
Z ENGINEERING GROUP
Woodlawn Prospect
Marion County, Texas

Z ENGINEERING WOODLAWN PETTET PROSPECT

Geological Report

PETTET REGIONAL GEOLOGY

The Pettet is one of East Texas' primary drilling targets and has recently become very active again due to its prolific production characteristics. We have assembled an 89.94 acre block inside the Woodlawn field. That is enough acreage for two locations.

The Pettet produces from oolitic bars, much like the shoals that exist today in the shallow waters of the Bahamas in the Caribbean. These marine bars can consist of large reservoirs covering many square miles.

Similar to sand bar formation, this deposition consists of limestone particles that are winnowed by the current and thereby sorted in size. Oolites occur in super saturated calcium carbonate oceans where small broken limestone particles are coated by calcium carbonate and gradually grow in size, creating larger void spaces between the grains during bed formation.

The benefit of these oolitic limestone oil reservoirs is that the rock was deposited in an oceanic environment and is not erratic like a channel sand deposit. The pay zones are mappable and broadly deposited and therefore more predictable for modeling oil reservoir volumes.

The quality of the porosity and permeability is quite high, and the wells perforated in this high-quality rock can produce for 50 years or more. The old timers of East Texas exploration considered the Pettet among the very best pay zones in the basin - for good reason.

PROSPECT GEOLOGY

This Prospect is located on the border of Harrison and Marion Counties of East Texas, near the little Cypress bayou and south of the town of Jefferson, Texas. It is located in the northern part of a very prolific oil and gas field known as Woodlawn Field. Amoco operated this large multi-pay field for many years and until recently it has been very difficult to find open acreage. We believe that the migration of companies to the Permian and other hot horizontal frac plays has created unique opportunities in East Texas.

Our partner in this deal has been leasing acreage in East Texas for 40 years and found our prospect/lease through his many contacts and land/mineral connections.

Woodlawn Field produces from the Rodessa, Pettet, Travis Peak and Cotton Valley formations, and also more recently the Haynesville formation.

This prospect is a direct offset to a well completed in late 2013. The Sklar #1 Key well. Sklar is a Shreveport, La., based oil and gas company that has been active in the East Texas basin for many years. The Sklar #1 Key was drilled inside the fairway of a large northeast to southwest trending (multi layered) Pettet oolitic bar. The well contains a sequence of 4 porous productive oil zones in the middle Pettet. The well completion included a small nitrogen frac to enhance the flow of oil from the limestone. Our location should encounter similar, if not identical zones that are producing in the Sklar well.

Reference is made to the cross-section and map in the brochure. Note that in the cross-section it is apparent that the wells to the south and east of our location also contain

middle Pettit zones that were produced by Carter -Jones, the operators of the number #1 and #2 Torrens wells. The #2 Torrens well was not deep enough (NDE) to see all the zones we are drilling for -which is a positive for our reserves.

The #1 Torrens also has the same zones as the Sklar well and was completed in them in the early 1950s. These wells are structurally up dip to our location, which may explain why they produced more gas as a ratio.

Generally, older wells were produced only from the most porous zones > 14 % and as a result left a lot of oil in place in limestone pay because of limited technology with fracs.

Contrasted with the Permian and other hot resource shale plays, this project focuses on a much higher quality of rock in terms of perm and porosity at a cost of exploitation that is orders of magnitude lower.

Only recently have companies begun to look at these stacked limestone reservoirs as a viable target for horizontal drilling. New scouting reports from nearby horizontal wells drilled by Brooks , suggest rates as high as 900 barrels of oil per day (BOPD). In the initial phases of this project we intend to drill vertically but may expand to other drilling and completion methods (horizontal) as results and acreage dictate that other options are advantageous.

