

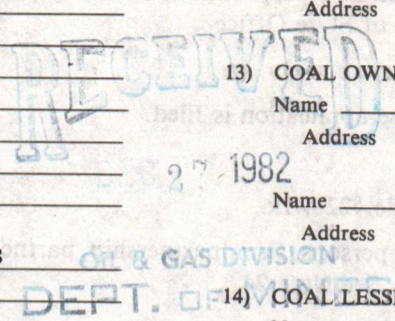


1) Date: December 27, 1982
 2) Operator's Well No. Kester #1
 3) API Well No. 47 State 073 County 1579 Permit

DRILLING CONTRACTOR:

Beacon Resources Corp. STATE OF WEST VIRGINIA
 #1, Seventeenth St. DEPARTMENT OF MINES, OIL AND GAS DIVISION
 Vienna, W. Va. 26105 **OIL AND GAS WELL PERMIT APPLICATION**

- 4) WELL TYPE: A Oil / Gas
 B (If "Gas", Production / Underground storage / Deep / Shallow)
 5) LOCATION: Elevation: 1024' Watershed: Cow Creek
 District: Jefferson County: Pleasants Quadrangle: Schultz
 6) WELL OPERATOR Beacon Resources Corp. 11) DESIGNATED AGENT Walter Allen
 Address #1 - Seventeenth St. Address #1 - Seventeenth St.
Vienna, West Virginia 26105 295-3333 Vienna, West Virginia 26105
 7) OIL & GAS ROYALTY OWNER Kester Heirs 12) COAL OPERATOR _____
 Address See Attached Address _____
 Acreage 33 Acres
 8) SURFACE OWNER William Moody 13) COAL OWNER(S) WITH DECLARATION ON RECORD:
 Address _____ Name _____
 Acreage 33 Acres Address _____
 9) FIELD SALE (IF MADE) TO: Consolidated Gas Name _____
 Address _____ Address _____
 10) OIL & GAS INSPECTOR TO BE NOTIFIED 14) COAL LESSEE WITH DECLARATION ON RECORD:
 Name _____ Name _____
 Address _____ Address _____
 15) PROPOSED WORK: Drill / Drill deeper _____ / Redrill _____ / Fracture or stimulate _____
 Plug off old formation _____ / Perforate new formation _____
 Other physical change in well (specify) _____
 16) GEOLOGICAL TARGET FORMATION, Marcellus
 17) Estimated depth of completed well, 4000' feet
 18) Approximate water strata depths: Fresh, 400' feet; salt, 800' feet.
 19) Approximate coal seam depths: _____ Is coal being mined in the area? Yes _____ / No _____



20) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILL-UP OR SACKS (Cubic feet)	PACKERS	
	Size	Grade	Weight per ft.	New	Used	For drilling	Left in well			
Conductor										Kinds
Fresh water	<u>8-5/8</u>					<u>850'</u>		<u>850'</u>		
Coal										Sizes
Intermediate										
Production	<u>4-1/2</u>					<u>TD</u>	<u>TD</u>	<u>2000'</u>		Depths set
Tubing										
Liners										Perforations:
										Top Bottom

21) EXTRACTION RIGHTS

Check and provide one of the following:

- Included in the lease or leases or other continuing contract or contracts by which I hold the right to extract oil or gas.
 The requirement of Code 22-4-1-(c) (1) through (4). (See reverse side for specifics.)

22) ROYALTY PROVISIONS

Is the right to extract, produce or market the oil or gas based upon a lease or other continuing contract or contracts providing for flat well royalty or any similar provision for compensation to the owner of the oil or gas in place which is not inherently related to the volume of oil or gas so extracted, produced or marketed? Yes No

If the answer above is No, nothing additional is needed. If the answer is Yes, you may use Affidavit Form IV-60.

23) Required Copies (See reverse side.)

24) Copies of this Permit Application and the enclosed plat and reclamation plan have been mailed by registered mail or delivered by hand to the above named coal operator, coal owner(s), and coal lessee on or before the day of the mailing or delivery of this Permit Application to the Department of Mines at Charleston, West Virginia.

Notary: John E. Smittle
 My Commission Expires July 16, 1991

Signed: John E. Smittle
 Its: Agent

OFFICE USE ONLY
DRILLING PERMIT

Permit number 47-073-1579 Date December 28 1982

This permit covering the well operator and well location shown below is evidence of permission granted to drill in accordance with the pertinent legal requirements subject to the conditions contained herein and on the reverse hereof. **Notification must be given to the District Oil and Gas Inspector. (Refer to No. 10) Prior to the construction of roads, locations and pits for any permitted work.** In addition, the well operator or his contractor shall notify the proper district oil and gas inspector 24 hours before actual permitted work has commenced.)

Permit expires August 28, 1983 unless drilling is commenced prior to that date and prosecuted with due diligence.

Bond: <u>Cash Deposit</u>	Agent: _____	Plat: _____	Casing: _____	Fee: <u>858</u>
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Fred Campbell
 Administrator, Office of Oil and Gas

Line Item Explanation

- 1) Date of Application
- 2) Your well name and number
- 3) To be filled out by office of oil & gas
- 4A) "Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves underground reservoirs: "Gas" means all natural gas and all other fluid hydrocarbons not defined as oil.
- 4B) "Shallow well" means any well drilled and completed in a formation above the top of the uppermost member of the "Onondaga Group" or a depth less than six thousand feet, whichever is shallower.
"Deep well" means any well drilled and completed in a formation at or below the top of the uppermost member of the "Onondaga Group" or at a depth less than six thousand feet, whatever is shallower.
- 5) Where well is located
- 6) Before a permit can be issued in a corporation, company partnership, or fictitious name, the name must be registered with the Secretary of State Office
- 7) Use separate sheet if necessary
- 8) Present surface owner at time application is filed.
- 9) Optional
- 11) See Reg. 7.01 relating to code §22-4-1k
- 12) "Coal Operator" means any persons, firm, partnership, partnership association or corporation that proposes to or does operate a coal mine. See Note 24
- 13 & 14) As per §22-4-20; See Note 24
- 15) Work that will be attempted—A separate Form IV-2 shall not be required for fracturing or stimulating a well where fracturing or stimulating is to be part of the work for which a permit is sought and is noted as such on the Form IV-2 filed in connection therewith.
- 16) Anticipated formation for which well will be completed
- 17) Self explanatory
- 18) Depth to deepest freshwater, and shallowest salt water, taken from nearby wells corrected for differences in elevation
- 19) All coal seam depths
- 20) Proposed casing program and cementing refer to Code 22-4-5, 22-4-6, 22-4-7, 22-4-8, 22-4-8a Reg 9.01, 15.01, 15.02, 15.03, 15.04, 25.01, 25.02, 25.03, 25.04
- 21) Code 22-4-11(c) - In lieu of filing the lease or leases or other continuing contract or contracts, the applicant for a permit described herein may file the following:
 - (1) A brief description of the tract of land including the district and county wherein the tract is located;
 - (2) The identification of all parties to all leases or other continuing contractual agreements by which the right to extract, produce or market the oil or gas is claimed;
 - (3) The book and page number wherein each such lease or contract by which the right to extract, produce or market the oil or gas is recorded;
 - (4) A brief description of the royalty provisions of each such lease or contract.
- 22) Code 22-4-11(d) and 22-4-11(e).
- 23) Regulation 7.02 of the Department of Mines provides that the original and four copies of Form IV-2 must be filed with the Department, accompanied by (i) a plat in the form prescribed by Regulation 11, (ii) a bond in one of the forms prescribed by Regulation 12, or in lieu thereof the other security allowed by Code §22-4-2, (iii) Form IV-9, "Reclamation Plan", applicable to the reclamation required by Code §22-4-12b and Regulation 23, (iv) unless previously paid on the same well, the fee required by Code §22-4-12a, and (v) if applicable, the consent required by Code §22-4-8a from the owner of any water well or dwelling within 200 feet of the proposed well.
- 24) **The above named coal operator, coal owner(s), and coal lessee are hereby notified that any objection they wish to make or are required to make by Code §22-4-3 must be filed with the Department of Mines within fifteen (15) days after the receipt of this Application by the Department.**

The following waiver must be completed by the coal operator and by any coal owner or coal lessee who has recorded a declaration under Code 22-4-20, if the permit is to be issued within fifteen (15) days of receipt thereof.

