ARCHIE H. MARTIN, LLC

Consulting Petroleum Geologist

2104 Roosevelt Dr. Suite E Arlington, TX 76013 P.O. Box 174170 Arlington, TX 76003
817-706-1199 817-801-4716 Fax 817-478-8796 Home

August 5, 2011

Mr. Victor Smith
Victor P. Smith Oil Company
P.O. Box 6177
Jackson, MS 39288

RE: Squeeze Box Shallow Prospect
Little Cheniere Field
Cameron Ph., LA

Mr. Smith,

At Brooke Furh's request, I have performed a geological and geophysical review of the subject prospect with the objective of validating the facts, geology and geophysical evidence that support the prospect as well as independently assessing the reserve potential and risk factors associated with the prospect. On August 3, 2011, I visited with Davis Broadbridge at Kimsu Oil Company's office in Covington, Louisiana to review this prospect.

Immediately upthrown of main down-to-the-southeast fault for Squeeze box, the Smith #1 Trahan Jacobs encountered oil-on-water in both the 7400 and 7450 Sands. These sands logged 32% porosity with resistivities of 1 ohm or better. There was no crossover of the neutron/density curves suggesting that these sands are oil bearing. The seismic data indicate that significant structure can be gained at these objectives southwest of the #1 Trahan Jacobs as David has mapped.

Of particular concern is a NW-SE trending down-to-the-north fault (H1-L Fault) that David maps as dying out prior to reaching the main trapping fault, thus enlarging the potential drainage area. By tracking the fault from west to east, the seismic shows progressively decreasing throw from west to east and demonstrates that at the 7400 level, the H1-L Fault has died out prior to reaching the main fault. This decreasing throw can be seen on the two attached plats. Therefore the potential drainage area of these two sands is as mapped.

At the shallower 7050 Sand level, the picture is a little more complex. As can be seen on the attached plats, throws across the H1-L fault at the 7050 level are greater than the

throws at the deeper 7400 level. But like the deeper 7400 Sands, the H1-L Fault also appears to completely die out before reaching the main trapping fault at the 7050 level.

In examining the seismic data, a flat spot at the 7050 level caught my eye. This flat spot can be seen on the two attached plats and is marked by the red horizontal "time slice" marker. No matter where you look on the south flank of the structure, the flat spot remains at the same time-depth. This is a probable oil/water contact within a thick sand. Updip and downdip of the flat spot, there appears to be phase change in the data. This phase change is result of changing rock conditions, again suggesting a hydrocarbon bearing zone. I put the oil/water contact for the 7050 Sand at -7070 on David's map, corresponding to the known original oil/water contact for the 7050 Sand Series. This dramatically increases the reserve potential of the 7050 by about 2,000,000 BO.

The 7050 Sand production to the north (Goldking) is from thin sand stringers that are developed above a more massive sand. In my opinion, these wells drained only the sand stringers and not the main sand body. I suspect that when the proposed location is drilled, the Goldking Sand stringers will not be developed at all.

I suggest that David make a map on the massive sand to give a more accurate picture of this oil reservoir.

Another observation of note is that the flat spot is not readily seen north of the H1-L Fault. This may be due to the limited seismic data available, or it may signify that H1-L Fault does cut the 7050 Sand into two separate reservoir compartments, and therefore will require two well bores to effectively drain this sand..

Sincerely yours,

Archie H. Martin
Consulting Geologist/Geophysicist