305-4340 S 84 F

Sample Quality: 3200-3780 poor
 3780-4100 good
 4100-4340 fair (cavings)

Pipe Strapped: 2547-Strap was 3' short to board
 3305-Strap was 3' short to board, geolograph
 was adjusted here and uphole

Straight Hole Surveys: 2547-1/2 degree from vertical
 3305-1/2 degree from vertical
 3781-1/2 degree from vertical

MORNING DRILLING REPORTS:

12/9	Setting surface casing	12/16	Drilling @ 3540
12/10	Drilling @ 1220	12/17	Running DST #1 @ 3781
12/11	Drawworks bearing out 1960	12/18	Running DST #2 @ 3875
12/12	Drilling @ 1960	12/19	Going in hole after DST #3 @ 3917
12/13	Drilling @ 2485	12/20	Drilling @ 4010
12/14	Drilling @ 2890	12/21	Conditioning hole to log @ 4340
12/15	Drilling @ 3279		

FORMATION TOPS

Formation	Monarch #1 Mines SE-NW 12-2S-30W		Abercrombie #1 Mines NE-SE 11-2S-30W		Relation of Monarch to Abercrombie Well
	Sample	E-Log	E-Log		
Stone Corral	2519	2514(+266)	2457(+260)		+6
Foraker	3245	3245(-465)	3184(-467)		+2
Topeka	3560	3559(-779)	3497(-780)		+1
Heebner	3722	3723(-943)	3657(-940)		-3
Lansing	3769	3768(-988)	3704(-987)		-1
Base Kansas City	3996	3993(-1213)	3928(-1211)		-2
Cherokee	4131	4121(-1341)	DNP		
Arbuckle	4288	4297(-1517)	DNP		
Total Depth	4340	4337	3948		

SHOWS AND DRILL STEM TESTS:

L-KC A Zone

Smp1 3769-76 Limestone, white, very fine grained, pellets and fine
 E-Log 3768-72 skeletal grains, chalky in part (pellet-skeletal pack-
 stone), fair intergranular porosity, slight show of
 free oil.

DST #1 3726-81

45-45-45-90

No blow, flushed tool, no blow, weakblow in 15 minutes,
 increased to fair blow on first open; fair blow through-
 out second open.

Recovered 120' gas in pipe, 50' of gassy oil, 60' of
 oil cut mud.

Flow pressures: 43-43, 65-65

Shut in pressures: 846-868
 Hydrostatic pressures: 1909-1888
 Bottom hole temperature: 107 degrees F

L-KC B Zone

Smpl 3806-09
 E-Log 3802-05

Limestone, white, very finegrained, pellets and rounded skeletal grains (pellet-skeletal packstone), poor intergranular porosity, very slight show of free oil.

This interval was not tested.

L-KC C Zone

Smpl 3860-63
 E-Log 3856-60

Limestone, tan, very fine grained, pellets (pellet packstone), fair to poor intergranular porosity, slight show of free oil.

DST #2 3824-75

30-30-30-30

No blow on first open; flushed tool, still no blow on second open.

Recovered 4' mud

Flow pressures: 65-65, 65-65

Shut in pressures: 65-65

Hydrostatic pressures: 1930-1909

L-KC D Zone

Smpl 3890-95
 E-Log 3890-95

Limestone, tan, fine to medium grained, rounded skeletal grains, few pellets (skeletal packstone), fair to poor intergranular and moldic porosity, slight show of free oil.

DST #3 3872-3917

30-30-30-30

Weak blow that died on first open; flushed tool, no blow on second open.

Recovered 8' mud

Flow pressures: 76-76, 76-87

Shut in pressures: 1072-911

Hydrostatic pressures: 1993-1993

L-KC E Zone

Smpl 3824-30
 E-Log 3822-28

Limestone, tan, medium to coarse grained, rounded skeletal grains (skeletal grainstone) fair to good intergranular porosity in upper part, poor porosity in lower part, fair show of free oil.

DST #4 3897-3935

45-45-45-90

Fair blow for 24 minutes, decreased to weak blow on first open; no blow on second open.

Recovered 80' slightly gas cut mud with scum of oil on top of the tool

Flow pressures: 87-87, 109-109

Shut in pressures: 218-240

Hydrostatic pressures: 2035-2014

RECOMMENDATIONS:

All shows of oil were drill stem tested except for that in the Lansing-Kansas City B Zone which appeared tight in the samples and on the log. Significant quantities of oil were found only in the A zone. The Radiation Guard Log indicates that the A zone has 2 feet of pay with 15% porosity and 35% saltwater saturation. All other zones are non-porous.