WAIVER

The undersigned coal operator _____ / owner _____ / lessee _____ / of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of the well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

Date: _____, 19____

By _____

Its _____



IV-9
(Rev 8-81)

DATE DEC 20, 1982

WELL NO. KESTER-1

State of West Virginia

API NO. 47 - 073 - 1579

Department of Mines
Oil and Gas Division

CONSTRUCTION AND RECLAMATION PLAN

COMPANY NAME BEACON RESOURCES DESIGNATED AGENT WALTER ALLEN
Address No 1, 17TH ST., VIENNA, W. VA Address No 1, 17TH ST., VIENNA, W. VA
Telephone 304-295-3284 Telephone 304-295-3284
LANDOWNER WILLIAM MOODY SOIL CONS. DISTRICT UPPER OHIO
Revegetation to be carried out by BEACON RESOURCES (Agent)

This plan has been reviewed by Upper Ohio SCD. All corrections
and additions become a part of this plan:

12/21/82

(Date)

Zenith R. Mason

(SCD Agent)

ACCESS ROAD PER	LOCATION
Structure <u>PAGE 2-14</u> (A)	Structure _____ (1)
Spacing _____	Material _____
Page Ref. Manual _____	Page Ref. Manual _____
Structure <u>STONE (CRUSHED)</u> (B)	Structure _____ (2)
Spacing <u>AS REQUIRED</u>	Material _____
Page Ref. Manual _____	Page Ref. Manual _____
Structure <u>CROSS DRAINS</u> (C)	Structure _____ (3)
Spacing <u>AS REQUIRED</u>	Material _____
Page Ref. Manual <u>2-4</u>	Page Ref. Manual _____

All structures should be inspected regularly and repaired if necessary. All commercial timber is to be cut and stacked and all brush and small timber to be cut and removed from the site before dirt work begins.

REVEGETATION

Treatment Area I + II

Lime _____ Tons/acre
or correct to pH 6.5

Fertilizer 500 lbs/acre
(10-20-20 or equivalent)

Mulch 2 Tons/acre

Seed* KY FESCUE 40 lbs/acre
RED CLOVER 8 lbs/acre
_____ lbs/acre

Treatment Area II

Lime _____ Tons/acre
or correct to pH _____

Fertilizer _____ lbs/acre
(10-20-20 or equivalent)

Mulch _____ Tons/acre

Seed* _____ lbs/acre
_____ lbs/acre
_____ lbs/acre

*Inoculate all legumes such as vetch, trefoil and clovers with the proper bacterium. Inoculate with 3X recommended amount.

PLAN PREPARED BY DARRELL BOICE

ADDRESS RT 1

ELIZABETH, W. VA

PHONE NO. 304 474-3654

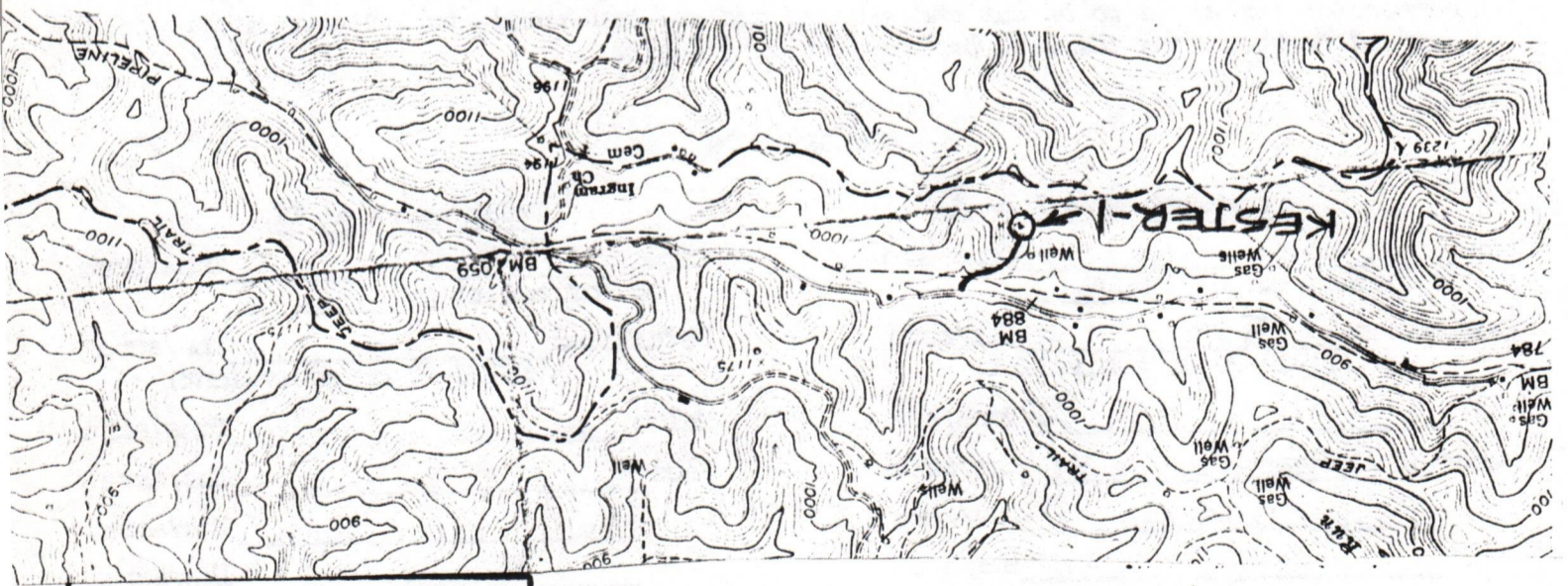
NOTES: Please request landowners' cooperation to protect new seedling for one growing season. Attach separate sheets as necessary for comments.

