

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

Well Operator's Report of Well Work

Farm name: Steven Moles

Operator Well No.: 2

LOCATION: Elevation: 943'

Quadrangle: Big Chimney - 7.5'

District: Elk

County: Kanawha

Latitude: 13880' Feet South of 38 Deg. 30 Min. 0.0 Sec.

Longitude 4620' Feet West of 81 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" | 556' | 556' | To Surface |
| Date Permit Issued: July 7, 2011 | | | | |
| Date Well Work Commenced: 8/8/11 | 7" | 2043' | 2043' | To Surface |
| Date Well Work Completed: 8/17/11 | | | | |
| Verbal Plugging: | 4 1/2" | 4498' | 4498' | 115 sks |
| Date Permission granted on: | | | | |
| Rotary X Cable Rig | | | | |
| Total Depth (feet): 4498' | | | | |
| Fresh Water Depth (ft.): N/A | | | | |
| Salt Water Depth (ft.): 1269' | | | | |
| 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) 3985' - 4130'
 Gas: Initial open flow: TSTM MCF/d Oil: Initial open flow 0 Bbl/d
 Final open flow 55 MCF/d Final open flow 0 Bbl/d
 Time of open flow between initial and final tests 24 Hours
 Static rock Pressure 660 #'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:

By: Pete Pauley
 Date: 12/12/11

Moles #2 47-039-06299

Schultz Run Gas Company

| FORMATION | COLOR | TOP | BOTTOM | THICKNESS | OIL - GAS OR WATER | DEPTH | REMARKS |
|--------------------------|---------|-----------|----------|--|------------------------|-------|---------|
| Sand & Shale | | 0 | 470 | 470 | | | |
| Sand | | 470 | 593 | 123 | | | |
| Sand & Shale | | 593 | 644 | 51 | | | |
| Sand | | 644 | 703 | 59 | | | |
| Sand & Shale | | 703 | 810 | 107 | | | |
| Sand | | 810 | 865 | 55 | | | |
| Sand & Shale | | 865 | 1122 | 257 | | | |
| Salt Sand | | 1122 | 1558 | 436 | Water | | |
| Shale | | 1558 | 1574 | 16 | | | |
| Maxton Sandstone | | 1574 | 1670 | 96 | | | |
| Shale | | 1670 | 1680 | 10 | | | |
| Little Lime | | 1680 | 1720 | 40 | | | |
| Pencil Cave | | 1720 | 1724 | 4 | | | |
| Big Lime | | 1724 | 1833 | 109 | | | |
| Keener Sandstone | | 1833 | 1857 | 24 | | | |
| Shale | | 1857 | 1865 | 8 | | | |
| Injun Sandstone (Shaley) | | 1865 | 1890 | 25 | Some Water | | |
| Weir Shells | | 1890 | 2248 | 358 | 7" set @ 2043" | | |
| Sunbury Shale | | 2248 | 2262 | 14 | | | |
| Berea Shells | | 2262 | 2370 | 108 | | | |
| Gray Shale | | 2370 | 3466 | 1096 | | | |
| Upper Huron | | 3466 | 3870 | 404 | | | |
| Lower Huron | | 3870 | 4349 | 479 | | | |
| Shale | | 4349 | 4760 | 411 | | | |
| Total Depth | | | 4760 | | Small Show Gas TSTM | | |
| Perfs | Stage 1 | 4170-4180 | 6 holes | Frac w/ 1,430,000 SCF N2; 108,800#s 24/40 Sand | | | |
| | | 4060-4080 | 10 holes | Spot w/ Acid - 85 Quality Foam Frac | | | |
| | | 3985-4005 | 10 holes | Treating Pressure= 2385#s, Breakdown 2127#s | | | |