

LEON REEF PROSPECT
Leon County, Texas
PROSPECT SUMMARY

Geology: The Leon Reef Prospect consists of two separate areas each containing three stacked, Cotton Valley Lime reefs and associated calcarenite shoals. Each of the reefs is defined by reprocessed 3-D seismic (available for review in Keystone's Dallas office) with support from near-by well control. The proposed initial test well will be drilled to a projected TD of 16,500 feet with the primary objective of testing reefs that are stratigraphically equivalent to the productive reefs at Pearwood (110 Bcf cumulative) and Branton fields (63+ Bcf cumulative). Cumulative production for the Poth-Marshall trend, including both reefs and shoals, exceeds 200 Bcf. Success in the initial well will support drilling up to six additional wells. Secondary objectives include Bossier and Cotton Valley sands that were indicated to be productive by log analysis in a nearby well.

Gas market: A Legacy sour gas gathering line is located 1500 feet from the proposed location.

Trade: This prospect is offered on a non-exclusive basis, is offered subject to prior sale and/or to withdrawal from offering without notice. Terms are available on request. Currently 100 percent working interest is available.

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