ATTACH OR PHOTOCOPY SECTION OF INVOLVED TOPOGRAPHIC MAP. QUADRANGLE SCHULTZ

7 1/2

LEGEND

- Well site
- Access Road



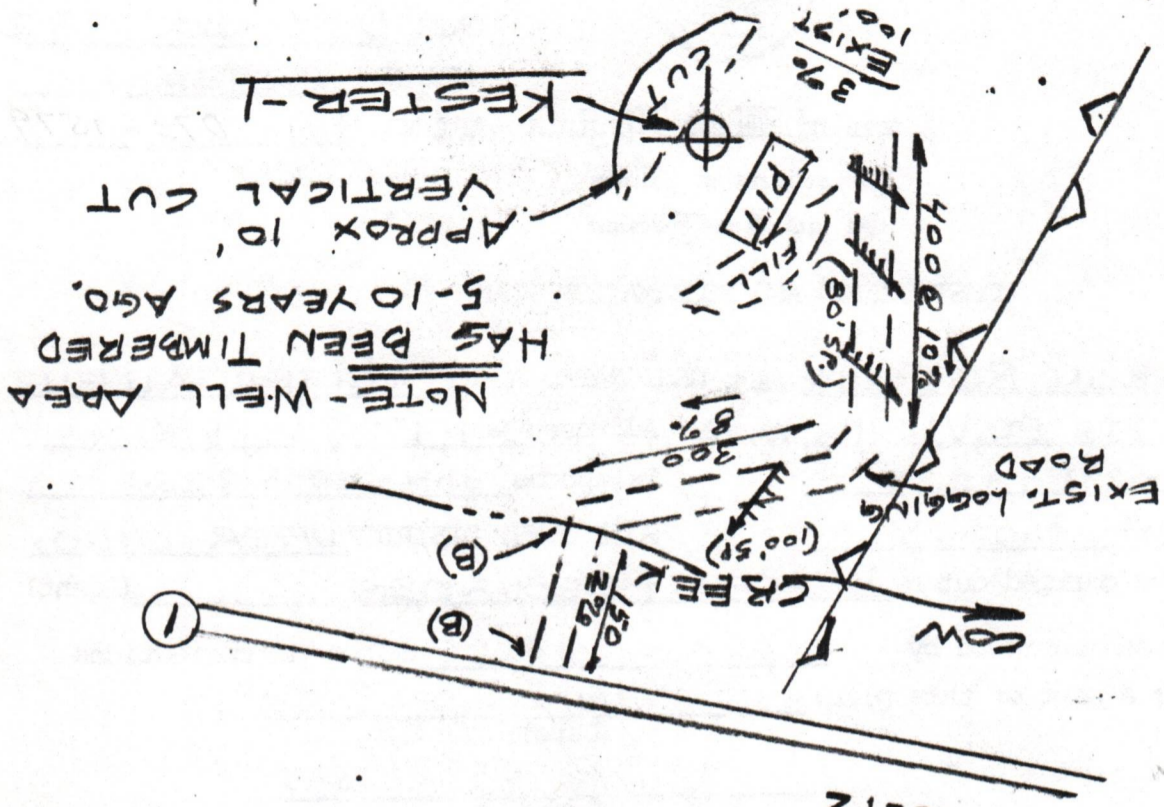
Sketch to include well location, existing access road, roads to be constructed, well drilling pits and necessary structures numbered or lettered to correspond with the part of this plan. Include all natural drainages.

LEGEND

	Property boundary
	Road
	Existing fence
	Planned fence
	Stream
	Open ditch
	Diversion
	Spring
	Wet spot
	Building
	Drain pipe
	Waterway

CROSS DRAINS =

2 MILES TO SCHULTZ



NOTE - WELL AREA HAS BEEN TIMBERED 5-10 YEARS AGO. APPROX 10' VERTICAL CUT

KESTER-1

PLAN - WELL LOCATION

ATTACHMENT #1

Form 23

Assignment of Working Interest

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned ENERGEX OIL AND GAS CORPORATION

for and in consideration of One Dollar (\$1.00), the receipt whereof is hereby acknowledged, do ES hereby sell, assign and transfer without warranty of title, express or implied, unto BEACON RESOURCES CORPORATION

an undivided 100 percent working interest in and to the oil and gas lease S

as follows:

LESSOR

DATE

Al and Phyllis I. DeLange	6/18/82
Isaac and Norma Bills	6/18/82
George F. and Ruth M. Bachellor	6/18/82
Granville and Nelle H. Kester, Jr.	6/28/82
Mrs. Grace Hunter	6/18/82
Mrs. Lucille McKelvey	6/18/82
Mrs. Lucille Vella	6/18/82
Mrs. Mabel Bills	6/18/82
John W. and Lorna W. Kester	7/2/82
Mrs. Hazel Gabbert	6/18/82
Ruth Slater Mills	6/25/82
Grace Kester	9/10/82
Harry W. and Leona M. Kester	6/18/82
Mrs. Meryle Bills	6/18/82

KESTER HEIRS

This Assignment of Working Interest is subject to all provisions of the foregoing oil and gas lease.

Said Leases all pertaining to a tract of land of 33.75 acres, more or less, in Jefferson District, Pleasants County, WV, bounded on the north by lands of P. A. Marks, Jr; on the east by P. A. Marks, Jr; on the south by Oliver Rinehart; on the west by F. R. and E. J. Bills.

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith. The interest herein assigned is subject to its proportionate part of -- an overriding royalty -- overriding royalties totaling none of total production. except as set forth in leases.

In witness whereof, these presents are executed this 8 day of December, 19 82

Signed, sealed and delivered in the presence of

ENERGEX OIL AND GAS CORPORATION

BY [Signature] (Seal)
Robert D. Johnson, Pres.

STATE OF West Virginia
COUNTY OF Wood } SS.

ACKNOWLEDGMENT

On this 8th day of December, A. D., 19 82, before me, the undersigned, a Notary Public in and for said county, in the State aforesaid, personally appeared Robert D. Johnson, President

to me known as the person described in and who executed the foregoing instrument and acknowledged that he had executed the same as his free act and deed.

My Commission Expires Nov. 13, 19 88 Notary Public Sharon A. Barber County, _____
Acting in _____ County, _____

This form was prepared by _____ of _____

Assignment of Working Interest

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an undivided 100 percent working interest in and to the oil and gas leases

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to me known as the person described in and who executed the foregoing instrument and acknowledged that he had executed the same as his free act and deed.

My Commission Expires Nov. 13, 19 88 Notary Public [Signature] County, _____
Acting in _____ County, _____

This form was prepared by _____ of _____

OIL AND GAS LEASE

AGREEMENT, made and entered into this 18 day of June A. D. 19 82

by and between Al and Phyllis I. DeLange
332 South Tenth St.
Redmond, OR 97756

MR. S.S.# 536-24-7249 Mrs. S.S.# 542-34-7105

of Energex Oil & Gas Corporation party of the first part, hereinafter called Lessor (whether one or more),
and _____ party of the second part, hereinafter called Lessee;

1. WITNESSETH: That the Lessor, in consideration of the sum of One Dollar, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant unto the Lessee all of the oil and gas and all of the constituents of either in and under the land hereinafter described, together with the exclusive right to drill for, produce and market oil and gas and their constituents and of storing gas of any kind in any formation underlying the land, and also the right to enter thereon at all times for the purpose of drilling and operating for oil, gas and water, laying pipe lines, erecting tanks, machinery, powers and structures, and to possess, use, and occupy so much of said premises as is necessary and convenient for said purposes and to convey

the above named products therefrom or thereto by pipe lines or otherwise; said land being situate in Jefferson District, Pleasants County of West Virginia, and described as follows, to-wit: Bounded on the

NORTH by lands of P.A. Marks Jr.
EAST by lands of P.A. Marks Jr.
SOUTH by lands of Oliver Rinehart
WEST by lands of F.R. & E.J. Bills

Containing 33.75 acres, more or less and being the same land conveyed to lessor by _____ by deed dated _____ and recorded in said county records in _____ Book No. _____ Page _____

2. It is agreed that this lease shall remain in force for a primary term of 1 year from this date and as long thereafter as operations for oil or gas are being conducted on the premises, or oil or gas is found in paying quantities thereon, or any formation underlying the herein leased land is used for storage of gas as provided under paragraph 7 hereof.

3. The Lessee shall deliver to the credit of the Lessor free of cost, in the pipe line to which he may connect his wells, the equal ~~part~~ Three-sixteenths (3/16) of their proportionate share of all oil produced and saved from the leased premises, and shall pay Lessor the same fraction (3/16)

for all gas and casing head gas produced and sold from the premises, payable monthly; provided, Lessee shall pay Lessor a royalty at the rate of Fifty Dollars per year on each gas well while, through lack of market, gas therefrom is not sold or used off the premises, and while said royalty is so paid said well shall be held to be a paying well under paragraph 2 hereof. *(Paragraph # 9 applies)

4. The Lessee shall commence operations for a well on the premises on or before See # 16 of attach.

~~Or lease will be void~~ Or lease will be void ~~if operations are delayed~~ if operations are delayed to the date when first said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. The drilling of a non-productive well shall be accepted by the Lessor in lieu of delay rental for a period of one year after its completion, and following the exhaustion or abandonment of all wells the Lessee shall have the right for a period of one year to resume the payment of delay rental or commence operations for another well. Upon the resumption of payment of rentals the provisions hereof governing such payment and the effect thereof shall continue in force as though they had not been interrupted.

