

15-095-21766
JERRY A. SMITH ORIGINAL *and*

PETROLEUM GEOLOGIST

GEOLOGICAL WELL REPORT

COLT RESOURCES CORPORATION

MORRIS & WOLF #3-35

660'FNL & 2310'FEL

Sec. 35-30-9W

KINGMAN COUNTY, KANSAS

April 16, 2000

April 16, 2000

Colt Resources Corporation
16701 Greenspoint Park Drive
Suite 225
Houston, TX 77060

Re: MORRIS & WOLF #3-35
660'FNL & 2310'FEL
Sec. 35-30-9W
Kingman County, Kansas
Spivey-Grabs-Basil Field
API No. 15-095-21,766

Submitted herewith is the geological report concerning the above-captioned test. Data pertinent to the operation are tabulated below.

Spud:	4/08/00	Complete:	4/14/00
Contractor:	Duke Drlg., Rig #2	Toolpusher:	John Armbruster
Surf. Casing:	8 5/8" @ 302'	Prod'n. Casing:	5 1/2" @ 4537'
Drill Time:	1400' to RTD	Samples:	1400' to RTD
DST's:	None	Cores:	None
Drilling Mud:	MI Drlg. Fluids	Open-hole Log:	Log-Tech --
Gas Detector:	MBC Well Logging		DIL, CDL/CNL

Bit:	7 7/8" W-M 42CF	Deviation Surveys:
In:	303'	3/4° @ 303'
Out:	4540'	1° @ 4540'
Hrs:	101	

Geological formation tops as picked from rotary samples and corrected to the open-hole log follow. All measurements are from the kelly bushing (KB) elevation.

Elevations: 1657 GL 1665 KB

Heebner Shale	3413 (-1748)	Base Kansas City	4146 (-2481)
Lansing	3624 (-1959)	Cherokee Lime	4290 (-2625)
Drum Porosity	3944 (-2279)	Mississippian	4356 (-2691)
Dennis Porosity	4028 (-2363)	Base Miss. "Chat"	4439 (-2774)
Swope Porosity	4054 (-2389)	Rotary T.D.	4540 (-2875)
Hertha Porosity	4083 (-2418)	Log T.D.	4538 (-2873)

Geological wellsite supervision commenced at 3410' and was maintained through total depth. Rotary samples were examined in both the wet and dry states and were subjected to UV light examination. A portable gas detector/mud logging unit was also employed during the drilling operations.

RECEIVED
STATE COMMISSION ON MINES

JUN 24 2000

Zones of porosity and/or hydrocarbon shows encountered in the Morris & Wolf #3-35 were described and evaluated as indicated below. All depths are KB log depths.

DRUM LIMESTONE 3944 to 3952: Limestone, cream. Fine crystalline. Fossiliferous with poor, scattered fossil mold porosity. No oil or gas shows were noted. Zone also contained scattered white to light gray, opaque to semitranslucent, sharp, dense chert.

Cross-plot Porosity: .08 to .12
Resistivity: 4.0 to 10.0 ohms
Water Saturation: .75 to 1.00

The lack of hydrocarbon shows and Sw values of 75 to 100% indicate that this zone requires no further testing.

DRUM LIMESTONE 3960 to 3964: Limestone, light gray to light tan. Fine crystalline. Fossiliferous with fair fossil mold porosity. No oil or gas shows were noted. Zone also contained scattered chert as described above.

Cross-plot Porosity: .05 to .108
Resistivity: 8.0 to 15.0 ohms
Water Saturation: .59 to 1.00

The lack of hydrocarbon shows and Sw values of 59 to 100% indicate that this zone requires no further testing.

DENNIS LIMESTONE 4028 to 4036: Limestone, tan and gray. Fine crystalline. Fossiliferous and oolitic with poor, scattered fossil mold and oomoldic porosity. No oil or gas shows were noted.

Cross-plot Porosity: .08 to .122
Resistivity: 2.5 to 6.0 ohms
Water Saturation: .95 to 1.00

The lack of hydrocarbon shows and Sw values of 95 to 100% indicate that this zone requires no further testing.

SWOPE LIMESTONE 4054 to 4066: Limestone, cream to light gray. Fine crystalline. Sparsely fossiliferous. Poor intercrystalline porosity. No oil or gas shows were noted. The zone also contained scattered white, soft, soluble chalk.

Cross-plot Porosity: .085 to .115
Resistivity: 3.2 to 15.0 ohms
Water Saturation: .61 to 1.00

The lack of hydrocarbon shows and Sw values of 61 to 100% indicate that this zone requires no further testing.

HERTHA LIMESTONE 4083 to 4100: Limestone, tan and brown. Fine crystalline. Highly oolitic with very good oomoldic porosity. No oil or gas shows were noted.

