



1) Date: June 3, 19 83
 2) Operator's Well No. #4
 3) API Well No. 47 33 2915
 State County Permit

DRILLING CONTRACTOR:

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OIL AND GAS DIVISION

OIL AND GAS WELL PERMIT APPLICATION

- 4) WELL TYPE: A Oil X / Gas X
 B (If "Gas", Production X / Underground storage _____ / Deep _____ / Shallow X /)
- 5) LOCATION: Elevation: 1311 Watershed: West Fork River
 District: Clay County: Harrison Quadrangle: Clarksburg 7 1/2
- 6) WELL OPERATOR Hydrocarbon Energies Inc. 11) DESIGNATED AGENT Alvin Sorcan
 Address P.O. Drawer 976 Address P.O. Drawer 976
Buckhannon, WV 26201 Buckhannon, WV 26201
- 7) OIL & GAS ROYALTY OWNER P.K. Balsly Hrs. 12) COAL OPERATOR _____
 Address c/o David Taylor Address _____
Spring St., Clarksburg, WV
- 8) SURFACE OWNER George Kendal 13) COAL OWNER(S) WITH DECLARATION ON RECORD:
 Address 1806 Greensburg Ave. Ap 1 A Name Clay Development
North Versailles, PA 15137 Address PO Box 548
 Acreage 38 Shinnston, WV 26431
- 9) FIELD SALE (IF MADE) TO: Name _____ Address _____
- 10) OIL & GAS INSPECTOR TO BE NOTIFIED Name Steven Casey Address _____
Rt. 2, Box 232-D
Jane Lew, WV 26378
- 15) PROPOSED WORK: Drill X / Drill deeper _____ / Redrill _____ / Fracture or stimulate _____
 Plug off old formation _____ / Perforate new formation _____
 Other physical change in well (specify) _____
- 16) GEOLOGICAL TARGET FORMATION, 5TH Sand
- 17) Estimated depth of completed well, 3000 feet
- 18) Approximate water strata depths: Fresh, 30 511 feet; salt, 640, 820 feet.
- 19) Approximate coal seam depths: 225, 475, 535 Is coal being mined in the area? Yes _____ / No X /

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OIL & GAS DIVISION
DEPT. OF MINES

20) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILL-UP OR SACKS (Cubic feet)	PACKERS
	Size	Grade	Weight per ft.	New	Used	For drilling	Left in well		
Conductor	11 3/4			X		40	40	To Surface	Kinds
Fresh water						575	575	CTS	by Rule 15-05
Coal									Sizes
Intermediate	8 5/8		20	x		1350	1350	To Surface	
Production	4 1/2		10 1/2	x			3000	400 Sks	Depths set OR AS REG By Rule 15-01
Tubing									Perforations:
Liners									Top Bottom

- 21) EXTRACTION RIGHTS
 Check and provide one of the following:
 Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil or gas.
 The requirement of Code 22-4-1-(c) (1) through (4). (See reverse side for specifics.)
- 22) ROYALTY PROVISIONS
 Is the right to extract, produce or market the oil or gas based upon a lease or other continuing contract or contracts providing for flat well royalty or any similar provision for compensation to the owner of the oil or gas in place which is not inherently related to the volume of oil or gas so extracted, produced or marketed? Yes No
- If the answer above is No, nothing additional is needed. If the answer is Yes, you may use Affidavit Form IV-60.
- 23) Required Copies (See reverse side.)
- 24) Copies of this Permit Application and the enclosed plat and reclamation plan have been mailed by registered mail or delivered by hand to the above named coal operator, coal owner(s), and coal lessee on or before the day of the mailing or delivery of this Permit Application to the Department of Mines at Charleston, West Virginia
- Notary: Louis A. Ferron Signed: Alvin Sorcan
 My Commission Expires 12/20/90 Its: PRESIDENT

OFFICE USE ONLY
DRILLING PERMIT

Permit number 47-033-2915 Date July 18 83
 19

This permit covering the well operator and well location shown below is evidence of permission granted to drill in accordance with the pertinent legal requirements subject to the conditions contained herein and on the reverse hereof. Notification must be given to the District Oil and Gas Inspector. (Refer to No. 10) Prior to the construction of roads, locations and pits for any permitted work. In addition, the well operator or his contractor shall notify the proper district oil and gas inspector 24 hours before actual permitted work has commenced.)

Permit expires March 18, 1984 unless drilling is commenced prior to that date and prosecuted with due diligence.

Bond: <u>BB</u>	Agent: <u>LS</u>	Plat: <u>[Signature]</u>	Casing: <u>[Signature]</u>	Fee: <u>671</u>
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Administrator, Office of Oil and Gas

NOTE: Keep one copy of this permit posted at the drilling location.

Line Item Explanation

- 1) Date of Application
- 2) Your well name and number
- 3) To be filled out by office of oil & gas
- 4A) "Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves underground reservoirs: "Gas" means all natural gas and all other fluid hydrocarbons not defined as oil.
- 4B) "Shallow well" means any well drilled and completed in a formation above the top of the uppermost member of the "Onondaga Group" or a depth less than six thousand feet, whichever is shallower.
"Deep well" means any well drilled and completed in a formation at or below the top of the uppermost member of the "Onondaga Group" or at a depth less than six thousand feet, whatever is shallower.
- 5) Where well is located
- 6) Before a permit can be issued in a corporation, company partnership, or fictitious name, the name must be registered with the Secretary of State Office
- 7) Use separate sheet if necessary
- 8) Present surface owner at time application is filed.
- 9) Optional
- 11) See Reg. 7.01 relating to code §22-4-1k
- 12) "Coal Operator" means any persons, firm, partnership, partnership association or corporation that proposes to or does operate a coal mine. See Note 24
- 13 & 14) As per §22-4-20; See Note 24
- 15) Work that will be attempted—A separate Form IV-2 shall not be required for fracturing or stimulating a well where fracturing or stimulating is to be part of the work for which a permit is sought and is noted as such on the Form IV-2 filed in connection therewith.
- 16) Anticipated formation for which well will be completed
- 17) Self explanatory
- 18) Depth to deepest freshwater, and shallowest salt water, taken from nearby wells corrected for differences in elevation
- 19) All coal seam depths
- 20) Proposed casing program and cementing refer to Code 22-4-5, 22-4-6, 22-4-7, 22-4-8, 22-4-8a Reg 9.01, 15.01, 15.02, 15.03, 15.04, 25.01, 25.02, 25.03, 25.04
- 21) Code 22-4-11(c) - In lieu of filing the lease or leases or other continuing contract or contracts, the applicant for a permit described herein may file the following:
 - (1) A brief description of the tract of land including the district and county wherein the tract is located;
 - (2) The identification of all parties to all leases or other continuing contractual agreements by which the right to extract, produce or market the oil or gas is claimed;
 - (3) The book and page number wherein each such lease or contract by which the right to extract, produce or market the oil or gas is recorded;
 - (4) A brief description of the royalty provisions of each such lease or contract.
- 22) Code 22-4-11(d) and 22-4-11(e).
- 23) Regulation 7.02 of the Department of Mines provides that the original and four copies of Form IV-2 must be filed with the Department, accompanied by (i) a plat in the form prescribed by Regulation 11, (ii) a bond in one of the forms prescribed by Regulation 12, or in lieu thereof the other security allowed by Code §22-4-2, (iii) Form IV-9, "Reclamation Plan", applicable to the reclamation required by Code §22-4-12b and Regulation 23, (iv) unless previously paid on the same well, the fee required by Code §22-4-12a, and (v) if applicable, the consent required by Code §22-4-8a from the owner of any water well or dwelling within 200 feet of the proposed well.
- 24) **The above named coal operator, coal owner(s), and coal lessee are hereby notified that any objection they wish to make or are required to make by Code §22-4-3 must be filed with the Department of Mines within fifteen (15) days after the receipt of this Application by the Department.**

The following waiver must be completed by the coal operator and by any coal owner or coal lessee who has recorded a declaration under Code 22-4-20, if the permit is to be issued within fifteen (15) days of receipt thereof.

WAIVER

The undersigned coal operator _____ / owner _____ / lessee _____ / of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of the well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

Date: _____, 19____

By _____

Its _____

A2



1) Date: June 6, 19 84
2) Operator's Well No. Balsley # 4
3) API Well No. 47 - 033-2915 (REV)
State County Permit

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OIL AND GAS DIVISION
APPLICATION FOR A WELL WORK PERMIT

4) WELL TYPE: A Oil / Gas
B (If "Gas", Production / Underground storage / Deep / Shallow)
5) LOCATION: Elevation: 1310 Watershed: WestFork River (M26)
District: Clay 2 County: Harrison Quadrangle: Clarksburg 7 1/2 297
6) WELL OPERATOR Hydrocarbon Energies Inc 7) DESIGNATED AGENT Al Sorcan
Address P. O. Drawer 976 23625 Address Rt. 4, Box 444
Buckhannon, WV 26201 Buckhannon, WV 26201
8) OIL & GAS INSPECTOR TO BE NOTIFIED 9) DRILLING CONTRACTOR:
Name Steve Casey Name
Address Address

10) PROPOSED WELL WORK: Drill / Drill deeper / Redrill / Stimulate
Plug off old formation / Perforate new formation
Other physical change in well (specify) _____

11) GEOLOGICAL TARGET FORMATION, 5th Sand
12) Estimated depth of completed well, 3000 feet
13) Approximate strata depths: Fresh, 120 feet; salt, 780 feet.
14) Approximate coal seam depths: 345, 475, 720 Is coal being mined in the area? Yes

15) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILL-UP OR SACKS (Cubic feet)	PACKERS
	Size	Grade	Weight per ft.	New	Used	For drilling	Left in well		
Conductor	11 3/4				X	35'			Kinds
Fresh water									
Coal	8 5/8		23	X		1360	1360	to surface	Heat
Intermediate	8 5/8		"	"		"	"	"	
Production	4 1/2		10 1/2	X		3000	3000	300 sks.	Depth set
Tubing								or as req. by rule 15.01	Perforations:
Liners									Top Bottom

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JUN 26 1984
OIL & GAS DIVISION
DEPT. OF MINES

OFFICE USE ONLY
DRILLING PERMIT

Permit number 47-033-2915-REV Date July 24, 19 84

This permit covering the well operator and well location shown below is evidence of permission granted to drill in accordance with the pertinent legal requirements subject to the conditions contained herein and on the reverse hereof. Notification must be given to the District Oil and Gas Inspector, (Refer to No. 8) Prior to the construction of roads, locations and pits for any permitted work. In addition, the well operator or his contractor shall notify the proper district oil and gas inspector 24 hours before actual permitted work has commenced.)