ECONOMIC FORECASTING

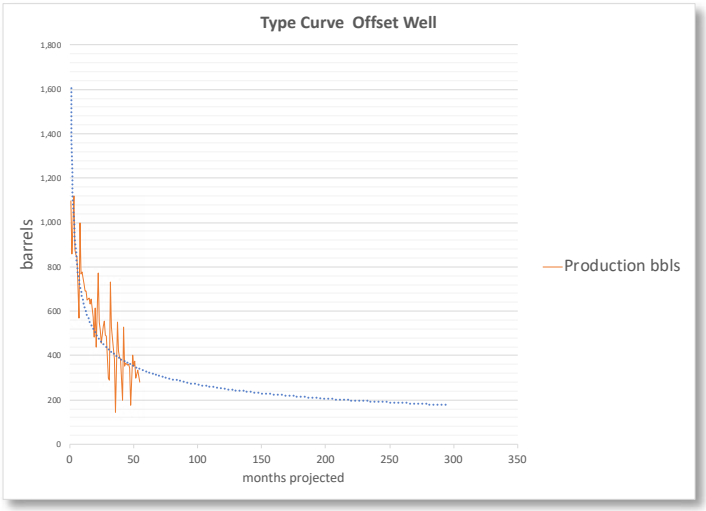
Based on our analysis of the offset well and nearby well histories, the reserves for a vertical well drilled and completed on the subject leases are as follows:

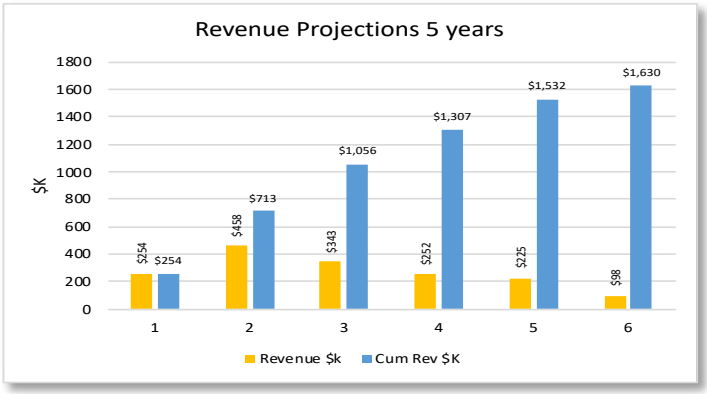
	Barrels Oil	Revenue $	Net Tax Investment Well 1	ROI
Low Case	50,000	$ 2,837,250	$ 923,979	3.1
Mid Case	75,000	$ 4,255,875	$ 923,979	4.6
High Case	100,000	$ 5,674,500	$ 923,979	6.1

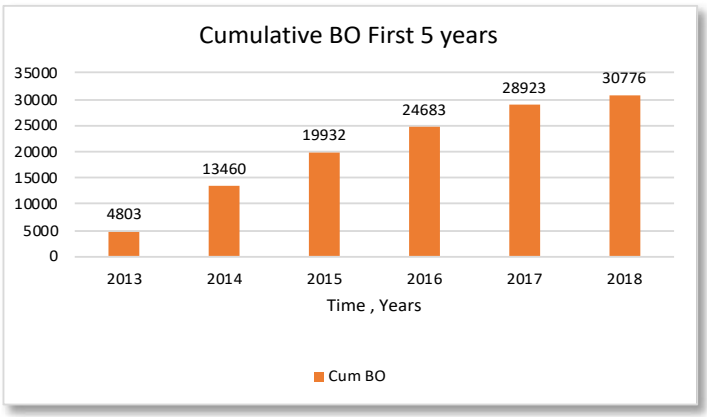
We have enough acreage with the lease block we have acquired to allow a second well. Unit spacing is 40 acres for a vertical well. When we drill the second well, it will not be promoted 1/3 for 1/4 as in the initial and first well. Instead, the cost will be heads up for all participants in this lease block.

