

Operator Name: H & M Petroleum Corporation Lease Name: High Hill AERC Well #: 2
 Sec. 7 Twp. 10 S. R. 24 East West County: Graham

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------|-----|-------|------------------|-----------|------------|-----------------------|-----------|-------------|------------------------------|-----------|-------------|--------------------------------|-----------|-------------|----------------------|-----------|-------------|----------------|-----------|-------------|--------------------------|-----------|-------------|
| Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Micro, DI, Sonic, Neutron/Density Porosity | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhydrite/Topeka</td> <td>2099/3501</td> <td>+353/-1049</td> </tr> <tr> <td>Heebner Shale/Lansing</td> <td>3718/3756</td> <td>-1266/-1304</td> </tr> <tr> <td>Lansing F/Muncie Creek Shale</td> <td>3830/3870</td> <td>-1378/-1418</td> </tr> <tr> <td>Kansas City J/Base Kansas City</td> <td>3925/3980</td> <td>-1473/-1528</td> </tr> <tr> <td>Pawnee/Mississippian</td> <td>4103/4285</td> <td>-1651/-1833</td> </tr> <tr> <td>Viola/Arbuckle</td> <td>4371/4412</td> <td>-1919/-1960</td> </tr> <tr> <td>Reagan Sandstone/Granite</td> <td>4790/4845</td> <td>-2338/-2393</td> </tr> </table> | Name | Top | Datum | Anhydrite/Topeka | 2099/3501 | +353/-1049 | Heebner Shale/Lansing | 3718/3756 | -1266/-1304 | Lansing F/Muncie Creek Shale | 3830/3870 | -1378/-1418 | Kansas City J/Base Kansas City | 3925/3980 | -1473/-1528 | Pawnee/Mississippian | 4103/4285 | -1651/-1833 | Viola/Arbuckle | 4371/4412 | -1919/-1960 | Reagan Sandstone/Granite | 4790/4845 | -2338/-2393 |
| Name | Top | Datum | | | | | | | | | | | | | | | | | | | | | | | |
| Anhydrite/Topeka | 2099/3501 | +353/-1049 | | | | | | | | | | | | | | | | | | | | | | | |
| Heebner Shale/Lansing | 3718/3756 | -1266/-1304 | | | | | | | | | | | | | | | | | | | | | | | |
| Lansing F/Muncie Creek Shale | 3830/3870 | -1378/-1418 | | | | | | | | | | | | | | | | | | | | | | | |
| Kansas City J/Base Kansas City | 3925/3980 | -1473/-1528 | | | | | | | | | | | | | | | | | | | | | | | |
| Pawnee/Mississippian | 4103/4285 | -1651/-1833 | | | | | | | | | | | | | | | | | | | | | | | |
| Viola/Arbuckle | 4371/4412 | -1919/-1960 | | | | | | | | | | | | | | | | | | | | | | | |
| Reagan Sandstone/Granite | 4790/4845 | -2338/-2393 | | | | | | | | | | | | | | | | | | | | | | | |

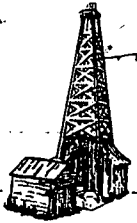
| CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used | | | | | | | |
|---|-------------------|---------------------------|-------------------|---------------|----------------|--------------|----------------------------|
| Report all strings set-conductor, surface, intermediate, production, etc. | | | | | | | |
| Purpose of String | Size Hole Drilled | Size Casing Set (In O.D.) | Weight Lbs. / Ft. | Setting Depth | Type of Cement | # Sacks Used | Type and Percent Additives |
| Surface | 12 1/4" | 8 5/8" | 23# | 219' | Common | 165 | 3% CC/2% Gel |
| | | | | | | | |
| | | | | | | | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|--|------------------|----------------|-------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | #Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone | | | | |
| | | | | |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i> | Depth |
|----------------|---|--|-------|
| | | | |
| | | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> RECEIVED MAY 27 2010 KCC WICHITA </div> | |
| | | | |

| | | | | |
|---|-----------|--|-------------|---|
| TUBING RECORD: | Size: | Set At: | Packer At: | Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Date of First, Resumed Production, SWD or Enhr. | | Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) | | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio Gravity |

| | | |
|---|--|--|
| DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i> | METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL: _____ _____ |
|---|--|--|



WHITEHALL EXPLORATION

WELLSITE GEOLOGICAL CONSULTING

GEOLOGICAL ANALYSIS & WELL REPORT

H & M Petroleum Corp.

HIGH HILL AERC No. 2

330' FSL & 990' FWL
Approximately S/2-S/2-S/2-SW
Section 7-Township 10 South-Range 24 West
Graham County, Kansas

December 17, 2009

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GENERAL INFORMATION

Elevation: G.L. 2,447' K.B. 2,452'
All measurements are from K.B.