The permitted work is as described in the Notice and Application, plat, and reclamation plan, subject to any modifications and conditions specified on the reverse hereof.

Permit expires July 24, 1986 unless well work is commenced prior to that date and prosecuted with due diligence.

Bond: BLANKET	Agent: [Signature]	Plat: MW	Casing: MW	Fee: 627
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Margaret J. Hass
Administrator, Office of Oil and Gas

NOTE: Keep one copy of this permit posted at the drilling location. File



OFFICE USE ONLY

PERMIT MODIFICATIONS AND CONDITIONS (IF ANY) TO THE PROPOSED WELL WORK

1) WELL LOCATION: W. 20201
 2) WELL OPERATOR: W. 20201
 3) DRILLING CONTRACTOR: W. 20201
 4) OIL & GAS INSPECTOR TO BE NOTIFIED: W. 20201
 5) PROPOSED WELL WORK: W. 20201
 6) APPROXIMATE COST PER YEAR: W. 20201
 7) APPROXIMATE DATE OF COMPLETION: W. 20201
 8) APPROXIMATE DATE OF START: W. 20201
 9) APPROXIMATE DATE OF END: W. 20201

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 OIL & GAS DIVISION
 DEPT. OF MINES

OFFICE USE ONLY

This part of Form IV-2(b) is to record the dates of certain occurrences and any follow-up inspections.

Date

Date(s)

Application received

Follow-up inspection(s)

Well work started

Completion of the drilling process

Well Record received

Reclamation completed

OTHER INSPECTIONS

Reason:

Reason:

Permit No.	W. 20201
Well Name	W. 20201
Operator	W. 20201
Driller	W. 20201
Inspector	W. 20201

A-4

I N S T R U C T I O N S T O A P P L I C A N T

CONCERNING THE LINE ITEMS:

- 1) Date of Notice.
- 2) Your well name and number.
- 3) To be filled out by the Office of Oil & Gas.
- 4) & 5) Use separate sheet if necessary.
- 4) Surface owner(s) of record to be served with Notice and Application. However, see also Code § 22-4-1b(b) if "more than three tenants in common or other co-owners of interest described in subsection (a) of this section hold interests in such lands".
- 5(i) "Coal Operator" means any person, firm, partnership, partnership association or corporation that proposes to or does operate a coal mine.
- 5(ii, iii) See Code § 22-4-20.
- 6) See Code § 22-4-11(c). However, in lieu of filing the lease(s) or other continuing contract(s), the Applicant may fill out the information in the space provided below.
- 7) See Code § § 22-4-11(d, e).

CONCERNING THE REQUIRED COPIES FOR FILING AND SERVICE:

Filing. Code § 22-4-1k and Regulation 7.02 provide that the original and required copies of the Notice and Application must be filed with the Administrator, accompanied by (i) a plat in the form prescribed by Regulation 11, (ii) a bond in one of the forms prescribed by Regulation 12, or in lieu thereof the other security allowed by Code § 22-4-1k(d) and the reclamation required by Code § 22-4-12b and Regulation 23, (iv) unless previously paid on the same well, the fees required by Code § 22-4-1a(c) and 22-3-12a, and (v) if applicable, the consent required by Code § 22-4-8a from the owner of any water well on dwelling within 200 feet of the proposed well.

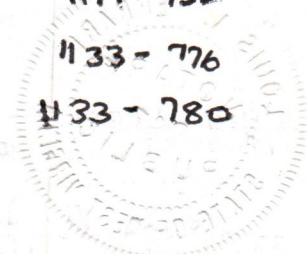
Service. In addition, service must be made on the surface owner(s) and the person(s) with an interest in the coal. See Code § § 22-4-1m, 22-4-2, 22-4-2a, and 22-4-2b.

INFORMATION SUPPLIED UNDER CODE § 22-4-11(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on the obverse side of this Notice, I depose and say that I am the person who signed the Notice for the Applicant, and that--

- (1) the tract of land is the same tract described in the Application to which this Notice applies, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

<u>Grantor, lessor, etc.</u>	<u>Grantee, lessee, etc.</u>	<u>Royalty</u>	<u>Book Page</u>
Josephine Balsley	Hydrocarbon Eng. Inc.	1/8	1117-448
MRS. David Taylor	"	1/8	1117-456
MARGEURITE Balsley	"	1/8	1117-452
OSCAR Volksdorf	"	1/8	1133-776
Roland WEISNER	"	1/8	1133-780



1) Date: June 6, 1984
2) Operator's Well No. Balsley # 4
3) API Well No. 47 - 033-2915 (REV)
State County Permit

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OFFICE OF OIL & GAS
NOTICE OF APPLICATION FOR A WELL WORK PERMIT

4) SURFACE OWNER(S) OF RECORD TO BE SERVED

(i) Name George Kendal
Address 609 Spring St.
Fairmont, WV 26554

(ii) Name Bridget Kendal
Address 40 John Kendal & Chris Kendal

(iii) Name _____
Address _____

5(i) COAL OPERATOR _____
Address _____

5(ii) COAL OWNER(S) WITH DECLARATION ON RECORD:
Name Clay Development
Address P. O. Box 386
Shinnston, WV 26431

Name _____
Address _____

5(iii) COAL LESSEE WITH DECLARATION ON RECORD:
Name _____
Address _____

TO THE PERSON(S) NAMED ABOVE: You should have received this Form and the following documents:

- (1) The Application for a Well Work Permit on Form IV-2(B) (or Form IV-4 if the well is to be plugged, which sets out the parties involved in the drilling or other work, and describes the well and its location and, if applicable, the proposed casing and cementing program;
- (2) The plat (surveyor's map) showing the well location on Form IV-6; and
- (3) The Construction and Reclamation Plan on Form IV-9 (unless the well work is only to plug a well), which sets out the plan for erosion and sediment control and for reclamation for the site and access road.

THE REASON YOU RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON THE REVERSE SIDE OF THE COPY OF THE APPLICATION (FORM IV-2(B) OR FORM 4, DESIGNATED FOR YOU. HOWEVER, YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT ALL.

Take notice that under Chapter 22 of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a Well Work Permit with the Administrator of the Office of Oil and Gas, West Virginia Department of Mines, with respect to a well at the location described on attached Application and depicted on attached Form IV-6. Copies of this Notice, the Application, the plat, and the Construction and Reclamation Plan have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of mailing or delivery to the Administrator.

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JUN 26 1984
OIL & GAS DIVISION
DEPT. OF MINES

6) EXTRACTION RIGHTS

Check and provide one of the following:

- Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil or gas.
- The requirement of Code 22-4-1-(c) (1) through (4). (See reverse side for specifics.)

7) ROYALTY PROVISIONS

Is the right to extract, produce or market the oil or gas based upon a lease or lease or other contract or contracts providing for flat well royalty or any similar provision for compensation to the owner of the oil or gas in place which is not inherently related to the volume of oil or gas so extracted, produced or marketed? Yes No

If the answer above is No, nothing additional is needed. If the answer is Yes, you may use Affidavit Form IV-60.

See the reverse side for line item instructions, and for instructions concerning the required copies of the Notice and Application, plat, and Construction and Reclamation Plan.

The truth of the information on the Notice and Application is verified and sworn to and the Notice is signed on behalf of the Well Operator in my County and State by

Alvin Sorca - President
this 6th day of June, 1984.
My commission expires 12-30, 1990.

Louis A. Fenner
Notary Public, UPSHUR County,
State of W.V.A.

WELL OPERATOR Hydrocarbon Energies, Inc.

By Alvin Sorca
Its President
Address P. O. Drawer 976
Buckhannon, WV 26201
Telephone (304)472-9600