Nearest A zone production is 2 miles southwest of the Monarch #1 Mines in two wells at the south end of the Jording Pool. One of the wells, the Halliburton Jording #1 in the SW-NW Sec. 23-25-30W produced approximately 17,000 barrels of oil in four years from the A zone. Total production figures on this individual well are not available because its production was combined with that from other wells on the Jording lease as they were drilled. The Jording #1 had 3 feet of pay in the A zone and drill stem test recoveries and pressures were similar to those of the Monarch #1 Mines.

Based on pay thickness, porosity, and comparison with the A zone in a similar, producing well, the Monarch Energy Corporation #1 Mines should have 8 to 10 thousand barrels of recoverable oil reserves in the A zone. On December 21, 1979, it was therefore recommended that production casing be run and a completion attempt be made in the Lansing-Kansas City A zone.

Respectfully submitted,

Martin K. Dubois

Martin K. Dubois
Consulting Geologist

MKD:td

Martin K. Dubois

Consulting Geologist

1321 East 11th Avenue • Winfield, Kansas 67156 • 316-221-4129

August 31, 1979

GEOLOGIC REPORT SE Traer Prospect

A structurally favorable position and the proximity of oil production and good shows of oil in a nearby dry hole make Monarch's SE Traer proposed drilling location in the SE/4 NW/4 Sec. 12, T.2 S., R.30 W., Decatur County, Kansas, a geologically sound prospect.

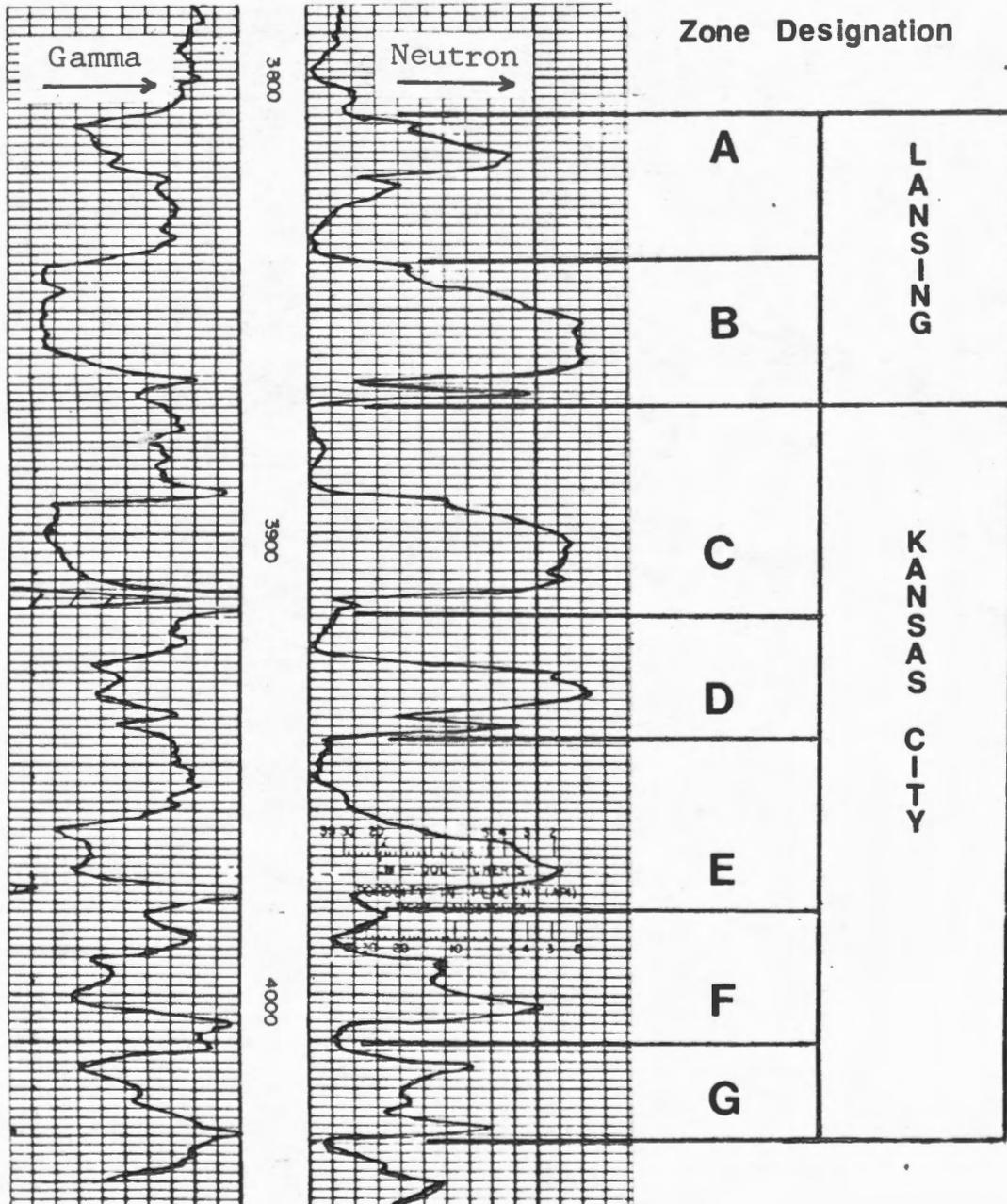
The proposed location (see SE Traer Prospect Plat, prepared by V. Jean Taylor) is within a closed structural high situated on a southwest plunging anticline. This small anticline is associated with the Cambridge Arch, a major structural feature in the mid-continent (see attached Tectonic Map of Kansas). Oil production along this anticline was established in 1962 with the discovery of the Jording Pool and continues today from the Jording and Jording East Pools. Oil produced from these two pools comes from four separate limestones in the Lansing-Kansas City Group, a 220 foot thick rock unit consisting of alternating limestones and shales (see attached radioactivity log). Most oil produced comes from the B and E zones but some is produced from the A and C zones. The top of the Lansing is encountered at an average depth of approximately 3800 feet in the prospect area.

