

State of West Virginia
Department of Environmental Protection
Office of Oil and Gas
Well Operators Report of Well Work

Date: December 3, 2009
API #: 4703906032

LOCATION

Farm Name: Blue Eagle Land Operators well name: AL-245 Elevation: 1163 GL
7 1/2 Min. Quad Mammoth District: Ek County: Kanawha Latitude: 700FTS 38-20-00 Longitude: 5850FTW 81-20-00

COMPANY

Read Gas, Inc.
1314 Virginia Street East
Charleston, WV 25301
Operator #: 41350

Agent: James W. Reed Jr.
Inspector: Terry Urban
Date Perma Issued: 8/23/07
Date Well Work Commenced: 11/5/07
Date Well Work Completed: 11/10/07
Total Depth (feet): 5510

| Csg & Tbg (In-OD) | Used In Drilling | Left In Well | |
|-------------------|------------------|--------------|----|
| 13-3/8 | 20 | 20 | Ft |
| 9-5/8 | 336 | 336 | Ft |
| 7.000 | 1825 | 1825 | FL |
| 4-1/2 | 5493 | 5493 | Ft |
| Tubing | | | Ft |

| Cement Data | |
|------------------|------------|
| Sks (Lead/Tail) | Cement |
| Grout to surface | |
| 102 | To Surface |
| 113 | To Surface |
| 130 | |
| | Type |

Verbal Pugging

Data Permission Granted:

Fresh Water Depth (feet): 202
Salt Water Depth (feet): 743
Is coal being mined in area? No

OPEN FLOW DATA

| | | | | |
|--------------------------------------|--|----------------------|--------|---------|
| 1 st Producing formation: | Marcellus | Pay zone depth (ft): | 5411 | 5408 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |
| 2 nd Producing formation: | Rhinestreet | Pay zone depth (ft) | 5114 | 5314 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |
| 3 rd Producing formation: | Huron | Pay zone depth (ft): | 3686 | 4348 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |
| 4 th Producing formation: | L. Weir | Pay zone depth (ft): | 2120 | 2138 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |
| 5 th Producing formation: | U. Weir | Pay zone depth (ft): | 2024 | 2036 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |
| 6 th Producing formation: | Injun/Lime | Pay zone depth (ft) | 850/19 | 860/193 |
| Gas: | Initial Open Flow: MCF/d Oil: | Initial Open Flow: | Bb/d | |
| | Final Open Flow: * See Remarks MCF/d | Final Open Flow: | Bb/d | |
| | Time of open flow between initial and final tests: hours | | | |
| | Static rock pressure: hours | | | |

RECEIVED
Office of Oil & Gas

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 THE MOST DETAILED GEOLOGIC RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE.

JAN 5 2012

Signed: _____ WV Department of
By: James W. Reed, Jr. Environmental Protection
Date: _____

WR - 35
Rev (5-01)

Date: December 3, 2009
API #: 4703906032

Reed Gas, Inc.
1314 Virginia Street East
Charleston, WV 25301

Farm Name: Blue Eagle Land

Well Name AL-245 Elevation 1163

GEOLOGICAL RECORD

| Formation | Top | Base |
|----------------|---------|------|
| Sand & Shale | Surface | 760 |
| Eagle Shale | 760 | 765 |
| Sand & Shale | 760 | 815 |
| Rosedale Sd. | 815 | 775 |
| Sand & Shale | 775 | 1005 |
| Salt Sd. | 1005 | 1490 |
| Sand & Shale | 1490 | 1635 |
| Maxon Sd. | 1635 | 1715 |
| Sand & Shale | 1715 | 1725 |
| Little Lime | 1725 | 1765 |
| Sand & Shale | 1765 | 1772 |
| Pencil Cave | 1772 | 1775 |
| Greenbrier Ls. | 1775 | 1945 |
| Big Injun Sd. | 1948 | 1962 |
| Sand & Shale | 1962 | 2020 |

| Formation | Top | Base |
|-------------------|------|------|
| Weir Sd. | 2020 | 2148 |
| Sand & Shale | 2148 | 2382 |
| Coffee Sh. | 2382 | 2400 |
| Devonian Shale | 2400 | 4055 |
| Lower Huron Shale | 4055 | 4485 |
| Sand & Shale | 4485 | 4908 |
| Rhinestreet Sh | 4908 | 5280 |
| Hamilton Sh. | 5280 | 5410 |
| Marcellus Shale | 5410 | 5495 |
| Onondaga Ls | 5495 | TD |