ATTACH OR PHOTOCOPY SECTION OF INVOLVED TOPOGRAPHIC MAP. QUADRANGLE CLARKSBURG 7 1/2

LEGEND	
Well Site	⊕
Access Road	—

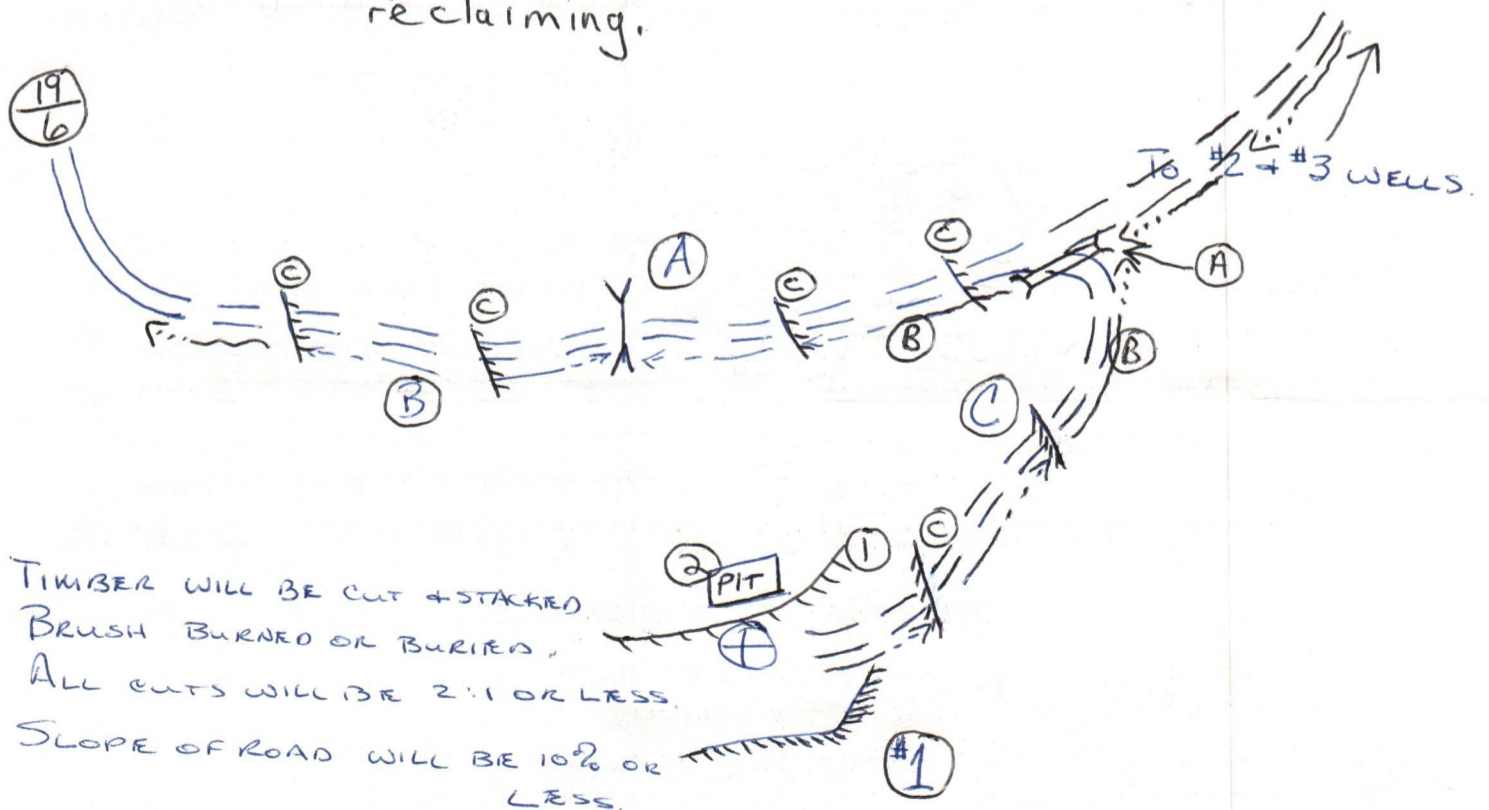


WELL SITE PLAN

Sketch to include well location, existing access road, roads to be constructed, wellsite, drilling pits and necessary structures numbered or lettered to correspond with the first part of this plan. Include all natural drainage.

LEGEND			
Property boundary	— — — — —	Diversion	//////
Road	== == == == ==	Spring	○ →
Existing fence	— x — x —	Wet spot	♂
Planned fence	— / — / —	Building	■
Stream	~ ~ ~ ~ ~	Drain pipe	○ — ○ — ○ —
Open ditch	— ···· — ···· — ···· —	Waterway	⇄

Note: Topsoil will be stockpiled for use in reclaiming.





State of West Virginia
Department of Mines
Oil and Gas Division

Basely # 4
Hrs.

CONSTRUCTION AND RECLAMATION PLAN

COMPANY NAME Hydrocarbon Energies Inc.
Address PO Drawer 976, Buckhannon, WV
Telephone 304/472-9600
LANDOWNER George Kendal
Revegetation to be carried out by Alvin Sorcan (Agent)
This plan has been reviewed by West Fork SCD. All corrections and additions become a part of this plan: 6/14/83
Date Kenneth Wright (SCD Agent)

DESIGNATED AGENT Alvin Sorcan
Address PO Drawer 976, Buckhannon, WV
Telephone 304/472-9600
SOIL CONS. DISTRICT West Fork SCD
Alvin Sorcan (Agent)

ACCESS ROAD

(A) Structure CURBET (according to Oil & Gas Manual) Spacing 2-7
Structure DRAIN DITCH Spacing LENGTH OF ROAD (Inside road cuts) 2-12
Page Ref. Manual 2-7

(1) Structure DIVERSION BREAKER (BUILT IF NECESSARY) Spacing 2-12
Material EARTH Spacing 2-12
Structure Drilling pit Spacing N/A
Page Ref. Manual 2-12

Page Ref. Manual 2-4

(C) Structure BREAKERS Spacing 80-150' APART
Page Ref. Manual 2-12

(3) Structure Material Page Ref. Manual

All structures should be inspected regularly and repaired if necessary. All commercial timber is to be cut and stacked and all brush and small timber to be cut and removed from the site before dirt work begins.

REVEGETATION

Treatment Area I
Lime or correct to pH 6.5 Tons/acre
Fertilizer 600 lbs/acre (10-20-20 or equivalent)
Mulch Hay or Straw 2 Tons/acre
Seed* KY 31 FESCUE 35 lbs/acre
LADINO CLOVER 5 lbs/acre
ANNUAL RYE 10 lbs/acre

Treatment Area II
Lime AS AREA I or correct to pH Tons/acre
Fertilizer (10-20-20 or equivalent) lbs/acre
Mulch Tons/acre
Seed* lbs/acre

*Lime according to pH test.

NOTES: Please request landowner cooperation to protect new seeding for one growing season. Attach separate sheets as necessary for comments.

*Inoculate all legumes such as vetch, trefoil and clovers with the proper bacterium. Inoculate with 3X recommended amount.

PLAN PREPARED BY Stewart Knicker

ADDRESS P.O. Drawer 976
Buckhannon, WV 26201
PHONE NO. 472-9600

DATE April 21, 1983

WELL NO. #4

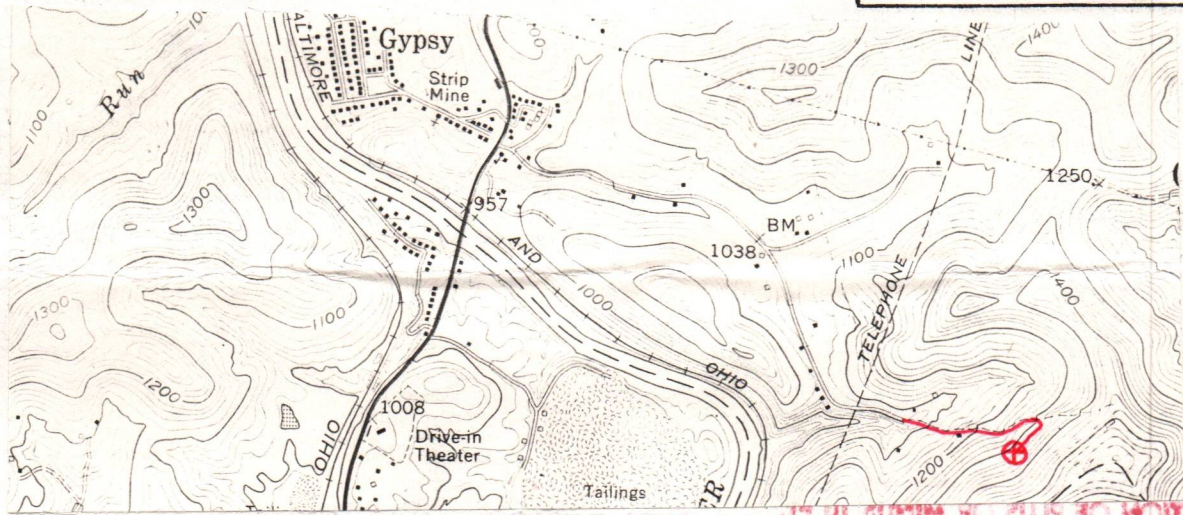
API NO. 47 - 33 - 2915

ATTACH OR PHOTOCOPY SECTION OF INVOLVED TOPOGRAPHIC MAP. QUADRANGLE CLARKSBURG 7 1/2

LEGEND

Well Site ⊕

Access Road ———

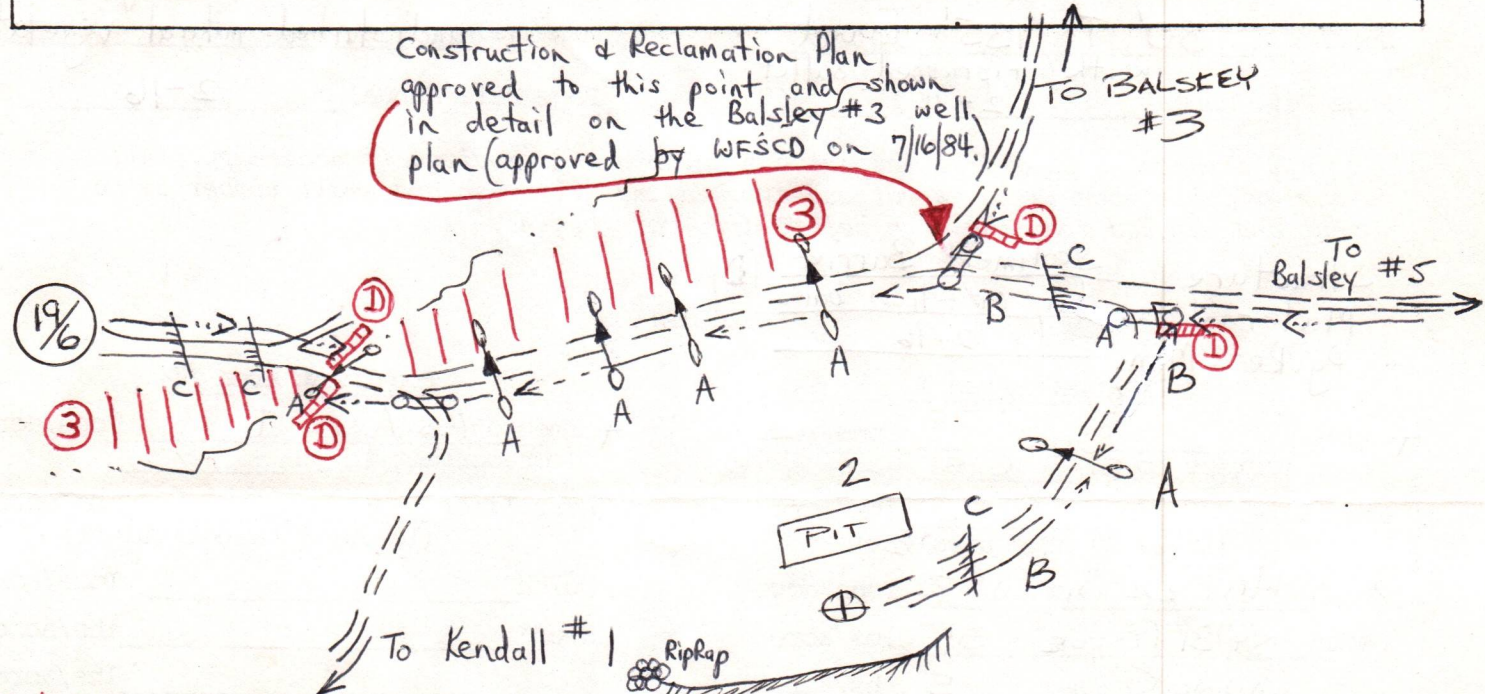


WELL SITE PLAN

Sketch to include well location, existing access road, roads to be constructed, wellsite, drilling pits and necessary structures numbered or lettered to correspond with the first part of this plan. Include all natural drainage.

