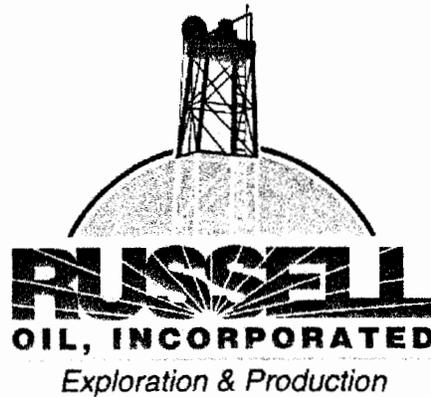


REPORT COPY

GEOLOGICAL REPORT



RUSSELL OIL, INC.

KAY McDONALD #2-8
1910' FSL & 910' FEL
Section 8-8S-22W
Graham County, Kansas

Todd E. Morgenstern
Petroleum Geologist
Sunflower Bank Building
P.O. Box 251
Ellinwood, Kansas 67526

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OPERATOR: Russell Oil, Inc.

WELL: Kay McDonald #2-8
API # 15-065-23,010-00-00

LOCATION: 1910' from the South Line
910' from the East Line
Section 8-8S-22W
Graham County, Kansas

FIELD: Schnebly

CONTRACTOR: Shields Drilling Company Inc.

DRILLING COMMENCED: 09-30-2004

DRILLING COMPLETED: 10-08-2004

DRILLING TIME: One (1) foot drilling time was recorded
from 3000' to 3590' RTD.

SAMPLES: Samples were saved and examined from 3050'
to 3590' RTD.

ELEVATIONS: 2087' Ground Level 2092' Kelly Bushing

MEASUREMENTS: All depths are measured from 2092' K.B.

CASING RECORD: 8 5/8" Surface Casing set @ 231' with 160 sxs. 60/40 poz

FORMATION TESTING: Five (5) tests were run by Trilobite Testing, Inc.
John Schmidt

MUD: Mud-Co. (Chemical Mud)

OPEN HOLE LOGS: Log-Tech Inc. (CNL/CDL, DIL, MEL & Sonic)

PRODUCTION: Dry & Abandoned

FORMATION TOPS:

FORMATION	SAMPLE	LOG	DATUM
ANHYDRITE	1724'	1722'	+ 370'
BASE ANHYDRITE	1755'	1753'	+ 341'
TOPEKA	3089'	3088'	- 996'
HEEBNER SHALE	3303'	3303'	-1211'
TORONTO	3327'	3326'	-1234'
LANSING	3340'	3344'	-1252'
MUNCIE CREEK	3459'	3458'	-1366'
STARK SHALE	3519'	3518'	-1426'
BASE KANSAS CITY	3551'	3550'	-1458'
LOG TOTAL DEPTH	3590'	*****	-1498'
ROTARY TOTAL DEPTH	*****	3591'	-1499'

SAMPLE DESCRIPTIONS AND TEST DATA:

TOPEKA:

3122-3126 Limestone, tan and white, finely crystalline, slightly fossiliferous, with poor visible porosity, no shows of oil were noted.

3254-3260 Limestone, tan, white and buff, finely crystalline, fossiliferous and oolitic, with fair to good visible interparticle porosity, slightly chalky, no shows of oil were noted.

3271-3275 Limestone, gray and tan, fossiliferous and oolitic, with good visible porosity, no shows of oil were noted.

TORONTO:

3327-3331 Limestone, tan and gray, finely crystalline, fossiliferous and oolitic, with fair to good visible interparticle porosity, abundant white, opaque chert, no shows of oil were noted.

LANSING:

3344-3349 Limestone, white, finely crystalline, dense, fossiliferous in part, with poor visible intercrystalline porosity, no shows of oil were noted.

3374-3379 Limestone, tan and gray, finely crystalline, oolitic and fossiliferous, with fair to good visible interoolitic and pinpoint porosity, fair staining and saturation, slight show of free oil, good odor. (Covered by D.S.T. No. 1)

FORMATION TEST NO. 1

Lansing-K.C (35' Zone)
 Tested from 3366'-3382'

<i>Strong-BOB in 6 min.</i>	30 min.	I.H.P.	1614#
<i>Weak surface blow-back</i>	30 min.	I.F.P.	29# -246#
<i>Strong-BOB in 8 min.</i>	30 min.	<u>I.S.I.P.</u>	<u>1076#</u>
<i>Weak surface blow-back</i>	30 min.	F.F.P.	252# -380#
		F.S.I.P.	<u>1065#</u>
		F.H.P.	1558#

(SEE PRESSURE CHARTS AT END OF REPORT)

RECOVERY: 5' Oil
 765' Very Slight Oil Cut Salt Water
 770' Total Liquid Recovery

TEMPERATURE: 111*

CHLORIDES: 90,000 ppm (Recovery) N/A ppm (System)