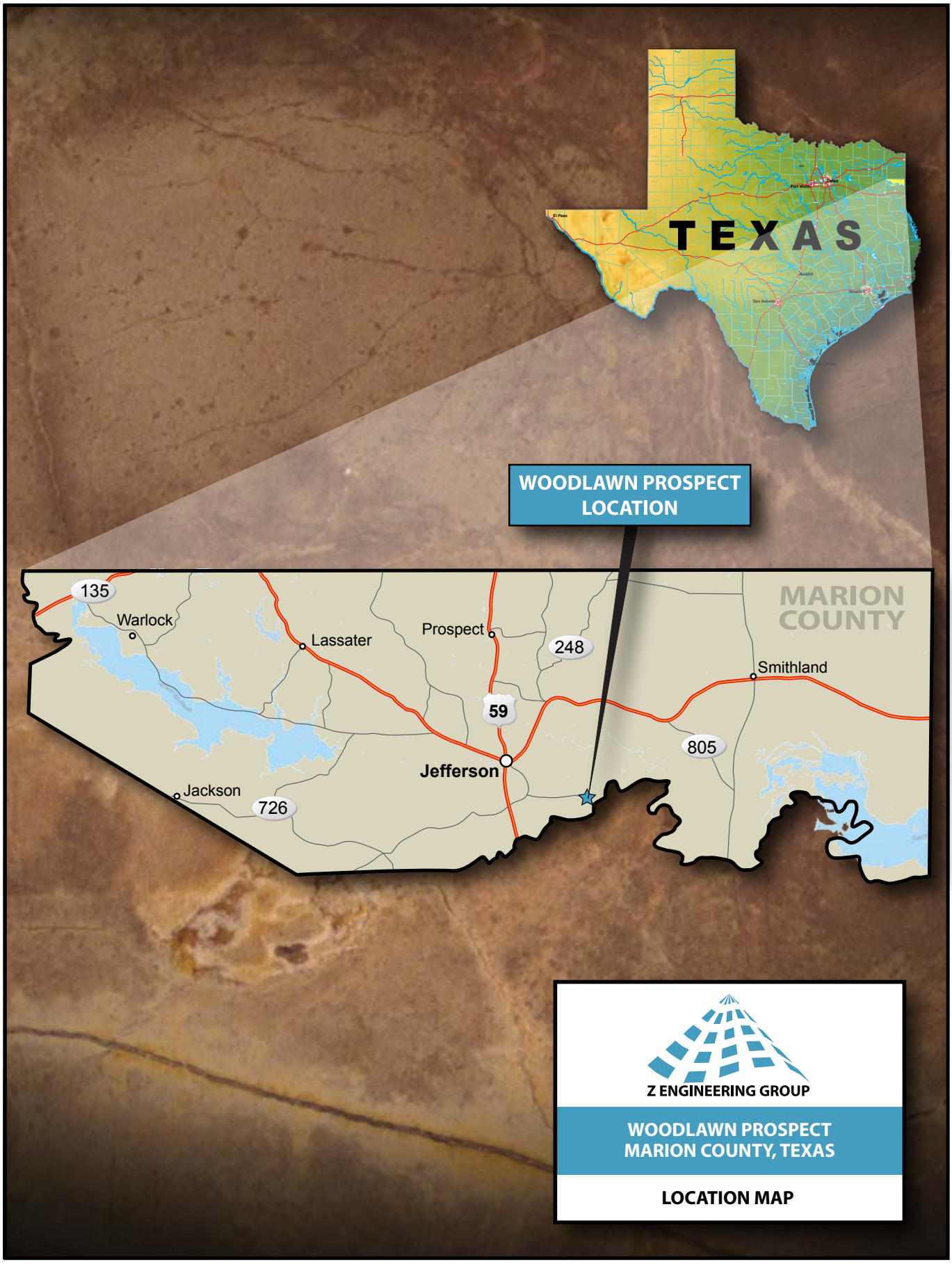
The Participant in this prospect will be a working interest partner and will pay a turnkey cost of $13,250 for 1% with a 2% minimum.

The $26,500 cost reflects drilling, acreage, equipment, completion and a carry of (1/3 for 1/4) described previously on the first well only.








