

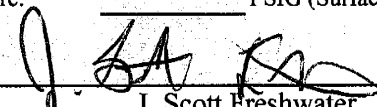
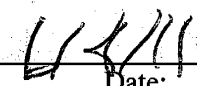
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 Office of Oil & Gas
 JUN 09 2011
 WV Department of
 Environmental Protection

State of West Virginia
 Department of Environmental Protection
 Office of Oil and Gas
Well Operator's Report of Well Work

Farm Name: Payne, Charles Date: 6/8/2011
 Operator Well No.: Payne #1 API #: 47-3906279

LOCATION			
Elevation:	<u>920</u>	Quadrangle:	<u>Big Chimney</u>
District:	<u>Elk</u>	County:	<u>Kanawha</u>
Latitude:	<u>38.4352333</u>	NAD 27	
Longitude:	<u>81.5876134</u>	NAD 27	

WELL INFORMATION					
Company:	<u>Reserve Oil and Gas, Inc.</u>	Casing & Used in	Left in	Cement Fill up	
Address:	<u>929 Charleston Road</u>	Tubing:	Drilling:	Well:	Cu. Ft.
	<u>Spencer, WV 25276</u>	<u>13 3/8"</u>	<u>21.00</u>	<u>21.00</u>	<u>cts</u>
Agent:	<u>J. Scott Freshwater</u>	<u>9 5/8"</u>	<u>334.75</u>	<u>334.75</u>	<u>cts</u>
Inspector:	<u>Terry Urban</u>	<u>7"</u>	<u>1897.35</u>	<u>1897.35</u>	<u>cts</u>
Date Permit Issued:	<u>11/22/2010</u>	<u>4 1/2"</u>	<u>4569.95</u>	<u>4569.95</u>	<u>140 sks</u>
Date Work Commenced:	<u>12/16/2010</u>				
Date Work Completed:	<u>2/9/2011</u>				
Verbal Plugging:					
Date Permission Granted:					
Rotary Rig:	<u>CSi Rig #2</u>				
Cable Rig:					
Total Vertical Depth (FT):	<u>4622</u>	Total Measured Depth (FT): <u>4622</u>			
Fresh Water Depth (FT):	<u>46</u>				
Salt Water Depth (FT):	<u>975</u>				
Is coal being mined in area (N/Y):	<u>No</u>				
Coal Depths (FT):	<u>N/A</u>	Void(s) Encountered (N/Y) / Depth(s): <u>N/A</u>			

OPEN FLOW DATA			
Producing Formation:	<u>Devonian Shale</u>	Pay Zone Depth (FT):	<u>3081</u> to <u>4546</u>
Gas		Oil	
Initial Open Flow:	<u>21</u>	Initial Open Flow:	<u>N/A</u>
Final Open Flow:	<u>231</u>	Final Open Flow:	<u>N/A</u>
Time of open flow between initial and final tests:			<u>408</u> Hours.
Static Rock Pressure:	<u>605</u> PSIG (Surface Pressure) after:		<u>24</u> Hours.
2nd Producing Formation:		Pay Zone Depth (FT):	
Gas		Oil	
Initial Open Flow:		Initial Open Flow:	
Final Open Flow:		Final Open Flow:	
Time of open flow between initial and final tests:			Hours.
Static Rock Pressure:		PSIG (Surface Pressure) after:	Hours.
Signed:			Date:
By:	<u>J. Scott Freshwater</u>		

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

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Continued

FORMATIONS

Formation:	From	To
Sub	0	10
Sand & Shale	10	950
Salt Sand	950	1460
Maxton	1460	1600
Little Lime	1600	1630
Big Lime	1630	1800
Big Injun	1805	1840
Shale	1840	2150
Coffee Shale	2150	2180
Shale	2180	4622

Water:		
Depth:	Amount:	Type:
46	damp	fresh water
975	wet	salt water
1300	big water	salt water

Gas Checks:	
Depth:	Remarks:

Oil Shows:	
Depth:	Remarks:

FRACTURING

Perforations:
 Stage 1:
 Number of Perforations: 55
 Depth From (FT): 3820
 Depth To (FT): 4546

 Stage 2:
 Number of Perforations: 40
 Depth From (FT): 3081
 Depth To (FT): 3728

Stimulation:
 Stage 1:
 Remarks:
 Total N₂ = 1,000,142 SCF, total 15% HCL treatment fluid = 504 gallons, total 7/8 inch 1.3 sp gr. R ball sealers = 68 in 8 stages

 Stage 2:
 Remarks:
 Total N₂ = 1,003,755 SCF, total 15% HCL treatment fluid = 1,008 gallons, total 7/8 inch 1.3 sp gr. R ball sealers = 62 in 8 stages

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Were Core Samples Taken (N/Y): No
 Were Cuttings Caught During Drilling (N/Y): No
 Were Geophysical Logs Recorded on This Well (N/Y): Yes
 Electrical (N/Y): Yes
 Mechanical (N/Y): Yes