LEGEND

Property boundary ———	Diversion ———
Road = = = = =	Spring ○→
Existing fence —x—x—	Wet spot ☼
Planned fence —/—/—	Building ■
Stream ~~~~~	Drain pipe —○—○—○—
Open ditch —……→	Waterway ⇄⇄⇄⇄



Note: Topsoil will be stockpiled for use in reclamation work.

- Will use road to Balsley #3 and extend.
- TIMBER WILL BE CUT + STACKED.
- BRUSH WILL BE BURNED OR BURIED.
- SLOPE OF ROAD WILL BE .15% OR LESS.
- CULVERTS, CROSS DRAINS, & DRAINAGE DITCH will be maintained.

RECEIVED



IV-9 (Rev 8-81)

JUL 24 1984

DATE 6-11-84
WELL NO. BALSLEY #4
API NO. 47-033-295-Rev.

Recd. (WESCO) OIL & GAS DIVISION State of West Virginia
DEPT. OF MINES Department of Mines
JUL 6 1984 Oil and Gas Division

CONSTRUCTION AND RECLAMATION PLAN

COMPANY NAME HYDROCARBON ENERGIES, INC DESIGNATED AGENT ALVIN SORCAN
Address BUCKHANNON W.V. 26201 Address BUCKHANNON, W.V. 26201
Telephone 472-9600 Telephone 472-9600
LANDOWNER JOHN KENDAL SOIL CONS. DISTRICT WEST FORK

Revegetation to be carried out by HYDROCARBON ALVIN SORCAN. (Agent)

This plan has been reviewed by West Fork SCD. All corrections and additions become a part of this plan: 7/19/84 (Date)

THIS REVIEW IS MADE FOR SITE AS SHOWN. A CHANGE OF ELEVATION OF PLUS OR MINUS 10 FT. OR SLOPE OF PLUS OR MINUS 3 PERCENT MAKES THIS PLAN NOT ACCEPTABLE TO WFSCD.

Kenneth E Knight (SCD Agent)

ACCESS ROAD

LOCATION

Structure CULVERT (A)
(according to Oil & Gas Manual) at natural drains
Spacing 15. MINIMUM I.D. with riprapped outlet
Page Ref. Manual 2-7

Structure DIVERSION BREAKER (1)
Material EARTH (IF NECESSARY)
Page Ref. Manual 2-12

Structure DRAIN DITCH (B)
(Inside road cuts)
Spacing ALONG ACCESS ROAD
Page Ref. Manual 2-12

Structure DRILLING PIT (2)
Material EARTHEN
Page Ref. Manual N/A

Structure Cross Drains (C)
Spacing 80' To 135' apart with riprapped outlet
Page Ref. Manual 2-4

Structure Filter Strip (3)
Material undisturbed natural vegetation
Page Ref. Manual 2-16

All structures should be inspected regularly and repaired if necessary. All commercial timber is to be cut and stacked and all brush and small timber to be cut and removed from the site before dirt work begins.

Structure Sediment Barrier (D)
Material Hay or straw bales
Pg. Ref. Man. 2-16 REVEGETATION

Treatment Area I

Treatment Area II

*Lime Tons/acre
or correct to pH 6.5
Fertilizer 600 lbs/acre
(10-20-20 or equivalent)
Mulch HAY OR STRAW 2 Tons/acre
Seed* KY 31 FESCUE 35 lbs/acre
LADINO CLOVER 5 lbs/acre
ANNUAL RYE 10 lbs/acre

*Lime AS AREA I Tons/acre
or correct to pH
Fertilizer lbs/acre
(10-20-20 or equivalent)
Mulch Tons/acre
Seed* lbs/acre
lbs/acre
lbs/acre

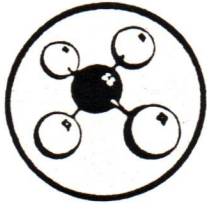
*Inoculate all legumes such as vetch, trefoil and clovers with the proper bacterium. Inoculate with 3X recommended amount.

*Lime according to pH test, PLAN PREPARED BY HYDROCARBON ENERGIES, INC.

NOTES: Please request landowners' cooperation to protect new seedling for one growing season. Attach separate sheets as necessary for comments.

ADDRESS P.O. DRAWER 976
BUCKHANNON, W.V. 26201
PHONE NO. 472-9600

A-11



Hydrocarbon Energies, Inc.

RECEIVED
MAY 3 - 1984
OIL & GAS DIVISION
DEPT. OF MINES

Post Office Drawer 976
BUCKHANNON, WEST VIRGINIA 26201

(304) 472-9600

April 30, 1984

Mr. Ted M. Streit
Department Of Mines
Oil and Gas Division
1615 Washington Street East
Charleston, West Virginia 25311

Dear Ted:

The following permits are undrilled and will expire if they haven't already:

- 1) P. K. Balsly #2 (Harr - 2913)
- 2) P. K. Balsly #3 (Harr - 2914)
- 3) P. K. Balsly #4 (Harr - 2915)
- 4) P. K. Balsly #5 (Harr - 2916)

We will probably be renewing them, but the locations will be revised. Please contact me if I can provide you with any other information. Thank you.

Sincerely,

Louis A. Ferrari
Land Manager

LAF/mg
Enclosure

A-12

<p>DEPT. OF AGRICULTURE</p> <p>UNITED STATES DEPARTMENT OF AGRICULTURE</p> <p>WASHINGTON, D. C.</p>	<p>STATE OF CALIFORNIA</p> <p>COUNTY OF ...</p> <p>...</p>	<p>...</p>
---	--	------------

DEPT. OF WINE & SPIRITS

REGISTERED

<p>...</p>	<p>...</p>	<p>...</p>
------------	------------	------------

...

DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC.

Form	PERFS	HOLES	SAND	H2O	Rate	Co2	BRKD
5th Sand (2824-2855)		16	59,000	628	27	20tn	2600

ISIP
1900

WELL LOG

FORMATION	COLOR	HARD OR SOFT	TOP FEET	BOTTOM FEET	REMARKS
					Including indication of all fresh and salt water, coal, oil and gas
SH	BR	S	0	48	No water reported
SD	BR	M	48	135	
SH	GR	S	135	225	
SD	BR	M	225	351	Coal @ 351
Coal	BL	S	351	365	
SH	RD&GR	S	365	1034	
SD	W	H	1034	1166	
SH	RD&GR	S	1166	1752	
Big Lime	GR	H	1752	1820	
Big Injun	W	H	1820	1920	
SH	GR	S	1920	2325	
Gantz	W	H	2325	2354	
50'	W	H	2354	2420	Show Gas @ 2400'
30'	BR	M	2420	2487	
Gordon Stray "		M	2487	2540	
Gordon	BR	M	2540	2665	
5th Sand	W	H	2665	2730	
SH	GR	S	2730	2822	
5th Sand	W	H	2822	2870	Show Gas @ 2855'
Sh	GR	S	2870	2975	
TD				2975	Gas @ T.D. Show But no Read

(Attach separate sheets as necessary)

Well Operator

By: Alvin Loren Prudent

Date: 10-9-84

Note: Regulation 2.02(i) provides as follows:
"The term 'log' or 'well log' shall mean a systematic detailed geological record of all formations, including coal, encountered in the drilling of a well."



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IV-35 (Rev 8-81)

OCT 12 1984

OIL & GAS DIVISION DEPT. OF MINES

State of West Virginia Department of Mines Oil and Gas Division

Date Oct. 9, 1984 Operator's Well No. Balsley # 4 Farm George Kendal API No. 47-033-2915

WELL OPERATOR'S REPORT OF DRILLING, FRACTURING AND/OR STIMULATING, OR PHYSICAL CHANGE

WELL TYPE: Oil X / Gas / Liquid Injection / Waste Disposal / (If "Gas," Production / Underground Storage / Deep / Shallow X/)

LOCATION: Elevation: 1310 Watershed West Fork River District: Clay County Harrison Quadrangle Clarksburg 7 1/2

COMPANY Hydrocarbon Energies, Inc.

ADDRESS P. O. Drawer 976

DESIGNATED AGENT Alvin Sorcan

ADDRESS Rt. 4, box 444, Buckhannon

SURFACE OWNER George Kendal II

ADDRESS 609 Spring St., Fairmont, WV

MINERAL RIGHTS OWNER Josephin Balsley(et Al)

ADDRESS 717 Stout St. Bridgeport, WV

OIL AND GAS INSPECTOR FOR THIS WORK Steve Casey

ADDRESS Jane Lew

PERMIT ISSUED 7-24-84

DRILLING COMMENCED 8-26-84

DRILLING COMPLETED 9-5-84

IF APPLICABLE: PLUGGING OF DRY HOLE ON CONTINUOUS PROGRESSION FROM DRILLING OR REWORKING. VERBAL PERMISSION OBTAINED ON

Table with 4 columns: Casing & Tubing, Used in Drilling, Left in Well, Cement fill up Cu. ft. Rows include sizes 13-10", 9 5/8, 8 5/8, 7, 5 1/2, 4 1/2, 3, 2, and Liners used.