5. All moneys coming due hereunder shall be paid or tendered to Same as above direct, or by check payable to his (or her) order mailed to same as above

and no default shall be declared against the Lessee by the Lessor for failure of the Lessee to make any payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for ten days after having received written notice by registered mail from the Lessor of his intention to declare such default.

6. Lessor reserves 200,000 cubic feet of gas per annum for domestic use, to be taken through his own appliances at any producing gas well, and agrees to pay Lessee a fair domestic rate for any gas used in excess thereof. Lessor further covenants and agrees that his taking and use of gas shall be wholly at his own risk, the Lessee not to be held liable for any accident or damage caused thereby, nor shall Lessee be liable for any shortage or failure in the supply of gas for said domestic use.

~~7. The Lessor shall be liable for any shortage or failure in the supply of gas for said domestic use.~~

~~8. If the Lessor shall be liable for any shortage or failure in the supply of gas for said domestic use, he shall be held liable therefor.~~

9. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

10. No well may be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall have and enjoy all rights and privileges necessary and convenient for the proper use and development of this lease, and shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor. Lessee shall also have the right at any time to remove all or any part of the machinery, fixtures or structures placed on said premises, including the right to draw and remove casing. Lessee shall pay for damages caused by its operations to growing crops on said lands, and, when requested by Lessor, shall bury its pipe lines below plow depth.

11. The interest or estate of either party hereto may be assigned, the privilege of assigning in whole or in part being expressly allowed. In event this lease shall be assigned as to any part or parts of the above described land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the said Lessee or any assignee thereof shall make due payment of said rental. No change of ownership in the land or in the rentals or royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with a written transfer or assignment or a certified copy thereof.

12. At any time, Lessee, its successors or assigns, shall have the right to surrender this lease or any part thereof for cancellation, after which all payments and liabilities hereunder thereafter shall cease and determine, and if the whole is surrendered, then this lease shall become absolutely null and void. This surrender may be made to the Lessor, or if more than one Lessor, then to any one of them, or to the heirs or assigns of any one of them by delivery of a duly executed surrender thereof in person or by mail addressed to the post office address of such person, or by recording a duly executed surrender thereof in the Recorder's office of the County in which the land is located.

13. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

14. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

Add Paragraph 15 A (over)
This instrument prepared by Hale Baker
Additional Paragraphs 16, 17, 18, 19 and 20

15. This lease embodies the entire contract and agreement between Lessor and Lessee, and no warranties, representations, promises or inducements not herein expressed have been made or relied upon by either party. The terms, conditions and stipulations hereof shall extend to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

15 A Additional Paragraphs 16, 17, 18, 19 and 20 are attached hereto and made a part hereof.

Witness the hands and seals of the parties hereto the day and year first above written.

WITNESS:

Phyllis I. De Lange
Al. De Lange

_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)

Oregon ~~OHIO~~ ACKNOWLEDGMENT

STATE OF ~~OHIO~~ Oregon }
COUNTY OF Deschutes } SS.

Before me, a Notary Public in and for said county, personally appeared the above named Al and Phyllis I. DeLange who acknowledged that they did sign the foregoing instrument, and that the same is free act and deed. In testimony whereof I have hereunto subscribed my name at Redmond, Oregon, this 20th day of July, 1982.

Marilyn J. Gillham
Notary Public

My Commission Expires 12-21-82
Marilyn J. Gillham
MARILYN J. GILLHAM
NOTARY PUBLIC - OREGON
My Commission Expires 12-21-85

ASSIGNMENT OF LEASE

FOR AND in consideration of the sum of one dollar to me in hand paid, by We Al and Phyllis I. DeLange do hereby sell, assign and transfer all of my right, title and interest in the within oil and gas lease on and to Energex Oil & Gas Corp., heirs, successors and assigns.

Witness my hand this 20th day of July, 1982.

WITNESS:

STATE OF ~~OHIO~~ Oregon }
COUNTY OF Deschutes } ss.

Personally appeared before me, a Notary Public, in and for said County of Deschutes,

who acknowledged the signing of the foregoing instrument to be voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto set my hand and affixed my seal this 20th day of July, A. D., 1982.

My commission expires 12-21-85

Marilyn J. Gillham
Notary Public, Justice of the Peace.

Marilyn J. Gillham
MARILYN J. GILLHAM
NOTARY PUBLIC - OREGON
My Commission Expires 12-21-85

RECORDING DATA:
Term _____
County _____ State _____
Location _____
Acres _____
Date _____, 19____
TO _____
Oil and Gas Lease

"Attachment to Oil and Gas Lease"

16. Lessee agrees to drill first well within 9 months of inception of lease.
17. The primary term of this lease will not begin until all interested parties have signed.
18. Lessee agrees that the first well will be scheduled and permitted to be drilled to the shale.
19. This lease may not be assigned.
20. Lessee agrees to furnish a log of the hole to lessor.

"Attachment to Oil and Gas Lease"

16. Lessee agrees to drill first well within 9 months of inception of lease.
17. The primary term of this lease will not begin until all interested parties have signed.
18. Lessee agrees that the first well will be scheduled and permitted to be drilled to the shale.
19. This lease may not be assigned.
20. Lessee agrees to furnish a log of the hole to lessor.

RECEIVED
DEC 27 1982
OIL & GAS DIVISION
DEPT. OF MINES

Energex Oil & Gas Corp.
P.O. Box 5306
Vienna, WV 26105

OIL AND GAS LEASE

AGREEMENT, made and entered into this 28th day of June A. D. 19 82
by and between Granville and Nelle H. Kester, Jr.
476 Beaver St.
Beaver, PA 15009
Mr. SS# 234-26-3603 Mrs. SS# 235-40-9239

of _____ party of the first part, hereinafter called Lessor (whether one or more),
and Energex Oil & Gas Corp. party of the second part, hereinafter called Lessee;

1. WITNESSETH: That the Lessor, in consideration of the sum of One Dollar, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant unto the Lessee all of the oil and gas and all of the constituents of either in and under the land hereinafter described, together with the exclusive right to drill for, produce and market oil and gas and their constituents and of storing gas of any kind in any formation underlying the land, and also the right to enter thereon at all times for the purpose of drilling and operating for oil, gas and water, laying pipe lines, erecting tanks, machinery, powers and structures, and to possess, use, and occupy so much of said premises as is necessary and convenient for said purposes and to convey

the above named products therefrom or thereto by pipe lines or otherwise; said land being situate in Jefferson District, County of Pleasants, State of WV, and described as follows, to-wit: Bounded on the

NORTH by lands of P. A. Marks, Jr.
EAST by lands of P. A. Marks, Jr.
SOUTH by lands of Oliver Rinehart
WEST by lands of F. R. & E. J. Bills

Containing 33.75 acres, more or less and being the same land conveyed to lessor by _____ by deed dated _____ and recorded in said county records in _____ Book No. _____ Page _____

2. It is agreed that this lease shall remain in force for a primary term of 1 years from this date and as long thereafter as operations for oil or gas are being conducted on the premises, or oil or gas is found in paying quantities thereon, or any formation underlying the herein leased land is used for storage of gas as provided under paragraph 7 hereof.