Field: Riedel Southwest

Drilling Contractor/Rig No.: WW Drilling/Rig 10

Total Depth: RTD: 4,846' LTD: 4,844'

Surface Casing: 8 5/8" @ 219'

Production Casing: None

Drill Time Kept: 3,400'-4,846' RTD

Samples Examined: 3,450'-4,846' RTD

Geological Supervision: 3,400'-4,846' RTD

Wellsite Geologist: Randy Say
Wellsite Geologist

Drill Stem Tests: 1) Lansing "C" Zone - Open hole test
2) Lansing "F" Zone - Open hole test
3) Kansas City "I"- "K" Zone's - Open hole test

Mud Company/Mud Type/Engineer: Morgan Mud/Chemical/Dave Lines

Electric Logging Company: Log-Tech

Log Suite: -Dual Induction
-Micro Log
-Neutron/Density Porosity
-Sonic

Samples: Dry Cut set to Kansas Geological Survey Sample
Library - Wichita, KS (as requested by state)

Total Depth Formation: Granite

Well Status: Dry & Abandoned

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DAILY DRILLING CHRONOLOGY

| <u>2009 Date</u> | <u>7:00 A.M. Depth</u> | <u>24 Hour Footage</u> | <u>7:00 A.M. Operation; 24 Hour Activity</u> |
|----------------------|----------------------------|----------------------------|---|
| 11/21/09 | 0 | 0 | MIRU; spud @ 3:00 P.M., drilling to 220', circ./jet cellar, drop. Dev. Survey, TOO H, run 5 jts of 8 5/8" surf. csg. set 219', cement surf. csg., WOC 8', drill plug @ 3:00 A.M. - 11/22/09, drilling. |
| 11/22/09 | 575' | 575' | Drilling ahead; jet/wk on pump (1.5'), drilling, jet, drilling, jet, drilling, jet, drilling. |
| 11/23/09 | 2,425' | 1,850' | Drilling ahead; jet, drilling, jet/wash pit # 2, drilling, clean suction pit/jet pit #1, drilling, jet/clean pit #1/displace mud @ 2,794', drilling, work on screen/pull pump valves (30"), drilling. |
| 11/24/09 | 3,210' | 785' | Drilling ahead; PU pit mud @ 3,319', drilling, CFS @ 3,750', drilling. |
| 11/25/09 | 3,765' | 555' | Drilling ahead; CFS @ 3,802', short trip 38 stands, circ. 1', drop dev. survey, TOO H, PU test tool, TIH, run DST No. 1, TOO H, lay down test tool, clean floor, TIH w/bit- fill pipe/ break circ., circ. 30", drilling, CFS @ 3,836', TOO H, PU test tool, TIH w/DST tool. |
| 11/26/09 | 3,836' | 71' | Running DST No.2; TOO H, lay down test tool, TIH, circ. 30", drilling, jet, drilling, CFS @ 3,940', drilling, CFS @ 3,854', TOO H- 5 stands pulled tight, TIH to bottom- circ. 1', TOO H. |
| 11/27/09 | 3,954' | 118' | TIH w/ DST tool; run DST No. 3, TOO H, lay down test tool, TIH w/bit, circ. 15", drilling, CFS @ 3,980', drilling, PU pit mud, drilling. |
| 11/28/09 | 4,205' | 251' | Drilling ahead; circ. 15", short trip 10 stands, drilling, wk on draw works (45"), TOO H @ 4,290' on bank @ 4:15 P.M., remove draw works, put in new draw works and install, TIH w/bit, circ./ condition hole (1'), drilling ahead @ 5:00 A.M.- 11/29/09. |
| 11/29/09 | 4,320' | 115' | Drilling ahead; jet pit #1, drilling, lost circ. @ 4,425'- |

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pull 5 stands- mix mud, TIH 2 stands-mix mud, TIH 3 stands, drilling, 15" circ., drilling-seeping mud, pull 10 stands, mix mud- build volume, TIH 10 stands, drilling- mix hulls to maintain mud volume.

| | | | |
|----------|--------|------|---|
| 11/30/09 | 4,565' | 245' | Drilling ahead; drilling. |
| 12/01/09 | 4,832' | 267' | Drilling ahead; drilling to 4,846' RTD, short trip 18 stands, circ. 1', drop dev. survey, TOOH, PU and run Log-Tech logs, WOO 30", TIH w/collars, TOOH laying down drill collars, TIH w/ plugging stands, TOOH laying down drill pipe and set cement plugs. |
| 12/02/09 | 4,846' | 14' | Plugging well-cement plug down @ 7:30 A.M., rig released @ 9:30 A.M. |

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DEVIATION SURVEYS

| <u>Depth</u> | <u>Deviation (Degrees)</u> | <u>Method</u> |
|--------------|----------------------------|---------------|
| 220' | 0.5 | dropped |
| 3,802' | 1.25 | dropped |