TEXAS
WOODLAWN PROSPECT
LOCATION
135
Warlock
Lassater
Prospect
248
MARION
COUNTY
Smithland
59
805
Jefferson
Jackson
726
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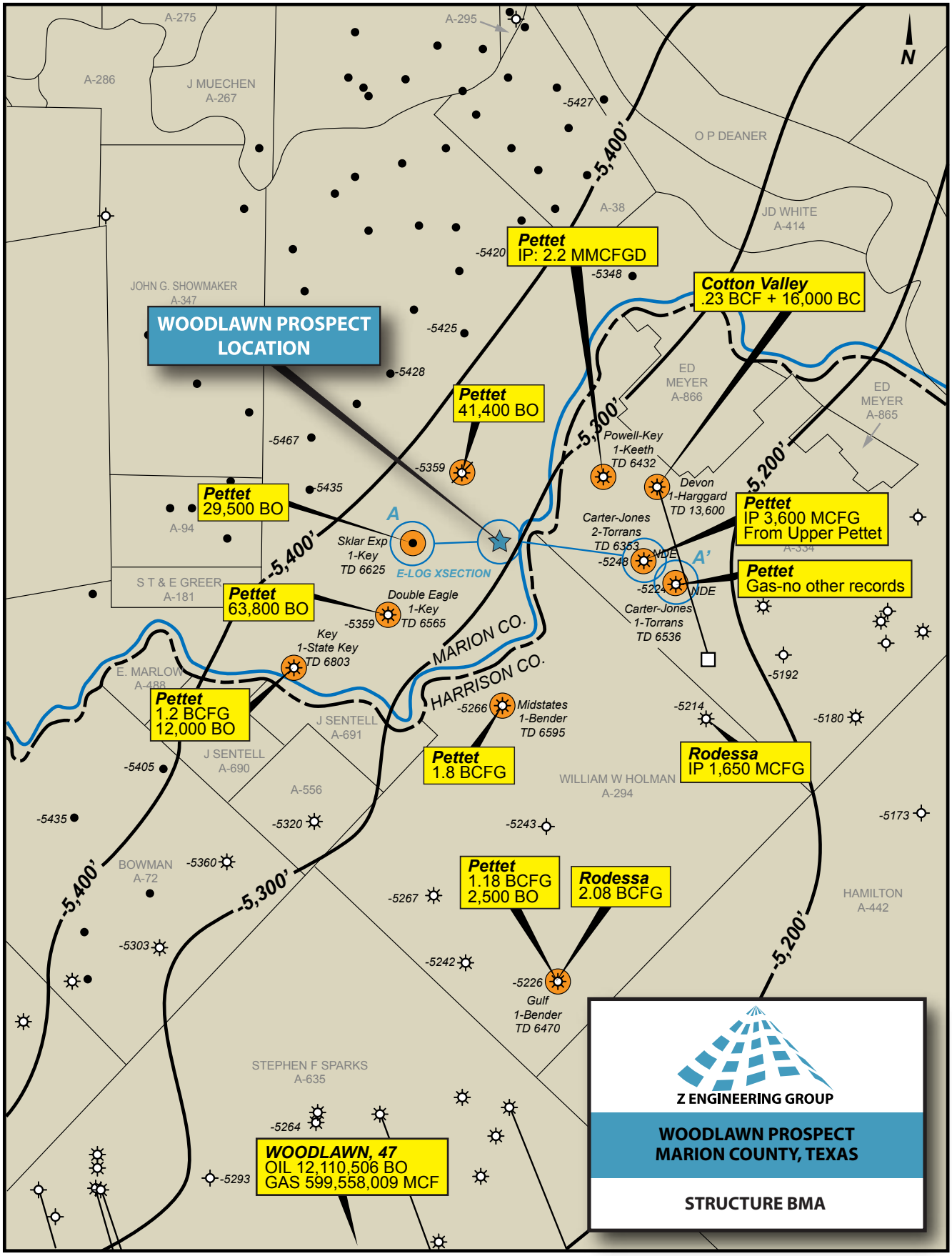
WOODLAWN PROSPECT
MARION COUNTY, TEXAS
LOCATION MAP