Structural position is important in this region but it is not the only factor in the determination of whether an area will or will not be productive. Many wells have been drilled in and around the Jording and Jording East pools, wells A, D, E, and K on Mr. Taylor's Prospect Plat are examples, that were as high or higher on top of the Lansing as nearby productive wells but were not commercially productive. In these wells porosity and permeability of sufficient quantities to be commercially productive was not encountered. Based on the examination of electric and radioactive well logs from wells on the prospect map, there is ample likelihood of encountering sufficiently porous and permeable limestones (especially the B and E zones) to merit a test well located at the proposed location.

The test well nearest the proposed location is the Abercrombie #1 Mines, well M on the SE Traer Prospect Plat,

Lansing-Kansas City Zonation

Halliburton Oil-No.1 Mines
nw-nw-se 14-2S-30W



one-half mile southwest of the proposed location. This well encountered significant, yet non-commercial quantities of oil in the E zone and had a fair showing of oil in the B zone. Two drill stem test in the E zone had a combined recovery of 225 feet of oil and 279 feet of muddy oil. The B zone tested 40 feet of oil cut mud. At the proposed drilling location it is likely that the Lansing-Kansas City will be higher structurally than the Abercrombie #1 Mines and a good possibility that the porosity and permeability in the B and E zones will be better developed.

The proposed well location (SE/4 NW/4 Sec. 12, T.2 S., R.30 W., Decatur County, Kansas) is in a structurally favorable location. The Lansing top should be encountered at a structurally higher position than most wells in the Jording East and Jording Pools as well as the nearby Abercrombie #1 Mines test well. Significant shows of oil in the Abercrombie well may be indicative of a commercial oil reservoir nearby. In addition to the above there is sufficient likelihood of encountering Lansing-Kansas City limestones with adequate porosity and permeability to merit the drilling of the SE Traer Prospect.

Supplement to Geological Report

Table A: Information on Wells on SE Traer Prospect Plat*

Letter on Plat	Operator-Lease	Completion Date	Total Depth	Well Status	Lansing-Kansas City DST shows and production ** zone(s)-IP or DST recovery
A	Okmar Oil-#2 Mines A	12/11/69	3965	Oil	B, C-50 BOPD+WTR
B	Okmar Oil-#1 Mines A	5/1/69	4000	Oil	B, C, E-59 BOPD+7% WTR
C	Gemini Corp.-#1-13 Mines	2/3/77	2765	D&A	No Tests
D	Okmar Oil-#3 Mines A	3/26/70	4020	D&A	C-10'M, slight show of oil
E	Okmar Oil-#4 Mines A	10/22/70	3960	D&A	B-1510' slightly OCM C-90' OCM
F	Jones, etal.-#1 Jording	8/30/57	4326	D&A	E-180' Free oil, 30' oily mud
G	Halliburton Oil-#2 Mines	1/18/68	4025	Oil	E-96 BOPD+WTR
H	Halliburton Oil-#2 Jording B	5/11/67	4025	Oil	E-97 BOPD B-1750' very slightly OGCW
I	Halliburton Oil-#1 Jording B	3/16/67	4030	Oil	C-15' OCM, 60' slightly OCM
J	Halliburton Oil-#1 Mines	7/27/67	4050	Oil	B, E-71 BOPD C-30' slightly OCM E-80 BOPD+trace WTR
K	Halliburton Oil-#1 Mines A	5/15/69	3989	D&A	B-1655' slightly OCM
L	Gemini Corp.-#1 Mines B	12/7/78	4020	D&A	E-65' very slightly OCM
M	Abercrombie-#1 Mines	4/14/77	3948	D&A	B-40' OCM E-676' GIP, 72' clean oil 176' Muddy oil (50% oil)
N	Okmar Oil-#1 Mines	6/6/68	4320	D&A	E-(W/SP) 496' GIP, 153' clean gassy, oil, 103' muddy gassy oil OWWO, perforated A through F zones tested mostly water