GEOLOGICAL TARGET FORMATION 5th Sand Depth 2820 feet

Depth of completed well 2975 feet Rotary X / Cable Tools

Water strata depth: Fresh None feet; Salt None feet

Coal seam depths: 351 Is coal being mined in the area? Yes

OPEN FLOW DATA

Producing formation 5th Sand Pay zone depth 2820-2860 feet

Gas: Initial open flow Smell Mcf/d Oil: Initial open flow None Bbl/d

Final open flow 32 Mcf/d Final open flow 4 Bbl/d

Time of open flow between initial and final tests 4 hours

Static rock pressure 500 psig(surface measurement) after 72 hours shut in

(If applicable due to multiple completion--)

Second producing formation Pay zone depth feet

Gas: Initial open flow Mcf/d Oil: Initial open flow Bbl/d

Final open flow Mcf/d Oil: Final open flow Bbl/d

Time of open flow between initial and final tests hours

Static rock pressure psig(surface measurement) after hours shut in

(Continue on reverse side)

HARR 2915

B3

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

RECEIVED
AUG 31 1984

INSPECTOR'S WELL REPORT

OIL & GAS DIVISION
DEPT. OF MINES

Permit No. 33-2915-wv.

Oil or Gas Well _____
(KIND)

Company <u>Hydro-Carbon</u>	CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Address _____	Size			
Farm <u>G. Kendal</u>	16			Kind of Packer _____
Well No. <u>Balsley 4</u>	13			
District <u>Clay</u> County <u>Harrison</u>	10			Size of _____
Drilling commenced <u>8-26-84</u>	8 1/4			
Drilling completed _____ Total depth _____	6 1/4			Depth set _____
Date shot _____ Depth of shot _____	5 3/16			
Initial open flow _____ /10ths Water in _____ Inch	3			Perf. top _____
Open flow after tubing _____ /10ths Merc. in _____ Inch	2			Perf. bottom _____
Volume _____ Cu. Ft.	Liners Used			Perf. top _____
Rock pressure _____ lbs. _____ hrs.				Perf. bottom _____
Oil _____ bbls., 1st 24 hrs.	CASING CEMENTED _____ SIZE _____ No. FT. _____ Date _____			
Fresh water _____ feet _____ feet	NAME OF SERVICE COMPANY _____			
Salt water _____ feet _____ feet	COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			

Drillers' Names C.O. 1

Remarks: dr. 350

8-27-84
DATE

Steve Casper
DISTRICT WELL INSPECTOR

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

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AUG 31 1984

OIL & GAS DIVISION

INSPECTOR'S WELL REPORT DEPT. OF MINES

Permit No. 33-2915

Oil or Gas Well _____
(KIND)

Company <u>Hydro Carbon</u>	CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Address _____	Size			Kind of Packer _____
Farm <u>Kendal</u>	16			
Well No. <u>Balsby 4</u>	13			Size of _____
District _____ County <u>Harrison</u>	10			
Drilling commenced _____	8 1/4			Depth set _____
Drilling completed _____ Total depth _____	6 1/4			
Date shot _____ Depth of shot _____	5 3/16			Perf. top _____
Initial open flow _____ /10ths Water in _____ Inch	3			
Open flow after tubing _____ /10ths Merc. in _____ Inch	2			Perf. bottom _____
Volume _____ Cu. Ft.	Liners Used			Perf. top _____
Rock pressure _____ lbs. _____ hrs.				Perf. bottom _____
Oil _____ bbls., 1st 24 hrs.	CASING CEMENTED _____ SIZE _____ No. FT. _____ Date _____			
Fresh water _____ feet _____ feet	NAME OF SERVICE COMPANY _____			
Salt water _____ feet _____ feet	COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			

Drillers' Names COI

Remarks: Open shaft 351-365
11 3/4 392' 135 SKS. Powell

8-28-84
DATE

Steve Casey
DISTRICT WELL INSPECTOR

05

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

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SEP 4 - 1984

OIL & GAS DIVISION
DEPT. OF MINES

INSPECTOR'S WELL REPORT

Permit No. 33-2915

Oil or Gas Well _____
(KIND)

Company <u>Hydro Carbon</u>	CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Address _____	Size			
Farm <u>Kendal</u>	16			Kind of Packer _____
Well No. <u>Balsby 4</u>	13			
District _____ County <u>Harr.</u>	10			Size of _____
Drilling commenced _____	8 1/4			
Drilling completed _____ Total depth _____	6 1/4			Depth set _____
Date shot _____ Depth of shot _____	5 3/16			
Initial open flow _____ /10ths Water in _____ Inch	3			Perf. top _____
Open flow after tubing _____ /10ths Merc. in _____ Inch	2			Perf. bottom _____
Volume _____ Cu. Ft.	Liners Used			Perf. top _____
Rock pressure _____ lbs. _____ hrs.				Perf. bottom _____
Oil _____ bbls., 1st 24 hrs.	CASING CEMENTED _____ SIZE _____ No. FT. _____ Date _____			
Fresh water _____ feet _____ feet	NAME OF SERVICE COMPANY _____			
Salt water _____ feet _____ feet	COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			

Drillers' Names C.O.1

Remarks: 8 5/8 1378' 350 SKS. Halliburton

8-30-84

DATE

Steve Casey

DISTRICT WELL INSPECTOR

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

RECEIVED
SEP 7 - 1984

INSPECTOR'S WELL REPORT
OIL & GAS DIVISION
DEPT. OF MINES

Permit No. 33-2915

Oil or Gas Well _____
(KIND)

Company <u>Hydro Carbon</u>	CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Address _____	Size			
Farm <u>Kendal</u>	16			Kind of Packer _____
Well No. <u>Balsley 4</u>	13			
District _____ County <u>Harri.</u>	10			Size of _____
Drilling commenced _____	8 1/4			
Drilling completed _____ Total depth _____	6 1/4			Depth set _____
Date shot _____ Depth of shot _____	5 3/16			
Initial open flow _____ /10ths Water in _____ Inch	3			Perf. top _____
Open flow after tubing _____ /10ths Merc. in _____ Inch	2			Perf. bottom _____
Volume _____ Cu. Ft.	Liners Used			Perf. top _____
Rock pressure _____ lbs. _____ hrs.				Perf. bottom _____
Oil _____ bbls., 1st 24 hrs.	CASING CEMENTED _____ SIZE _____ No. FT. _____ Date _____			
Fresh water _____ feet _____ feet	NAME OF SERVICE COMPANY _____			
Salt water _____ feet _____ feet	COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			

Drillers' Names C.O. 1

Remarks: dr. at 2715'
ordered them to stop and repair pit wall

9-5-84
DATE

Steve Casey
DISTRICT WELL INSPECTOR

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MAR 19 1985

OIL & GAS DIVISION DEPT. OF MINES

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OIL AND GAS DIVISION

WELL OPERATOR'S REPORT OF INITIAL GAS-OIL RATIO TEST

FORM IV-36
[08-78]

Date: 3-13-, 1985

Operator's
Well No. Balsley # 4

API Well No. 47 - 033 - 2915
State County Permit

WELL OPERATOR Hydrocarbon Energies, Inc.
Address P. O. Drawer 976
Buckhannon, W. Va. 26201

DESIGNATED AGENT Alvin Sorcan
Address Route 4, Box 444
Buckhannon, W. Va. 26201

GEOLOGICAL TARGET FORMATION: 5th Sand Depth 2820 feet
Perforation Interval 2824 - 2855 feet

GUIDELINES FOR TESTING:

- 1- A minimum of gas vented or flared
- 2- A 24 hour preflow into pipelines or tanks
- 3- Uniform producing rate during the 24 hour test per test period
- 4- Measurement standards as for Form IV-39, "Report of Annual Production" (see Regulation 21.01)
- 5- Separate Form IV-36 for each producing formation in a multiple completion

TEST DATA			
START OF TEST-DATE <u>2-22-85</u>	TIME	END OF TEST-DATE <u>2-28-85</u>	TIME
DURATION OF TEST <u>7 Days</u>			
TUBING PRESSURE <u>200</u>	CASING PRESSURE <u>390</u>	SEPARATOR PRESSURE <u>100</u>	SEPARATOR TEMPERATURE <u>40</u>
OIL PRODUCTION DURING TEST <u>46.4</u> bbls.	GAS PRODUCTION DURING TEST <u>70</u> Mcf	WATER PRODUCTION DURING TEST & SALINITY <u>None</u> bbls. ppm.	
OIL GRAVITY <u>.46</u> °API	PRODUCING METHOD (Flowing, pumping, gas lift, etc.)		

GAS PRODUCTION		
MEASUREMENT METHOD FLANGE TAP <input checked="" type="checkbox"/> PIPE TAP <input type="checkbox"/> L-10 <input type="checkbox"/>	POSITIVE CHOKE <input type="checkbox"/> CRITICAL FLOW PROVER <input type="checkbox"/>	
ORIFICE DIAMETER <u>3/8</u>	PIPE DIAMETER (INSIDE DIAM.) <u>2 inch</u>	NOMINAL CHOKE SIZE - IN.
DIFFERENTIAL PRESSURE RANGE	MAX. STATIC PRESSURE RANGE	PROVER & ORIFICE DIAM. - IN.
DIFFERENTIAL	STATIC	GAS GRAVITY (Air-1.0) MEASURED _____ ESTIMATED _____
GAS GRAVITY (Air-1.0) <u>.65</u>	FLOWING TEMPERATURE	GAS TEMPERATURE _____ °F
24 HOUR COEFFICIENT	24 HOUR COEFFICIENT	
		PRESSURE - _____ psia

TEST RESULTS			
DAILY OIL <u>6.6</u> bbls.	DAILY WATER <u>None</u> bbls.	DAILY GAS <u>10</u> Mcf.	GAS-OIL RATIO <u>SCF/STE</u>

Hydrocarbon Energies, Inc.
Well Operator

By: Alvin Sorcan
Its: President



State of West Virginia

Department of Mines

Oil and Gas Division

Charleston 25305

May 30, 1984

WALTER N. MILLER
DIRECTOR

THEODORE M. STREIT
ADMINISTRATOR

Hydrocarbon Energies, Inc.
P.O. Box 976
Buckhannon, W.Va. 26201

In Re: PERMIT NO: 033-2915

FARM: P.K. Balsly Hrs.