Cross-plot Porosity: .18 to .25
Resistivity: 4.5 to 10.0 ohms
Water Saturation: .72 to .92 (m = 3.0)

The lack of hydrocarbon shows and Sw values of 72 to 92% indicate that this zone requires no further testing.

MISSISSIPPI "CHAT" 4356 to 4362: Chert, white. Opaque and devitrified. Partially weathered with good light tan staining. Spotty (5%) fluorescence. The zone carried no odor, and no shows of free oil or gas were noted.

Cross-plot Porosity: .21 to .26
Resistivity: 3.5 to 4.0 ohms
Water Saturation: .38 to .45
Bulk Volume Water: .0945 to .0990

MISSISSIPPI "CHAT" 4366 to 4381: Chert -- 75% White, opaque and devitrified; partially to highly weathered with good tan staining and good fluorescence. 25% White, opaque, fresh and dense with no hydrocarbon shows. Wet samples from the zone carried a weak odor, but no shows of free oil or gas were noted. The zone also carried scattered white, soft, soluble chalk.

Cross-plot Porosity: .25 to .30
Resistivity: 2.0 to 4.5 ohms
Water Saturation: .32 to .49
Bulk Volume Water: .0875 to .1328

MISSISSIPPI "CHAT" 4382 to 4396: Chert -- near 100% white, opaque and devitrified. Highly weathered with near 100% saturation. Wet samples carried a very strong odor and near 100% fluorescence. Very good shows of free, gassy oil and gas bubbles were noted.

Cross-plot Porosity: .244 to .321
Resistivity: 1.1 to 2.5 ohms
Water Saturation: .41 to .65
Bulk Volume Water: .1189 to .1778

MISSISSIPPI "CHAT" 4397 to 4406: Chert -- 50% highly weathered with saturation and good shows of free, gassy oil and gas bubbles. Good fluorescence. 50% white to light gray, opaque, fresh, dense with no hydrocarbon shows. Zone carried a very good odor throughout.

Cross-plot Porosity: .21 to .244
Resistivity: 1.6 to 2.4 ohms
Water Saturation: .49 to .70
Bulk Volume Water: .1196 to .1470

MISSISSIPPI "CHAT" 4407 to 4425: Chert -- 30% highly weathered with saturation and good shows of free, gassy oil and gas bubbles. Good fluorescence. 70% white and light gray, opaque, fresh, dense with

with scattered edge staining. The zone carried a very good odor throughout.

Cross-plot Porosity: .191 to .25
Resistivity: 2.2 to 2.7 ohms
Water Saturation: .47 to .60
Bulk Volume Water: .1146 to .1266

MISSISSIPPI "CHAT" 4426 to 4439: Chert -- 10% highly weathered with good staining to partial saturation. Good show of free, gassy oil and gas bubbles; good fluorescence. 90% white and light gray, opaque, fresh, dense with no hydrocarbon shows. Zone carried a fair odor throughout.

Cross-plot Porosity: .185 to .205
Resistivity: 2.6 to 3.6 ohms
Water Saturation: .49 to .59
Bulk Volume Water: .0980 to .1169

It should be noted that the mud logging/gas detection equipment provided by MBC Well Logging appeared to be working properly through most of the drilling operations. Flowrators and "bubble jars" are monitored continuously. The extractor and external lines are inspected periodically during drilling. At no time did anything appear to be awry with any of the equipment. The chromatograph was cycling properly and routine carbide tests produced expected results on the chart recorder. Further, some of the Pennsylvanian carbonaceous shales produced gas "kicks", albeit generally small. This gave no cause for concern at the time as such shale kicks can be highly variable in intensity from one location to another.

However, when the Mississippian "Chat" section was drilled and circulated, no gas kicks were recorded. The "chat" in this area will generally produce hotwire and chromatograph kicks of 100+ units, especially with the quality of hydrocarbon shows present in this well. A carbide test was administered during the circulation period at a depth of 4385' producing an unusually small (5 or 6 units) kick. In a telephone conversation, MBC personnel indicated that the problem was "most likely" due to a partially clogged filter associated with the main sample pumps, which could cause a reduction in the sensitivity of the recording equipment and which would not be readily noticed in any of the components of the system except for the intensity of recorded gas kicks.

The lack of gas kicks through the Mississippian "Chat" section in the Morris & Wolf #3-35 was obviously not due to the lack of hydrocarbon presence as very good oil and gas shows were noted in the rotary samples. In my opinion, the lack of gas kicks was due to gas detection equipment malfunction.