- 3392-3396 Limestone, tan and buff, dense, very finely crystalline, slightly fossiliferous and oolitic, with poor visible intercrystalline porosity, slightly chalky, scattered staining, no odor.
- 3411-3416 Limestone, buff and gray, finely crystalline, dense, fossiliferous, with poor visible porosity, trace of scattered staining, no show of free oil, no odor.
- 3421-3426 Limestone, tan and gray, dense, oolitic and fossiliferous, with fair spotted dark staining, no show of free oil, no odor.
- 3477-3482 Limestone, gray and tan, dense, finely crystalline, fossiliferous, with poor visible porosity, no staining, no shows of oil were noted.
- 3496-3500 Limestone, white and tan, finely crystalline, oolitic and slightly fossiliferous, with poor to fair interoolitic and interparticle porosity, light, fair staining, very slight show of oil on break, questionable light odor. (Covered by D.S.T. No.'s 2 & 3)
- 3508-3514 Limestone, white, tan and buff, finely crystalline, oolitic and fossiliferous, with fair to good interoolitic and interparticle porosity, fair to good staining and saturation, slight show of free oil, fair odor. (Covered by D.S.T. No.'s 2 & 4)

FORMATION TEST NO. 2

Lansing-K.C ('I' & 'J' Zones)
 Tested from 3488'-3518'

		I.H.P.	1715#
Strong Blow, BOB in 3 min.	30 min.	I.F.P.	68# -395#
No blow-back	30 min.	<u>I.S.I.P.</u>	<u>1158#</u>
Strong Blow, BOB in 4 min	30 min.	F.F.P.	401# -603#
Weak Surface blow-back	30 min.	F.S.I.P.	<u>1142#</u>
		F.H.P.	1668#

(SEE PRESSURE CHARTS AT END OF REPORT)

RECOVERY: 630' Gassy Oil Mud Cut Water
 700' Salt Water
 1330' Total Liquid Recovery

TEMPERATURE: 115*

CHLORIDES: 90,000 ppm (Recovery) 3,000 ppm (System)

FORMATION TEST NO. 3

Lansing-K.C ('I' Zone)
 Tested from 3485'-3504'

		I.H.P.	1699#
Strong, BOB in 10 min.	45 min.	I.F.P.	27# -230#
No blow-back	45 min.	<u>I.S.I.P.</u>	<u>1069#</u>
Strong, BOB in 13 min.	45 min.	F.F.P.	232# -356#
No blow-back	45 min.	F.S.I.P.	<u>1029#</u>
		F.H.P.	1654#

(SEE PRESSURE CHARTS AT END OF REPORT)

RECOVERY: 750' Salt Water

TEMPERATURE: 115*

CHLORIDES: 90,000 ppm (Recovery) 2,400 ppm (System)

FORMATION TEST NO. 4

Lansing-K.C ('J' Zone)
 Tested from 3504'-3518'

Strong, BOB in 6 min.	30 min.	I.H.P.	1716#
<i>Good blow-back, building to 6"</i>	45 min.	I.F.P.	63# -272#
Strong, BOB in 4 min.	45 min.	<u>I.S.I.P.</u>	<u>1164#</u>
Strong, BOB in 28 min.	60 min.	F.F.P.	270# -484#
		F.S.I.P.	<u>1144#</u>
		F.H.P.	1667#

(SEE PRESSURE CHARTS AT END OF REPORT)

RECOVERY: 1240' Gas in Pipe
 186' Gassy Oil
 200' Gassy Oil Cut Water
 668' Salt Water
 1054' Total Liquid Recovery

TEMPERATURE: 116*

CHLORIDES: 91,000 ppm (Recovery) 2,400 ppm (System)

3526-3531 Limestone, white, tan and buff, finely crystalline, fossiliferous and oolitic, dense in part, with fair to good visible pinhole and slightly vugular porosity, fair show of heavy, free oil, questionable light odor. (Covered by D.S.T. No. 5)

FORMATION TEST NO. 5

Lansing-K.C ('K' Zone)
 Tested from 3521'-3540'

Strong, BOB in 11 min.	30 min.	I.H.P.	1708#
<i>Very Weak Surface blow-back</i>	30 min.	I.F.P.	21# -178#
Strong, BOB in 14 min.	30 min.	<u>I.S.I.P.</u>	<u>1181#</u>
<i>Weak Surface blow-back</i>	30 min.	F.F.P.	181# -261#
		F.S.I.P.	<u>1173#</u>
		F.H.P.	1654#

(SEE PRESSURE CHARTS AT END OF REPORT)

RECOVERY: 2' Oil
 529' Salt Water
 531' Total Liquid Recovery

TEMPERATURE: N/A

CHLORIDES: 10,000 ppm (Recovery) 2,400 ppm (System)

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STRUCTURAL COMPARISON:

	Russell Oil Kay McDonald No. 2 1910' FSL & 910' FEL Sec. 8-8S-22W D&A	Dreiling Oil Inc. Jones No.1 C-E/2-SE Sec. 8-8S-22W D&A	Charles Carlock Jones No. 1 W/2-SW-SW Sec. 9-8S-23W OIL
ANHYDRITE	+ 370'	+ 371'	+ 376'
BASE ANHYDRITE	+ 339'	+ 341'	+ 346'
TOPEKA	- 996'	- 995'	- 996'
HEEBNER SHALE	-1211'	-1208'	-1213'
TORONTO	-1234'	-1232'	-1235'
LANSING	-1252'	-1248'	-1246'
MUNCIE CREEK	-1366'	-1364'	-1362'
STARK	-1426'	-1426'	-1423'
BASE KANSAS CITY	-1458'	-1456'	-1453'

SUMMARY:

The Kay McDonald #2-8 was under geological supervision from 3050' to 3590' RTD. With the lower structural position and negative results of five (5) drill stem tests, it was decided to plug and abandon this well.

Respectfully submitted,


Todd E. Morgenstern