Table A: Continued

O	Thunderbird Drlg.-#1 Mines	8/6/70	3940	D&A	No Show
P	S & W Drlg. Co.-#1 May	11/17/77	4005	D&A	A-10' slightly OCM
Q	Rains & Williamson-#1 Reith	2/13/64	4291	D&A	NS
R	Jones, etal.-#1 Scott	5/31/57	4223	D&A	B-20' slightly OCM
S	Halliburton Oil-#1 Jording	9/6/62	4104	Oil	A-36 BOPD+1% WTR E-300' OCWM, 1860' OCV
T	Halliburton Oil-#1 May	1/17/63	4092	D&A	E-12' OCM, 2' free oil
U	Halliburton Oil-#2 Jording	11/10/66	4061	Oil	B, C-145 BOPD+trace WTR
V	Halliburton Oil-#3 Jording	1/18/68	4070	Oil	D-10' slightly OCM
W	Halliburton Oil-#1 Jording A	1/26/67	4016	D&A	A-47 BO+16% WTR B-130' M W/scum oil
X	Okmar Oil-#1 May	5/16/78	4058	D&A	A-25' slightly OCM, 60' highly OCM A, B-75' slightly OCM, 1380' very slightly OCV
Y	John P. Jennings-#1 Webber	11/14/74	4214	P&A	NS
Z	Abercrombie Drly.-#1 Kiger	9/4/75	3910	D&A	OWWO, perforated the E zone swabbed 5 B fluid PH(50% oil), well has Dakota WTR leak, operator cannot pump
AA	John P. Jennings & Gasconade Co. #1 Weber	10/14/76	3840	D&A	E-60' slightly OCM (8% O), 120'M with spots of oil
BB	W.T. Waggoner Est.-#1 Helmkamp	7/10/63	4444	D&A	A-140'M with few specks oil No Tests

Key to abbreviations:

BOPD-barrels oil per day
 D&A-dry & abandoned
 P&A-pumped & abandoned
 GIP-gas in pipe
 IP-initial production
 M-mud

* Information was gathered from well completion cards on file at the Kansas Geological Society Library, Wichita, KS.
 Assignments of production and test information to specific Lansing-Kansas City zones are based on electric and radioactivity well log correlations.