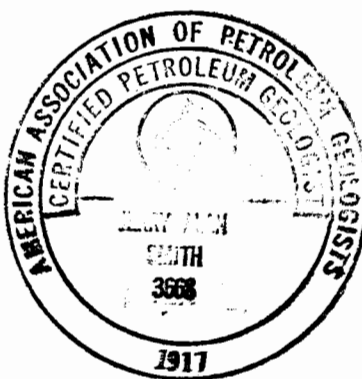
Structurally, the Morris & Wolf #3-35 ran "normal" for the area. The upper portion of the Mississippian "Chat" section from 4356' to 4380' appears to be composed of re-deposited, detrital chert of Osage and possibly Warsaw age. The top of the in-place, residual Osage chert may be at a depth of 4380'. The entire "chat" section from 4356' to 4439' (KB log) appears to be capable of production, although the best porosity and hydrocarbon shows were observed from 4381' to 4396'.

Calculated log values for porosity, resistivity, water saturation and bulk volume water throughout the Mississippian "Chat" section generally fall within field-wide producing limits. Based on rotary sample shows coupled with open-hole log evaluation, the Mississippian "Chat" section from 4356' to 4439' should be considered for selective perforating followed by acid and fracture treatment as necessary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jerry A. Smith". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

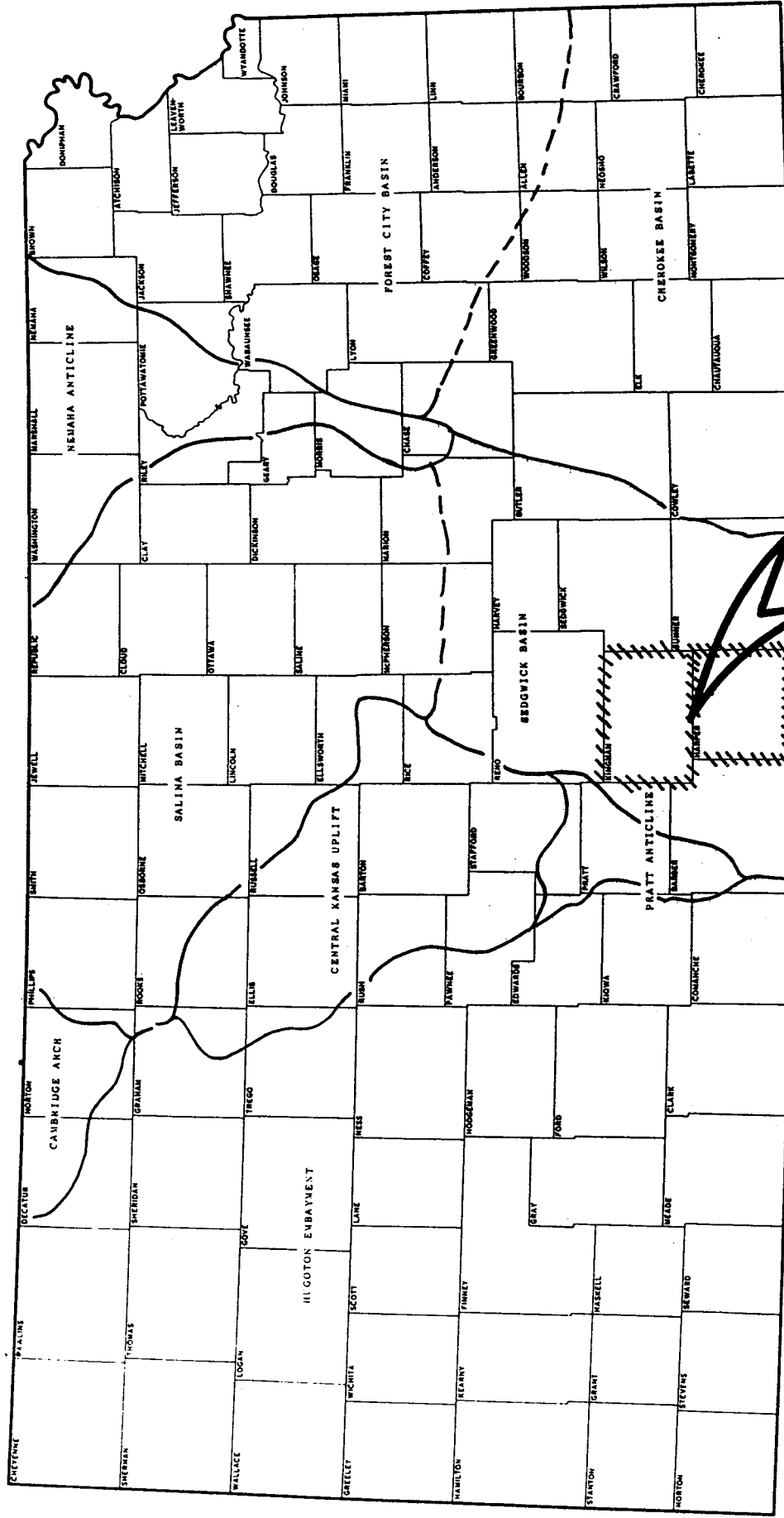
Jerry A. Smith, CPG #3668



INDEX MAP OF KANSAS

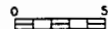
SHOWING

MAJOR GEOLOGIC PROVINCES



SPIVEY-GRABS-BASIL FIELD AREA
 SEDGWICK BASIN, KINGMAN & HARPER
 COUNTIES (SEE DETAIL MAP #2)