REFERENCE WELLS

Reference Well "A": Empire Drilling Co.
Richmeir No. 1
C-SW
Section 7-T10S-R 24W
Graham Co., KS
KB: 2,445'
LTD: 3,982'
Date Drilled: November 1968
TD Fm: Base/Kansas City
Status: Dry and Abandoned

Reference Well "B": Don E. Pratt
Hobbs No. 1
N/2-N/2-NW
Section 18-T10S-R 24W
Graham Co., KS
KB: 2,452'
TD: 3,963'
Date Drilled: January, 1969
TD Fm: Kansas City
Status: Dry and Abandoned

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FORMATION TOPS

| FORMATION | HIGH HILL AERC No. 2 | | | Richmeir No. 1 | Hobbs No. 1 | | | | |
|--------------------|----------------------|--------------|-------|-------------------|-------------|-----------|---------------|----------|----------|
| | SAMPLE | ELECTRIC LOG | | REFERENCE | REFERENCE | REFERENCE | DIFFERENCE TO | | |
| | TOPS | TOPS | DATUM | WELL "A" | WELL "B" | WELL "C" | WELL "A" | WELL "B" | WELL "C" |
| PERMIAN | | | | | | | | | |
| Anhydrite | 2096 | 2099 | +353 | +367 | +357 | | -14 | -4 | |
| PENNSYLVANIAN | | | | | | | | | |
| Topeka | 3494 | 3501 | -1049 | -1044 | NA | | -5 | NA | |
| Heebner Shale | 3710 | 3718 | -1266 | -1259 | -1268 | | -7 | +2 | |
| Lansing | 3752 | 3756 | -1304 | -1295 | -1300 | | -9 | -4 | |
| Lansing "F" Zone | 3830 | 3830 | -1378 | -1371 | NA | | -7 | NA | |
| Muncie Creek Shale | 3868 | 3870 | -1418 | -1409 | NA | | -9 | NA | |
| Kansas City "J" | 3924 | 3925 | -1473 | -1469 | NA | | -4 | NA | |
| Base/Kansas City | 3974 | 3980 | -1528 | -1523 | NDE | | -5 | - | |
| Pawnee | 4104 | 4103 | -1651 | NDE | NDE | | - | - | |
| MISSISSIPPIAN | | | | | | | | | |
| Mississippian | 4284 | 4285 | -1833 | NDE | NDE | | - | - | |
| ORDAVICAN | | | | | | | | | |
| Viola | - | 4371 | -1919 | NDE | NDE | | - | - | |
| Arbuckle | 4410 | 4412 | -1960 | NDE | NDE | | - | - | |
| Reagan Sandstone | 4786 | 4790 | -2338 | NDE | NDE | | - | - | |
| Granite | - | 4845 | -2393 | NDE | NDE | | - | - | |

NDE = Not Deep Enough

NA = Not Available

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ZONES OF INTEREST

| <u>Formation</u> | <u>Log Depth</u> | <u>Lithologic & Show Descriptions, Remarks</u> |
|------------------|------------------|--|
| Lansing "C" | 3,786'-3,792' | <p>Limestone, tan to cream, fine-micro crystalline, cherty -tight micro crystalline porosity, Good Show: slight gassy oil odor, medium-bright yellow fluorescence, uneven oil stain, good live brown oil in vugs, immediate streaming medium-bright yellow cut, oil filled porosity, light tan dried residual halo cut.</p> <p>This formation was isolated on DST No. 1 and recovered 20 feet slightly oil cut mud, (2% oil, 98% mud) with shut in pressures of 163-229 p.s.i.</p> <p>Log-Tech logs show this zone has a very clean gamma ray, very good SP development, 10+% density porosity, 7-9% neutron porosity, maximum 7% sonic porosity, 2 feet of microlog development, and has a maximum 20 ohms deep resistivity.</p> |
| Lansing "F" | 3,830'-3,837' | <p>Limestone, tan-brown/gray mottled, very fine crystalline, friable to firm, oolitic in part with calcite infill, abundant chalk matrix with inter-bedded shale stringers, poor-fair porosity, Intermediate Show: slight gassy oil odor, uneven light yellow fluorescence, uneven brown-tan oil stain, very fine oil show, good-slow milky cut.</p> <p>The Lansing "F" Zone was included on DST No. 2 which covered the Lansing E-F Zone's and recovered 392 feet of fluid consisting of 292 feet of slightly mud cut water with trace of oil (92% water, 8% mud) and 100 feet of muddy watery with trace of oil (60% water, 40% mud), with shut in pressures of 589-582 p.s.i.</p> <p>Log-Tech logs show this zone has a clean gamma ray, excellent SP development, maximum 14-20% neutron porosity, 9.5-15% density porosity, 10-14% sonic porosity, 7 feet of microlog development, and is wet with a maximum 5 ohms deep resistivity.</p> |
| Lansing "J" | 3,908'-3,914' | <p>Limestone, tan-cream, very fine crystalline, granular with thin oolitic zone and occasional fossil fragments with calcite infill, slightly dolomitic, occasional chert, fair-poor porosity with scattered vugs, Good Show: slight gassy oil odor, medium</p> |

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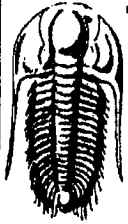
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bright yellow fluorescence, brown oil stain, brown-dark brown live oil in pinpoint vugs and in granular limestone, medium yellow live cut, tan dried residual halo cut.