N
A-275
A-295
A-286
J MUECHEN
A-267
-5427
O P DEANER
-5,400'
A-38
JD WHITE
A-414
Pettet
IP: 2.2 MMCFGD
-5420
-5348
Cotton Valley
.23 BCF + 16,000 BC
JOHN G. SHOWMAKER
A-347
WOODLAWN PROSPECT
LOCATION
-5425
-5428
ED
MEYER
A-866
ED
MEYER
A-865
Pettet
41,400 BO
-5,300'
Powell-Key
1-Keeth
TD 6432
-5467
-5359
5,200'
Devon
1-Harggard
TD 13,600
Pettet
29,500 BO
-5435
A-94
A
Sklar Exp
1-Key
TD 6625
E-LOG XSECTION
Carter-Jones
2-Torrans
TD 6353
-5248
NDE
A'
Pettet
IP 3,600 MCFG
From Upper Pettet
A-334
-5,400'
S T & E GREER
A-181
Pettet
63,800 BO
Double Eagle
1-Key
TD 6565
-5359
Pettet
Gas-no other records
-5224
NDE
Carter-Jones
1-Torrans
TD 6536
Key
1-State Key
TD 6803
MARION CO.
HARRISON CO.
-5192
E. MARLOW
A-488
Pettet
1.2 BCFG
12,000 BO
J SENTELL
A-691
-5266
Midstates
1-Bender
TD 6595
-5214
-5180
J SENTELL
A-690
Pettet
1.8 BCFG
Rodessa
IP 1,650 MCFG
-5405
A-556
WILLIAM W HOLMAN
A-294
-5435
-5320
-5243
-5173
BOWMAN
A-72
-5360
-5,400'
-5,300'
Pettet
1.18 BCFG
2,500 BO
Rodessa
2.08 BCFG
-5267
HAMILTON
A-442
-5303
-5242
-5,200'
-5226
Gulf
1-Bender
TD 6470
STEPHEN F SPARKS
A-635
-5264
WOODLAWN, 47
OIL 12,110,506 BO
GAS 599,558,009 MCF
-5293
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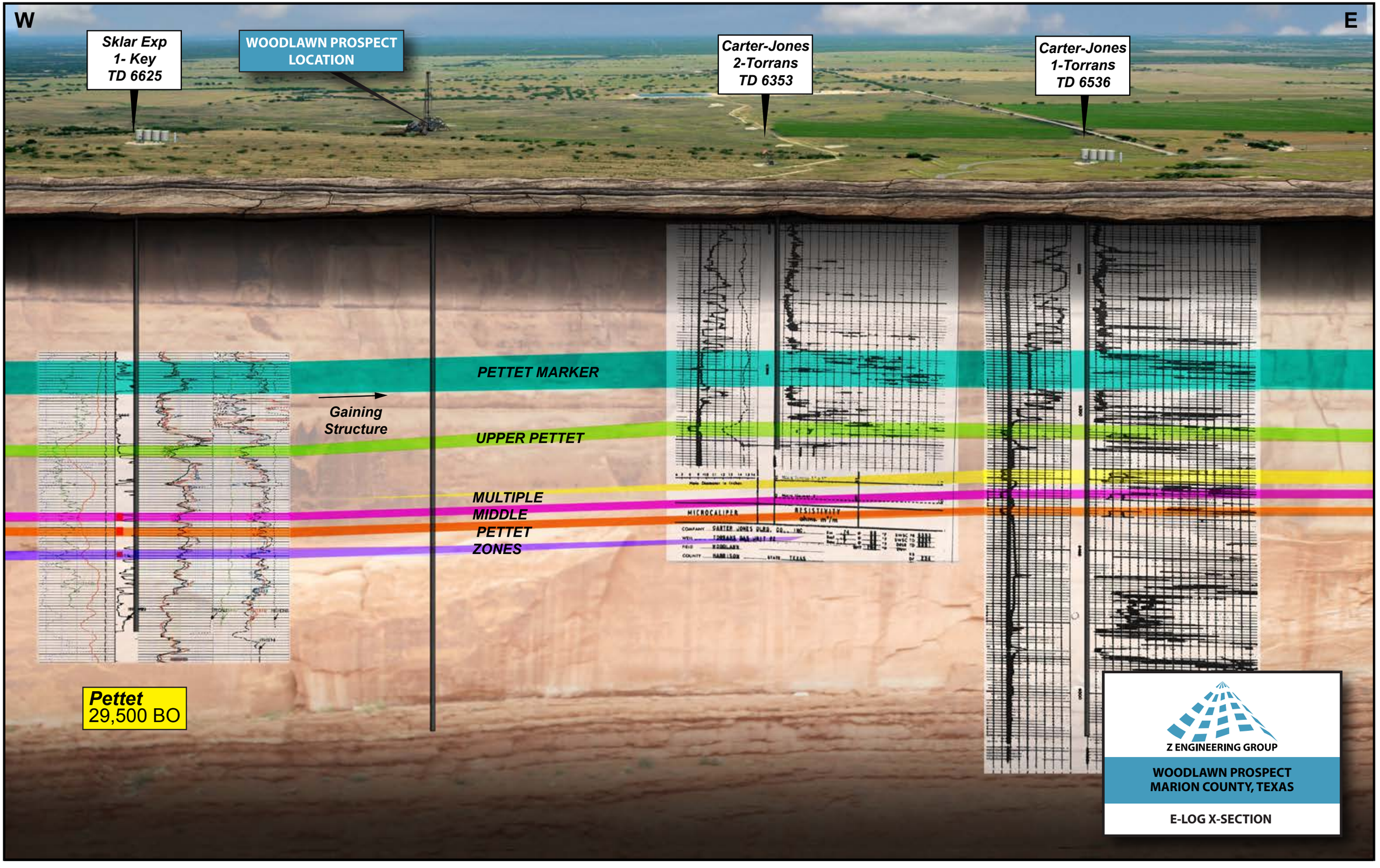
WOODLAWN PROSPECT
MARION COUNTY, TEXAS
STRUCTURE BMA