** Only drill stem tests with shows of oil are tabulated.

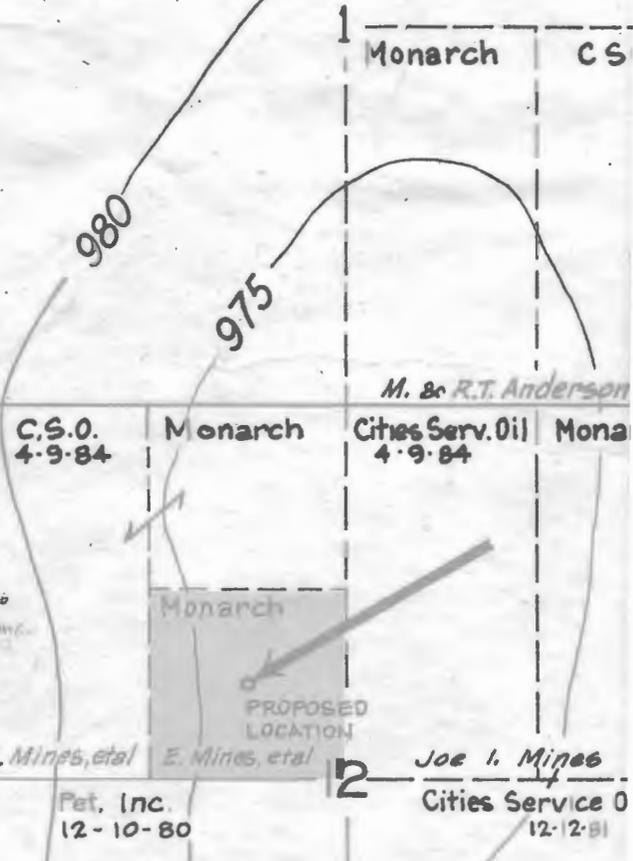
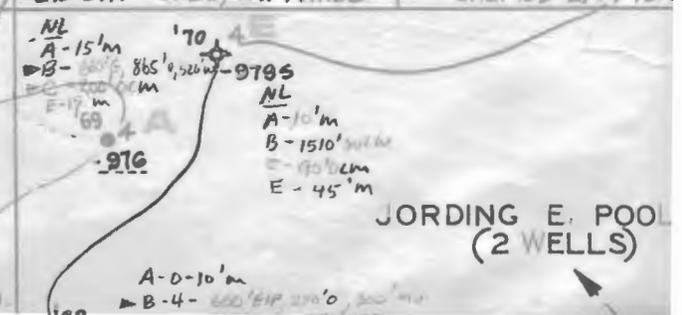
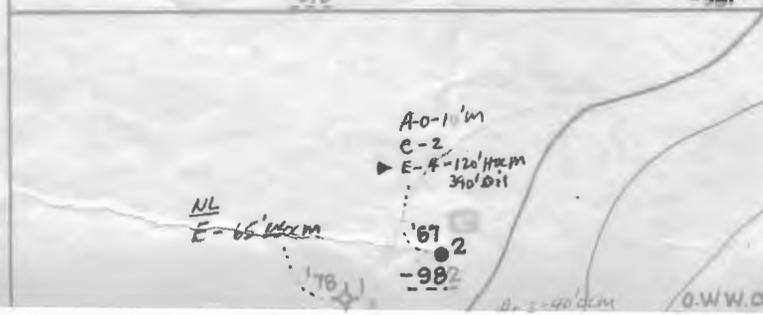
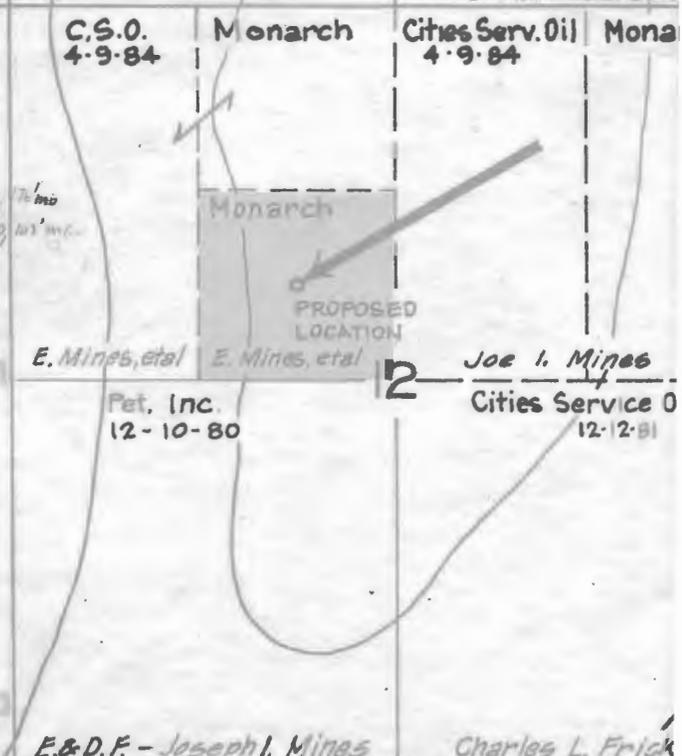
