

15-025-21384 Daystar Petroleum, Inc.

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RHODES A #1-18 NE Sec. 18, T33S-R23W Clark County, Kansas

Drilling Report

Drilling Contractor: Murfin Drilling

API No.: 15-025-21384-0000

Company, Inc.

GL.: 2027 KB: 2038

Tool Pusher: Jeremy Stucky

Comp. Well (A): Harden A #1

785-443-0494

785-443-2383

SW Sec 18-33-R23W

Clark Co. KS

Rig #2 785-443-2394

Comp. Well (B): Rhodes #1

SW NW SE

Sec. 18-33-23W

Geologist: Jim Hall

316-838-2754 (o)

Comp Well. (C): Zane #1-18

SW NW

316-217-1223 (c)

Sec. 18, 33-23W

Formation	Drilling Tops				E Log Tops		
	Depth	SubSea	Α	Depth	SubSea	Comp A	
Wabaunsee	3280	-1242	-12				
Heebner	4241	-2203	-14	4241	-2203	-14	
Douglas	4284	-2246	-13	4282	-2244	-11	
Lansing-KC	4438	-2400	-19	4436	-2398	-17	
Drum "H" zone	4720	-2682	-31	4718	-2680	-29	
Stark Sh	4906	-2868	-11	4885	-2847	+8	
BKC	4946	-2908	-7	4937	-2899	+5	
Pawnee	5110	-3072	+3	5110	-3072	+3	
Cherokee	5163	-3125	Flat	5162	-3124	+1	
Mississippian	5364	-3326	+20	5363	-3325	+21	
St. Gen	5493	-3455	+1	5492	-3454	+2	
St. Louis	5712	-3674	Flat	5712	-3674		
Spergen	5904	-3866	+6	5903	-3865	+7	
Cowley Facies	6270	-4232	+3	6246	-4208	+27	
Gilmore City	6436	-4398	+5				
Viola	6736	-4698	+21	6730	-4692	+27	
Simpson Sd	6980	-4942	+21	6974	-4936	+27	
Arbuckle	6996	-4958	+30	7000	-4982	+6	
RTD	7082	-5044		7081	-5042		

10/16/06: Set 78' of 20" conductor pipe on 10/15/06.

10/17/06: Built location. Installed water line from irrigation well. Start filling flush water

pit. Rig will move in on 10/17/06.

10/18/06: MIRU Murfin Rig #2. Spud well @ 9:45 PM 10/17/06. Drilling @ 660' this AM. Planning to set surface casing at approximately 725'.

10/19/06: Drilling @ 1120' under surface casing. Ran 8 5/8" 24# new surface casing. RECEIVED Set @ 722'. Allied cemented w/ 100 sx common, 300 sx 60-40 poz. Plug

down @ 1:00 AM, 10/19/06.

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10/20/06: Drilling ahead @ 2265.

10/21/06: Drilling @ 3070'. Earth Tech gas trailer and mud logger on location @ 2800'. Geologist to be on location by 4000'

10/22/06: Drilling @ 3810'. Displaced mud @ 3693'. Jim Hall, geologist, is on location.

10/23/06: Drilling @ 4616'.

10/24/06: TD @ 4961'. Preparing to run DST#1 (lower Lansing Kansas City) 4694-4961'. Note: Drum zone had a 5' drilling break w/ a small gas kick. There were several other small gas kicks through the lower Kansas City with associated 1-3' drilling breaks. Although we are running low to the offset wells, the LKC Drum and LKC Swope zones produced well down dip several miles to the south. Additionally, similar shows in the offsets have not been tested. As deep as we are drilling, we will not have opportunity to come back and test these shows later. Either affirming or condemning these shows now with a DST is our best option.

10/25/06: Drilling @ 5110'.

DST #1, Lower Lansing 4694 - 4964'.

30 - 60 - 60 - 90

1st Open: Building blow to BOB – 22 minutes
2nd Open: Building blow to BOB – 41 – 41 minutes
Rec: 460' total fluid (5% g, 45% w, 50% m)

CI - 25,000

IFP: 64-125 **FFP**: 129-207 **ISIP**: 1661 **FSIP**: 1635

BHT: 108

10/26/06: Drilling @ 5215'.

DST #2, Pawnee 5092 - 5130'

30 - 60 - 30 - 30

1st Open: Weak blow, slightly building

2nd Open: Weak blow, dying

Rec: 125' TF (T g, 80% w, k20% m)

CI - 35,000

IFP: 19-57 **FFP:** 59-79 **ISIP:** 1890 **FSIP:** 1828

BHT: 113

10/27/06: Drilling @ 5548'.

10/28/06: Drilling @ 5860'.

10/29/06: TD @ 6126'. Running DST #3; Spergen.