COMPLETION RECORD

Contractor: Universal
Date: 17-Nov-08

Stage 1

| Formation | Marcellus |
|--------------------|-----------|
| Type | Nitrogen |
| Casing (in) | 4.500 |
| Top Perf Interval | 5411 |
| Base Perf Interval | 5408 |
| Perf Count | 25 |
| Breakdown (psi) | 3750 |
| Ave Treat (psi) | 3522 |
| Water (Bbl) | |
| Rate (bpm) | |
| Total Sand (lbs) | |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 800 |
| Rate (Mscf/min) | 63 |

Contractor: Universal
Date: 17-Nov-08

Stage 2

| Formation | Rhinestreet |
|--------------------|-------------|
| Type | Nitrogen |
| Casing (in) | 4.500 |
| Top Perf Interval | 5114 |
| Base Perf Interval | 5314 |
| Perf Count | 20 |
| Breakdown (psi) | 3570 |
| Ave Treat (psi) | 3522 |
| Water (Bbl) | |
| Rate (bpm) | |
| Total Sand (lbs) | |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 800 |
| Rate (Mscf/min) | 69 |

Contractor: Universal
Date: 17-Nov-08

Stage 3

| Formation | Huron |
|--------------------|----------|
| Type | Nitrogen |
| Casing (in) | 4.500 |
| Top Perf Interval | 3686 |
| Base Perf Interval | 4346 |
| Perf Count | 31 |
| Breakdown (psi) | 3055 |
| Ave Treat (psi) | 3122 |
| Water (Bbl) | |
| Rate (bpm) | |
| Total Sand (lbs) | |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 900 |
| Rate (Mscf/min) | 72 |

Contractor: Universal
Date: 17-Nov-08

Stage 4

| Formation | L. Weir |
|--------------------|---------|
| Type | Foam |
| Casing (in) | 4.500 |
| Top Perf Interval | 2120 |
| Base Perf Interval | 2138 |
| Perf Count | 22 |
| Breakdown (psi) | 2951 |
| Ave Treat (psi) | 3464 |
| Water (Bbl) | 154 |
| Ave Rate (bpm) | 19 |
| Total Sand (lbs) | 286 |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 381 |
| Rate (Mscf/min) | |

Contractor: Universal
Date: 17-Nov-08

Stage 5

| Formation | U. Weir |
|--------------------|---------|
| Type | Foam |
| Casing (in) | 4.500 |
| Top Perf Interval | 2024 |
| Base Perf Interval | 2036 |
| Perf Count | 18 |
| Breakdown (psi) | 2591 |
| Water (Bbl) | 144 |
| Ave Treat (psi) | 2970 |
| Ave Rate (bpm) | 21 |
| Total Sand (lbs) | 300 |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 315 |
| Rate (Mscf/min) | |

Contractor: Universal
Date: 17-Nov-08

Stage 6/7

| Formation | Injun/Lime |
|------------------------|----------------|
| Type | Foam/Foam-Acid |
| Casing (in) | 4.500 |
| Top Perf Interval | 1950/1926 |
| Base Perf Interval | 1960/1932 |
| Perf Count | 20/9 |
| Breakdown (psi) | 3852/3000 |
| Water (Bbl)/Acid (gal) | 150/3000 |
| Ave Treat (psi) | 2970/2758 |
| Ave Rate (bpm) | 21/12 |
| Total Sand (lbs) | 300 |
| Conc.(lb/gal) | |
| Nitrogen (Mscf) | 315/63 |
| Rate (Mscf/min) | |

Remarks

*Comingled
FOF: 215m/d
IRP: 400#
TIL: 01/31/08

