

#### WELLSITE GEOLOGIC CONSULTING AND COMPLETE WELL LOGGING

KCC NOV 2 1 2002

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#### GEOLOGICAL ANALYSIS AND WELL REPORT

DOMINION OKLAHOMA TEXAS EXPLORATION AND PRODUCTION, INC.

Blout No. 6-5

330' FEL & 330' FSL C-SE-SE-SE Section 5 - Township 33 South - Range 42 West Morton County, Kansas

September 6, 2002

# CONFIDENTIAL GENERAL INFORMATION

## ORIGINAL

Elevation:

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G.L. 3,514°

K.B. 3,524'

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Field:

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Mustang East

Drilling Contractor/Rig No.:

Cheyenne Drilling Co. / No. 3

All measurements are from KB.

Total Depth:

RTD 5,015'

LTD 5,020'

Surface Casing:

8 5/8" set @ 1380'

**Production Casing:** 

5 1/2" set @ 4,721'

Drill Time Kept:

2,500' to 5,015' RTD

Samples Examined:

2,500' to 5,015' RTD

Samples Saved:

2,500' to 5,015' RTD

Wellsite Geologist:

Richard J. Hall - CPG

Consulting Wellsite Geologist Whitehall Exploration-Golden, CO

Mudlogging Unit:

MBC Leasing-Unit No. 2

Unit Type:

Standard Hotwire/Standard Chromatograph

Mudlogging Geologist:

Richard J. Hall (unmanned unit)

Field Company Man:

Darrel Toews

Drill Stem Test Company/Tester:

Trilobite Testing, Inc./Blake Wallace

Number of Tests:

1 (Open Hole Test) - Upper Morrow

Sandstone

Cores:

1 - 60 foot core over Upper Morrow

Sandstone

Coring Services/Engineer:

Diamond Oil Well Drilling Co./

John Wood

Mud Company/Engineer:

Baroid Drilling Fluids/John Mathes

# ORIGINAL

Mud Type:

Chemical

Electric Logging Company:

Baker Atlas

Type Logs:

Platform Express:

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-Dual Induction/GR/SP

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-Compensated Neutron LithoDensity/GR

Microlog

-HI-Resolution Neutron-Density/Induction

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-Dipmeter

Samples:

(1) One dry cut from 2,500'-5,015' sent to Kansas Geological Survey Sample Library -

Wichita, Kansas

Total Depth Formation:

Mississippian Chester

Well Status:

Production casing set to produce the Upper

Morrow Sandstone as a gas well

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### **DAILY DRILLING CHRONOLOGY**

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2002 <u>Date</u>	7:00 A.M. Total Depth	24 Hour <u>Footage</u>	7:00A.M. Operation; 24 Hour Activity
08/23/02	0	0	MIRU; drill mouse and rat holes, spud @ 4:30 P.M., drilling 12 1/4" hole, drilling,
08/24/02	1,365'	1,365'	Drilling ahead; reach 1,385' @ 8:00 A.M., circ, survey, circ. 1/2', TOH, rig up and run 30 jts 8 5/8" surf csg set @ 1,380' w/450 sx cement, plug down @ 1:30 P.M., WOC, nipple up BOP, T.I.H., drill out cement plug @ 8:30 P.M., drilling @ 9:30 P.M., drilling.
08/25/02	2,070'	705°	Drilling ahead; drilling,
08/26/02	3,030'	960'	Drilling ahead; drilling, survey, T.O.H bit trip @ 3,651' (3:15 to 7:00 A.M.), T.I.H break circ;
08/27/02	3,651'	621'	T.I.H. w/bit #3; drilling, bit trip @ 4,069', TOH @ 1:00 A.M., drilling ahead @ 4:45 A.M., drilling,
08/28/02	4,110'	459'	Drilling ahead; lost circ @ 4,251' (lost 250 bbl) @ 3:00 P.M., trip into surf csg, mix mud, circ, trip in hole breaking circ, drilling ahead @ 7:15 P.M., drilling,
8/29/02	4,500'	390°	Drilling ahead; CFS @ 4,531', 5 stand short trip, circ 1 3/4', survey, TOOH strapping pipe, PU core bbl, TIH w/core bbl, survey, core drilling @ 7:30 P.M. to 1:30 P.M., TOH, lay down core bbl, rain/WO cat to pull out core engineer and pull drill stem tester into location,
8/30/02	4,591'	91'	Load up core bbls to trailer; pick up test tool, TIH, run DST #1 (test - 5.5' on bottom), TOH w/DST #1, lay down test tool,

