

34-34s-28w

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15-119-21166-00-00

GEOLOGICAL REPORT

Duncan Oil Properties, Inc.
 No. 1-34 Lola
 500' FNL & 1020' FWL Sec. 34-34S-28W
 Meade County, Kansas

CONTRACTOR: Big "A" Drilling Co., Rig #3
 SPUDDED: September 10, 2005
 DRILLING COMPLETED: September 16, 2005
 SURFACE CASING: 8 5/8" @ 1272/KBM
 ELECTRIC LOGS: Schlumberger, AIL, CND, ML, GR
 ELEVATIONS: 2442 KB 2441 DF 2434 GL

FORMATION TOPS (Electric Log)

Chase Group	2614 (-172)
Herington Limestone	2625 (-183)
Krider Limestone	2647 (-205)
Winfield Limestone	2678 (-236)
Towanda Limestone	2754 (-312)
Fort Riley Limestone	2827 (-385)
Wreford Lime - A Zone	2988 (-546)
B Zone	3064 (-622)
C Zone	3089 (-647)
D Zone	3097 (-655)
E Zone	3110 (-668)
F Zone	3137 (-695)
G Zone	3158 (-716)
H Zone	3178 (-736)

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I Zone	3195 (-753)
J Zone	3230 (-788)
K Zone	3253 (-811)
L Zone	3271 (-829)
M Zone	3294 (-852)
N Zone	3308 (-866)
Rotary Total Depth	3400 (-958)

Samples were examined microscopically from 2500 feet to Rotary Total Depth. Samples from potentially productive zones were viewed under a fluoroscope and checked for oil or gas cut. An MBC chromatograph-hotwire gas detector unit was in service from 2700 feet to Rotary Total Depth. Following is a description of zones of interest:

Chase Group:

Herington Limestone 2625-2645

Limestone, slightly dolomitic, cream to buff, dense with considerable chalky, with some finely crystalline, partly fossiliferous, mostly tight, no show of oil or gas. Tight on density log.

Krider Limestone 2647-2655

Limestone, broken, partly dolomitic, cream to buff, finely crystalline and chalky, trace of tan dense limestone, slightly cherty, zone is mostly tight with no shows of oil or gas. Tight on density log.

Winfield Limestone 2678-2685 & 2715-2719

Limestone, buff to tan, some mottled, chalky and dense with scattered finely crystalline, some fossiliferous, zone is mostly tight with no shows of oil or gas. Mostly tight on density log with resistivity of less than five ohms.

Towanda Limestone 2780-2794

Limestone, cream to buff, finely crystalline, partly fossiliferous, chalky, poor to fair intercrystalline porosity, no show of oil or gas. Density log indicates porosity in above interval, resistivity log indicates less than one ohm.

Fort Riley Limestone 2827-2838 & 2841-2849

Limestone, cream to buff, some tan, finely crystalline, some chalky, partly fossiliferous, scattered fair intercrystalline porosity, no show of oil or gas, no gas kick. Density log indicates porosity through intervals mentioned above, resistivity is three and one-half ohms or less in the top interval and six to seven ohms in the bottom section.

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Council Grove Zones:

A Zone 2989-2994 & 3007-3010

Limestone, cream to buff, some tan, dense to finely crystalline, fossiliferous in part, some poor to fair scattered intercrystalline porosity, no show of oil or gas, no gas kick. Density log indicates 16% porosity in interval mentioned above with good resistivity.

B Zone 3064-3069

Limestone, buff, finely crystalline, some cream chalky, trace of poor intercrystalline porosity, no show of oil or gas, no gas kick. Density log indicates porosity in interval mentioned above with some "gas effect", resistivity log indicates three to four ohms of resistivity.

C Zone 3090-3093

Limestone, buff, dense to finely crystalline, some cream chalky, scattered poor intercrystalline porosity, some pinpoint porosity, no show of oil or gas, no gas kick. Density log indicates porosity in interval mentioned above, and resistivity log indicates about 15 ohms through the section.

D Zone 3104-3107

Limestone, buff, dense to sub-lithographic, some finely crystalline with poor to fair scattered intercrystalline porosity, no shows of oil or gas, no gas kick. Density log indicates about 12% of shaly porosity through the above interval, and the zone carries a resistivity of about six ohms.

E Zone 3110-3126

Limestone, buff, some tan, mostly dense with some finely crystalline and chalky, trace of poor intercrystalline porosity, no show of oil or gas, no gas kick. Density log indicates porosity in interval mentioned above, and the zone carries a resistivity of about two ohms. Density log shows some "gas effect".