DST No. 3 covered the Kansas City "I"- "K" Zone's and recovered 15 feet of slightly oil cut mud (2% gas, 5% oil, 93% mud) with shut in pressures of 88-80 p.s.i.

Log-Tech logs show this formation has a mostly clean gamma ray, fair SP development, maximum 9% neutron porosity, maximum 4% density porosity, maximum 10% sonic porosity, no microlog development and has 30 ohms deep resistivity.

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TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

H&M Petroleum Corporation
 13570 Meadow grass Dr.
 Suite 101
 Colorado Springs, CO 80921
 ATTN: Randy Say

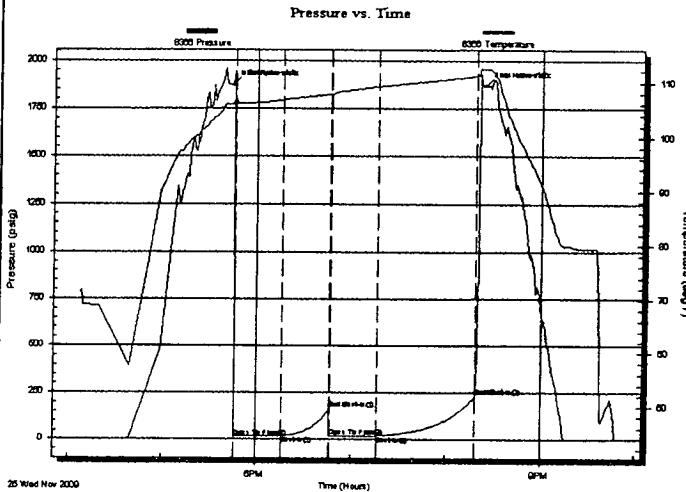
High Hill AERC #2
7/10s/24w Graham KS
 Job Ticket: 356529 **DST#: 1**
 Test Start: 2009.11.25 @ 16:07:00

GENERAL INFORMATION:

Formation: **LKC "C"**
 Deviated: **No** Whipstock: **ft (KB)**
 Time Tool Opened: **17:46:00**
 Time Test Ended: **21:47:30**
 Interval: **3770.00 ft (KB) To 3802.00 ft (KB) (TVD)**
 Total Depth: **3802.00 ft (KB) (TVD)**
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 Test Type: **Conventional Bottom Hole**
 Tester: **James Winder**
 Unit No: **46**
 Reference Elevations: **2452.00 ft (KB)**
2447.00 ft (CF)
 KB to GR/CF: **5.00 ft**

Serial #: 8366 **Inside**
 Press@RunDepth: **19.90 psig @ 3771.00 ft (KB)**
 Start Date: **2009.11.25** End Date: **2009.11.25**
 Start Time: **16:07:00** End Time: **21:47:30**
 Capacity: **8000.00 psig**
 Last Calib.: **2009.11.25**
 Time On Btm: **2009.11.25 @ 17:44:30**
 Time Off Btm: **2009.11.25 @ 20:24:00**

TEST COMMENT: IF: Weak blow, built to 1"
 IS: Bled off, No blow back
 FF: Occasional surface blow from 7 - 15 min., No blow from 15 min to close
 FSI: No blow back



PRESSURE SUMMARY

| Time (Min.) | Pressure (psig) | Temp (deg F) | Annotation |
|-------------|-----------------|--------------|----------------------|
| 0 | 1872.90 | 106.07 | Initial Hydro-static |
| 2 | 13.47 | 106.01 | Open To Flow (1) |
| 32 | 16.79 | 106.86 | Shut-In(1) |
| 62 | 163.65 | 107.86 | End Shut-In(1) |
| 63 | 18.24 | 107.81 | Open To Flow (2) |
| 92 | 19.90 | 109.28 | Shut-In(2) |
| 154 | 229.65 | 111.19 | End Shut-In(2) |
| 160 | 1869.72 | 112.39 | Final Hydro-static |

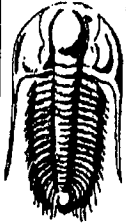
Recovery

| Length (ft) | Description | Volume (bbl) |
|-------------|------------------------|--------------|
| 20.00 | SOCM (98% air, 2% oil) | 0.10 |
| | | |
| | | |
| | | |
| | | |