W
E
Sklar Exp
1- Key
TD 6625
WOODLAWN PROSPECT
LOCATION
Carter-Jones
2-Torrans
TD 6353
Carter-Jones
1-Torrans
TD 6536
PETTET MARKER
Gaining
Structure
UPPER PETTET
MULTIPLE
MIDDLE
PETTET
ZONES
MICROCALIPER
RESISTIVITY
COMPANY CARTER JONES DRLG. CO., INC.
FIELD WOODLAWN
COUNTY HARRISON STATE TEXAS
Pettet
29,500 BO
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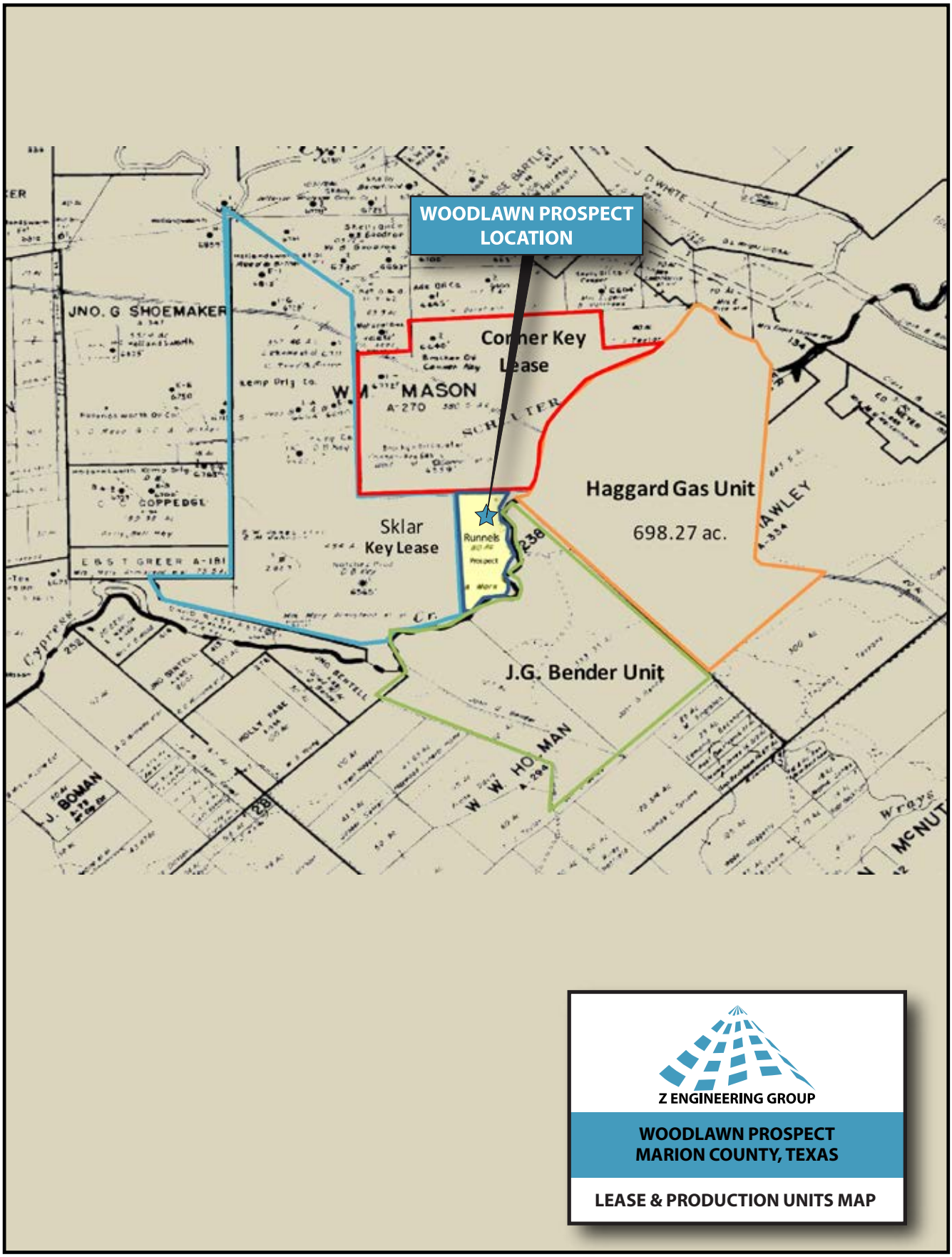
WOODLAWN PROSPECT
MARION COUNTY, TEXAS
E-LOG X-SECTION


