

CCCI4-180-61

McCoy Petroleum Corporation
8080 E. Central, Suite 300
Wichita, Kansas 67206

316-636-2737

KCC

OCT 15 2004

CONFIDENTIAL

WELL REPORT

McCoy Petroleum Corporation

MPC #817 (04-16)

Schmidt 'D' #1-29

W/2 SW SE

440 FSL

Section 29-30S-31W

2310 FEL

Haskell County, Kansas

API #15-081-21,533

Spud Date: 06-27-04

Lette South Extension Prospect

Contractor: Val Energy, Inc., Rig #2

Geologist: Paul Gunzelman

Elevations: 2844' GL 2854' KB (All measurements from KB)

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06-26-04 MIRT. Trucks are scheduled for a Saturday move. Expect to spud Sunday morning.

06-27-04 Spud at 8:15 am.

06-28-04. TD 1525'. Drilling ahead. Drilled 12 1/4" hole to 1831'. Ran 42 joints of new Maverick 8 5/8" 23# M-50 casing. Tally = 1814'. Set casing at 1826' KB. RU Acid Services and cemented with 480 sacks A-Con 11.6 ppg with 3% CC and 1/4#/sk cellflake followed by 115 sacks Common 15.6 ppg with 2% CC and 1/4#/sk cellflake. Good circulation throughout job. Plug down at 8:00 PM. Plug held. Cement circulated. Welded straps on bottom 3 jts and welded collars on remainder. Deviation 3/4° @ 1831'.

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06-29-04. TD 1831'. Drilling out from surface casing.

06-30-04. TD 2775'. Drilling ahead.

07-01-04 TD 3505'. Drilling ahead.

07-02-04 TD 4220'. Drilling ahead. Stuck pipe at 3694' while making a connection (2.5 hrs). Spotted 50 bbls of oil and pipe came free. Displaced mud at 3852'.

SAMPLE TOPS

Structure compared to

McCoy Petroleum
Schmidt 'D' #1-29
W/2 SW SE
Sec. 29-30S-31W
KB: 2854'

McCoy Petroleum
Schmidt 'A' #1-29
W/2 SW SW
Sec. 29-30S-31W
KB: 2849'

McCoy Petroleum
Fitzgerald A 1-30
SE-SE NE
Sec. 30-30S-31W
KB: 2850'

Heebner	4180 (-1326)	-13	-13
Lansing	4244 (-1390)	-13	-13
LKC "G"	4539 (-1685)	-20	-23
Stark Shale	4673 (-1819)	-12	- 5
Swope Porosity	4680 (-1826)	- 9	- 5
Hushpuckney	4744 (-1890)	NP	+ 7
Hertha Porosity	4753 (-1899)	"	+11
Marmaton	4862 (-2008)	"	- 4
Fort Scott	5003 (-2149)	"	+ 1
Cherokee	5017 (-2163)	"	- 3
Atoka	5242 (-2388)	"	Flat
Morrow Shale	5288 (-2434)	"	- 4
Chester	5388 (-2534)	"	+ 6
St. Genevieve	5487 (-2633)	"	+14
St. Louis	5601 (-2747)	"	NP
RTD	5740 (-2886)		

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07-03-04 TD 4669'. Drilling ahead.

Swope Porosity 4680-4686' (Log 4674-4680'): Limestone; brown, finely crystalline, fragmental, mottled with dark gray oolites, with cream to tan, fragmental, recrystallized, oolicastic and fossiliferous. Good oolicastic, pin-point and vugular porosity. Fair to good inter-fragment and fossilcast porosity. Bright yellow even fluorescence. Slight show light brown free oil. Saturated light oil stain. Fair odor. 60 unit gas kick.

DST #1 4666-4686' (Swope) Log meas. 4660-4680'.
Open 30", SI 60", Open 60", SI 90"
Strong blow, OBB 2" on 1st open period.
Strong blow, gas to the surface in 5", TSTM, on 2nd open period.
Recovered 60' of heavily oil and gas cut mud, (10% gas, 60% oil, 30% mud)
429' of heavily gas cut oil, (40% gas, 60% oil) 36° gravity.
FP 43-77# 82-145#
ISIP 1125# FSIP 1126#

Strap drill pipe on trip out for DST #1. Strap was 7.5' short to board. Could not find error board. Did not correct. Deviation 3/4° @ 4686'.