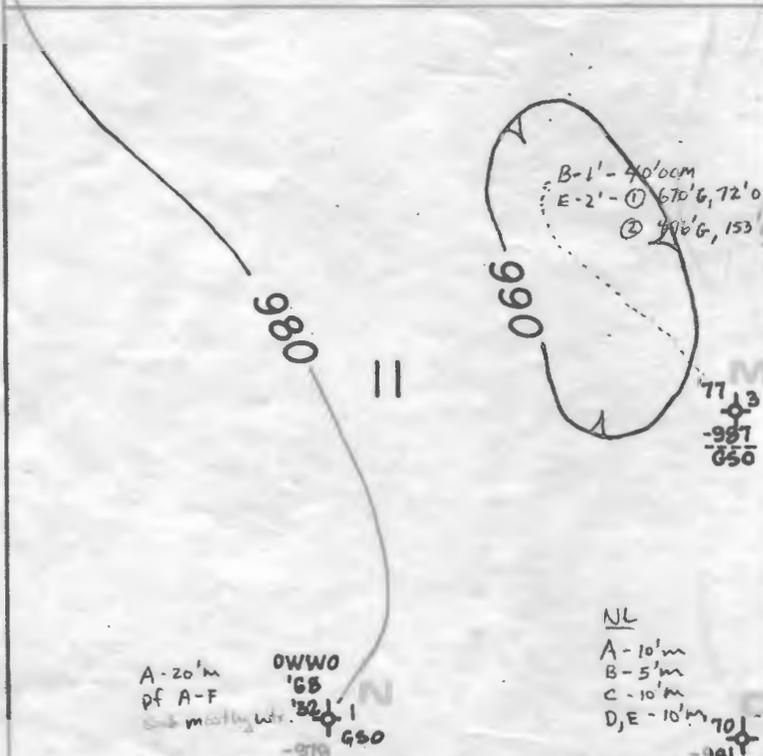
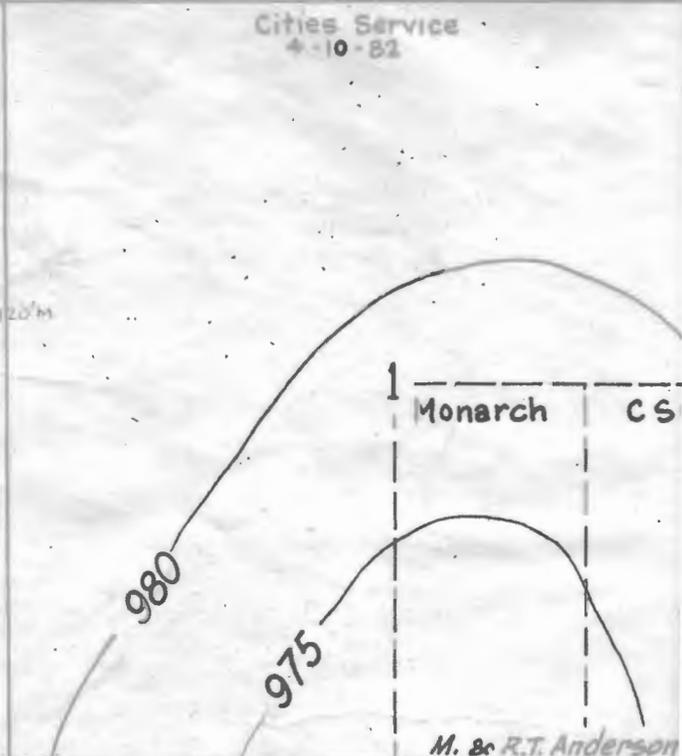
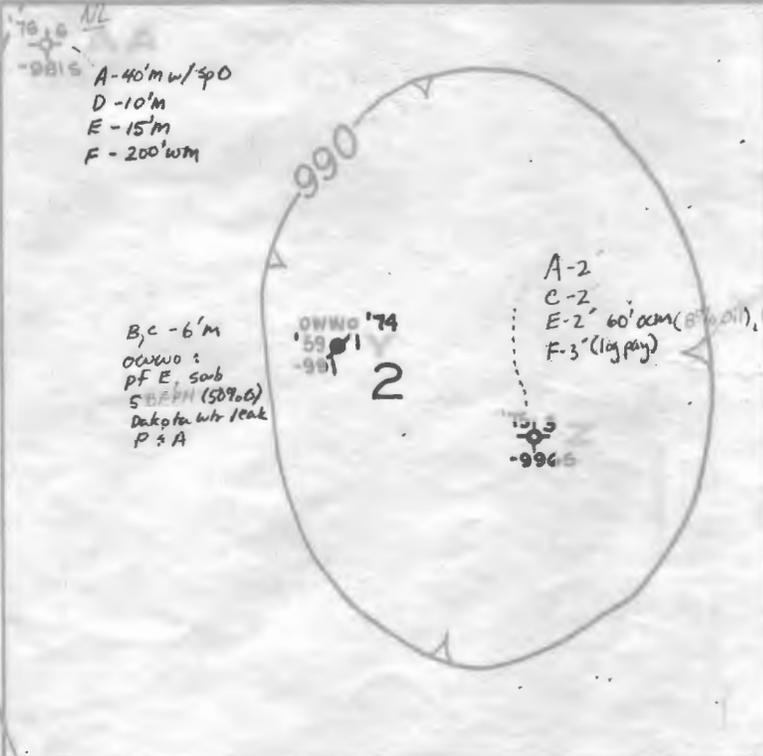
Table B: Production Figures for Wells on SE Traer Prospect Plat*