Gas Rates

| Description | Choke (inches) | Pressure (psig) | Gas Rate (Mcf/d) |
|-------------|----------------|-----------------|------------------|
| | | | |

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DRILL STEM TEST REPORT

H&M Petroleum Corporation
 13570 Meadow grass Dr.
 Suite 101
 Colorado Springs, CO 80921
 ATTN: Randy Say

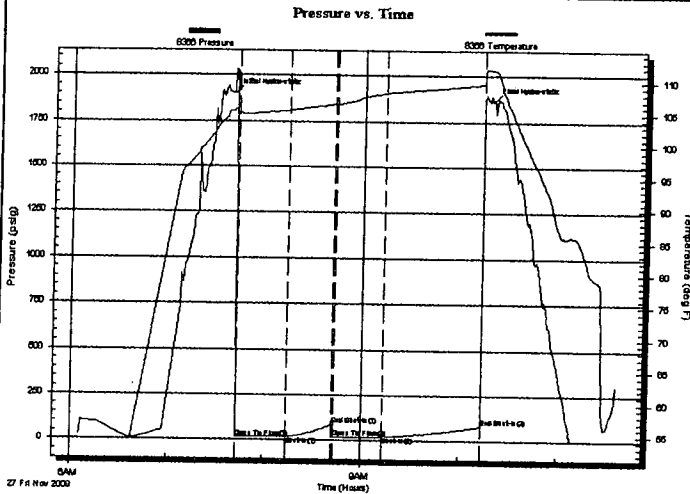
High Hill AERC #2
7/10s/24w Graham KS
 Job Ticket: 35631 DST#: 3
 Test Start: 2009.11.27 @ 06:05:00

GENERAL INFORMATION:

Formation: **LKC "I - K"**
 Deviated: **No Whipstock:** ft (KB)
 Time Tool Opened: 07:42:30
 Time Test Ended: 11:36:30
 Interval: **3900.00 ft (KB) To 3954.00 ft (KB) (TVD)**
 Total Depth: **3954.00 ft (KB) (TVD)**
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 Test Type: **Conventional Bottom Hole**
 Tester: **James Winder**
 Unit No: **46**
 Reference Elevations: **2452.00 ft (KB)**
 2447.00 ft (CF)
 KB to GR/CF: 5.00 ft

Serial #: 8366 **Inside**
 Press@RunDepth: **20.62 psig @ 3901.00 ft (KB)** Capacity: **8000.00 psig**
 Start Date: **2009.11.27** End Date: **2009.11.27** Last Calib.: **2009.11.27**
 Start Time: **06:05:00** End Time: **11:36:30** Time On Btrr: **2009.11.27 @ 07:40:00**
 Time Off Btrr: **2009.11.27 @ 10:19:00**

TEST COMMENT: IF: Blow built to 1 1/4"
 IS: Bled off, No blow back
 FF: No blow
 FSI: No blow back



PRESSURE SUMMARY

| Time (Min.) | Pressure (psig) | Temp (deg F) | Annotation |
|-------------|-----------------|--------------|----------------------|
| 0 | 1900.91 | 105.43 | Initial Hydro-static |
| 3 | 15.41 | 104.88 | Open To Flow (1) |
| 34 | 17.15 | 105.56 | Shut-In(1) |
| 62 | 88.07 | 106.47 | End Shut-In(1) |
| 63 | 17.35 | 106.45 | Open To Flow (2) |
| 93 | 20.62 | 108.19 | Shut-In(2) |
| 153 | 80.66 | 109.62 | End Shut-In(2) |
| 159 | 1862.42 | 111.70 | Final Hydro-static |

Recovery

| Length (ft) | Description | Volume (bbl) |
|-------------|------------------------|--------------|
| 15.00 | SOCM 93% m, 5% o, 2% g | 0.07 |
| | | |
| | | |
| | | |
| | | |

Gas Rates

| Choke (inches) | Pressure (psig) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
| | | |

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SUMMARY

The High Hill AERC No. 2 location was based on interpretation of the High Hill Prospect 3-D seismic data survey. This development well location is approximately 3/8th's of a mile south of the two well abandoned Riedel Southwest Field (located in the SW/4-Section 7-T10S-R24W) which produced 41,223 BO from 1969-1992 from the Lansing/Kansas City Group. The 3-D seismic indicated the High Hill AERC No. 2 location should encounter the Top/Lansing slightly low structurally to the Empire Drilling Co. Richmeir No. 1 Lansing "F" Zone abandoned oil well (C-SW-Section 7-T10S-R24W), then thinning through the Kansas City with the Base/Kansas City being slightly high structurally.

Based on the drilling results/pipe strap, and confirmed through Log-Tech logs, the 3-D seismic was proven to be a bust at this location, as the High Hill AERC No. 2 well runs -9 feet low structurally at the Top/Lansing and -5 feet low at the Base/Kansas City relative to the Reference Well "A"/Empire Drilling Co. Richmeir No. 1 (C-SW-Section 7-T10S-R24W).