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2002 	7:00 A.M. Total Depth	24 Hour Footage	7:00A.M. Operation; 24 Hour Activity
			TIH w/bit breaking circ - mud very gassy, ream to bottom, drilling ahead @ 1:00 A.M., drilling,
8/31/02	4,733'	142'	Drilling ahead; reach 5,015' RTD @ 8:53 P.M., CFS 45", 15 stand short trip, circ 1.5', survey, T.O.H., rig up e. loggers, logging,
9/01/02	5,015'	282'	Running electric logs; rig down loggers, T.I.H break circ, lay down drill pipe, rig up and run prod. csg., circ, cement, rig released 3:00 A.M. 9/2/02.
9/02/02	5,015'	0,	Rig released.

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# REFERENCEMENTIAL

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## ORIGINAL

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Reference Well "A"

Dominion Oklahoma Texas Exploration & Production Inc.

Blout No. 1-5

2,588' FWL & 990' FSL Section 5 - T33S - R42W Morton County, Kansas Elevation: KB 3,534'

Date Drilled: February 2002

LTD: 5,098'

TD Formation: Mississippian Chester

Status: Upper Morrow Sandstone Oil/Gas Producer

Reference Well "B"

Dominion Oklahoma Texas Exploration & Production Inc.

Blout No. 2-5

2,000 FSL & 1,500' FEL Section 5 - T33S - R42W Morton County, Kansas Elevation: KB 3,529' Date Drilled: April, 2002

LTD: 5,078'

TD Formation: Mississippian Chester

Status: Upper Morrow Sandstone Oil/Gas Producer

#### **CORES**

A 60' core was cut over the Upper Morrow Sandstone interval from 4,531'-4,591' RTD.

#### **DEVIATION SURVEYS**

<u>Depth</u>	Degree(s)	Method
1,386'	1 1/4	Dropped
3,648'	1/2	Dropped
4,440'	2 1/2	Dropped
4,531'	Misrun	Dropped

# ORIGINAL

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### **FORMATION TOPS**

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	BLOUT	No. 6-5	Blout 1-5	Blout 2-5	DIFFFR	ENCE TO
	ELECTE		REFERENCE	REFERENCE	1	ICE WELL
FORMATION	TOPS	DATUM	WELL "A"	WELL "B"	"A"	"B"
		·				
PENNSYLVANIAN						
Wabaunsee	2664	860	875	861	-15	-1
Topeka	2897	627	621	618	6	9
Heebner	3226	298	271	265	27	33
Lansing	3374	150	118	117	32	33
Marmaton	3904	-380	-416	-415	36	35
Morrow Shale	4409	-885	-946	-940	61	55
Upper Morrow Ss.	4550	-1026	-1098	-1083	72	57
Middle Morrow Ls	4709	-1185	-1269	-1260	84	75
Morrow "G" Sand.	4844	-1320	-1469	ABSENT	109	N/A
Keyes Sandstone	ABSENT	ABSENT	ABSENT	ABSENT	N/A	N/A
MISSISSIPPIAN						
Chester	4922	-1398	-1456	-1455	58	57



#### DRILL STEM TEST REPORT

Dominion Olda & TX Expl&Prod

Blout 6#5

14000 Quail Spring Parkway Ste 600 Oklahoma

5-33-42

City OK 73134

Job Ticket: 14501

**DST#: 1** 

ATTN: Rick Hall

**KCC** 

Test Start: 2002.08.30 @ 09:12:08

#### GENERAL INFORMATION:

Time Tool Opened: 12:01:23

Time Test Ended: 20:21:08

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Formation: Deviated:

Interval:

No

Morrow

ft (KB)

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Test Type:

Conventional Bottom Hole

Tester:

Biake Wallace

20

Unit No:

3542.00 ft (KB)

Total Depth:

4325.00 ft (KB) To 4591.00 ft (KB) (TVD)

4591.00 ft (KB) (TVD)

Whipstock:

Reference Bevations:

3530.00 ft (CF)

Hole Diameter:

7.78 inches Hole Condition: Fair

KB to GR/CF:

12.00 ft

Serial #: 3026 Press@RunDepth: Ins ide

1042.40 psig @

4576.00 ft (KB)

Capacity: 2002.08.30 Last Calib.: 7000.00 psig

Start Date: Start Time: 2002.08.30 09:12:08 End Date: End Time:

20:21:08

Time On Btm:

1899.12.30

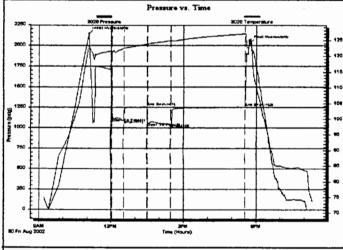
Time Off Btm:

2002.08.30 @ 11:04:08 2002.08.30 @ 17:45:08

TEST COMMENT: IF-tagged bottom, opened tool, 8 min into hose started leaking, picked up tool, changed hose, retagged bottom & flow ed

for 30 min (30 sec BOB, GTS 3 min) SI-blow back built to 1 3/4 inches

FF-stro



PRESSURE SUMMARY						
Time	Pressure	Temp	Anr	otation		
/15- \	(main)	(d== D				

	11(20001(200)(11))					
•	Time	Pressure	Temp	Annotation		
28	(Min.)	(psig)	(deg F)			
20	0	2142.36	123.31	Initial Hydro-static		
16	58	1061.27	121.40	Open To Flow (1)		
10	87	1088.24	122.45	Shut-In(1)		
× ₹	145	1255.91	123.78	End Shut-In(1)		
× 5	147	1005.23	123.68	Open To Flow (2)		
	205	1042.40	124.91	Shut-In(2)		
3	389	1251.03	127.00	End Shut-In(2)		
•	401	2037.43	125.30	Final Hydro-static		
,						
2						
,						
,						

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Length (ft)	Description	Valume (bbl)
310.00	5% G 95% mud	1.52

#### Gas Rates

	Choke (inches)	Pressure (psig)	Ges Rate (Mct/d)
First Gas Rate	0.75	250.00	4129.89
Last Gas Rate		0.00	
Max. Gas Rate	0.75	300.00	4910.88

Trilobite Testing, Inc



#### DRILL STEM TEST REPORT

14000 Quail Spring Parkway Ste 600 Oklahoma

Dominion Okla & TX Expl&Prod

Blout 6#5

Test Start: 2002.08.30 @ 09:12:08

5-33-42

Job Ticket: 14501

GAS RATES

ATTN: Rick Hall

City OK 73134

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#### Gas Rates Information

Temperature:

Z Factor:

59 deg C

Relative Density:

0.65

8.0

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#### Gas Rates Table

Flow Pe	riod	Elapsed Time	Choke (mm)	Pressure (kPaa)	Gas Rate (m²/d)
IFP:	1	15	0.75	250.00	4129.89
	1	20	0.75	300.00	4910.88
	1	25	0.75	300.00	4910.88
	1_	30	0.75	300.00	4910.88
FFC:	2	5	0.75	250.00	4129.89
	2	10	0.75	300.00	4910.88
	2	15	0.75	300.00	4910.88
	2	20	0.75	300.00	4910.88
	2	25	0.75	300.00	4910.88
	2	30	0.75	300.00	4910.88
	2	35	0.75	300.00	4910.88
	2	40	0.75	300.00	4910.88
	2	45	0.75	300.00	4910.88
	2	50	0.75	300.00	4910.88
	2	55	0.75	300.00	4910.88
	2	60	0.75	300.00	4910.88



#### DRILL STEM TEST REPORT

**FLUID SUMMARY** 

Dominion Olda & TX Expl&Prod

Blout 6#5

14000 Quail Spring Parkway Ste 600 Oldahoma

5-33-42

**City OK 73134** 

Job Ticket: 14501

**DST#: 1** 

ATTN: Rick Hall

Test Start: 2002.08.30 @ 09:12:08

#### Mud and Cushion Information

Mud Type: Gel Chem Mud Weight:

9.00 lb/gal

Cushion Type: Cushion Length:

OI API:

deg API

Viscosity:

56.00 sec/at

Cushion Volume:

ft bЫ Water Salinity:

ppm

Water Loss: Resistivity:

7.20 in<sup>3</sup> ohm.m

Gas Cushion Type:

Gas Cushion Pressure:

psig

Salinity: Filter Cake: 1000.00 ppm

#### Recovery Information

#### Recovery Table

Length ft	Description	Volume bbl
310.00	5% G 95% mud	1,525

Total Length:

310.00 ft

Total Volume:

1.525 bbl

Num Fluid Samples: 2

Serial #:

Laboratory Name: Caraway

Num Gas Bombs:

Laboratory Location: Liberal, KS

Recovery Comments: 4000ML Gas 4.0 cubic ft gas @ 250 PSI

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#### ZONES OF INTEREST

Formation

Log Depth

Lithologic & Show Descriptions, Remarks

Lower Lansing

3,696'-3,702'

Limestone, light gray-off white, very fine crystalline, hard, very arenaceous, very fine grained, moderately chalky, some oolitic, occasional fine crystalline, fair-good intercrystalline porosity. NO SHOW: no fluorescence, very dull mineral fluorescence, no live cut, no dried residual cut. An excellent mud gas increase of 245 units to 260 units total (chromatograph: C1=84, C2=26, and C3=8 units,

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interval. Electric logs show this is a well developed clean limestone reservoir with very good SP and microlog development, 14-18% density porosity, good neutron - density crossover

respectively) were recorded over this

gas effect, with maximum deep induction

resistivity of 18 ohms.

Upper Morrow Sandstone (Cored) 4,550'-4,560'

Sandstone, medium-dark gray, tan in part, dense, very fine-medium upper grained, subrounded - angular, fair sorting, very well silica cementing with quartz overgrowths, moderate clay filling in part, some shaley/dirty, minor pyrite, intermediate dull slightly blue fluorescence, good odor, no live cut, slight dull dried cut; grading to

Sandstone, medium-dark gray, quartzitic, very hard, subfriable in small clusters, medium lower to coarse upper predominatly with abundant granule sized grains, scattered subhedral quartz, fair sorting, subrounded to angular, intermediate-well silica cementing, mostly frosted individual grains, moderate-very shaley/silty in part, minor pyrite inclusions, some clusters with abundant very fine grained sand matrix fill, moderate clay filling in part, fair-very good intergranular porosity, GOOD SHOW: very good odor, bleeding gas bubbles at cut in

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Formation

Log Depth

Lithologic & Show Descriptions, Remarks

KCC NOV 2 1 2002 CONFIDENTIAL core sleeve, spotty fair-good dull yellow fluorescence, scattered oil stain in part?, no show free oil, fair-intermediate pale yellow streaming cut grading to good yellowish cloudy to good milky slightly blue to yellow cut, intermediate to good pale to bright yellow dried cut. A hotwire gas increase over background to 108 units total, with chromatograph components of: C1=62 units, C2=10 units, and C3 = trace, were recorded over this sandstone. This sandstone was drill stem tested and recovered gas to surface in 3 minutes with a maximum gas flow rate of 4.9 MMCFGPD, with shut in pressures of 1,255 to 1,251 p.s.i.

Electric logs show this sandstone is 10 feet thick with a mostly clean gamma ray, fair to good SP and mudcake development over the upper 6 feet of the sandstone, good microlog development, 8-30% density porosity, and excellent neutron/density crossover gas effect, and has a maximum deep induction resistivity of approximately 300 ohms.