F Zone 3137-3144

Limestone, buff to tan, some brown, finely crystalline and slightly fossiliferous, slightly cherty, poor intercrystalline porosity, trace of vugular porosity, no show of oil or gas, no gas kick. Density log indicates porosity of around 18-20% in the interval mentioned above, and the section carries three to four ohms of resistivity. The Density log shows some "gas effect".

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G Zone 3158-3171

Limestone, cream to buff, finely crystalline and partly chalky, partly oolitic, slightly fossiliferous, fair intercrystalline and inter-fossil porosity, some poor oolitic porosity, no show of oil, no gas kick. Density log indicates good porosity in interval mentioned above, the zone carries three to four ohms of resistivity on the induction log.

H Zone 3178-3190

Limestone, cream to buff, finely crystalline with some cream chalky, some oolitic, some dense-oolitic, zone is mostly tight with no show of oil or gas, no gas kick. Density log indicates this zone to be tight throughout the entire interval

I Zone 3195-3209 & 3212-3222

Limestone, buff to tan, finely crystalline and partly oolitic, some scattered poor to fair intercrystalline and interoolitic porosity, some fair oolitic porosity, no show of oil or gas, no gas kick. Density log indicates about 25% porosity in the upper portion of this zone with resistivity of 10-15 ohms. This zone is oolitic in part and oolitic zones frequently calculate quite optimistic on electric logs, even when they are not productive.

J Zone 3230-3244

Limestone, buff to tan, trace of brown, finely crystalline and partly oolitic, fair intercrystalline and interoolitic porosity, some fair oolitic porosity, no show of oil or gas, no gas kick. Density log indicates porosity of 16-18% through the interval mentioned above, and the zone carries a resistivity of about one and one-half ohms.

K Zone 3258-3265

Limestone, buff, some tan, some brown, finely crystalline, some cream chalky, poor intercrystalline porosity, no show of oil or gas, no gas kick. Density log indicates porosity in the interval mentioned above, and the zone carries about one to one and one-half ohms of resistivity.

L Zone 3271-3290

Limestone, buff to tan, some brown, dense, some cream chalky, some finely crystalline, tight, no show of oil or gas, no gas kick. Entire interval is tight on the Compensated Density-Neutron log.

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M Zone 3303-3306

Limestone, buff to tan, dense to sub-lithographic, tight, with some cream to buff finely crystalline with poor intercrystalline porosity, no show of oil or gas, no gas kick, zone exhibits about 10% porosity on density log. Induction log indicates about six to seven ohms of resistivity.

N Zone 3308-3313

Limestone, cream to buff, finely crystalline, some partly fossiliferous, partly oolitic, some sucrosic, poor to fair intercrystalline porosity with some interoolitic porosity, no show of oil or gas, no gas kick. Density log indicates porosity through the interval mentioned above and resistivity ranges around three to three and one-half ohms.

Conclusions and Recommendations:

Production casing was set and cemented on the No. 1-34 Lola. It is recommended that the following zones be perforated and tested for production:

C Zone	3090-3093
F Zone	3137-3144
E Zone	3110-3126

The following zones should be perforated and tested for production prior to abandonment:

N Zone	3308-3313
M Zone	3303-3306
I Zone	3195-3200
G Zone	3162-3165
D Zone	3104-3107
B Zone	3064-3069
A Zone	2989-2994 & 3007-3010

I have left out only a few zones in the overall perforation recommendations for this well. It has been my experience with shallow gas zones in Kansas that they are extremely difficult to evaluate except by actual physical testing. Because most of the gas is dry, samples shows are few or nonexistent, gas detectors sometimes miss gas zones or give false readings in non-productive zones, and electric logs seem to be affected by a number of electro-chemical and mineralization factors that make them somewhat less than reliable.

In the extremely shallow zones, such as the Chase Group, mudding up to drill stem test is an option, but this usually slows down drilling, causes higher mud bills, and generally, gas detectors do not work as well in the shallow formations when the well is mudded up. I think these low pressure zones can easily be mudded off in the absence of a good mud

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program with very low water loss. We have been mudded up with a good mud program by the time we drill into the Council Grove in our Meade County program.

In my experience, the best way to evaluate these wells is by using samples, gas detectors, and a good suite of electric logs, even though there are limits to each of these tools as mentioned above. In combination, most of the time these tools can provide sufficient information to determine whether or not to set pipe. If a decision cannot be made because these tools yield insufficient information, a straddle test could provide additional information for making a decision. After pipe is set, I recommend perforating, prior to abandonment, any zone that has porosity and five or six ohms of resistivity.