The High Hill AERC No. 2 was drilled deep to the Granite in order to evaluate the deeper formation's, as few well's in the area penetrated below the Base/Kansas City.

The High Hill AERC No. 2 test well is located in southwestern Graham County, Kansas and is approximately 10 miles west and 12 miles south of Hill City, Kansas.

The primary objectives in the High Hill AERC No. 2 included the Lansing "C" and "F" Zone's and the Kansas City "J" and "K" Zone's. Secondary objectives included the Lansing "A", "D", and "E" Zone's, Kansas City "H" and "I" Zone's, and the Cherokee Limestone Formation.

Three (3) open hole drill stem test's were run in the High Hill AERC No. 2. DST No. 1 isolated the Lansing "C" Zone and recovered 20 feet of slightly oil cut mud with SIP's of 164-230 p.s.i. DST No. 2 isolated the Lansing "F" Zone and recovered 392 feet of fluid consisting of 100 feet of muddy water with trace oil and 292 feet of slightly mud cut water with trace oil (SIP's of 590-583 p.s.i.). DST No. 3 covered the Kansas City "I"- "K" Zone's and recovered 15 feet of slightly oil cut mud with SIP's of 88-81 p.s.i.

The High Hill AERC No. 2 well was spudded on November 21, 2009, and the well was plugged and abandoned on December 1, 2009 after drilling to granite/basement rocks. No significant drilling problems were encountered until severe lost circulation problems at 4,425 feet.

The well was under 24-hour geological supervision from 3,400 feet to 4,846 feet RTD. Wet and dry drilling samples were caught by the drilling crews from 3,400 feet to 4,846 feet RTD at 10-foot intervals. All lithologic descriptions were lagged to true depth by the consulting wellsite geologist.

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A dry split of the drilling samples were cut and sent to the Kansas Geological Survey Sample Library in Wichita, KS as requested by the state.

Hydrocarbon Shows

Several significant oil sample shows were observed and recorded in the samples during the drilling of the High Hill AERC No. 2 in the primary and secondary objective Lansing/Kansas City Group:

| | | |
|------------------------|--------------|---|
| -Lansing "C" Zone: | Good Show: | slight gassy odor, medium bright yellow fluorescence, uneven brown oil stain, good show free brown live oil, intermediate bright yellow streaming cut, oil filled porosity, light tan dried residual halo cut fluorescence (isolated on DST No.1) |
| -Lansing "F" Zone: | Medium Show: | slight gassy oil odor, uneven light yellow fluorescence, uneven tan-brown oil stain, very fine oil show, good slow milky cut (isolated on DST No. 2) |
| -Kansas City "H" Zone: | Fair Show: | some medium yellow fluorescence, spotty trace brown oil stain, live show free oil in vugs, immediate light yellow live cut (was not drill stem tested) |
| -Kansas City "I" Zone: | Medium Show: | slight gassy oil odor, medium yellow fluorescence, uneven brown oil stain, brown free oil in vug, slow live streaming medium yellow to milky cut, tan dried halo cut fluorescence (included on DST No. 3) |
| -Kansas City "J" Zone: | Good Show: | slight gassy oil odor, medium bright yellow fluorescence, brown oil stain, brown-dark brown free live oil in pinpoint vugs and granular limestone, medium yellow live cut, tan dried halo cut fluorescence. (included on DST No. 3) |
| -Kansas City "K" Zone | Medium Show: | slight gassy oil odor, some medium yellow fluorescence, uneven oil |

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stain, light tan show live oil in vugs,
immediate streaming medium bright
yellow live cut, tan residual dried
halo cut (included on DST No. 3)

Complete lithologic descriptions and hydrocarbon sample shows can be found in the detailed "Zones of Interest" portion of this geologic report. Complete Drill Stem Test fluid recovery results and pressures can be found in this report under "Drill Stem Tests".

Structural Position

The High Hill AERC No. 2 runs significantly lower structurally in relation to Reference Well "A"/Empire Drilling Co. Richmeir No. 1 Lansing "F" Zone abandoned oil well (C-SW-Section 7-T10S-R24W), and structurally mixed in relation to Reference Well "B"/Don E. Pratt No. 1 dry hole (C-N/2-N/2-NW-Section 18-T10S-R24W).

Compared to Reference Well "A"/Empire Drilling Co. Richmeir No. 1, the High Hill AERC No. 2 runs: -14 feet low at the Stone Corral Anhydrite, -7 feet low at the Heebner Shale, -9 feet low at the Top/Lansing "A", -7 feet low at the Lansing "F" Zone, -9 feet low at the Muncie Creek Shale, -4 feet low at the Kansas City "J" Zone, and -5 feet low at the Base/Kansas City.