07-04-04 TD 4697'. Circulate for samples.

Swope Porosity 4686-4697' (Log 4680-4691'): Limestone; cream to light gray, fragmental, oolitic and fossiliferous. Good oolicastic and pin-point porosity. Good odor. Scattered bright yellow fluorescence. Trace of free oil. Spotty light oil stain and saturated oil stain. Considerable barren porosity, becoming chalky.

07-05-04 TD 5043'. Drilling ahead.

Fort Scott Porosity 5005-5009': Limestone; cream, fragmental, fossiliferous. A few pieces with good pin-point and inter-fragment and fossilcast porosity. Light yellow spotty fluorescence. Good show very light brown free oil. Very light brown spotty to saturated oil stain. Fair odor. Possible 120 unit gas kick.

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DST #2 4998-5066' (Fort Scott) Log meas. 4992-5060'.
Open 30", SI 60", Open 30", SI 60"
Weak blow, died in 12" on 1st open.
Weak surge and died on 2nd open.
Recovered 10' of mud.
FP 38-38# 39-38#
ISIP 70# FSIP 43#

07-06-04 TD 5139'. Drilling ahead.

07-07-04 TD 5350'. On bottom with DST #3. Deviation 1° @ 5350'.

Upper Morrow Sand 5308-5322' (Log measurements): Sandstone; light brown, very fine grained, sub-angular to sub-round, well sorted, friable and semi-friable clusters, limey at top of zone, considerable dark brown and black shale inclusions. Fair to good inter-granular porosity. Very dull even fluorescence. Fair show of light brown free oil. Fair show of gas bubbles. Even light brown saturated oil stain. Slight odor. 75 to 140 unit gas kick.

DST #3 5281-5350' (Upper Morrow Sand) Log meas. 5275-5344'.
Open 30", SI 60", Open 60", SI 90"
Strong blow, gas to the surface in 1½".
Gauge 6,941,000 CFGPD in 10" on 1st open period.
Could not read 20" and 30" gauges due to plugged gauge.
Gauge 6,863,000 CFGPD in 10" on 2nd open period.
" 7,098,000 CFGPD in 20" on ¾" choke with 440# back pressure.
" 7,098,000 CFGPD in 30" " "
" 7,098,000 CFGPD in 40" " "
" 7,098,000 CFGPD in 50" " "
" 7,098,000 CFGPD in 60" " "
Recovered 1' of mud.
FP 1393-1501# 1465-1497#
ISIP 1707# FSIP 1694#
(Gas volumes corrected to Trilobite Charts)

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07-08-04 TD 5400'. TOH with DST #4 (packers failed, misrun).

Lower Morrow Sand Zone 5359-5379' (Log Measurements): Sandstone; very dark gray and gray-brown, very fine to fine grained, well sorted, angular to sub-round, semi-friable to well cemented clusters, occasional pyrite, occasional carbonaceous material and black shale inclusions, trace of glauconite. Poor to good inter-granular porosity. No fluorescence. Fair show of brown free oil. Occasional black tarry oil. Very dark brown saturated oil stain. Very slight odor. Gas dectecor ineffective due to gas in mud from DST #3. (Top and bottom of sand zone difficult to determine from drilling time and samples).

DST #4 5353-5400' (Lower Morrow Sand Zone) Log meas. 5346-5394'.
Packers failed. Misrun.

Will drill ahead and evaluate Lower Morrow Sand Zone with Electric Logs and possible straddle DST after Logs.

07-09-04 TD 5625'. Drilling ahead.

St. Louis "A" Porosity 5606-5611', 5620-5626' and 5632-5636' (Log measurements): Limestone; white to light gray, fine to medium oolites in a chalky matrix. Mostly poor to fair inter-oolitic porosity. Slight odor on break. Very dull even fluorescence. Slight show of brown free oil. Trace of dark brown oil with black dead oil residue. Fair show of gas bubbles. Spotted brown oil stain. 50 unit gas kick.