WELL NO: Four

DISTRICT: Clay

COUNTY: Harrison

ISSUED: 7-18-83

Gentlemen:

The FINAL INSPECTION REPORT for the above captioned well has been received in this office. Only the column checked below applies:

XXX The well designated by the above permit number has been released under your Blanket Bond. (PERMIT CANCELLED - NEVER DRILLED)

Please return the enclosed cancelled single bond which covered the well designated by the above permit number to the surety company who executed said bond in your behalf, in order that they may give you credit on their records.

Your well record was received and reclamation requirements approved. In accordance with Chapter 22, Article 4, Section 2, the above captioned well will remain under bond coverage for life of the well.

Very truly yours,

Theodore M. Streit, Administrator
Office of Oil & Gas - Dept. Mines

13-Feb-85

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OFFICE OF OIL AND GAS
CHARLESTON 25305
FINAL INSPECTION REPORT
INSPECTORS COMPLIANCE REPORT

RECEIVED
OCT 30 1985

**DIVISION OF OIL & GAS
DEPT. OF ENERGY**

Company: HYDROCARBON ENERGIES
Farm: KENDAL, JOHN, ETAL

Well: BALSLEY 4

Permit No. 47- 33-2915 REV. (7-24-84)
County: HARRISON

Rule	Description	In Compliance	
		Yes	No
23.06	Notification prior to starting work	-----	-----
25.04	Prepared before drilling to prevent waste	-----	-----
25.03	High pressure drilling	-----	-----
16.01	Required permits at wellsite	-----	-----
15.03	Adequate Fresh Water Casings	-----	-----
15.02	Adequate Coal Casings	-----	-----
15.01	Adequate Production Casings	-----	-----
15.04	Adequate Cement Strength	-----	-----
15.05	Cement Type	-----	-----
23.02	Maintained Access Roads	-----	-----
25.01	Necessary Equipment to Prevent Waste	-----	-----
23.04	Reclaimed Drilling Pits	-----	-----
23.05	No Surface or Underground Pollution	-----	-----
23.07	Requirements for Production & Gathering Pipelines	-----	-----
15.01	Well Records on Site	-----	-----
15.02	Well Records Filed	-----	-----
7.05	Identification Markings	-----	-----

I HAVE INSPECTED THE ABOVE CAPTIONED WELL AND RECOMMEND THAT IT BE RELEASED:

SIGNED Steve Casey
DATE 10-29-85

Your well record was received and reclamation requirements approved. In accordance with Chapter 22, Article 4, Section 2, the above well will remain under bond coverage for the life of the well.

T.H. Abbott
Administrator

Date

RECEIVED
OCT 3 0 383

DEPT. OF ENERGY
DIVISION OF OIL & GAS

67

Stone Creek
10-54-85

11/1/85

D4 1-1-77

Received for Recording _____ Lease # _____
Recorded _____ Map Ref. _____
Book _____ Pg _____ Renewal # _____
Expires _____

BOOK 1117 PAGE 448 OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 5th day of July, 1982, by and between Josephine Balsley (widow)

hereinafter called Lessor (whether one or more), and hereinafter called Lessee, HYDROCARBON ENERGIES, INC. 64 1/2 E. MAIN STREET, P.O. DRAWER 976 BUCKHANNON, WV 26201

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and jointly with neighboring lands, all that certain

tract of land situate in the Township of Clay District, County of Harrison, State of West Virginia, and bounded substantially as follows:

- On the North by lands of Minnie Bice
On the East by lands of Lister Bice
On the South by lands of Stone
On the West by lands of Kourpas

and containing, for the purpose of calculating rentals, 101 acres of land whether actually containing more or less; and part of all of said land is described in that certain deed to Lessor from Phoebe Kate Balsley dated 1-27-19

recorded in Book 285, Page 466, in the Recorder's Office of said County, it being the intent of Lessor to include all lands owned by the Lessor in said County.

- 1. It is agreed that this lease shall remain in force for a primary term of 1 (one) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil or gas.
2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
(b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. Lesser agrees to pay Lessor, in their proportionate shares, an amount of (\$1500.00) Fifteen Hundred Dollars advanced royalty. The advance royalty shall be deducted from the initial royalty checks due to Lessor through the production of oil and/or gas, as described in item 2 above. In the event of completion of a commercially unproductive well on premises, the Lessee shall hold the lease in full force, without rental or royalty payments for a term of one year. At the expiration of this one year period the lease shall become null and void.

4. 1/6 of All payments under this lease shall be made by check or voucher to the order of Josephine Balsley, mailed to 717 Stout St., Bridgeport, WV

263030 J.B. until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments of royalty are to be made according to Lessor's respective interests therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgment of Lessee, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If an when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, houses, buildings, and other structures placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the term of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until said first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

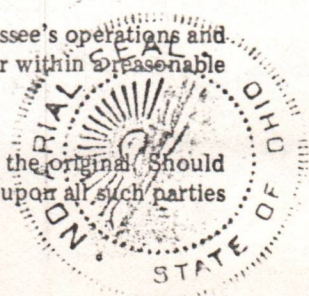
14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.



19. For the purpose of conserving the interest of the parties hereto and protecting said premises, and the oil or gas field within which the same are included from unnecessary and wasteful drilling and undue depletion of its resources, Lessor further grants to the Lessee, its heirs and assigns, the right to consolidate the above described premises or any part thereof at the option of Lessee with others to form a unit not to exceed 640 acres for development to the same effect as if said premises together with others in the area had been jointly leased by various Lessors to the Lessee as a single undivided tract and in such event Lessor agrees to accept, in lieu of the royalty hereinbefore recited, such proportion of one-eighth (1/8) of the oil or gas marketed from the unitized area as his acreage included therein bears to the total acreage of the unitized area. Lessee may give notice to Lessor of such consolidation by mail to the above address or by filing a declaration of record describing the properties so consolidated or unitized.

SIXTH

J.V.B

This lease covers one ~~half~~ interest in the above described tract.

All the terms, conditions, limitations and covenants herein contained shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, successors, personal representatives and assigns, but no representations other than those herein contained shall be binding on either party.

IN WITNESS WHEREOF, the parties to this agreement have hereunto set their hands and seals the day and year first above written.

_____ (Seal)

_____ (Seal)
_____ (Seal)

Attest: _____
Larry Grubb
Larry Grubb; Vice-President

Hydrocarbon Energies, Inc.
Alvin Sorcan
Alvin Sorcan; President

STATE OF WEST VIRGINIA
COUNTY OF UPSHUR

I, Louis A. Ferrari, a Notary Public in and for the County of Upshur and State aforesaid, do certify that Alvin Sorcan (President-Hydrocarbon Energies, Inc.) whose name has signed to the writing above, bearing date the 5th day of July, 1982, has this day acknowledged the same before me in my said County and State aforesaid. Given under my hand and Official Seal this 5th day of July, 1982.
My Commission Expires Dec. 15, 1990.

Louis A. Ferrari (Seal)
NOTARY PUBLIC
WEST VIRGINIA
JUL 21 1982

1-1-77

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. _____
 Book _____ Pg _____ Renewal # _____
 Expires _____

BOOK 1117 PAGE 452

RECEIVED

JUN - 6 1983

OIL and GAS LEASE

OIL & GAS DIVISION
DEPT. OF MIN

THIS AGREEMENT made and entered into this the 5th day of July
 19 82, by and between Marguerite Balsley (widow)

hereinafter called Lessor (whether one or more), and hereinafter called Lessee,
 HYDROCARBON ENERGIES, INC.
 64 1/2 E. MAIN STREET, P.O. DRAWER 976
 BUCKHANNON, WV 26201

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and jointly with neighboring lands, all that certain

tract of land situate in the Township of Clay District, County of Harrison,
 State of West Virginia, and bounded substantially as follows:

On the North by lands of Minnie Bice
 On the East by lands of Lister
 On the South by lands of Stone
 On the West by lands of Kourpas

and containing, for the purpose of calculating rentals, 101 acres of land whether actually containing more or less; and part of all of said land is described in that certain deed to Lessor from _____

Phoebe Kate Balsley dated 1-27-19
 recorded in Book 285, Page 466, in the Recorder's Office of said County, ~~it being the intent of Lessor to include all lands owned by the Lessor in said County.~~

1. It is agreed that this lease shall remain in force for a primary term of 1 (one) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil or gas.
2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
 (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. Lessor agrees to pay Lessor, in their proportionate shares, an amount of (\$1500.00) Fifteen Hundred Dollars advanced royalty. The advance royalty shall be deducted from the initial royalty checks due to Lessor through the production of oil and/or gas, as described in item 2 above. In the event of completion of a commercially unproductive well on premises, the Lessee shall hold the lease in full force, without rental or royalty payments for a term of one year. At the expiration of this one year period the lease shall become null and void M-G-B

4. 1/6 of All payments under this lease shall be made by check or voucher to the order of Bend Marguerite Balsley, mailed to 140 Nt. Varsity Drive, South, Ind. 46615

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments of royalty are to be made according to Lessor's respective interests therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgment of Lessee, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If an when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, houses, buildings, and other structures placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the term of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until said first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

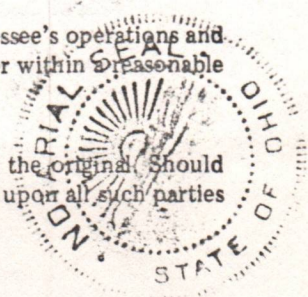
14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.



19. For the purpose of conserving the interest of the parties hereto and protecting said premises and the oil or gas field within which the same are included from unnecessary and wasteful drilling and undue depletion of its resources, Lessor further grants to the Lessee, its heirs and assigns, the right to consolidate the above described premises or any part thereof at the option of Lessee with others to form a unit not to exceed 640 acres for development to the same effect as if said premises together with others in the area had been jointly leased by various Lessors to the Lessee as a single undivided tract and in such event Lessor agrees to accept in lieu of the royalty hereinbefore recited, such proportion of one-eighth (1/8) of the oil or gas marketed from the unitized area as his acreage included therein bears to the total acreage of the unitized area. Lessee may give notice to Lessor of such consolidation by mail to the above address or by filing a declaration of record describing the properties so consolidated or unitized.

b This lease covers one sixth interest in the above described tract.