3. The Lessee shall deliver to the credit of the Lessor free of cost, in the pipe line to which he may connect his wells, the equal fraction (3/16) (*Paragraph #9 applies) part of all oil produced and saved from the leased premises, and shall pay Lessor The same

for all gas and casing head gas produced and sold from the premises, payable monthly; provided, Lessee shall pay Lessor a royalty at the rate of Fifty Dollars per year on each gas well while, through lack of market, gas therefrom is not sold or used off the premises, and while said royalty is so paid said well shall be held to be a paying well under paragraph 2 hereof.

4. The Lessee shall commence operations for a well on the premises on or before see #16 of Attachment, unless Lessee ~~or lease will be void~~

The consideration first recited herein, the down payment, shall cover not only the privilege granted to the date when first said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. The drilling of a non-productive well shall be accepted by the Lessor in lieu of delay rental for a period of one year after its completion, and following the exhaustion or abandonment of all wells the Lessee shall have the right for a period of one year to resume the payment of delay rental or commence operations for another well. Upon the resumption of payment of rentals the provisions hereof governing such payment and the effect thereof shall continue in force as though they had not been interrupted.

5. All moneys coming due hereunder shall be paid or tendered to Same as above

direct, or by check payable to his (or her) order mailed to _____ and no default shall be declared against the Lessee by the Lessor for failure of the Lessee to make any payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for ten days after having received written notice by registered mail from the Lessor of his intention to declare such default.

6. Lessor reserves 200,000 cubic feet of gas per annum for domestic use, to be taken through his own appliances at any producing gas well, and agrees to pay Lessee a fair domestic rate for any gas used in excess thereof. Lessor further covenants and agrees that his taking and use of gas shall be wholly at his own risk, the Lessee not to be held liable for any accident or damage caused thereby, nor shall Lessee be liable for any shortage or failure in the supply of gas for said domestic use.

7. Lessee shall have the right to use any formation underlying the leased premises for the storage of gas and shall have all rights and privileges necessary to store and produce such gas. All oil and gas produced from the leased premises shall be stored in the leased premises or in any other storage facility owned or controlled by Lessee. While the premises are so used, and so long as the storage payment is made, all provisions of this lease shall remain in full effect.

8. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

* 9. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

10. No well may be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall have and enjoy all rights and privileges necessary and convenient for the proper use and development of this lease, and shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor. Lessee shall also have the right at any time to remove all or any part of the machinery, fixtures or structures placed on said premises, including the right to draw and remove casing. Lessee shall pay for damages caused by its operations to growing crops on said lands, and, when requested by Lessor, shall bury its pipe lines below plow depth.

11. The interest or estate of either party hereto may be assigned, the privilege of assigning in whole or in part being expressly allowed. In event this lease shall be assigned as to any part or parts of the above described land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the said Lessee or any assignee thereof shall make due payment of said rental. No change of ownership in the land or in the rentals or royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with a written transfer or assignment or a certified copy thereof.

12. At any time, Lessee, its successors or assigns, shall have the right to surrender this lease or any part thereof for cancellation, after which all payments and liabilities hereunder thereafter shall cease and determine, and if the whole is surrendered, then this lease shall become absolutely null and void. This surrender may be made to the Lessor, or if more than one Lessor, then to any one of them, or to the heirs or assigns of any one of them by delivery of a duly executed surrender thereof in person or by mail addressed to the post office address of such person, or by recording a duly executed surrender thereof in the Recorder's office of the County in which the land is located.

13. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

14. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

This instrument prepared by Hale Baker

15. This lease embodies the entire contract and agreement between Lessor and Lessee, and no warranties, representations, promises or inducements not herein expressed have been made or relied upon by either party. The terms, conditions and stipulations hereof shall extend to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

15A. Additional paragraphs 16, 17, 18, 19 and 20 are attached hereto and made a part hereof.

Witness the hands and seals of the parties hereto the day and year first above written.

WITNESS:

Granville Kester (SEAL)
Nelle H. Kester (SEAL)
 _____ (SEAL)
 _____ (SEAL)
 _____ (SEAL)
 _____ (SEAL)
 _____ (SEAL)
 _____ (SEAL)

~~THE~~ ACKNOWLEDGMENT

STATE OF ~~OHIO~~, PENNSYLVANIA }
 COUNTY OF BEAVER } SS.

Before me, a Notary Public in and for said county, personally appeared the above named Granville Kester, Jr. and Nelle H. Kester, his wife,

_____ who acknowledged that they did sign the foregoing instrument, and that the same is their free act and deed. In testimony whereof I have hereunto subscribed my name at Brighton Township, this 6th day of July, 1982.

Robert K. Brown
 Notary Public

My Commission expires ROBERT K. BROWN, JR., Notary Public
 BRIGHTON TWP., BEAVER COUNTY
 MY COMMISSION EXPIRES JULY 7, 1983
 Member, Pennsylvania Association of Notaries

ASSIGNMENT OF LEASE

For and in consideration of the sum of one dollar to me in hand paid, I, _____ do hereby sell, assign and transfer all of my right, title and interest in the within oil and gas lease on and to _____, heirs, successors and assigns.

Witness my hand this _____ day of _____, 19_____

WITNESS:

STATE OF OHIO, }
 COUNTY OF _____ } ss.

Personally appeared before me, a _____, in and for said County

_____, who acknowledged the signing of the foregoing instrument to be _____ voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto set my hand and affixed my _____ seal this _____ day of _____, A. D., 19_____

My commission expires _____

Notary Public, Justice of the Peace.

RECORDING DATA:

Term _____
 County _____ State _____
 Location _____
 Acres _____
 Date _____, 19_____
 TO _____

Oil and Gas Lease

~~KESTER HEIRS~~

LESSOR

DATE

1) AL & PHYLLIS I. DELANGE	-(SIGNED)	6/18/82
2) ISAAC & NORMA BILLS	-(SIGNED)	"
3) GEORGE F. & RUTH M. BACHELOR	-(SIGNED)	"
4) GRANDVILLE & NELLE H. KESTER, JR	-(SIGNED)	6/28/82
5) MRS GRACE HUNTER	-(SIGNED)	6/18/82
6) MRS LUCILLE MC KELVEY	-(SIGNED)	"
7) MRS LUCILLE VELLA	-(SIGNED)	"
8) MRS MABEL BILLS	-(SIGNED)	"
9) JOHN W. & LORNA W. KESTER	(SIGNED) ②	7/2/82
10) MRS HAZEL GABBERT	(SIGNED)	6/18/82
11) RUTH SLATER MILLS	-(SIGNED)	6/25/82

GRACE KESTER
and Leona M.
HARRY W. KESTER
MRS MERYLE BILLS

9/10/82
6/18/82
6/18/82

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DEC 27 1982
OIL & GAS DIVISION
DEPT. OF MINES

RECEIVED

FEB 23 1983

IV-35
(Rev 8-81)

OIL AND GAS DIVISION
WV DEPARTMENT OF MINES



State of West Virginia
Department of Mines
Oil and Gas Division

Date 2-21-83
Operator's Well No. #1
Farm Kester
API No. 47 - 073 - 1579

WELL OPERATOR'S REPORT
OF
DRILLING, FRACTURING AND/OR STIMULATING, OR PHYSICAL CHANGE

WELL TYPE: Oil X / Gas X / Liquid Injection ___ / Waste Disposal ___ /
(If "Gas," Production X / Underground Storage ___ / Deep ___ / Shallow ___ /)

LOCATION: Elevation: 1024 Watershed Cow Creek
District: Jefferson County Pleasants Quadrangle Shultz

