State of West Virginia  
Division of Environmental Protection  
Section of Oil and Gas

Well Operator's Report of Well Work

Farm name: FARR, JOHN C.  
Operator Well No.: CLINE #1

LOCATION:  
Elevation: 922.00  
District: WEST UNION  
Latitude: 14850 Feet South of 39 Deg. 20 Min. 0 Sec.  
Longitude: 9600 Feet West of 80 Deg. 45 Min. 0 Sec.

Company:  
KEY OIL COMPANY  
22 Garton Plaza  
WESTON, WV 26452-0000

Agent: JAN E. CHAPMAN

Inspector: MIKE UNDERWOOD

Permit Issued: 08/29/97  
Well Work Completed: 11/11/97

Verbal Plugging

<table>
<thead>
<tr>
<th>Casing &amp; Tubing Size</th>
<th>Used in Ft.</th>
<th>Left in Ft.</th>
<th>Cement Fill Up Cu. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 5/8&quot;</td>
<td>928.15'</td>
<td>928.15'</td>
<td>250 sks</td>
</tr>
<tr>
<td>To Surface</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 ¼&quot;</td>
<td>5240'</td>
<td>5240'</td>
<td>470 sks</td>
</tr>
<tr>
<td>2 3/8&quot;</td>
<td>5051'</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is coal being mined in area (Y/N)? N
Coal Depths (ft): NONE

OPEN FLOW DATA

<table>
<thead>
<tr>
<th>Producing formation</th>
<th>Pay zone depth (ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander</td>
<td>5048' - 5153'</td>
</tr>
</tbody>
</table>

Producing formation Alexander  
Pay zone depth (ft) 5048' - 5153'

Gas:
Initial open flow Show MCF / d
Final open flow 1540 MCF / d
Time of open flow between initial and final tests N/A Hours
Static rock pressure 1750 psig (surface pressure) after 96 Hours

Second producing formation Commingled  
Pay zone depth (ft) 3170' - 3234'

Second producing formation Commingled  
Pay zone depth (ft) 3170' - 3234'

Gas:
Initial open flow MCF / d
Final open flow MCF / d
Time of open flow between initial and final tests Hours
Static rock pressure psig (surface pressure) after Hours

NOTE: ON BACK OF THIS FORM PUT THE FOLLOWING: 1) DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2) THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELBORE.

For: KEY OIL COMPANY  
By:  
Date: March 27, 1998  

PRESIDENT  
MAY 14, 1998
Cline #1 (47-017-04386)
Four Stage Foam Frac - Halliburton

1st Stage: Alexander (14 holes) (5071.50' to 5138.25')
- 60 Quality Foam. 500 gal. 15% HCl.
- 60,000# 20/40 sand, 550,000 SCF N2, 809 bbls foam.

2nd Stage: Benson (7 holes) (4817' to 4848.50')
Third Riley (5 holes) (4739' to 4740')
- 60 Quality Foam. 750 gal. 15% HCl.
- 50,000# 20/40 sand, 481,000 SCF N2, 710 bbls foam.

3rd Stage: Riley (12 holes) (4372.50' to 4404.25')
- 60 Quality Foam. 750 gal 15% HCl.
- 5,000# 80/100 sand, 45,000# 20/40 sand, 502,000 SCF N2, 740 bbls foam.

4th Stage: Speechley (6 holes) (3259.25' to 3338')
Warren (7 holes) (3211.25' to 3231.75')
- 60 Quality Foam. 750 gal 15% HCl.
- 5,000# 80/100 sand, 45,000# 20/40 sand, 502,000 SCF N2, 564 bbls foam.