St. Louis "B" Porosity 5644-5664' (Log measurements): Limestone; cream, fragmental, medium to coarse oolitic grainstone with occasional weathered chalky cement. Fair to good inter-oolitic porosity. Fair odor. Fair show medium brown free oil. Slight show of gas bubbles. Spotty medium brown oil stain. Considerable barren porosity. 35 unit gas kick.

07-10-04 TD 5740'. LTD 5738'. Reached RTD @ 3:29 PM on 07-09-04. Conditioned hole. RU Halliburton to log @ 11:00 PM. Run Dual Induction, Density-Neutron and Microlog-Caliper. Logging complete @ 3:40 AM. Condition hole and prepare to run production casing. LDDP. Ran 133 jts of new R-3 and 1 jt of used R-2 4 1/2" 10.5# casing. Talley = 5741.90'. Set casing 3' off bottom at 5735' LTD. Top of shoe jt @

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5691'. Centralizers on top of joints 1,3,6,8,11, 13, 15, 22, 24 and 26. RU Acid Services. Pumped 20 bbls of salt flush , 24 bbls of mud flush followed by a 5 bbl water spacer. Lost circulation for 35 bbls while flushes were on bottom. Cemented with 370 sx of 15 ppg AA-2 cement with 5% Calset, 10% salt, 0.1% defoamer, 0.8% FLA-322, 5# gilsonite/sk, 0.25% CFRM and 0.75% Gasblock. Yield 1.46 ft³/sk. 6.38 gals/sk. Lift pressure was 1050#. Landed plug at 1500#. Good circulation while pumping cement. Plug down at 10:22 PM. Cemented rathole with 15 sx 60/40 pozmix with 6% gel.

ELECTRIC LOG TOPS

Structure compared to

**McCoy Petroleum
Schmidt 'D' #1-29
W/2 SW SE
Sec. 29-30S-31W
KB: 2854'**

**McCoy Petroleum
Schmidt 'A' #1-29
W/2 SW SW
Sec. 29-30S-31W
KB: 2849'**

**McCoy Petroleum
Fitzgerald A 1-30
SE SE NE
Sec. 30-30S-31W
KB: 2850'**

Heebner	4174 (-1320)	- 7	- 6
Lansing	4242 (-1388)	-11	-11
LKC "G"	4522 (-1668)	- 3	- 6
Stark Shale	4666 (-1812)	- 5	+ 2
Swope Porosity	4674 (-1820)	- 3	+ 2
Hushpuckney	4738 (-1890)	NP	+13
Hertha Porosity	4746 (-1892)	"	+18
Marmaton	4856 (-2002)	"	+ 2
Fort Scott	4999 (-2145)	"	+ 5
Cherokee	5011 (-2157)	"	+ 3
Atoka	5237 (-2383)	"	+ 5
Morrow Shale	5284 (-2430)	"	+ 4
Upper Morrow Sand	5308 (-2454)	"	Absent
Lower Morrow Sand	5359 (-2505)	"	Absent
Chester	5380 (-2526)	"	+14
St. Genevieve	5469 (-2615)	"	+32
St. Louis	5601 (-2747)	"	NP
LTD	5738 (-2884)		

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Note: Log depths are generally 6' shallow to driller's depths.

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Compared to the John O. Farmer #1-33 Patterson, C SE NE of Sec. 33-30S-31W, (approximately 1 1/2 mile East), a gas well producing from the Lower Morrow Sand, the Schmidt "D" #1-29 is 54' high on the Morrow and 65' high on the St. Genevieve.

PAY ZONES

*Swope Porosity
4674-4680':*

Covered by DST #1 to have gas TSTM, and recover 60' of heavily oil cut mud and 429' of heavily gas cut oil. No water. ISIP 1125# FSIP 1126#

*Upper Morrow Sand
5308-5322':*

Covered by DST #2 to gauge 7,098,000 CFGPD, stabilized, and recover 1' of mud. FP 1393-1501# 1465-1497#. ISIP 1707# FSIP 1694#

POTENTIAL PAY ZONES

*Cherokee
5156-5160'
5176-5178'
5184-5190'*

Electric Log indicates possible pay. These zones had porosity with gas kicks, and gas and oil shows in the samples (see Geological Report).