Previous production history loses much of its meaning in this era of high gas prices, and those zones that have produced poorly in the past suddenly have value in today's market. For this reason, I have included some zones that are in this "poor producer" category in my recommendations for perforating.

Respectfully submitted,

Robert C. Lewellyn
Petroleum Geologist

RCL:me

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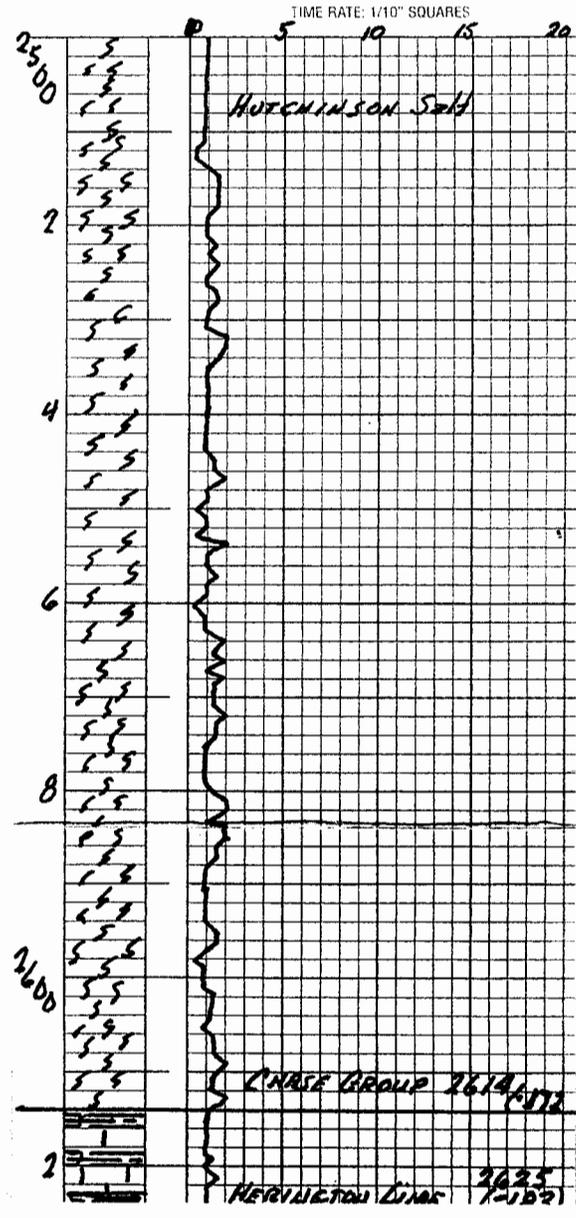
STATE KANSAS	COMPANY DUNCAN OIL PROPERTIES	
COUNTY MEADE	FARM 101A	WELL NO. 1-34
BLOCK	SURVEY 1-34	
SEC. 34	500' FNL & 1020' FNL	
T. 34 S	R. 28 W	TOTAL DEPTH 3400
CONTRACTOR Big A Drilling		
COMMENCED 09-10-05		
COMPLETED 09-16-05		
REMARKS		
ALTIMITUDE 2442 KB		
PRODUCTION GAS		
Robert C. Lowellyn - Geologist		