Morrow "G" Sandstone 4,844'-4,872'

Sandstone, light-dark gray clusters, firmhard, very fine-fine grained, subroundedsubangular, well sorted, fair-good calcareous cementing, very glauconitic, some clusters very shaley/silty, rare interbedded limestone in part with rare fossil fragment, poor-good intergranular porosity; grading to sandstone, medium gray clusters, quartzitic, siliceous, quartz overgrowths, firm-hard, medium upper-coarse lower grained, subrounded-angular, minor glauconite inclusions, some moderately-very shaley clusters, tight, poor intergranular porosity, no fluorescence, no show, no live or dried cut. A 36 unit total gas increase to 140 units total was recorded over the top portion of this sandstone, with chromatograph readings of C1=94 units, C2=25 units, and C3=trace.

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Formation

Log Depth

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Lithologic & Show Descriptions, Remarks

Electric logs show this 28-foot thick sandstone has a moderately clean to shaley gamma ray signature, good SP development over the upper 18 feet of the sandstone grading to fair SP development over the lower portion of the sandstone, no to moderate microlog development, density porosities ranging from 6 to 20%, none to moderate neutron/density crossover gas effect, and a maximum deep induction resistivity of 16 ohms over the top of this zone.

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The Blout No. 6-5 is the eighth well drilled by Dominion Oklahoma Texas Exploration and Production, Inc. ("DOTEP") in the Mustang East Field development program and is the most southeastern location possible on DOTEP's Section 5 leasehold. It is located between two very structurally high Upper Morrow Sandstone producing gas wells located to the southeast (NW-NW-NW-Sec. 9) and southwest (NW-NW-NE-Sec. 8) and the Blout No. 1-5 and Blout No. 2-5 structurally lower oil and gas producers to the northwest. This location was chosen as having the best chance of encountering the Upper Morrow Sandstone gas leg of the commercially productive reservoir at the highest structural position possible within Section 5-T33S-R42W.

The Mustang East Field was discovered by DOTEP in February 2002, and is located approximately 14 miles north of Elkhart, Kansas in west central Morton County. The Blout No. 6-5 is located approximately 1/16th of a mile west of Kansas Highway 27.

The primary objective in the Blout No. 6-5 was natural gas from the Upper Morrow Sandstone with a secondary objective in the Lower Morrow "G" Sandstone.

The Blout No. 6-5 was spudded on August 23, 2002 and production casing was set on September 1, 2002. Lost circulation was encountered at 4,251' where 250 barrels of mud were lost. A 60-foot core was taken over the Upper Morrow Sandstone interval and a open hole drill stem test was run over the Upper Morrow Sandstone.

The well was under 24-hour geological supervision and hotwire/chromatograph mud gas detection (unmanned unit) from 2,500 feet to 5,015 feet RTD. Wet and dry drilling samples were caught by the drilling crews from 2,500 feet to 5,015 feet at 10-foot intervals. A complete dry cut of the samples (2,500'-5,015') was split and sent to the Kansas Geological Survey Sample Library in Wichita, Kansas. All lithologic descriptions and mud gas recordings were lagged to true depth.

#### **Hydrocarbon Shows**

A very significant 245 unit hotwire gas increase to 260 units total was recorded over a Lower Lansing limestone formation from 3,696 to 3,702 feet. Chromatograph readings of C1=84 units, C2=26 units, and C3=trace were recorded. No visual hydrocarbon shows were observed in the samples. This zone was not drill stem tested and warrants further evaluation through pipe at a future date.

During the coring of the Upper Morrow Sandstone, a gradual hotwire gas increase over background to 108 units total was recorded over this sandstone with chromatograph recordings of C1=62 units, C2=10 units, and C3=trace (no heavy/oil hydrocarbon breakout was recorded). A Good Sample show consisting of: very good odor, bleeding gas bubbles at cut in core sleeve, spotty fair-good dull yellow fluorescence, scattered oil

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stain in part, no show free oil, fair-intermediate yellow streaming cut grading to good yellowish cloudy to good milky slightly blue/yellow cut, intermediate to good pale to bright yellow dried cut. A drill stem test over the Upper Morrow Sandstone recovered gas to surface in 3 minutes, with a maximum gas flow rate of 4.9 MMCFGPD, and shut-in pressures of 1,255 to 1,251 p.s.i.