*Atoka
5263-5267':*

Electric Log indicates possible pay. Zone had gas kick with a show of gas and oil in samples, (see Geological Report).

*Lower Morrow Sand
5366-5369'
5374-5379':*

Sample shows with gas kick (see Geological Report). Zone produces gas from similar log characteristics in wells to the East.

*St. Louis "A"
5605-5611'
5620-5626'*

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5632-5636':

Sample shows with gas kick (see Geological Report). Zone produces in general area with similar Electric Log characteristics.

St. Louis "B"

5644-5664':

Sample show with gas kick (see Geological Report). Zone produces in general area with similar Electric Log characteristics.

COMPLETION REPORT

07-19-04 Rig up Post & Mastin Completion Unit. Rig up Rosel. Run GR-CBL-CCL. Top of cement @ 3920'. Good cement bond indicated across pay zones. **Perforate St. Louis "B" zone 5644-5648', 4 spf.** Trip in hole with new 2-3/8" OD, 3.7# EUE tubing with packer. Set packer above perforations. Swab down. Swab dry. No show. Rig up Acid Services. Lower tubing and spot acid across perforations. Raise tubing and set packer above perforations. **Acidized with 750 gallons of 15% HCL-FE Acid.** Pressure up in steps to 1100#. Start feeding. Pump 1.3 BPM @ 850# falling to 550#. Pump 1.75 BPM @ 600# falling to final pressure of 575#. ISIP 300#. 150#/5". 100#/10". Bleed back and start swabbing. Total load = 41 barrels. Swab 1 hour. Recovered 32.2 BLW. Show of oil on last pull. Fluid @ 3400'. Shut down for night.

07-20-04 SITP 75#. FL 2400' FS. First run recovered 300' of oil and 900' of water. Made hourly swab test as follows.

Hour	Pulls	Recovery	Fluid Level	Comments
1 st	5	13.5 bbls	4100'	Tr of oil on last pull
2 nd	4	10.0	4850'	20% oil
3 rd	4	6.0	5200'	25% oil

TOH with tubing and packer. RU Rosel and **perforated St. Louis 'A2' zone from 5621-5625', 4 SPF, and the St. Louis 'A1' zone from 5606-5610', 4 SPF**, using a 'slick' gun for both. TIH with tubing, packer and RBP. RBP would not set. TOH with tubing, packer and RBP.

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07-21-04 TIH with tubing, packer and RBP. **Set RBP at 5638'**. Dumped one sack of sand on top. Set packer at 5572'. RU swab. Made hourly swab test as follows.

<u>Hour</u>	<u>Recovery</u>	<u>Fluid Level</u>	<u>Comments</u>
1 st	19.5 bbls	1500'	100% water
2 nd	9.3	4800'	100% water
3 rd	8.0	5300'	show of oil

RD swab and RU Heatwaves. Spot acid at perforations and proceeded to **acidize St. Louis 'A1 & A2' perforations with 1500 gallons of 15% FE acid and ball launcher full of dissolvable ball sealers**. Pumped acid at 2 BPM. Pressure increased from 210# to 870#, indicating ball action. ISIP 525#. In 5", 260#. In 10", 180#. TL 60 bbls. RU swab and made hourly test as follows.

<u>Hour</u>	<u>Recovery</u>	<u>Fluid Level</u>	<u>Comments</u>
1 st	27.4 bbls	1500'	100% water
2 nd	16.3	3200'	Tr of oil
3 rd	16.0	3750'	5% oil SION

07-22-04 SITP 40#. FL 2600' FS. Made 1 pull and recovered 300' of oil and 900' of water. Made hourly test as follows.

<u>Hour</u>	<u>Recovery</u>	<u>Fluid Level</u>	<u>Comments</u>
1 st	16.4 bbls	3300'	Tr of oil
2 nd	16.1	3900'	4% oil
3 rd	16.5	4150'	6% oil
4 th	16.0	4200'	10% oil
Shut down 30 minutes for lunch.			
5 th	16.0	4400'	10% oil
6 th	12.0	4400'	12% oil, show of gas
7 th	8.0	4600'	13% oil
8 th	4.5	4750'	18% oil
9 th	4.0	4800'	20% oil

Shut down for night.