WELL LOG

<table>
<thead>
<tr>
<th>Layer</th>
<th>Begin</th>
<th>End</th>
<th>Volume</th>
<th>Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fill and clay</td>
<td>0</td>
<td>14</td>
<td></td>
<td>3½ H²O @ 310</td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>13</td>
<td>178</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Red Rock</td>
<td>178</td>
<td>191</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>191</td>
<td>830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Red Rock &amp; Shale</td>
<td>830</td>
<td>935</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>935</td>
<td>1340</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand</td>
<td>1340</td>
<td>1391</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>1391</td>
<td>1420</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand</td>
<td>1420</td>
<td>1452</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>1452</td>
<td>1771</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little Lime</td>
<td>1771</td>
<td>1791</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale</td>
<td>1791</td>
<td>1820</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Big Lime</td>
<td>1820</td>
<td>1900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Big Injun</td>
<td>1900</td>
<td>1968</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale</td>
<td>1968</td>
<td>2114</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weir</td>
<td>2114</td>
<td>2218</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>2218</td>
<td>2321</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berea</td>
<td>2321</td>
<td>2329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>2329</td>
<td>2510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gordon</td>
<td>2510</td>
<td>2567</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>2567</td>
<td>3170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warren</td>
<td>3170</td>
<td>3234</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale</td>
<td>3234</td>
<td>3248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speechley</td>
<td>3248</td>
<td>3347</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale &amp; Sand</td>
<td>3347</td>
<td>4344</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Riley</td>
<td>4344</td>
<td>4416</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>4416</td>
<td>4728</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Riley</td>
<td>4728</td>
<td>4760</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale</td>
<td>4760</td>
<td>4811</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benson</td>
<td>4811</td>
<td>4823</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sand &amp; Shale</td>
<td>4823</td>
<td>5048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alexander</td>
<td>5048</td>
<td>5153</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shale</td>
<td>5153</td>
<td>5277</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T.D.</td>
<td>5277</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GAS CHECKS
- 1731' - No Show
- 2504' - No Show
- 3001' - No Show
- 3530' - No show
- 4210' - No Show
- 4703' - 3/10th's - ½' w/ H²O
- 4919' - 10/10th's - ½' w/ H²O
- TD - Show
STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
WELL WORK PERMIT APPLICATION

1) Well Operator: KEY OIL COMPANY

2) Operator's Well Number: CLINE #1

3) Elevation: 922'

4) Well type: (a) Oil X / or Gas X / 
(b) If Gas: Production X / Underground Storage / Deep / Shallow X /

Issued 08/29/97 Expires 08/29/99

Proposed Target Formation(s): ALEXANDER
Proposed Total Depth: 5600 feet
Approximate fresh water strata depths: 80'
Approximate salt water depths: 0
Approximate coal seam depths: N/A

9) Does land contain coal seams tributary to active mine? Yes X / No /

10) Proposed Well Work: DRILL, STIMULATE, PRODUCE

11) Proposed Well Work: DRILL, STIMULATE, PRODUCE

CASING AND TUBING PROGRAM

<table>
<thead>
<tr>
<th>TYPE</th>
<th>SPECIFICATIONS</th>
<th>FOOTAGE INTERVALS</th>
<th>CEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conductor</td>
<td>11 3/4 ERW</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Fresh Water</td>
<td>8 5/8 ERW</td>
<td>23</td>
<td>922</td>
</tr>
<tr>
<td>Coal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>4 1/2 J-55</td>
<td>10.5</td>
<td>5450</td>
</tr>
<tr>
<td>Tubing</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liners</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PACKERS: Kind
Sizes
Depths set

For Office of Oil and Gas Use Only

Fee(s) paid: Well Work Permit Reclamation Fund WPCP Plat WW-9 WW-2B Bond Agent (Type)
STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS

NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:  5) (a) Coal Operator:
(a) Name: JOHN C. FARR, BY HIS ATTORNEY-IN-FACT
Name: NONE
Address: P. O. FARR II
Address:

(b)煤 Owner(s) with Declaration
Name:
Address:

(c) Name:
Address:

6) Inspector: MIKE UNDERWOOD
Name:
Address: SALEM, W.VA. 26426
Telephone (304)-782-1043

TO THE PERSON(S) NAMED ABOVE TAKE NOTICE THAT:

Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas OR
Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

I certify that as required under Chapter 22 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through ___ on the above named parties, by:

Personal Service (Affidavit attached)

X Certified Mail (Postmarked postal receipt attached)

Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 38 CSR 11-18, and I agree to the terms and conditions of any permit issued under this application.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete.

I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator: KEY OIL COMPANY
By: __________________________

PRESIDENT

Address: 22 GARTON PLAZA
WESTON, W.VA. 26452

Telephone 304-269-7193

Subscribed and sworn before me this 18TH day of AUGUST, 1997

Karen CoK

My commission expires MARCH 24, 2003