Location	Operator-Lease	Date Disc.	Last Prod.	Wells	Dec. '78 Gross	Daily Ave.	1978 Prod.	Cum. Prod.
NW/4 13-2S-30W	Okmar Oil-Mines A	1/69	12/78	2	412	13	7203	153,784
SW/4 14-2S-30W	Halliburton Oil-Jording B	3/67	12/78	1	217	7	5213	73,890
E/2 14-2S-30W	Halliburton Oil-Mines	7/67	12/78	3	361	12	4492	51,622
NW/4 23-2S-30W	Halliburton Oil-Jording	8/62	11/78	2	0	0	1610	83,251

* Production figures taken from Dwight's Production Reports for Kansas through December, 1978.

PROPOSED CHECKERBOARD FA R30W LANSING

Cities Service
4-10-82

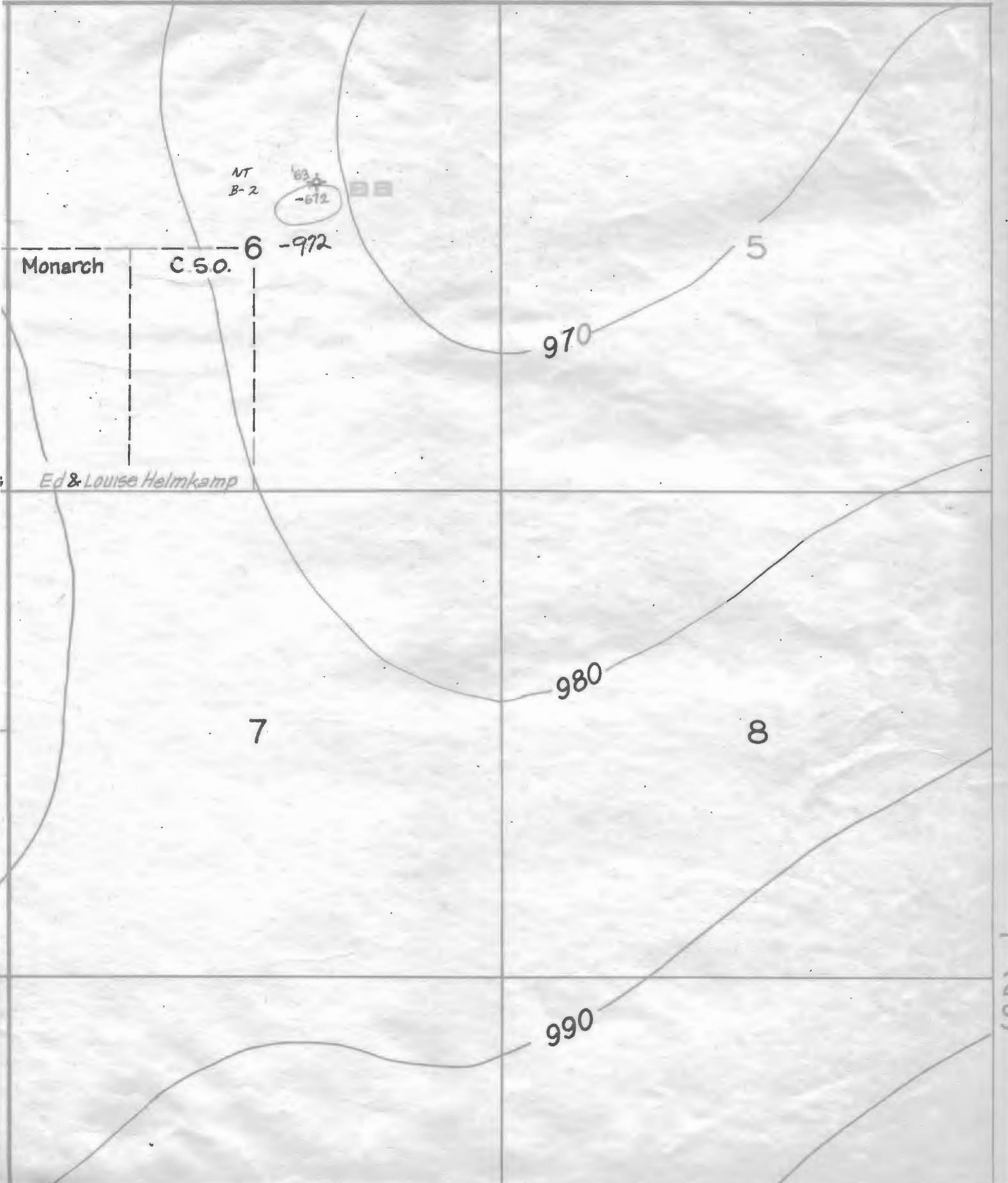


JORDING E. POOL
(2 WELLS)

OUT FROM CITIES SERVICE OIL CO.