CASING RECORD

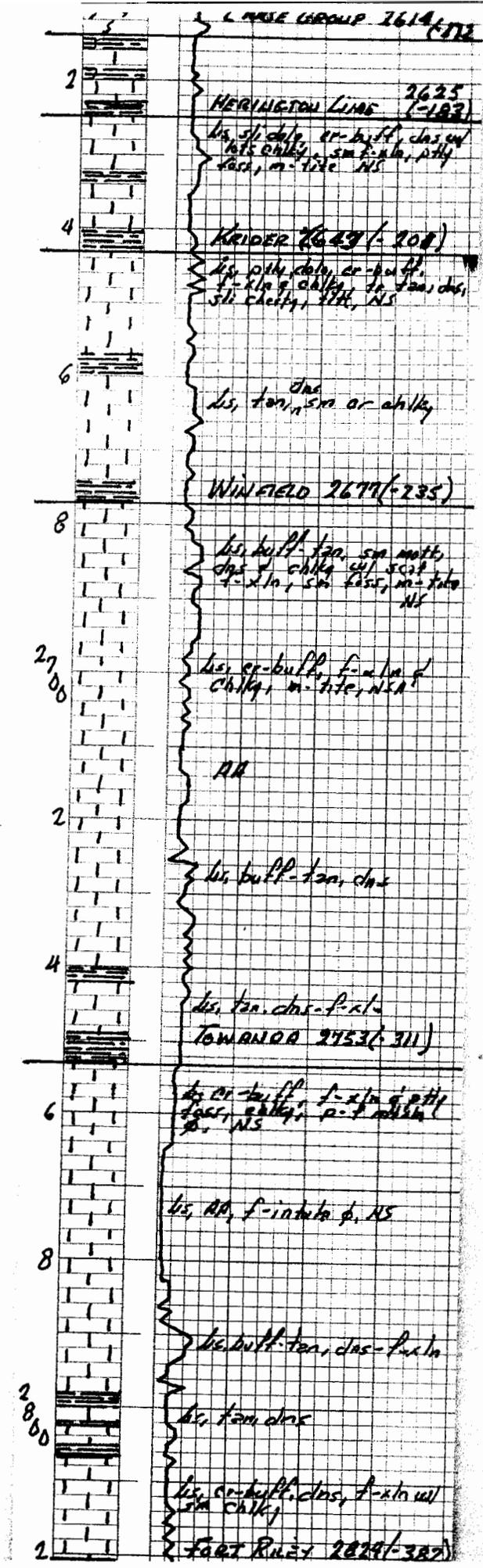
8 5/8" @ 1272/KRM

SHOT QUARTS BETWEEN

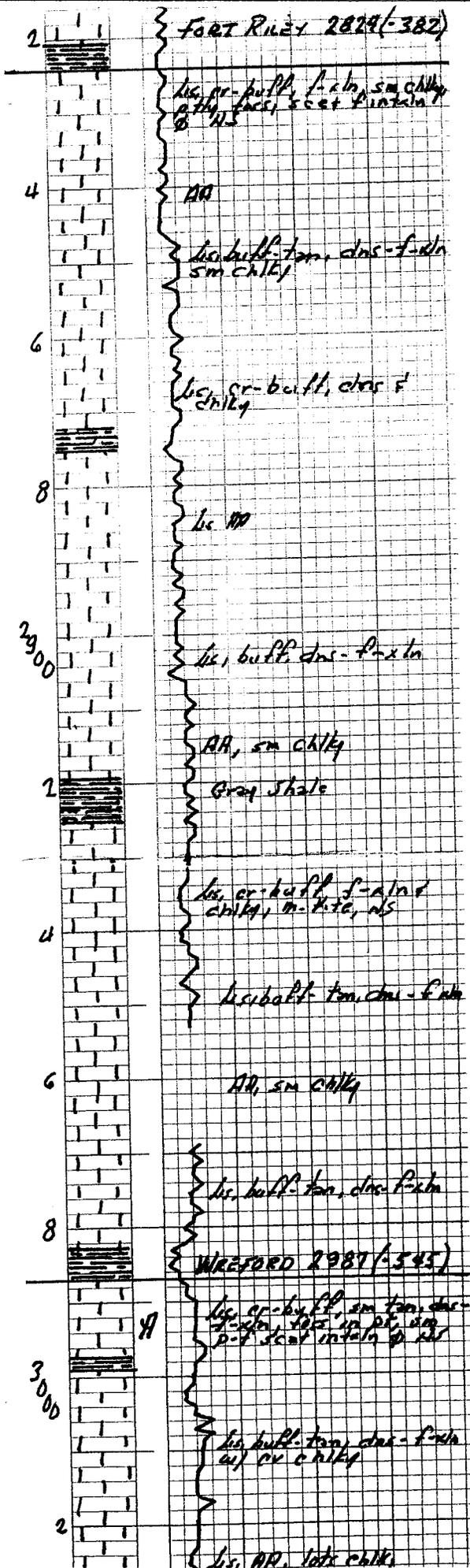
TIME RATE SCALE: 1/10" = MINUTES
craftbill 450-A TULSA, OKLAHOMA 74101 PRINTED IN U.S.A.