All the terms, conditions, limitations and covenants herein contained shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, successors, personal representatives and assigns, but no representations other than those herein contained shall be binding on either party.

IN WITNESS WHEREOF, the parties to this agreement have hereunto set their hands and seals the day and year first above written.

x Marguerite Balsley

AUG 9 11 51 AM '82
COUNTY CLERK
HARRISON COUNTY
WEST VIRGINIA

(Seal)

(Seal)

(Seal)

Attest: _____

Hydrocarbon Energies, Inc.

Larry Grubb
Larry Grubb; Vice-President

Alvin Sorcan
Alvin Sorcan; President



STATE OF WEST VIRGINIA
COUNTY OF UPSHUR

I, Louis A. Ferrari, a Notary Public in and for the County of Upshur and State aforesaid, do certify that Alvin Sorcan (President-Hydrocarbon Energies, Inc.) whose name has signed to the writing above, bearing date the 5th day of July, 1982, has this day acknowledged the same before me in my said County and State aforesaid.

Given under my hand and Official Seal this 1st day of August, 1982.

My Commission Expires Dec. 15, 1990.

L.A. Ferrari (Seal)

1-1-77

Received for Recording _____ Lease # _____
 Recorded _____ Map Ref. _____
 Book _____ Pg _____ Renewal # _____
 Expires _____

BOOK 1117 PAGE 456 OIL and GAS LEASE

THIS AGREEMENT made and entered into this the 5th day of July,
 19 82, by and between Maude B. Taylor and David D. Taylor (husband)

hereinafter called Lessor (whether one or more), and
 hereinafter called Lessee,

HYDROCARBON ENERGIES, INC.,
 64 1/2 E. MAIN STREET, P.O. DRAWER 976
 BUCKHANNON, WV 26201

WITNESSETH, that said Lessor, in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, and of the covenants hereinafter contained on the part of said Lessee, to be paid, kept and performed, has granted, demised, leased and let, exclusively unto Lessee, with covenants of general warranty, for the purpose and with the rights of drilling, producing, and otherwise operating for oil and gas, and of laying pipe lines and building tanks, roads, stations, and electric power lines, houses for valves, meters, regulators and other appliances, with all other rights and privileges necessary, incident to or convenient for the operation of this land alone and jointly with neighboring lands, all that certain

tract of land situate in the Township of Clay District, County of Harrison,
 State of West Virginia, and bounded substantially as follows:

On the North by lands of Minnie Bice
 On the East by lands of Lister
 On the South by lands of Stone
 On the West by lands of Kourpas

and containing, for the purpose of calculating rentals, 101 acres of land whether actually
 containing more or less; and part of all of said land is described in that certain deed to Lessor from

Phoebe Kate Balsley dated 1-27-19

recorded in Book 285, Page 466, in the Recorder's Office of said
 County, it being the intent of Lessor to include all lands owned by the Lessor in said County.

1. It is agreed that this lease shall remain in force for a primary term of 1 (one) years from the date hereof and as long thereafter as the said land is operated by Lessee in the production of oil or gas.
2. (a) Lessee covenants and agrees to deliver to the credit of Lessor, his heirs or assigns, free of costs, in the pipe line to which said Lessee may connect its wells, a royalty of one-eighth (1/8) of native oil produced and saved from the leased premises.
- (b) Lessee covenants and agrees to pay Lessor as a royalty for the native gas from each and every well drilled on said premises producing native gas, an amount equal to one-eighth (1/8) of the gross proceeds received from the sale of same at the prevailing price for gas sold at the well, for all native gas saved and marketed from the said premises, payable quarterly.

3. Lessor agrees to pay Lessor, in their proportionalte shares, an amount of (\$1500.00) Fifteen Hundred Dollars advanced royalty. The advance royalty shall be deducted from the initial royalty checks due to Lessor through the production of oil and/or gas, as described in item 2 above. In the event of completion of a commerically unproductive well on premises, the Lessee shall hold the lease in full force, without rental or royalty payments for a term of one year. At the expiration of this one year period the lease shall become null and void.

4. 1/6 of All payments under this lease shall be made by check or voucher to the order of _____

Maude B. Taylor, mailed to 314 Spring Ave, Clarksburg, WV
26301

_____ until the Lessee shall have written notice from the Lessor, its heirs or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require evidencing such change of ownership directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction shall absolve the Lessee from any liability to any heir or assign of the Lessor. All payments of royalty are to be made according to Lessor's respective interests therein, as hereafter set forth, and this lease shall not be forfeited for Lessee's failure to pay any rentals or royalties until Lessee has received written notice by registered mail of such default and shall fail, for a period of thirty (30) days after receipt of such notice to pay same.

5. Lessor excepts and reserves a total amount of 200,000 cubic feet of gas annually or such part thereof as Lessor may use each year from the gas that Lessee may hereafter produce or otherwise have available from one gas production well completed and operated by Lessee hereunder upon the leased premises, which said amount of 200,000 cubic feet of gas per year Lessor shall be entitled to receive free of cost for heat and light in one dwelling house on the leased premises when and as long as Lessee may elect to produce or operate a well for the aforesaid purposes upon the leased premises, by Lessor laying the necessary lines and making connections at Lessor's cost at such point on the demised premises as may be designated by the Lessee, provided said gas is used with economical appliances and is measured by meter furnished by Lessee. The regulation of such gas will be by regulators furnished by Lessor, and approved by Lessee, placed at a point designated by Lessee, with said gas to be used at Lessor's own risk and Lessee not to be in any way liable for any interruption or insufficient supply of such gas for said domestic use caused by pumping stations, breakage of lines or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells or pipelines on the leased premises and removing the pipe therefrom at any time. If more than 200,000 cubic feet per year is used, the excess shall be paid for at the rate charged to domestic consumers in the same area, and in case of default in payment for gas used in excess of said 200,000 cubic feet, Lessee is hereby authorized to deduct the amount thereof from any royalty or other payments that are then due, or may later become due, under the terms of this lease.

6. In addition to the covenants of general warranty hereinabove contained, Lessor further covenants and agrees, that if Lessor's title to the leased premises shall come into dispute or litigation, or, if, in the judgment of Lessee, there are bona fide adverse claims to the rentals or royalties hereinabove provided for, then Lessee, at its option, may withhold the payment of said rentals or royalties until final adjudication or other settlement of such dispute, litigation, claim or claims; and that Lessee, at its option, may pay and discharge any taxes, mortgages or other lien or liens, existing, levied, assessed or which may hereafter come into existence or be levied or assessed on or against the leased premises, and, in the event it exercises such option, Lessee shall be subrogated to the lien and any and all rights of any holder or holders thereof, and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien or liens, any rental or royalty accruing hereunder.

7. If an when drilling or other operations hereunder are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation.

8. Lessee shall have the right at any time during the term of this lease or after the expiration or termination thereof to remove all machinery, fixtures, pipe lines, houses, buildings, and other structures placed on said premises, including the right to pull and remove all casing and tubing.

9. If the Lessee shall begin operations for the commencement of a well during the term of this lease or any extension thereof, the Lessee shall then have the right to complete the drilling of such wells, and if oil or gas or either of them be found in paying quantities, this lease shall continue and be in force and with like effect as if such well had been completed within the term first herein mentioned.

10. Lessee shall have the right to assign this lease or any interest and the assignee of Lessee shall have corresponding rights, privileges, and obligations with respect to said royalties and rentals as to the acreage assigned to it.

11. Lessee shall upon completion of the first productive well upon said premises make a diligent effort to obtain a pipeline connection but any delay shall not be counted against the Lessee provided Lessee shall resume delay rental payments for quarterly periods, beginning one year from the date that the first productive well shall be completed until said first well shall be connected to a pipeline.

12. Lessee may, at any time during the term hereof, cancel and surrender this lease, and be relieved of any and all obligations, payments and liabilities thereafter to accrue as to the leased premises, by the mailing of a notice of such surrender, and a check covering all rentals, if any, due up to the date of such cancellation or surrender.

13. It is agreed that said Lessee may drill or not drill on said land as it may elect, and the consideration and rentals paid and to be paid hereunder constitute adequate compensation for such privilege.

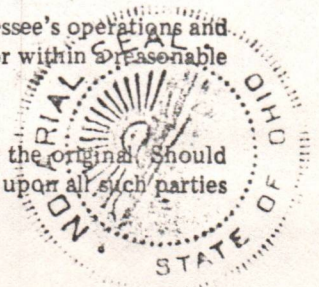
14. It is agreed that said Lessee shall have the privilege of using free of charge sufficient water, oil and gas from the said premises to run all machinery necessary for drilling and operations thereon, and at any time to remove all machinery and fixtures placed on said premises.

15. No well shall be drilled by Lessee within 200 feet of the dwelling house or barn now on said premises, except by consent of Lessor.

16. The leased premises may be fully and freely used by Lessor for any purpose, excepting such parts as are used by Lessee in operation hereunder.

17. Lessee shall pay Lessor for all damages to growing crops, fences or trees caused by Lessee's operations and shall bury all permanent pipelines below plow depth through cultivated areas upon request of Lessor or within a reasonable length of time thereafter.

18. This instrument may be executed in counterparts each having the same validity as if the original. Should any one or more of the parties named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor.



19. For the purpose of conserving the interest of the parties hereto and protecting said premises, and the oil or gas field within which the same are included from unnecessary and wasteful drilling and undue depletion of its resources, Lessor further grants to the Lessee, its heirs and assigns, the right to consolidate the above described premises or any part thereof at the option of Lessee with others to form a unit not to exceed 640 acres for development to the same effect as if said premises together with others in the area had been jointly leased by various Lessors to the Lessee as a single undivided tract and in such event Lessor agrees to accept, in lieu of the royalty hereinbefore recited, such proportion of one-eighth (1/8) of the oil or gas marketed from the unitized area as his acreage included therein bears to the total acreage of the unitized area. Lessee may give notice to Lessor of such consolidation by mail to the above address, or by filing a declaration of record describing the properties so consolidated or unitized.