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07-23-04 SITP 26#. FL 3800' FS. Made 1 pull and recovered 200' of oil and 1000' of water. Swabbed for 1 hour and recovered 16.2 BF, 3% oil. FL 4300'. RD swab. Released packer and RBP. **TOH with tubing, packer and RBP.** TIH with 25' slotted OPMA, SN and 181 jts of tubing. MA @ 5654'. RU swab. FL 3300' FS. Made hourly swab test as follows.

<u>Hour</u>	<u>Recovery</u>	<u>Fluid Level</u>	<u>Comments</u>
1 st	16.0		100% water
2 nd	16.0		100% water
3 rd	16.0		100% water
4 th	16.0	5000'	Tr of oil SDON

07-24-04 Ran swab. FL 3700' FS. No oil on top. Made hourly swab test as follows.

<u>Hour</u>	<u>Recovery</u>	<u>Fluid Level</u>	<u>Comments</u>
1 st	16.0	4300'	100% water
2 nd	14.0	4500'	100% water
3 rd	13.0	4600'	100% water
4 th	12.0	4600'	100% water
5 th	10.0	4800'	Tr of oil
6 th	8.0	5100'	Tr of oil

07-25-04 Shut down.

07-26-04 Shut down. Release pulling unit. Field Superintendent on vacation. Will resume completion operations next week. Will set plug above St. Louis and complete well in Morrow Sand zones at that time. Drop from report until completion operations resume.

07-30-04 MICT. TOH with tubing and mud anchor.

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08-02-04 Rig up Rosel. **Set CIBP @ 5550'**. Perforated Lower Morrow Sand from 5374' to 5379' and from 5366' to 5369', 4 SPF, using a 'slick' gun. TIH with 171 jts of tubing, packer and SN. Set packer at 5324'. Ran swab. FL 2100' FS. Made 5 pulls and swabbed dry. Slight show of gas. RU Heatwaves and **acidized with 500 gallons of 7 1/2% FE acid and 48 ball sealers**. Hole loaded with 20 bbls pumped. Pressured up to 1500# and broke back to 900#. Started pumping at 1.5 BPM increasing to 2.0 BPM. Pressure increased from 690# to 1000# throughout job indicating good ball action. ISIP 730#. In 5 mins, 490#. In 10 mins, 390#. TL 34 bbls. Ran swab. First hour recovered 24 BF with a slight show of gas. Released packer and raked ball sealers off of perfs. Reset packer. Second hour recovered 8 BF and swabbed dry with good show of gas. SION.

08-03-04 SITP 1020#. Blew well down. Flowed 65 MCF for 15 minutes then dropped to 27 MCF. Made 2 pulls with swab. Last pull was dry. Flowed 33 MCF. Release packer. TOH with tubing and packer. Swab casing. RU Acid services. **Fracture treat down casing @ 15 BPM rate with 18,900 gallons of Profrac 25, 9,750# of 20/40 and 9,750# 12/20 Brady sand as follows.**

6,000 gals	Pad	
1,000	.50 ppg	20/40
1,000	1.0 ppg	20/40
1,000	1.5 ppg	20/40
1,500	2.0 ppg	20/40
1,500	2.5 ppg	20/40
1,500	2.5 ppg	12/20
2,000	3.0 ppg	12/20

Pumped job at 15 BPM throughout. Maximum pressure 1650#. Average pressure 1550#. ISIP 1128#. In 5 mins, 1000#. In 10 mins, 830#. In 15 mins, 710#. SION.

08-04-04 Casing on vacuum. Tagged sand fill at 5500', 50' above CIBP at 5550'. TIH with tubing and packer. Set packer @ 5324'. Ran swab. FL 1200' FS.

Hour	Recovery	Fluid Level	Comments
1 st	34.0	1800'	Well kicked off flowing
2 nd	16.0		
3 rd	8.0		

At 2:00 PM, flowing 950 MCF @ 1050#.
At 2:10 PM, flowing 950 MCF @ 950#.
At 2:20 PM, flowing 950 MCF @ 900#.