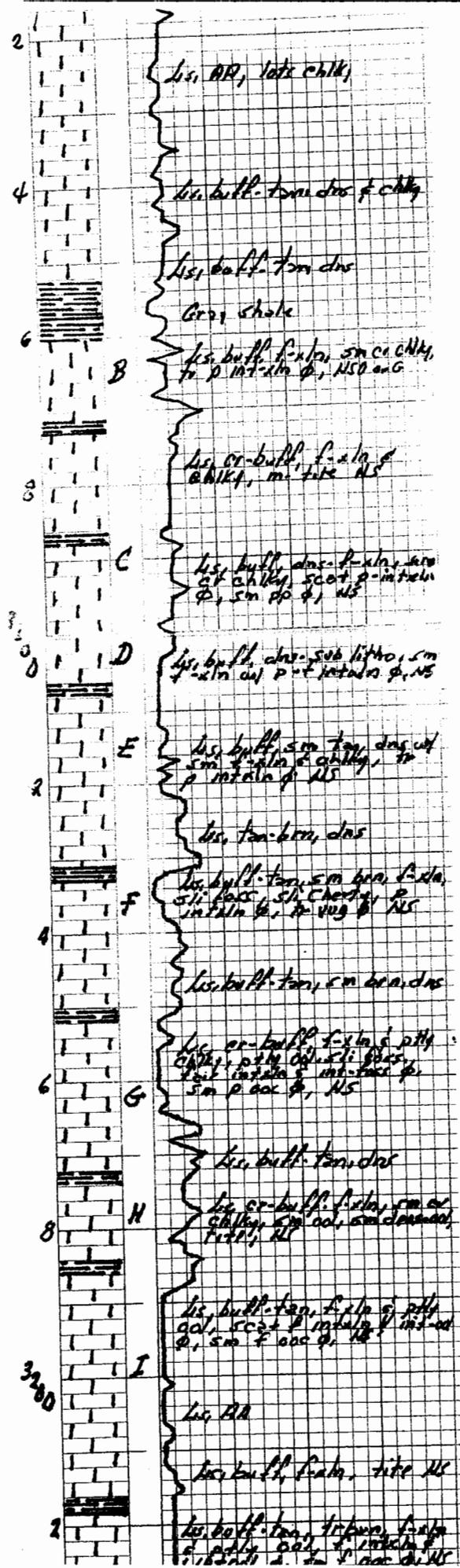
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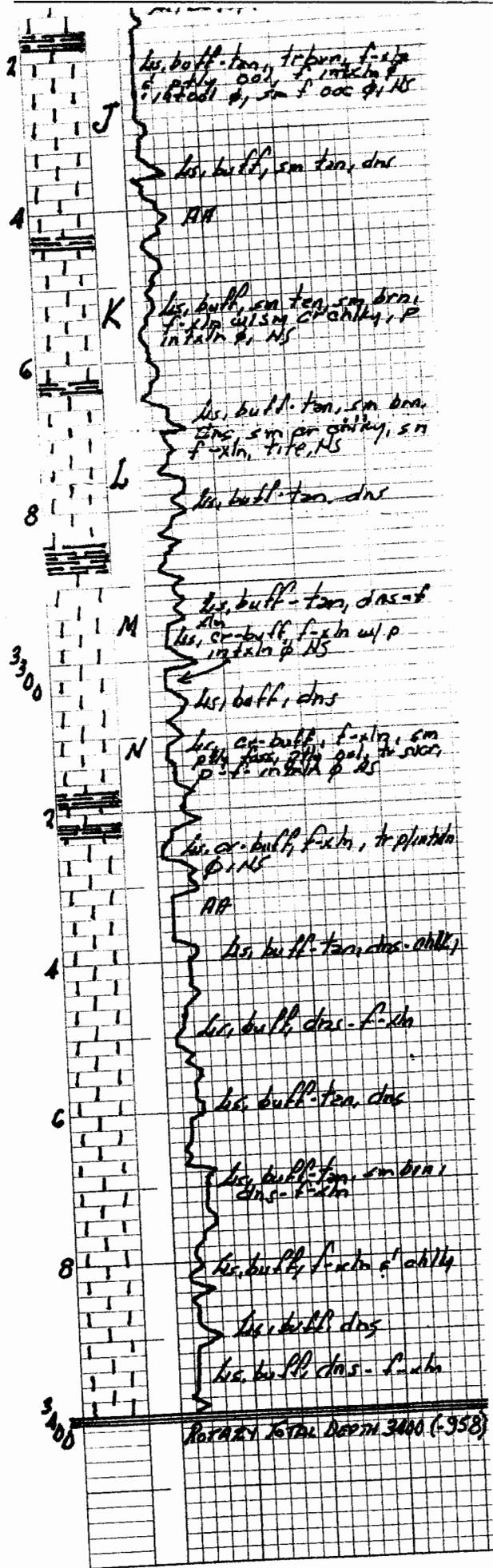
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