04W

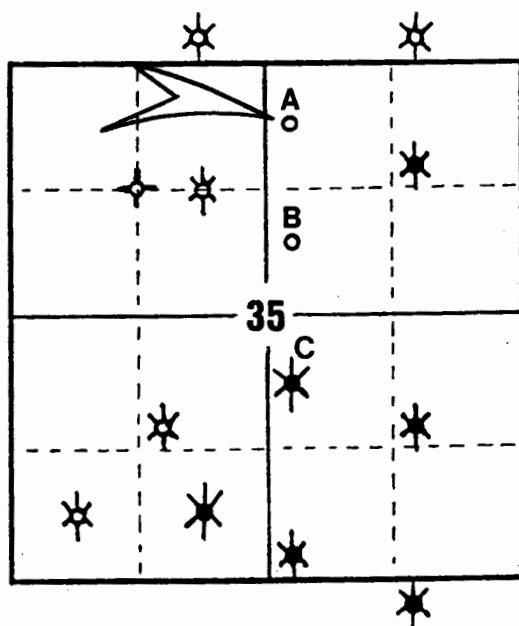


MAP 2

STRUCTURAL COMPARISON
KEY HORIZONS/KEY CONTROL WELLS

	A	B	C
	COLT	COLT	COLT
	MORRIS & WOLF #3-35	MORRIS & WOLF #2-35	MORRIS & WOLF
	660'FNL & 2310'FEL	1980'FNL & 2310'FEL	KEIMIG #5-35
	Sec. 35-30-9W	Sec. 35-30-9W	1980'FSL & 2310'FEL
			Sec. 35-30-9W
Heebner Sh.	-1748	-1758	-1768
Lansing	-1959	-1966	-1978
B/Kansas City	-2481	-2489	-2494
Cherokee Lm.	-2625	-2632	-2638
Mississippian	-2691	-2694	-2707
B/Miss. "Chat"	-2774	-2756	-2772

All subsea data were calculated from open-hole logs.



HORIZONTAL DISPLACEMENT

DUE TO

BOREHOLE DEVIATION

Operator	Colt Resources Corp.	Contractor	Duke Drilling Co.
Well Name	Morris & Wolf #3-35	Rig No.	2
Location	Sec. 35-30-9W	Spud Date	4/08/00
County	Kingman	Comp. Date	4/14/00
State	Kansas	Toolpusher	John Armbruster
Field	Spivey-Grabs-Basil	Geologist	Jerry Smith

<u>Survey #</u>	<u>Depth</u>	<u>Course Length</u>	<u>Dev. (°)</u>	<u>Displacement Per 100'^a</u>	<u>Course Displacement^b</u>	<u>Cumulative Displacement</u>
1	303'	303'	3/4°	1.31'	3.97'	3.97'
2	4540'	4237'	1°	1.75'	74.15'	78.12'
3						
4						
5						
6						
7						
8						
9						
10						

^a Sine of Angle of Dev. X 100

^b (Course Length/100) X (Displacement Per 100')

DAILY DRILLING PROGRESS

4/08/00 MIRT. RUR. Spud at 2:00 PM. Drill 12 $\frac{1}{4}$ " surface hole to 303'. Set 8 5/8" surface casing at 302' (KB). PD at 7:30 PM. WOC 8 hrs. Drill plug at 3:30 AM (4/09/00).

4/09/00 Drilling at 640' at 7:00 AM.

4/10/00 Drilling at 2196' at 7:00 AM. Drilled 1556' in last 24 hrs.

4/11/00 Drilling at 3138' at 7:00 AM. Drilled 942' in last 24 hrs. Mud up at 3278'. GOL at 3410'.

4/12/00 Drilling at 3851' at 7:00 AM. Drilled 713' in last 24 hrs.

4/13/00 Drilling at 4297' at 7:00 AM. Drilled 446' in last 24 hrs. CFS at 4370', 4385', 4400'. RTD (4540') reached at 9:45 PM. Short trip 18 stds. Circ. TOH for logs. Start logging at 3:00 AM (4/14/00). Logging complete at 5:00 AM (4/14/00). Prep. to LDDP and run 5 $\frac{1}{2}$ " production casing.

4/14/00 TIH with DP at 7:00 AM.