

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

39-06298

Well Operator's Report of Well Work

Farm name: Steven Moles

Operator Well No.: 1

LOCATION: Elevation: 909'

Quadrangle: Big Chimney - 7.5'

District: Elk

County: Kanawha

Latitude: 3490' Feet West of 81 Deg. 30" Min. 0.0 Sec.

Longitude 14870' Feet South of 38 Deg. 30 Min. 0.0 Sec.

Company: Schultz Run Gas Company

| | Casing & Tubing | Used in drilling | Left in well | Cement fill up Cu. Ft. |
|---|-----------------|------------------|--------------|------------------------|
| Address: 300 Capitol Street, Suite 1500 Charleston, WV 25301 | 13 3/8" | 40' | 1 Joint | To surface |
| Agent: Pete Pauley | | | | |
| Inspector: Terry Urban | 9 5/8" | 546' | 546' | To Surface |
| Date Permit Issued: July 7, 2011 | | | | |
| Date Well Work Commenced: 7/27/11 | 7" | 1936' | 1936' | To Surface |
| Date Well Work Completed: 8/04/11 | | | | |
| Verbal Plugging: | 4 1/2" | 4435' | 4435' | 100 sks |
| Date Permission granted on: | | | | |
| Rotary X Cable Rig | | | | |
| Total Depth (feet): 4596 | | | | |
| Fresh Water Depth (ft.): N/A | | | | |
| Salt Water Depth (ft.): 1245' | | | | |
| Is coal being mined in area (N/Y)? No | | | | |
| Coal Depths (ft.): | | | | |

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OPEN FLOW DATA

Producing formation: Huron Shale Pay zone depth (ft) 4000' - 4080'

Gas: Initial open flow: TSTM MCF/d Oil: Initial open flow 0 Bbl/d
Final open flow 75 MCF/d Final open flow 0 Bbl/d
Time of open flow between initial and final tests 24 Hours
Static rock Pressure 640 #'s psig (surface pressure) after 24 Hours

Second producing formation: N/A Pay zone depth (ft) N/A

Gas: Initial open flow TSTM MCF/d Oil: Initial open flow 0 Bbl/d
Final open flow N/A MCF/d (Comingled) Final open flow 0 Bbl/d
Time of open flow between initial and final tests 24 Hours
Static rock Pressure N/A #' psig (surface pressure) after 24 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: [Signature]
By: Pete Pauley
Date: 12/11/11

Moles #1 47-039-06298

Schultz Run Gas Company

| FORMATION | COLOR | TOP | BOTTOM | THICKNESS | OIL - GAS OR WATER | DEPTH | REMARKS |
|-------------------------|---------|-----------|----------|--|-----------------------|-------|---------|
| Sand & Shale | | 0 | 438 | 438 | | | |
| Sand | | 438 | 582 | 144 | | | |
| Sand & Shale | | 582 | 626 | 44 | | | |
| Sand | | 626 | 728 | 102 | | | |
| Sand & Shale | | 728 | 775 | 47 | | | |
| Sand | | 775 | 916 | 141 | | | |
| Sand & Shale | | 916 | 986 | 70 | | | |
| Salt Sand | | 986 | 1012 | 26 | | | |
| Shale | | 1012 | 1116 | 104 | | | |
| Salt Sand | | 1116 | 1340 | 224 | Water | | |
| Shale | | 1340 | 1381 | 41 | | | |
| Maxton Sandstone | | 1381 | 1663 | 282 | Water | | |
| Little Lime | | 1663 | 1693 | 30 | | | |
| Pencil Cave | | 1693 | 1696 | 3 | | | |
| Big Lime | | 1696 | 1812 | 116 | | | |
| Keener Sandstone | | 1812 | 1840 | 28 | | | |
| Shale | | 1840 | 1847 | 7 | | | |
| Injun Sandtone (Shaley) | | 1847 | 1892 | 45 | | | |
| Weir Shells | | 1892 | 2202 | 310 | 7" set @ 1936' | | |
| Shlae | | 2202 | 2226 | 24 | | | |
| Sunbury Shale | | 2226 | 2244 | 18 | | | |
| Berea Shells | | 2244 | 2356 | 112 | | | |
| Gray Shale | | 2356 | 3442 | 1086 | | | |
| Upper Huron | | 3442 | 3861 | 419 | | | |
| Lower Huron | | 3861 | 4333 | 472 | Small Show Gas | | |
| Shale | | 4333 | 4435 | 102 | TSTM | | |
| Total Depth | | | 4435 | | | | |
| Perfs | Stage 1 | 4074-4080 | 6 holes | Frac w/ 1,360,000 SCF N2; 104,000#s 24/40 Sand | | | |
| | | 4030-4040 | 10 holes | Spot w/ Acid - 85 Quality Foam Frac | | | |
| | | 4000-4010 | 10 holes | Treating Pressure= 2385#s, Breakdown 1895#s | | | |