DATUM

R 29W



NT
B-2

63
-672

Monarch

C.S.O.

6

-972

5

970

Ed & Louise Helmkamp

980

7

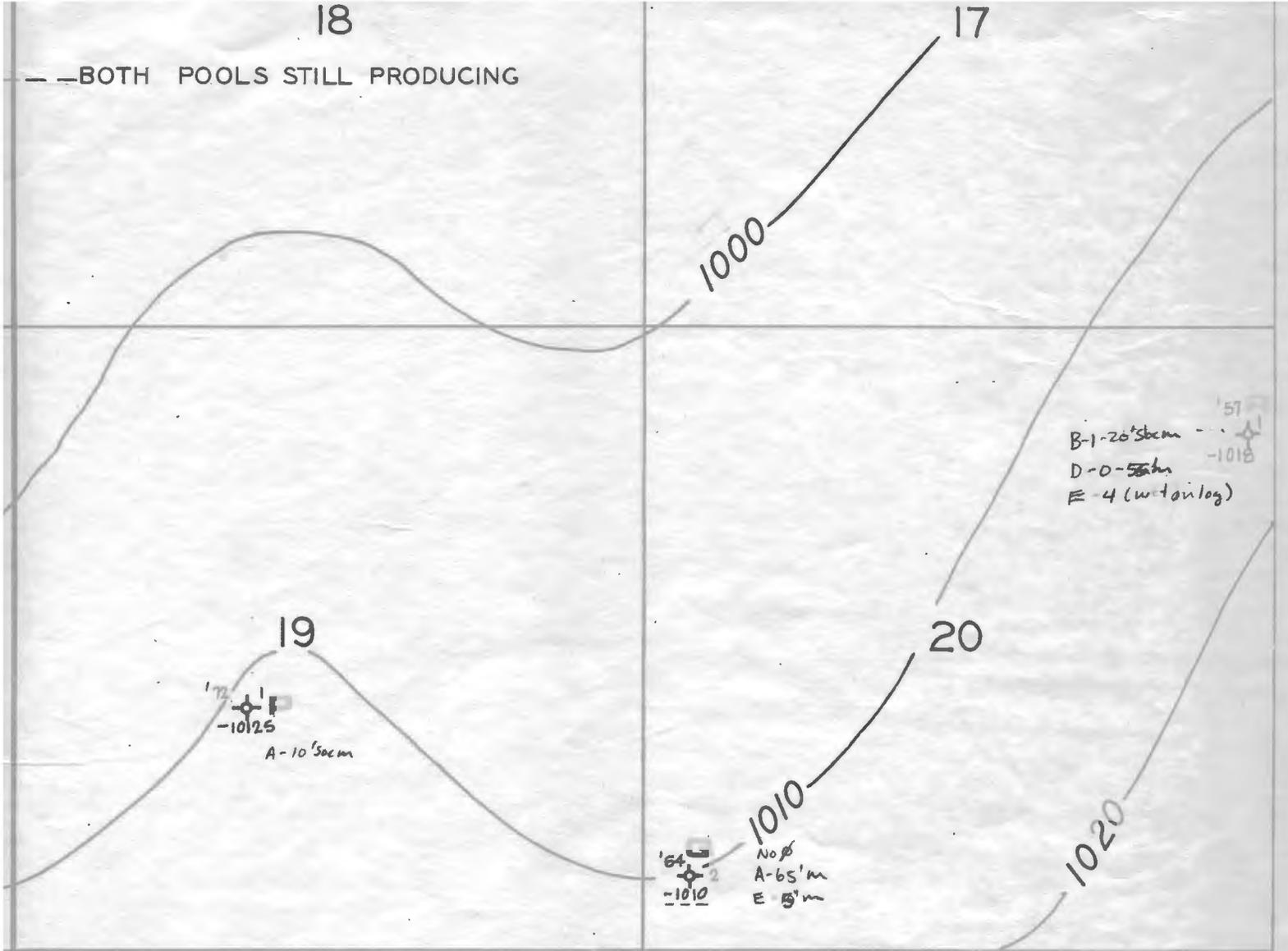
8

990

18

17

-- BOTH POOLS STILL PRODUCING



SE TRAER PROSPECT

DECATUR COUNTY, KANSAS