COMPANY Beacon Resources Corporation
~~Vista Oil & Gas Corporation~~

ADDRESS P.O. Box 5370 Vienna, WV

DESIGNATED AGENT Russell T. Poole

ADDRESS 2794 Valley Mills Rd. Parkersburg, WV

SURFACE OWNER William Moody

ADDRESS _____

MINERAL RIGHTS OWNER Kester Heirs

ADDRESS _____

OIL AND GAS INSPECTOR FOR THIS WORK Sam Hersman
ADDRESS Smithville, WV 26178

PERMIT ISSUED December 28, 1982

DRILLING COMMENCED January 3, 1983

DRILLING COMPLETED January 9, 1983

IF APPLICABLE: PLUGGING OF DRY HOLE ON CONTINUOUS PROGRESSION FROM DRILLING OR REWORKING. VERBAL PERMISSION OBTAINED ON _____

Casing & Tubing Size	Used in Drilling	Left in Well	Cement fill up Cu. ft.
20-16 Cond.			
13-10"			
9 5/8			
8 5/8	873	873	180 Sx.
7			
5 1/2			
4 1/2	4005	4005	360
3			
2			
Liners used			

GEOLOGICAL TARGET FORMATION Marcellus Depth 4000 feet

Depth of completed well 4024 feet Rotary X / Cable Tools _____

Water strata depth: Fresh 400 feet; Salt 600 feet

Coal seam depths: N/A Is coal being mined in the area? _____

OPEN FLOW DATA

Producing formation Devonian Shale-Marcellus pay zone depth 3272-4000 feet

Gas: Initial open flow 0 Mcf/d Oil: Initial open flow 0 Bbl/d

Final open flow 250. Mcf/d Final open flow 150 Bbl/d

Time of open flow between initial and final tests 8 hours

Static rock pressure _____ psig (surface measurement) after _____ hours shut in

(If applicable due to multiple completion--)

Second producing formation _____ Pay zone depth _____ feet

Gas: Initial open flow _____ Mcf/d Oil: Initial open flow _____ Bbl/d

Final open flow _____ Mcf/d Oil: Final open flow _____ Bbl/d

Time of open flow between initial and final tests _____ hours

Static rock pressure _____ psig (surface measurement) after _____ hours shut in

(Continue on reverse side)

PLEAS. - 1579

DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC.

PERFORATED: 37 Holes 3272 to 3952

FRAC'D: 1st Stage: Broke @ 2800,

2nd Stage: Broke @ 3000

3rd Stage: Broke @ 2600

Total: 1500. Gallon of Acid. 1,800,000 SCF:

WELL LOG

REMARKS	TOP FEET	BOTTOM FEET	FORMATION COLOR HARD OR SOFT
---------	----------	-------------	------------------------------

	0	80	SAND & Shale
	80	200	Shale & Sand Stone
	200	500	Sand, Shale & Siltstone
	500	1100	Sandstone
	1100	1340	Sandstone
	1340	1690	Sandstone
	1690	1920	Shale
	1920	1920	Sand Weir
	1920	2300	Sand
	2300	2430	Sand
	2430	2450	Berea
	2450	2850	Sand
	2850	2850	Shale

(Attach separate sheets as necessary)

Vista Oil & Gas Corporation
Well Operator
By: *[Signature]*
Date: February 21, 1983
V/Pres.

Note: Regulation 2.02(i) provides as follows:
"The term 'log' or 'well log' shall mean a systematic detailed geological record of all formations, including
encountered in the drilling of a well."

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Operator's Well No. Kester #1

API Well No. 47 - 073 - 1579
State County Permit

OIL & GAS DIVISION
DEPT. OF MINES STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OIL AND GAS DIVISION

**WELL OPERATOR'S REPORT
OF
INITIAL GAS-OIL RATIO TEST**

WELL OPERATOR Beacon Resources Corp.
Address PO Box 5370
Vienna, WV 26105

DESIGNATED AGENT John Smittle
Address No. 1 17th Street
Vienna, WV 26105

GEOLOGICAL TARGET FORMATION: Marcellus Depth 4000 feet
Perforation Interval 3272-3952 feet

GUIDELINES FOR TESTING:

- 1- A minimum of gas vented or flared
- 2- A 24 hour preflow into pipelines or tanks
- 3- Uniform producing rate during the 24 hour test per test period
- 4- Measurement standards as for Form IV-39, "Report of Annual Production" (see Regulation 21.01)
- 5- Separate Form IV-36 for each producing formation in a multiple completion

TEST DATA

START OF TEST-DATE <u>6-8-83</u>	TIME <u>8:00 am</u>	END OF TEST-DATE <u>6-9-83</u>	TIME <u>8:00 am</u>	DURATION OF TEST <u>24 hours</u>
TUBING PRESSURE	CASING PRESSURE <u>610-480</u>	SEPARATOR PRESSURE <u>150-100</u>	SEPARATOR TEMPERATURE	
OIL PRODUCTION DURING TEST <u>57 bbls.</u>	GAS PRODUCTION DURING TEST <u>136 Mcf</u>	WATER PRODUCTION DURING TEST & SALINITY bbls. ppm.		
OIL GRAVITY <u>54 °API</u>	PRODUCING METHOD (Flowing, pumping, gas lift, etc.) <u>flowing</u>			

GAS PRODUCTION

MEASUREMENT METHOD FLANGE TAP <input checked="" type="checkbox"/> PIPE TAP <input type="checkbox"/> L-10 <input type="checkbox"/>		POSITIVE CHOKE CRITICAL FLOW PROVER <input checked="" type="checkbox"/>
ORIFICE DIAMETER <u>1 1/2"</u>	PIPE DIAMETER (INSIDE DIAM.) <u>2.067</u>	NOMINAL CHOKE SIZE - in. <u>12/64</u>
DIFFERENTIAL PRESSURE RANGE	MAX. STATIC PRESSURE RANGE <u>500</u>	PROVER & ORIFICE DIAM. - in.
DIFFERENTIAL <u>14"</u>	STATIC <u>150-100</u>	GAS GRAVITY (Air=1.0) MEASURED <input checked="" type="checkbox"/> ESTIMATED
GAS GRAVITY (Air=1.0) <u>.75</u>	FLOWING TEMPERATURE	GAS TEMPERATURE _____ °F
24 HOUR COEFFICIENT.	24 HOUR COEFFICIENT	
		PRESSURE - _____ psia

TEST RESULTS

DAILY OIL <u>57 bbls.</u>	DAILY WATER bbls.	DAILY GAS <u>136 Mcf.</u>	GAS-OIL RATIO <u>2.39 SCF/STB</u>
------------------------------	----------------------	------------------------------	--------------------------------------

Beacon Resources Corp.

Well Operator

Ken Wharton

By: Ken Wharton

Its: Completion Manager

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

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OIL AND GAS DIVISION
WV DEPARTMENT OF MINES

INSPECTOR'S WELL REPORT

Permit No. 073-1570

Oil or Gas Well _____
(KIND)

Company Beacon Resources

Address Vienna W. Va

Farm Kester 1

Well No. 1

District Jefferson County Pleasant

Drilling commenced 1-2-83

Drilling completed _____ Total depth 878

Date shot _____ Depth of shot _____

Initial open flow _____ /10ths Water in _____ Inch

Open flow after tubing _____ /10ths Merc. in _____ Inch

Volume _____ Cu. Ft.

Rock pressure _____ lbs. _____ hrs.

Oil _____ bbls., 1st 24 hrs.