10/30/06: Drilling @ 6152'.

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DST #3; Spergen; 5994-6126'.

30 - 60 - 30 - 90

1st Open: Good blow to BOB in 17 minutes 2nd Open: Good blow to BOB in 32 minutes

Rec: 62' WCM (5w, 95m)

588' MCW (85w, 15m)

IFP: 40-162 **FFP:** 168-327 **ISIP:** 2137 **FSIP:** 2111

BHT: 128

Note: Had several significant drilling breaks and gas kicks from 6000-6100'. No shows were detected in samples, but samples were bad. Due to inconclusive samples, untested drilling breaks and porosity shows in offset wells and gas kicks, decided to test this interval.

10/31/06: Tripping for hole in pipe @ 6436'. Tripped earlier @ 6235' for hole. Also, working on mud vis and LCM. Samples improving.

11/01/06: Drilling ahead @ 6657'.

11/02/06: TD @ 6785'. Running DST #4, Viola, 6730_{*}85'. Weak blow on both opens w/ DST #4. Preparing to pull DST tools later this AM.

11/03/06: TD @ 6871'. Running DST #5, lower Viola, 6781-6871'. First attempt: PKR failure @ 9:20 AM. Re-running test. DST #4; upon Viola; 6730-85'.

30 - 60 - 60 - 60

1st Open: Weak blow to 2"

2nd Open: Weak blow slowly building to 4" Rec: 2300' GIP, 62' mud w/ trace oil

 IFP:
 25-30
 FFP:
 29-37

 ISIP:
 244
 FSIP:
 276

BHT: 135°

Note: DST #5 will test a lower break in the Viola anomalous to offsets. It had a gas kick of 80 units compared to 50 units in the upper break. Drilling breaks in both intervals broke from 4's to 2's, however the lower break (10') is more consistent. Samples are poor – only 10 percent dolomite and fine. They exhibit fluorescence, minimal cut and some edge staining. Because of the slightly improved gas kick and drilling break and the poor samples, it was decided to evaluate the break with a drill stem test.

11/04/06: Drilling ahead @ 6888'.

DST #5, lower Viola, 6781-6871'.

Packer failure after 5 min.

Rec: 650' drilling mud

IH 3318 FH 3290

IFP 26

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11/04/06: (cont) DST #6, lower Viola, 6771-6871'.

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Packer failure after 2 min.

Rec: 440' drilling mud

IH 3435 FH 3297

IFP 33

11/05/06: TD @ 7012. Preparing DST #7; Arbuckle.

11/06/06: RTD @ 7082'. Circulating in preparation for open hole logs.

Note: Open hole logs will be available this evening, approximately 5-6:00PM. They will be forwarded to you via email in pdf format by LogTech for your evaluation. We have tested all shows with the exception of the lower Viola with two misruns and the Simpson Sand, just on top of the Arbuckle. Based on the quality of the lower Viola show compared to other tested shows, it is not anticipated that the logs will show positive indications. The Simpson Sand show was also comparable to other tested shows. A straddle test is possible on the Simpson Sand, if there is a significant log show. Please be available for input this evening as a decision to test again, run pipe or plug will have to be determined. If you would want to rely on Daystar's decision in this, then let us know by email, fax or phone call today. Thank you.

DST #7, Arbuckle; 6997-7012'.

30-30-30

1st Open: Weak ½" blow 2nd Open: Weak surface blow

Rec: 120' mud

IH: 3507 **FH** 3427

IFP: 20-41 FFP: Not readable

ISIP: 2528 FSIP: None

11/07/06: While logging out of hole tool became stuck @ 4:30 PM 11/6 @ 6241'. Wait on side door overshot 4:30 PM – 11:00 PM. Pick up overshot & G.I.H. Over tool @ 4:30 AM 11/7/06. Chain out of hole this morning. Loggers think tool all intact.

11/08/06: Recovered logging tool intact on a second run. RIH and conditioned for running sonic log. Starting out of hole to run logs this AM.

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11/09/06: Run sonic log and partial microlog. Logs offered no encouragement for further testing, either of the lower Viola or any other untested zone. RU Allied Cementing. Plugged well as follows:

40 sx 60/40 poz w/ 6% gl @ 7000' 50 sx 60/40 poz w/ 6% gl @ 1020' 50 sx 60/40 poz w/ 6% gl @ 750' 30 sx 60/40 poz w/ 6% gl @ 240' 20 sx 60/40 poz w/ 6% gl @ 60' 15 sx 60/40 poz w/ 6% gl in Rat Hole 10 sx 60/40 poz w/ 6% gl in Mousehole

Plugging complete @ 8:00 AM 11.9.06. RD Allied. Released Murfin, Rig #2.

Final Report

Charles D. Schmidt

President