Compared to Reference Well "B"/Don E. Pratt Hobbs No. 1, the High Hill AERC No. 2 runs: -4 feet low at the Stone Corral Anhydrite, +2 feet high at the Heebner Shale, and -4 feet low at the Top/Lansing "A". The Base/Kansas City was not called.

A complete structural comparison of the Formation Tops in this well, in relation to the Reference Wells, can be found in the detailed "Formation Tops" table in this geologic report.

Conclusion

The High Hill AERC No. 2 test well location was determined through a 3-D seismic survey which indicated a development step out location existed south of the abandoned two well Riedel Southwest Field in the SW/4 of Section 7-T10S-R24W.

Structurally, the Top/Lansing/Kansas City Group was encountered significantly lower than predicted by the 3-D seismic relative to Reference Well's "A" and "B". As a result the primary objective Lansing "F" Zone (which was the oil producing zone in Reference Well "A"), is wet/water productive in the High Hill AERC No.2 test well, as confirmed by DST No. 2.

Numerous free oil sample shows were observed in the Lansing "C" and "F" Zone's and the Kansas City "H", "I", "J", and "K" Zone's, however, only slightly oil cut mud was recovered on DST No. 1 (Lansing "C" Zone) and DST No. 3 (Kansas City "I"- "J" Zone's).

Because of the low structural position of the Lansing/Kansas City Group and the negative drill stem test results, the High Hill AERC No. 2 was drilled deeper to the Granite in order to test the Pennsylvanian aged Cherokee Group and other Ordovician aged formation's.

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Therefore, based on the low structural position of the primary and secondary objective Formation's in the High Hill AERC No. 2, the negative fluid recoveries and pressures on the three drill stem tests, and the confirming Log-Tech logs, the High Hill AERC No. 2 was plugged and abandoned as a dry hole.

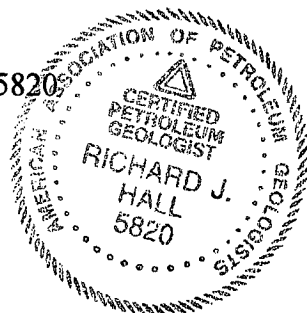
Respectfully Submitted,



Richard J. Hall

Certified Petroleum Geologist No. 5820

Whitehall Exploration



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EMIT TO
 RR 1 BOX 90 D
 HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

413

| | | | | | |
|-----------------------------------|-------------------------|------------|-----------------|------------------|-----------------|
| DATE <i>11/7/09</i> SEC. <i>7</i> | RANGE/TWP. <i>10/24</i> | CALLED OUT | ON LOCATION | JOB START | JOB FINISH |
| LEASE <i>High Hill AERC</i> | | | WELL # <i>2</i> | | |
| | | | | COUNTY <i>44</i> | STATE <i>KS</i> |

| | | | | | |
|--------------------------------|------------------|-----------------|-------------|---------------|---------------|
| CONTRACTOR <i>WW 10</i> | OWNER <i>H+M</i> | | | | |
| TYPE OF JOB <i>Rotary Plug</i> | | | | | |
| HOLE SIZE | T.D. <i>4846</i> | CEMENT | | | |
| CASING SIZE | DEPTH | AMOUNT ORDERED | <i>230</i> | | |
| TUBING SIZE | DEPTH | | | | |
| DRILL PIPE <i>4 1/2</i> | DEPTH | | | | |
| TOOL | DEPTH | | | | |
| PRES. MAX | MINIMUM | COMMON | <i>128</i> | @ <i>14"</i> | <i>2000</i> |
| DISPLACEMENT | SHOE JOINT | POZMIX | <i>92</i> | @ <i>8"</i> | <i>720</i> |
| CEMENT LEFT IN CSG. | | GEL | <i>8</i> | @ <i>20"</i> | <i>220</i> |
| PERFS | | CHLORIDE | | @ | |
| | | ASC | | @ | |
| EQUIPMENT | | | | @ | |
| | | | | @ | |
| PUMP TRUCK | | <i>T/S seal</i> | <i>57.5</i> | @ <i>2"</i> | <i>129.57</i> |
| # <i>1</i> | | | | @ | |
| BULK TRUCK | | | | @ | |
| # <i>1</i> | | | | @ | |
| BULK TRUCK | | | | @ | |
| # | | | | @ | |
| | | HANDLING | <i>238</i> | @ <i>12"</i> | <i>467</i> |
| <i>Plugged</i> | <i>7:30 AM</i> | MILEAGE | <i>36</i> | @ <i>20.7</i> | <i>745</i> |
| | <i>12/2/09</i> | | | TOTAL | |

| | | | |
|-----------------------|----------------------------|-------------|-------------|
| REMARKS | SERVICE <i>Rotary Plug</i> | | |
| <i>1st 25' 4260'</i> | DEPT OF JOB | @ | |
| <i>2nd 25' 2100'</i> | PUMP TRUCK CHARGE | @ | <i>1750</i> |
| <i>3rd 100' 1240'</i> | EXTRA FOOTAGE | @ | |
| <i>4th 40' 260'</i> | MILEAGE | @ <i>6"</i> | <i>237</i> |
| <i>5th 120' 40'</i> | MANIFOLD | @ | |
| <i>Rot Hole 50'</i> | | @ | |
| | TOTAL | | |