Fresh water _____ feet _____ feet

Salt water _____ feet _____ feet

CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Size			
16			Kind of Packer _____
13			
10			Size of _____
8 1/4	<u>848</u>	<u>848</u>	
6 5/8			Depth set _____
5 3/16			
3			Perf. top _____
2			Perf. bottom _____
Liners Used			Perf. top _____
			Perf. bottom _____

CASING CEMENTED 8 5/8 SIZE 848 No. FT. _____ Date _____

NAME OF SERVICE COMPANY noweco

COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES

_____ FEET _____ INCHES _____ FEET _____ INCHES

_____ FEET _____ INCHES _____ FEET _____ INCHES

Drillers' Names _____

Remarks: Cemented with 100 SKS 50/50 pas
" " 80 " Regular 3% Ch2

1-5-83
DATE

R.A. Lowther
DISTRICT WELL INSPECTOR

Form 26
2/16/82

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION
INSPECTOR'S PLUGGING REPORT

Permit No. _____

Well No. _____

COMPANY _____ ADDRESS _____

FARM _____ DISTRICT _____ COUNTY _____

Filling Material Used _____

Liner	Location	Amount	Packer	Location		
PLUGS USED AND DEPTH PLACED			BRIDGES	CASING AND TUBING		
CEMENT-THICKNESS	WOOD-SIZE	LEAD	CONSTRUCTION-LOCATION	RECOVERED	SIZE	LOST

Drillers' Names _____

Remarks: _____

_____ I hereby certify I visited the above well on this date.
DATE

DISTRICT WELL INSPECTOR

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES
OIL AND GAS WELLS DIVISION

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JUL 27 1983

INSPECTOR'S WELL REPORT

Permit No. 073-1579

OIL & GAS DIVISION
DEPT. OF MINES
(KIND)

Company <u>Beacon Resources</u>	CASING AND TUBING	USED IN DRILLING	LEFT IN WELL	PACKERS
Address _____	Size			
Farm <u>Kester Hrs</u>	16			Kind of Packer _____
Well No. <u>1</u>	13			Size of _____
District <u>Jefferson</u> County <u>Pleasant</u>	10			
Drilling commenced _____	8 1/4			Depth set _____
Drilling completed _____ Total depth _____	6 5/8			
Date shot _____ Depth of shot _____	5 3/16			Perf. top _____
Initial open flow _____ /10ths Water in _____ Inch	3			Perf. bottom _____
Open flow after tubing _____ /10ths Merc. in _____ Inch	2			Perf. top _____
Volume _____ Cu. Ft.	Liners Used			Perf. bottom _____
Rock pressure _____ lbs. _____ hrs.	CASING CEMENTED _____ SIZE _____ No. FT. _____ Date _____			
Oil _____ bbls., 1st 24 hrs.	NAME OF SERVICE COMPANY _____			
Fresh water _____ feet _____ feet	COAL WAS ENCOUNTERED AT _____ FEET _____ INCHES			
Salt water _____ feet _____ feet	_____ FEET _____ INCHES _____ FEET _____ INCHES			
	_____ FEET _____ INCHES _____ FEET _____ INCHES			

Drillers' Names _____

Remarks: Called By Pleasant Co Sheriff oil on cow creek
Co let tank over Flow, Tanks Have wall dike
but some oil leaked through dike into creek. contacted
Co & They started to clean up spill

7-23-83
DATE

R.A. Lowther
DISTRICT WELL INSPECTOR

Form 26
2/16/82

STATE OF WEST VIRGINIA

DEPARTMENT OF MINES

OIL AND GAS WELLS DIVISION

INSPECTOR'S PLUGGING REPORT

Permit No. _____

Well No. _____

COMPANY _____ ADDRESS _____

FARM _____ DISTRICT _____ COUNTY _____

Filling Material Used _____

Liner	Location		Amount	Packer	Location		
CEMENT-THICKNESS	PLUGS USED AND DEPTH PLACED		LEAD	CONSTRUCTION-LOCATION	CASING AND TUBING		
	WOOD-SIZE				RECOVERED	SIZE	LOST

Drillers' Names _____

Remarks: _____

_____ I hereby certify I visited the above well on this date.

DATE

DISTRICT WELL INSPECTOR



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SEP 12 1984

OIL & GAS DIVISION
DEPT. OF MINES

State of West Virginia
Department of Mines
Oil and Gas Division
Charleston 25305

FINAL INSPECTION REPORT
INSPECTORS COMPLIANCE REPORT
August 31, 1984

COMPANY Beacon Resources Corp.

PERMIT NO 073-1579 (12-28-82)

#1 Seventeenth Street

FARM & WELL NO Kester Heirs #1

Vienna, West Virginia 26105

DIST. & COUNTY Jefferson/Pleasants

RULE	DESCRIPTION	IN COMPLIANCE	
		YES	NO
23.06	Notification Prior to Starting Work	<input checked="" type="checkbox"/>	<input type="checkbox"/>
25.04	Prepared before Drilling to Prevent Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>
25.03	High-Pressure Drilling	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.01	Required Permits at Wellsite	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.03	Adequate Fresh Water Casing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.02	Adequate Coal Casing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.01	Adequate Production Casing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.04	Adequate Cement Strenght	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.05	Cement Type	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.02	Maintained Access Roads	<input checked="" type="checkbox"/>	<input type="checkbox"/>
25.01	Necessary Equipment to Prevent Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.04	Reclaimed Drilling Pits	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.05	No Surface or Underground Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.07	Requirements for Production & Gathering Pipelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.01	Well Records on Site	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.02	Well Records Filed	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.05	Identification Markings	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I HAVE INSPECTED THE ABOVE CAPTIONED WELL AND RECOMMEND THAT IT BE RELEASED.

SIGNED

R. H. Lowther

DATE

Sept 10, 1984

Your well record was received and reclamation requirements approved. In accordance with Chapter 22, Article 4, Section 2, the above well will remain under bond coverage for the life of the well.

T. H. v. B.

Administrator-Oil & Gas Division

October 9, 1984

TMS/chm

DATE

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)

FEB 23 1983

OIL & GAS DIVISION
DEPT. OF MIN

1.0 API well number: (If not assigned, leave blank. 14 digits.) 47-073-1579-0000

2.0 Type of determination being sought: (Use the codes found on the front of this form.) 103 Section of NGPA N/A Category Code

3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.) 4022 feet

4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)
 Name Vista Oil & Gas Corporation
 Street P.O. Box 5370
 City Vienna, WV State WV Zip Code 26105

5.0 Location of this well: [Complete (a) or (b).]
 (a) For onshore wells (35 letters maximum for field name.)
 Field Name Pleasants County WV State WV
 (b) For OCS wells:
 Area Name N/A Block Number N/A
 Date of Lease: N/A
 Mo. Day Yr. OCS Lease Number

(c) Name and identification number of this well: (35 letters and digits maximum.)
Kester #1

(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)

6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)
Consolidated Gas Supply Corporation
 Name Buyer Code
 (b) Date of the contract:
 APPLIED FOR ONLY
 Mo. Day Yr.
 (c) Estimated total annual production from the well:
20,000 Million Cubic Feet

	(a) Base Price	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.) <u>ESTIMATED</u>	S/MMBTU <u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	S/MMBTU <u>2.732</u>	<u>0.000</u>	<u>0.000</u>	<u>2.732</u>

9.0 Person responsible for this application:
 Name Russell T. Poole Title V/ Pres.
 Signature [Signature]
 Date Application is Completed 2-14-83 Phone Number 304-295-3333

Agency Use Only
 Date Received by [Agency] FEB 23 1983
 Date Received by FERC

FERC-121 (8-82)

STATE OF WEST VIRGINIA
DEPARTMENT OF MINES, OIL AND GAS DIVISION

Date February 14, 1983

Operator's Well No. Kester #1
AFI Well No. 47 - 073 - 1579
State County Permit

WELL CLASSIFICATION FORM
NEW ONSHORE PRODUCTION WELL
NGPA Section 103

DESIGNATED AGENT Russell T. Poole
ADDRESS 2794 Valley Mills Rd.
Parkersburg, WV 26101