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08-04-04 (Cont'd) At 3:30 PM, flowing 1,420 MCF @ 540#.

At 3:40 PM, flowing 1,420 MCF @ 500#. SI well. Pumped 20 BW and killed well. Well stayed dead for 30 minutes while made up wellhead. Made 2 ½ swab runs and well kicked off. Well flowed 1,420 MCF @ 500# for 2 hours. SION.

08-05-04 SITP 1420#. Opened valve at 7:45 AM. Bled down at 1,420 MCF. Well flowed 1,420 MCF @ 600# with a mist of fluid for 2 ½ hours. SI well and put through separator. SI 1300#. Well flowed 1,420 MCF for 2 ½ hours. Pressure averaged 600#. Caught gas sample. Released packer. Backside fluid killed well. Pull 1 jt of tubing. Set packer @ 5293'. Well unloaded tubing and began to flow. RU Rosel to perforate Upper Morrow Sand using retrievable tubing gun. Had collar locator malfunction. Pressure increased to where gun would not go in hole. Killed well with 20 bbls of 2% KCL water. **Perforated Upper Morrow Sand from 5310' to 5320', 4 SPF, using 3.2 gr RTG charge, decentralized with 0° phasing.** Made 2 pulls and well kicked off flowing. Put well thru separator at 5:45 PM. **Producing from both Lower and Upper Morrow zones.** Flowed for 1.75 hrs. At 7:30 well was flowing 2340 MCF @ 830#. Made 1.75 BF in last hour. SION.

08-06-04 SITP 1420#. Opened valve at 8:30 AM. At 9:00 AM, flowing 3036 MCF @ 690#. At 10:00 AM, flowing 3100 MCF @ 650#. At 11:00 AM, flowing 3215 MCF @ 650#. At 12:00 AM, flowing 3215 MCF @ 690#. Averaged 1.5 BF per hr. SI well.

08-09-04 SITP 1450#. Prepare to install surface facilities.

08-25-04 Begin building pad for surface facilities.

08-26-04 Set separator and work on wellhead.

08-27-04 Laid leadline. Have 2 tanks left to set.

09-02-04 Regency is ready to start constructing 2 miles of gas line. Expect for work to be completed in one or two weeks.

09-13-04 Setting tanks today. Do not know if Regency has began laying gas gathering line.

10-25-04 Gas gathering line construction began this week. Line is strung and meter runs set. Line still needs to be trenched and buried. Anticipate line will completed next week.

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11-04-04 Purgung gas line today.

11-05-04 Start burner in separator. TP 1400#. **Put well on line this morning.** At 11:30, flowing 2600 MCF, TP 650#, 27/64ths choke and line pressure 77#. At 3:00, flowing 2800 MCF, TP 600#, 29/64ths and LP 84#.

11-06-04 Produced 2,797 MCF, 21.71 BC and 1.67 BW. TP 575#.

11-07-04 Produced 2,738 MCF, 10.02 BC and 1.67 BW. TP 550#.

11-08-04 Produced 2,558 MCF and 5 BC. TP 500#. Choke 30/64ths.

11-09-04 Produced 2,390 MCF and 6.5 BC. TP 500#. Reduced rate to 2,000 MCF/D this morning due to line pressure concerns.

11-10-04 Produced 1,992 MCF and 3.34 BC. TP 675#. Choke 24/64ths.

11-11-04 Produced 1,877 MCF, 3.34 BC and 0 BW. TP 650#. Increased to 2 MMCFPD

11-12-04 Produced 1,883 MCF, 3.34 BC and 0 BW. TP 550#. Choke 28/64ths.

✓11-13-04 Produced 1,876 MCF, 5 BC and 0 BW. TP 475#.

11-14-04 Produced 1,784 MCF, 3.34 BC and 0 BW. TP 450#.

11-15-04 Produced 1,711 MCF, 3.34 BC and 0 BW. TP 450#.

11-16-04 Produced 1,635 MCF, 3.34 BC and 0 BW. TP 425#.

11-17-04 Produced 1,532 MCF, 3.34 BC and 0 BW. TP 435#.

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