

GEOTRONIC SURVEY REPORT
HARRISON LEASE TRUST
PRINEVILLE, OREGON

On August 31, 1969, we visited the drill site of Morrow #1, which is located about twelve (12) miles north of Prineville, Oregon, on the Hay Creek Anticline Structure.

We flew the structure in our instrumented airplane to determine the presence of oil and/or gas and to outline the perimeter of the occurrence. Thereafter we drove over the structure by car and took geophysical data at the drill site of Morrow #1.

During the flying phase of the investigation it was discovered that the structure is basically a gas reservoir interspersed with lenticular oil occurrences at several depths.

The limit of the gas stratum can roughly be defined as enumerated herewith:

The Southern limit is situated approximately one-third of the way up the north slope of Grizzly Mountain, roughly the same as the cultivated ground.

The Western limit of this deposit runs nearly on the same line as the double high tension power lines. This may also be defined as the power substation located on the paved road to Grizzly and Hay Creek.

The Northern extremity is the canyon, or arroyo located about three miles north and north east of the Morrow #1 drill site.

The Eastern perimeter is approximately the same as the limits of the cultivated ground on the hillsides in that direction.

The geophysical logging of the drill site gave the following data:

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|------------|-----------------------|
| A. Oil | 5220 feet - 5241 feet |
| B. Dry Gas | 5580 feet - 5650 feet |
| C. Wet Gas | 6240 feet - 6500 feet |

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The oil zone conveys the impression that it should give a good show, however being of a lenticular nature we feel that it would probably not allow sustained commercial production.

The Dry Gas zone, we believe, would make commercial production in quantity, but uncertainty exists as to its value because of a low BTU reading.

The Wet Gas horizon appears to be the best shot. We are inclined to ascribe a BTU value in excess of 1000 BTU/cu. ft. to this gas. It is our feeling that a 10,000,000 cu. ft. per day sustained production could be achieved from this zone with the production of about 200 BBLs of condensate per day at this flow rate.

We have been informed that the pipe line crossing this structure is a gas line from Alberta, Canada, to California. A compressor station on this pipe line is also located on the subject property making what can be called a "DREAM" setup, for injection.

Our findings cause us to have a very high regard for this property and we feel certain that a sizeable gas reservoir lies below the surface.

It should be interesting to all who drive onto this property, to pay special note to the shimmering of the atmosphere especially just west of the power substation. These look like heat waves but will be visible even at cool temperatures. These are caused by gas seeping up through the earth.

It is possible that gas shows may be observed at the base of the Basaltic flows, as these rising gases from the pay zone accumulate against this relatively impervious formation. Also, this shimmering may be strongest over a fracture of the lava flows or at its edge.

Every parameter, for gas, for which we can measure, is present on this property and we take a positive position that the gas is definitely there.

This report dated on the Fifth day of September, 1969.

GEOTRONIC SURVEY COMPANY

W. F. Rossberg
W. F. Rossberg, Pres.

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