This lease covers one ~~1/8~~ interest in the above described tract.

All the terms, conditions, limitations and covenants herein contained shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, successors, personal representatives and assigns, but no representations other than those herein contained shall be binding on either party.

IN WITNESS WHEREOF, the parties to this agreement have hereunto set their hands and seals the day and year first above written.

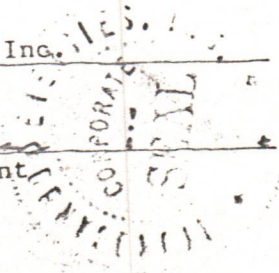
Naude B. Taylor (Seal)
Alvin Sorcan

_____ (Seal)

Attest:

Larry Grubb
Larry Grubb, Vice-President

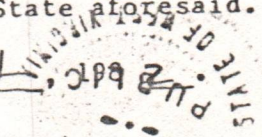
Hydrocarbon Energies, Inc.
Alvin Sorcan
Alvin Sorcan; President



STATE OF WEST VIRGINIA
COUNTY OF UPSHUR

I, Louis A. Ferrari, a Notary Public in and for the County of Upshur and State aforesaid, do certify that Alvin Sorcan (President-Hydrocarbon Energies, Inc. whose name has signed to the writing above, bearing date the 5th day of July, 1982, has this day acknowledged the same before me in my said County and State aforesaid. Given under my hand and Official Seal this 1st day of August, 1982.
My Commission Expires Dec. 15, 1990.

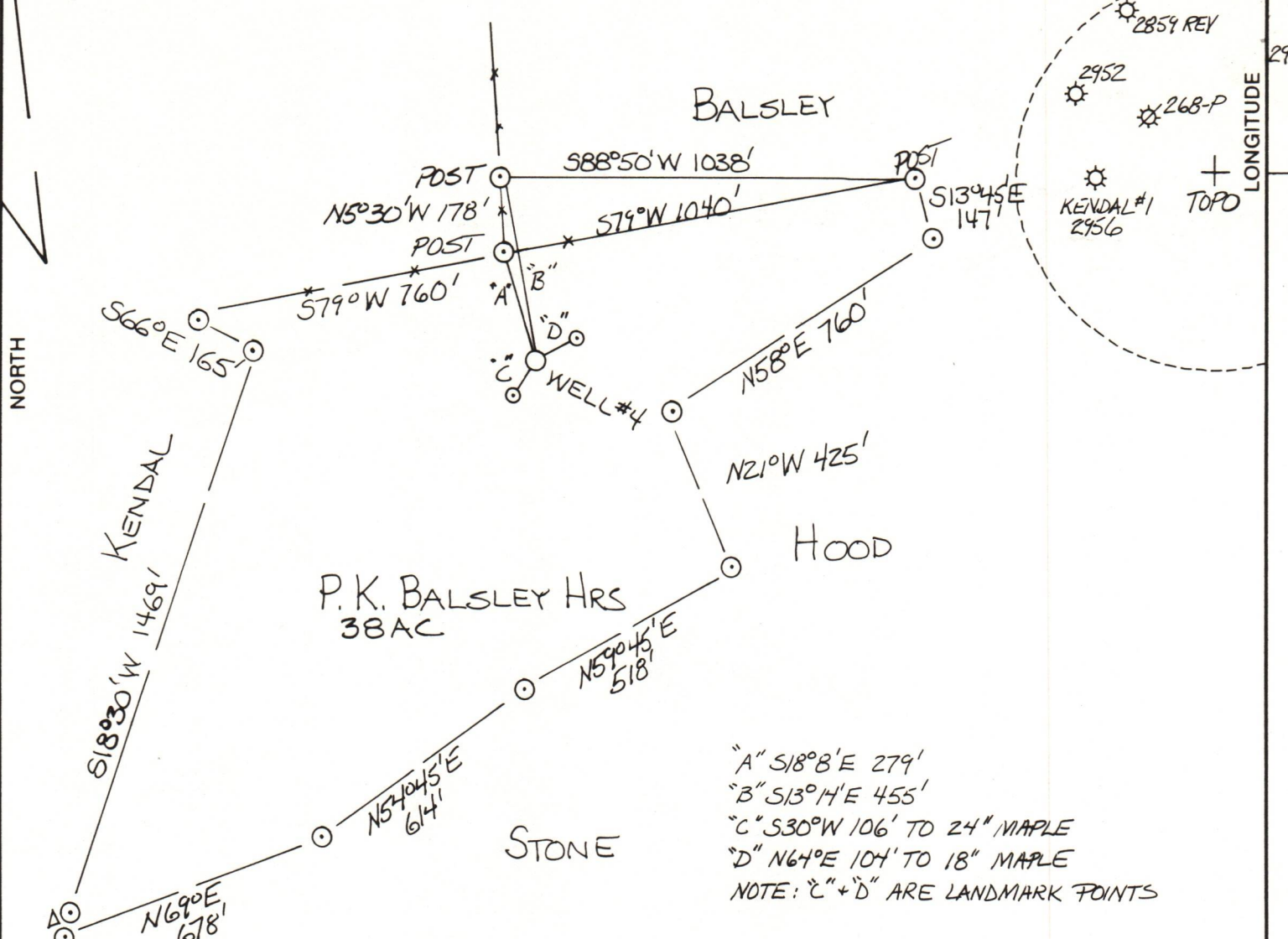
Louis A. Ferrari (Seal)



REVISED BALSLEY #4

LATITUDE 39°22'30"

600



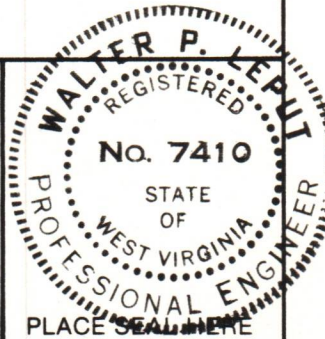
"A" S18°8'E 279'
 "B" S13°14'E 455'
 "C" S30°W 106' TO 24" MAPLE
 "D" N64°E 104' TO 18" MAPLE
 NOTE: "C" + "D" ARE LANDMARK POINTS

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. 6-7-84
 DRAWING NO. 6-7-84
 SCALE 1"=400'
 MINIMUM DEGREE OF ACCURACY 1/1200
 PROVEN SOURCE OF ELEVATION Q OF ROADS BM ±3100' NORTHWEST (1038)

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF MINES.

(SIGNED) Walter P. Leput
 R.P.E. 7410 L.L.S. _____



STATE OF WEST VIRGINIA
 DEPARTMENT OF MINES
 OIL AND GAS DIVISION



DATE JUNE 7, 1984
 OPERATOR'S WELL NO. _____
 API WELL NO. _____

WELL TYPE: OIL ___ GAS X LIQUID INJECTION ___ WASTE DISPOSAL ___
 (IF "GAS,") PRODUCTION X STORAGE ___ DEEP ___ SHALLOW ___
 LOCATION: ELEVATION 1310 WATER SHED WEST FORK RIVER
 DISTRICT CLAY COUNTY HARRISON
 QUADRANGLE CLARKSBURG 7 1/2
 SURFACE OWNER JOHN KENDAL ACREAGE 38
 OIL & GAS ROYALTY OWNER P.K. BALSLEY HRS LEASE ACREAGE 38
 LEASE NO. _____

PROPOSED WORK: DRILL X CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE ___ PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
 TARGET FORMATION 5TH SAND ESTIMATED DEPTH 3000
 WELL OPERATOR HYDROCARBON ENERGIES INC DESIGNATED AGENT AL SORCAN
 ADDRESS PO DRAWER 976 ADDRESS PO DRAWER 976
BUCKHANNON W.VA. 26701 BUCKHANNON W.VA. 26701

FORM IV-6 (8-78)
 H.T. HALL

COUNTY NAME
 PERMIT

EC

P 360 030 465
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
John & Bridget Kendal
 201 South Spruce St.
 Bladsboro PA

POSTAGE \$

CERTIFIED FEE

SPECIAL DELIVERY

RESTRICTED DELIVERY

SHOW TO WHOM AND DATE DELIVERED

SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

CONSULT POSTMASTER FOR FEES

TOTAL POSTAGE AND FEES \$8.52

POSTMARK

BUCKHANNON WV

Balsley # 3, #4, #5

CERTIFIED
P 360 030 465

PS Form 3800, Apr. 1976

Balsley # 3, #4, #5

● SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered \$
 Show to whom, date, and address of delivery .. \$
 RESTRICTED DELIVERY
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:
Bridget Kendal
John & Bridget Kendal
201 South Spruce St.
Bladsboro PA.

4. TYPE OF SERVICE: ARTICLE NUMBER
 REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL
P 360-030-465

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE Addressee Authorized agent

5. DATE OF DELIVERY POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEE'S INITIALS

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

RECEIVED
JUN 26 1984
OIL & GAS DIVISION
DEPT. OF MINES

P 360 030 466
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO
George Kendal
 STREET AND NO.
609 Spring St.
 P.O., STATE AND ZIP CODE
Fairmont W.V. 26554

POSTAGE \$

CERTIFIED FEE

SPECIAL DELIVERY

RESTRICTED DELIVERY

SHOW TO WHOM AND DATE DELIVERED

SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

RETURN RECEIPT SERVICE

OPTIONAL SERVICES

CONSULT POSTMASTER FOR FEES

TOTAL POSTAGE AND FEES \$

POSTMARK OR DATE

BUCKHANNON JUN 25 84

PS Form 3800, Apr. 1976

Balsley #3, #4, #5

RECEIVED
P 360 030 466

● **SENDER:** Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery ..
 RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:
George Kendal
609 Spring St.
Fairmont W.Va. 26554

4. TYPE OF SERVICE:
 REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL

ARTICLE NUMBER
P 360 030 466

(Always obtain signature of addressee or agent)
 I have received the article described above.

SIGNATURE Addressee Authorized agent

5. DATE OF DELIVERY

POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Balsley #3, #4, #5

RECEIVED
 JUN 26 1984
 OIL & GAS DIVISION
 DEPT. OF MINES