WOODLAWN PROSPECT LOCATION
JNO. G SHOEMAKER
Corner Key Lease
W. M. MASON
A-270
Haggard Gas Unit
698.27 ac.
Sklar Key Lease
Runnels
238
J.G. Bender Unit
COPPEDGE
EAST GREER A-181
J. BOMAN
W. W. HOMAN
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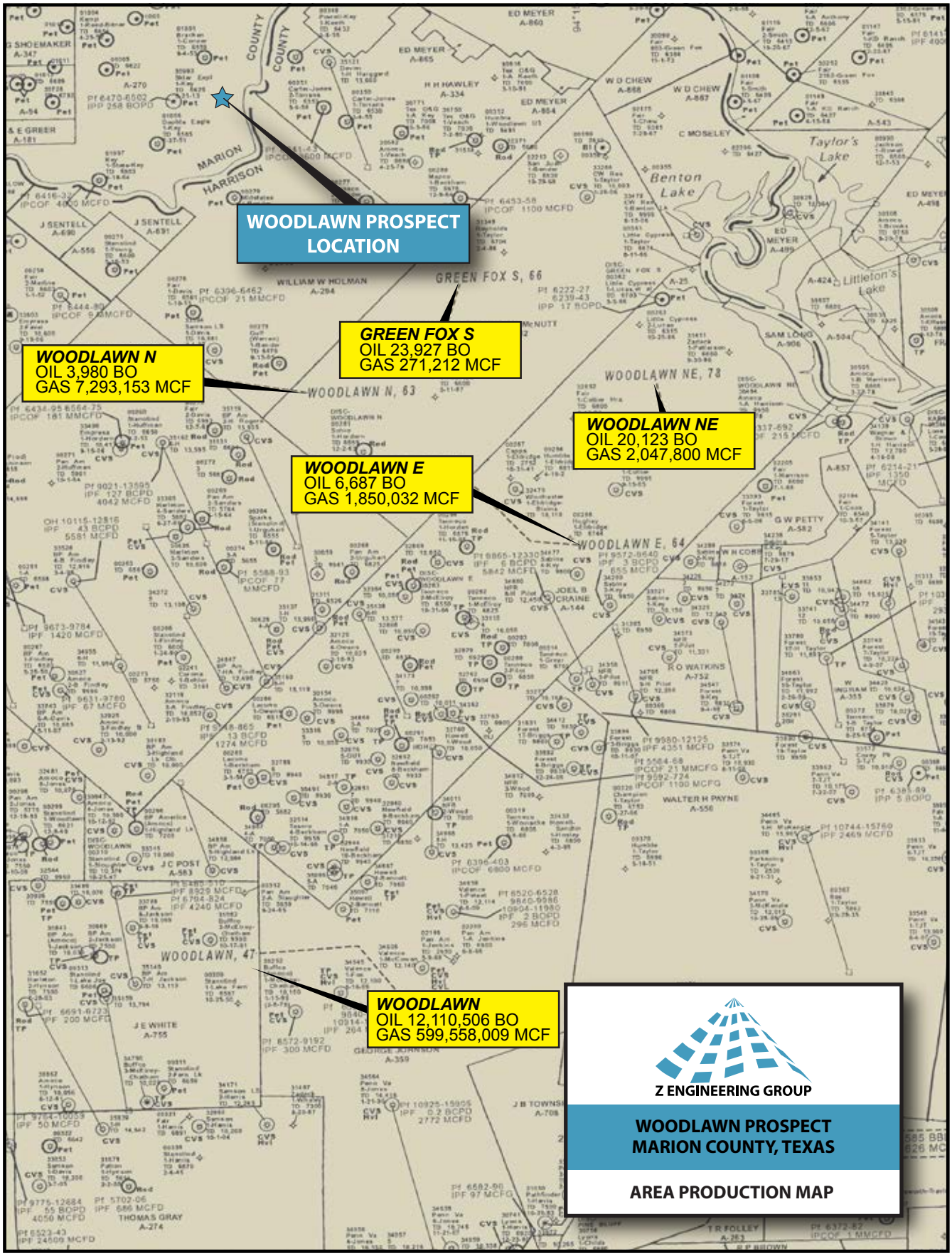
WOODLAWN PROSPECT
MARION COUNTY, TEXAS
LEASE & PRODUCTION UNITS MAP


WOODLAWN PROSPECT LOCATION
GREEN FOX S
OIL 23,927 BO
GAS 271,212 MCF
WOODLAWN N
OIL 3,980 BO
GAS 7,293,153 MCF
WOODLAWN NE
OIL 20,123 BO
GAS 2,047,800 MCF
WOODLAWN E
OIL 6,687 BO
GAS 1,850,032 MCF
WOODLAWN
OIL 12,110,506 BO
GAS 599,558,009 MCF
WOODLAWN N, 63
GREEN FOX S, 66
WOODLAWN NE, 78
WOODLAWN E, 64
WOODLAWN, 47
MARION
HARRISON
COUNTY
Benton Lake
Taylor's Lake
Littleton's Lake
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WOODLAWN PROSPECT
MARION COUNTY, TEXAS
AREA PRODUCTION MAP


DEERE

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david@zengineeringgroup.com