

New GasGun Stimulation Tool Proves to be a Significant Improvement over Previous Design

With over a year of engineering development, refinement, extensive field trials, plus more than 100 well stimulations, J Integral Engineering is proud to announce the availability of our newly designed GasGun tool.

In response to our customers' requests to reduce debris and increase the hydrostatic pressure capabilities, we undertook a dramatic design change from our previous copper canister. The new design uses aluminum fittings with o-ring seals and a rubber canister that gives the following advantages:

Reduced debris – Operators report little difficulty with the small amounts of aluminum and rubber that easily fall to the bottom of the well.

Higher hydrostatic pressure – The new design is capable of standing off a 4000 foot fluid column making it easier to field in deeper wells.

Less chance of getting wireline stuck – Wireline operators are reporting fewer cases of getting stuck and less wireline damage.

Lengths over 10' – Pay zones over 10 feet thick are easily treated by attaching multiple tools. Any tool length up to 50 feet is available, in two-foot increments.



Inside this issue:

New GasGun Stimulation Tool 1

GasGun success in the field 1

Case Wireline now Field-ing the GasGun 2

Quick Fact:

Combustion gases produced by the GasGun include CO₂, CO, H₂O, H₂, and N₂.

Current GasGun News and Success Stories

Since our last newsletter in January, over 200 GasGun stimulations have been conducted, bringing our total to over 650. Increased demand for GasGun services has been difficult to keep up with at times, but a recent shipment of tools to our various wireline companies should keep operators from experiencing any delays in GasGun availability.

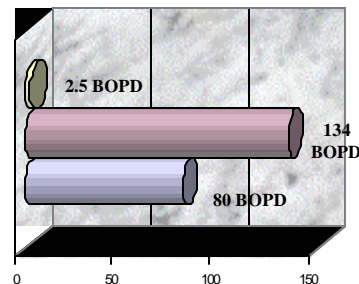
Interest in GasGun technology from operators overseas has increased steadily throughout the year. We are currently looking into several business relationships which will make the GasGun available to operators around the world. Keep posted on the most recent developments by visiting our website at: www.TheGasGun.com

Recent Results

In June 2002, a well in Grant County, Oklahoma, was stimulated with a 4 foot GasGun. This well is a cased hole completion in the Misener formation at a depth of 5946 feet. This well was drilled in 1996 with the completed formation only 2 feet from water. The customer initially tried to stimulate the formation with a diesel frac, but was unable to break it down. Immediately after the stimulation, it produced 134 BOPD. The well produced 1200 BBL in the first 12 days and leveled out at 80 BOPD.

In May 2002, a new well in Crane County, Texas, was stimulated with two 10-foot GasGuns. This is an open hole

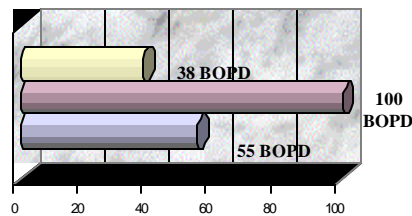
Misener Sandstone



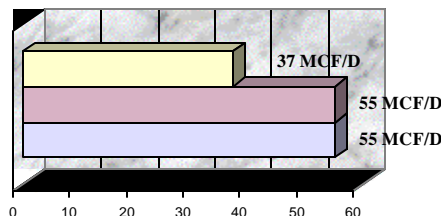
- Prior production
- Production after GasGun treatment
- After 2 weeks

well which was completed in a Devonian formation at a depth of approximately 7500 feet. Oil production went from 38 to 100 BOPD, and gas production went from 37 to 55 MCF/D after the GasGun treatment. Prior to the stimulation, the operator did some production modeling based on six 20-foot long fractures extending out from the wellbore. The model predicted production to increase to 68 BOPD. The operator was very pleased to see actual results come in better than they expected.

Devonian Limestone



- Prior oil production
- Oil production after GasGun treatment
- Sustained



- Prior gas production
- Gas production after GasGun treatment
- Sustained

In February 2002, a waste disposal well in Hughes County, Oklahoma, was stimulated with two 10-foot GasGuns.

This well is a cased hole completion in the Cromwell formation at a depth of 3184 feet. Before the shot the well was flowing water and required significant injection pressure in order to take any fluid. Immediately after the GasGun shots the well went on a very heavy vacuum. Currently the well is still on heavy vacuum with injection rates as high as 1200 BWPD.

In April 2002, a well in Gallatin County, Illinois, was stimulated with a 10 foot GasGun. This is a cased hole completion in the Aux Vases formation at a depth of 2876 feet. Production went from 0.75 to 14 BOPD and from 14 to 40 BWPD after the GasGun treatment. Production is currently at 7 BOPD and has leveled off.

In June 2002, a well in Muhlenburg County, Kentucky, was stimulated with a 6 foot GasGun. This well was completed open hole in the Tar Springs formation at a depth of 813 feet. After the GasGun stimulation, production went from 1 to 15 BOPD. Production has since leveled off at 10 BOPD.

In June 2002, a coal well in Pittsburg County, Oklahoma, was stimulated with a 4 foot GasGun. This well is an open hole completion in the McAlester formation at a depth of 636 feet. Production went from 2 to 20 MCF/D and from 0 to 4 BOPD after the GasGun treatment. Now that the well is producing some water, it is hoped that gas production will rise as water is withdrawn from this low pressure formation.

For more information about the GasGun please contact:

Dr. Richard A. Schmidt
 President
 J Integral Engineering, Inc.
 165 SW Tualatin Loop
 West Linn, OR 97068
 (503) 557-1370
 E-mail: JIntegral@thegasgun.com
 Web site: www.TheGasGun.com

Case Wireline Services, Inc., now offering GasGun services in Western Oklahoma

J Integral Engineering, Inc., is pleased to welcome Case Wireline Services to its family of wireline companies that field the Gas Gun. Case conducted their first GasGun stimulation in June 2002. We are very excited to have Case represent our tool throughout western Oklahoma and look forward to a successful partnership.

To schedule a GasGun treatment please contact:

Cameron Clark
 Case Wireline Services, Inc.
 P.O. Box 646
 Woodward, OK 73802
 Phone: (580) 254-3036