A thick secondary objective Morrow "G" Sandstone is present in the Blout No.6-5, recording a 36 unit hotwire gas increase to 140 units total over the upper portion of the sandstone with maximum chromatograph readings of C1=94 units, C2=25 units, and C3=trace. No visual hydrocarbon sample shows were observed (no fluorescence, no show, no live or dried cut).

#### Structure/Stratigraphy

The Blout No. 6-5 gained significant structure in relation to the DOTEP Blout No. 1-5 and Blout No. 2-5 Reference/Correlation wells, running structurally high from the Pennsylvanian Topeka through the Mississippian Chester Formations.

In relation to Reference Well "A"/Blout No. 1-5, the Blout No. 6-5 is +61 feet high at the Morrow Shale, +72 feet high at the Upper Morrow Sandstone, +109 feet high at the Morrow "G" Sandstone, and +58 feet high at the Chester Formation.

As compared to Reference Well "B"/Blout No. 2-5, the Blout No. 6-5 is +55 feet high at the Morrow Shale, +57 feet high at the Upper Morrow Sandstone, and +57 feet high at the Chester Formation.

The Blout No. 6-5 has a 513 foot thick Morrow Formation (Morrow Shale to Chester Formation) compared to 510 feet thick in the Blout No. 1-5, and 515 feet thick in the Blout No. 2-5.

**Summary** 

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The Blout No. 6-5 was drilled with the intent of encountering the Upper Morrow Sandstone structurally high compared to the existing wells in Section 5 and within the gas cap of the producing reservoir. Significant gradual structural thinning occurred with depth, from the Topeka through the Morrow "G" Sandstone. The Upper Morrow Sandstone was cored and drill stem tested in this test well. A thinner Upper Morrow Sandstone (10 feet thick gross) is present in the Blout No. 6-5, however, structurally it is 57 and 72 feet high to Reference Wells "A" and "B" respectively, and tested gas at a rate of 4.9 MMCFGPD on a drill stem test.

Therefore, based on the very positive structural position of the primary objective Upper Morrow Sandstone in relation to the other oil and gas producing Upper Morrow Sandstone wells in Section 5-T33S-R42W, the excellent gas flow recovery on Drill Stem Test No. 1 and associated bottom hole pressures, and the electric wireline logs

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confirming the excellent porosity and permeability development of the Upper Morrow Sandstone, production casing was set to commercially produce the Upper Morrow Sandstone as a gas well.

Respectfully Submitted,

Richard J. Hall

Certified Petroleum Geologist

Wellsite Consulting Geologist

Whitehall Exploration

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COMPANY: DOMINION EXPLORATION & PRODUCTION

WELL: BLOUT # 6-5

WELL LOCATION: MORTON COUNTY, KANSAS

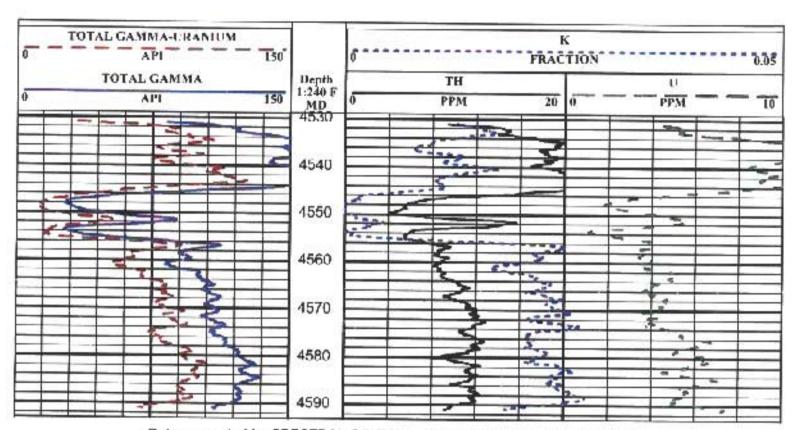
FILE NUMBER: 6472

DEPTH RANGE: 4531 to 4591 F

DATE: 9/4/2002

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### CORE SPECTRAL GAMMA



Data generated by SPECTRAL GAMMA, a product of Core Lab Instruments

COMPLETE CORE ANALYSIS PENDING WATER PLAND POTENTIAL EVALUATION.