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| | |
|-----------------------|-------|
| CHARGE TO: <i>H+M</i> | |
| STREET | STATE |
| CITY | ZIP |

To: Schippers Oil Field Service LLC
 You are hereby requested to rent cementing equipment and furnish staff to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

| | |
|-------------------------------|--------------|
| PLUG & FLOAT EQUIPMENT | |
| <i>8 3/8</i> | @ <i>690</i> |
| | @ |
| | @ |
| | @ |
| | @ |
| | TOTAL |
| TAX | |
| TOTAL CHARGE | |
| DISCOUNT (IF PAID IN 20 DAYS) | |

SIGNATURE *Mark Herkowitz* PRINTED NAME *MARK HERKOWITZ*

REMIT TO
RR I BOX 90 D
HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

409

| | | | | | | |
|-----------------------------|--------------|--------------------------|----------------|-------------|------------------|-----------------|
| DATE <u>11/21</u> | SEC <u>7</u> | RANGE/TWP. <u>10/-24</u> | CALLED OUT | ON LOCATION | JOB START | JOB FINISH |
| LEASE <u>High Hill AERL</u> | | | WELLS <u>2</u> | | COUNTY <u>64</u> | STATE <u>KS</u> |

| | | | | |
|--------------------------|------------------|----------------|--------------|-----------------------|
| CONTRACTOR <u>WW 10</u> | OWNER <u>H+M</u> | | | |
| TYPE OF JOB | | | | |
| HOLE SIZE | T.D. <u>220</u> | CEMENT | | |
| CASING SIZE <u>8 5/8</u> | DEPTH | AMOUNT ORDERED | | |
| TUBING SIZE | DEPTH | | | |
| DRILL PIPE <u>4 1/2</u> | DEPTH | | | |
| TOOL | DEPTH | | | |
| PRES. MAX | MINIMUM | COMMON | <u>16540</u> | <u>@ 14.22 232.22</u> |
| DISPLACEMENT | SHOE JOINT | POZMIX | | <u>@</u> |
| CEMENT LEFT IN CSG. | | GEL | <u>3</u> | <u>@ 26 78</u> |
| PERFS | | CHLORIDE | <u>5</u> | <u>@ 52</u> |
| | | ASC | | <u>@</u> |
| EQUIPMENT | | | | <u>@</u> |
| | | | | <u>@</u> |
| PUMP TRUCK | | | | <u>@</u> |
| # <u>5ay</u> | | | | <u>@</u> |
| BULK TRUCK | | | | <u>@</u> |
| # <u>Dave</u> | | | | <u>@</u> |
| BULK TRUCK | | | | <u>@</u> |
| # | | | | <u>@</u> |
| | | | | <u>@</u> |
| | | HANDLING | <u>172</u> | <u>@ 1.35 231.00</u> |
| | | MILEAGE | <u>37</u> | <u>@ 15.46 572.42</u> |
| | | | | <u>TOTAL</u> |

| | | | |
|---------------------------|-----------------------|--------------|----------------------|
| REMARKS | SERVICE <u>Sarban</u> | | |
| <u>Plug down @ 7:00PM</u> | DEPT OF JOB | <u>@</u> | |
| | PUMP TRUCK CHARGE | <u>@</u> | <u>950.00</u> |
| | EXTRA FOOTAGE | <u>@</u> | |
| <u>Circ Cement to Pit</u> | MILEAGE | <u>37</u> | <u>@ 6.49 240.13</u> |
| | MANIFOLD | <u>@</u> | <u>100.00</u> |
| | | <u>@</u> | |
| | | <u>TOTAL</u> | |

| | |
|-----------------------|-------|
| CHARGE TO: <u>H+M</u> | |
| STREET | STATE |
| CITY | ZIP |

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You are hereby requested to rent cementing equipment and furnish staff to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

| | |
|-------------------------------|--------------|
| PLUG & FLOAT EQUIPMENT | |
| <u>8 5/8 Plug</u> | <u>@ 69</u> |
| | <u>@</u> |
| | <u>@</u> |
| | <u>@</u> |
| | <u>@</u> |
| | <u>TOTAL</u> |
| TAX | |
| TOTAL CHARGE | |
| DISCOUNT (IF PAID IN 20 DAYS) | |

SIGNATURE [Signature]

PRINTED NAME GOS REINER