

State of West Virginia
Department of Environmental Protection
Office of Oil and Gas

Well Operator's Report of Well Work

Farm name: INDUSTRIAL PROPERTIES Operator Well No.: MELBYE 5

LOCATION: Elevation: 1186 Quadrangle: CEDAR GROVE

District: CABIN CK County: KANAWHA
Latitude: 10825 Feet South of 38 Deg. 15 Min. 00 Sec.
Longitude 10295 Feet West of 81 Deg. 22 Min. 30 Sec.

Company: TUG FORK DEVELOPMENT

	Casing & Tubing	Used in drilling	Left in well	Cement fill up Cu. Ft.
Address: <u>3930 BRANDYWINE CATLETTSBURG, KY 41129</u>	<u>133/8</u> <u>9578</u>	<u>32</u> <u>494</u>	<u>32</u> <u>494</u>	<u>DRIVE PIPE</u> <u>194</u>
Agent: <u>I.D. BARTRAM</u>	<u>7</u>	<u>1941</u>	<u>1941</u>	<u>372</u>
Inspector: <u>CARLOS HUELY</u>	<u>4 1/2</u>	<u>4655</u>	<u>4655</u>	<u>168</u>
Date Permit Issued: <u>8/2/05</u>				
Date Well Work Commenced: <u>10/14/05</u>				
Date Well Work Completed: <u>11/14/05</u>				
Verbal Plugging:				
Date Permission granted on:				
Rotary <input checked="" type="checkbox"/> Cable Rig				
Total Depth (feet): <u>4686</u>				
Fresh Water Depth (ft.):				
Salt Water Depth (ft.): <u>1160</u>				
Is coal being mined in area (N/Y)? <u>N</u>				
Coal Depths (ft.): <u>418</u>				

OPEN FLOW DATA

Producing formation WEIR Pay zone depth (ft) 2308-2328
Gas: Initial open flow _____ MCF/d Oil: Initial open flow _____ Bbl/d
All Gas - Final open flow 194 MCF/d Final open flow _____ Bbl/d
Time of open flow between initial and final tests 6 Hours
Static rock Pressure 140 psig (surface pressure) after 24 Hours

Second producing formation SHALE/GORDON Pay zone depth (ft) 4208-4554/2840-2863
Gas: Initial open flow _____ MCF/d Oil: Initial open flow _____ Bbl/d
Final open flow _____ MCF/d Final open flow _____ Bbl/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 WELLBORE.

Signed: WD CUBBERGE
By: WD CUBBERGE
Date: 7/9/06



MELBYE #5
47 39 05753

FORMATIONS	INTERVAL		SHOWS		PERFORATIONS
			GAS	WATER	
SAND AND SHALE	0	932			
SALT SAND	932	1482		1474-DAMP HOLE	
SAND AND SHALE	1482	1814			
MAXON	1814	1880			
SAND AND SHALE	1880	1952			
LITTLE LIME	1952	1970			
PENCIL CAVE	1970	1974			
BIG LIME	1974	2142			
INJUN	2142	2460			
SAND AND SHALE	2460	2204			
WEIR	2204	2374	SHOW		2308-2328 (26 HOLES)
SAND AND SHALE	2374	2590			
COFFEE SHALE	2590	2599			
WHITE SLATE	2599	2840			
GORDON SAND	2840	2862			2740-2863 (15 HOLES)
WHITE SLATE	2862	4208			
LOWER HURON	4208	4554			OPEN HOLE
WHITE SLATE	4554	4686			

STIMULATION

WEIR	CLEAR FRAC 25,000# 20/40 SAND, 400 BBL SAND LADEN FOAM, 321 SCF N2
GORDON	N2 FRAC .508 MMSCF
DEVONIAN SHALE	N2 FRAC W/ .508 MMSCF



west virginia department of environmental protection

Office of Oil and Gas
601 57th Street SE
Charleston, WV 25304
(304) 926-0450
(304) 926-0452 fax

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

August 02, 2005

WELL WORK PERMIT
New Well

This permit, API Well Number: 47-3905753, issued to TUG FORK DEVELOPMENT, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, well operators report of well work, is to be submitted to this office within 90 days of completion of drilling, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable.

Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced.

If there are any questions, please feel free to contact me or Mr. Al Blankenship at 304-926-0499 ext. 1653.

JAMES MARTIN
Chief,
Office of Oil and Gas

Operator's Well No: MELBYE 5

Farm Name: INDUSTRIAL PROPERTIES

API Well Number: 47-3905753

Permit Type: New Well

Date Issued: 08/02/2005

Promoting a healthy environment.

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
WELL WORK PERMIT APPLICATION

1) Well Operator TUG FORK DEVELOPMENT Operator ID County KANAWHA District CABIN CK Quadrangle CEDAR GROVE

2) Operator's Well Number: MELBYE #5 3) Elevation: 1196

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

5) Proposed Target Formation(s): DEVONIAN

6) Proposed Total Depth: 5500 Feet

7) Approximate fresh water strata depths: 500

8) Approximate salt water depths: 1910

9) Approximate coal seam depths: 520

10) Does land contain coal seams tributary to active mine? No

11) Describe proposed well work DRILL + STIMULATE NEW GAS WELL

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 Office of Oil & Gas
 JUL 25 2005
 Department of Environmental Protection

12) **CASING AND TUBING PROGRAM**

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	13/8	45	37	30	30	DRIVE PIPE
Fresh Water						
Coal	9 5/8	45	26	550	550	210 C.T.S.
Intermediate	7	48	19	1940	1940	380
Production	4 1/2	M-80	10.5	5500	5500	150
Tubing						
Liners			C-11-7-18-05			

Packers: Kind
 Sizes
 Depths Set