WELL OPERATOR Vista Oil & Gas Corporation
ADDRESS P.O. Box 5370
Vienna, WV 26105

LOCATION: Elevation 1024
Watershed Cow Creek
Dist. Jefferson County Pleasants Quad Shultz

GAS PURCHASER Consolidated Gas Supply
ADDRESS 445 West Main Street
Clarksburg, WV 26301

Gas Purchase Contract No. APPLIED FOR ONLY
Meter Chart Code _____
Date of Contract _____

* * * * *

Date surface drilling was begun: January 3, 1983

Indicate the bottom hole pressure of the well and explain how this was calculated:

$BHP = P_1 + P_1 [e(GL/53.34Tr)-1] = 799\#$

$P_1 = 635$

$e = 2.71828$

$G = .762$

$L = 3612$

$Tr = 53.4$

AFFIDAVIT

I, Russell T. Poole, having been first sworn according to law state that surface drilling of the well for which this determination is sought was begun on or after February 19, 1977; the well satisfies applicable state or federal well spacing requirements and the well is not within a proration unit, in existence at the time surface drilling began, which was applicable to the reservoir from which gas is or will be produced and which applied to any other well producing gas in commercial quantities or on which surface drilling began on or after February 19, 1977, and which was capable of producing gas in commercial quantities. I state, further, that I have concluded, to the best of my information, knowledge and belief, that the well for which this determination is sought is a new onshore production well and that I am not aware of any information not described in the application which is inconsistent with this conclusion.

Russell T. Poole

STATE OF WEST VIRGINIA,
COUNTY OF WOOD TO WIT:

I, Diana L. Petey, a Notary Public in and for the state and county aforesaid, do certify that Russell T. Poole whose name is signed to the writing above, bearing date the 14th day of February, 1983 has acknowledged the same before me, in my county aforesaid. Given under my hand and official seal this 14th day of February, 1983. My term of office expires on the 21st day of June, 1989.

[NOTARIAL SEAL]

Diana L. Petey
Notary Public

OIL AND GAS LEASE

AGREEMENT, made and entered into this 18 day of June A. D. 19 82

by and between Al and Phyllis I. DeLange
332 South Tenth St.
Redmond, OR 97756

MR. S.S.# 536-2457249 Mrs. S.S.# 542-34-7006

of party of the first part, hereinafter called Lessor (whether one or more),
and Energex Oil & Gas Corporation party of the second part, hereinafter called Lessee;

1. WITNESSETH: That the Lessor, in consideration of the sum of One Dollar, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant unto the Lessee all of the oil and gas and all of the constituents of either in and under the land hereinafter described, together with the exclusive right to drill for, produce and market oil and gas and their constituents and of storing gas of any kind in any formation underlying the land, and also the right to enter thereon at all times for the purpose of drilling and operating for oil, gas and water, laying pipe lines, erecting tanks, machinery, powers and structures, and to possess, use, and occupy so much of said premises as is necessary and convenient for said purposes and to convey

the above named products therefrom or thereto by pipe lines or otherwise; said land being situate in Jefferson District,
County of Pleasants, State of West Virginia, and described as follows, to-wit: Bounded on the

NORTH by lands of P.A. Marks Jr.

EAST by lands of P.A. Marks Jr.

SOUTH by lands of Oliver Rinehart

WEST by lands of F.R. & E.J. Bills

Containing 33.75 acres, more or less and being the same land conveyed to lessor by

by deed dated _____ and

recorded in said county records in Book No. _____ Page _____

2. It is agreed that this lease shall remain in force for a primary term of 1 year from this date and as long thereafter as operations for oil or gas are being conducted on the premises, or oil or gas is found in paying quantities thereon, or any formation underlying the herein leased land is used for storage of gas as provided under paragraph 7 hereof.

3. The Lessee shall deliver to the credit of the Lessor free of cost, in the pipe line to which he may connect his wells, the equal part of all oil produced and saved from the leased premises, and shall pay Lessor the same fraction (3/16)

Three-sixteenths (3/16) of their proportionate share * (Paragraph #9 applies)

for all gas and casing head gas produced and sold from the premises, payable monthly; provided, Lessee shall pay Lessor a royalty at the rate of Fifty Dollars per year on each gas well while, through lack of market, gas therefrom is not sold or used off the premises, and while said royalty is so paid said well shall be held to be a paying well under paragraph 2 hereof.

4. The Lessee shall commence operations for a well on the premises on or before See # 16 of attach. June 18, 1982

Or lease will be void for each month that operations are delayed from the date when first said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. The drilling of a non-productive well shall be accepted by the Lessor in lieu of delay rental for a period of one year after its completion, and following the exhaustion or abandonment of all wells the Lessee shall have the right for a period of one year to resume the payment of delay rental or commence operations for another well. Upon the resumption of payment of rentals the provisions hereof governing such payment and the effect thereof shall continue in force as though they had not been interrupted.

5. All moneys coming due hereunder shall be paid or tendered to Same as above

direct, or by check payable to his (or her) order mailed to same as above

and no default shall be declared against the Lessee by the Lessor for failure of the Lessee to make any payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for ten days after having received written notice by registered mail from the Lessor of his intention to declare such default.

6. Lessor reserves 200,000 cubic feet of gas per annum for domestic use, to be taken through his own appliances at any producing gas well, and agrees to pay Lessee a fair domestic rate for any gas used in excess thereof. Lessor further covenants and agrees that his taking and use of gas shall be wholly at his own risk, the Lessee not to be held liable for any accident or damage caused thereby, nor shall Lessee be liable for any shortage or failure in the supply of gas for said domestic use.

7. Lessor shall have the right to use any formation underlying the leased premises for the storage of gas, and shall have the right to enter thereon at any time for the purpose of drilling and operating for oil, gas and water, laying pipe lines, erecting tanks, machinery, powers and structures, and to possess, use, and occupy so much of said premises as is necessary and convenient for said purposes and to convey the above named products therefrom or thereto by pipe lines or otherwise; said land being situate in Jefferson District, County of Pleasants, State of West Virginia, and described as follows, to-wit: Bounded on the NORTH by lands of P.A. Marks Jr. EAST by lands of P.A. Marks Jr. SOUTH by lands of Oliver Rinehart WEST by lands of F.R. & E.J. Bills

8. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

9. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

10. No well may be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall have and enjoy all rights and privileges necessary and convenient for the proper use and development of this lease, and shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor. Lessee shall also have the right at any time to remove all or any part of the machinery, fixtures or structures placed on said premises, including the right to draw and remove casing. Lessee shall pay for damages caused by its operations to growing crops on said lands, and, when requested by Lessor, shall bury its pipe lines below plow depth.

11. The interest or estate of either party hereto may be assigned, the privilege of assigning in whole or in part being expressly allowed. In event this lease shall be assigned as to any part or parts of the above described land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents, due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the said Lessee or any assignees thereof shall make due payment of said rental. No change of ownership in the land or in the rentals or royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with a written transfer or assignment or a certified copy thereof.

12. At any time, Lessee, its successors or assigns, shall have the right to surrender this lease or any part thereof for cancellation, after which all payments and liabilities hereunder thereafter shall cease and determine, and if the whole is surrendered, then this lease shall become absolutely null and void. This surrender may be made to the Lessor, or if more than one Lessor, then to any one of them, or to the heirs or assigns of any one of them by delivery of a duly executed surrender thereof in person or by mail addressed to the post office address of such person, or by recording a duly executed surrender thereof in the Recorder's office of the County in which the land is located.

13. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

14. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

15. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

16. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

17. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

18. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

19. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

20. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

21. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

22. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

Add Paragraph 15 A (over)

This instrument prepared by Hale Baker

5A Additional Paragraphs 16, 17, 18, 19 and 20 are attached

"Attachment to Oil and Gas Lease"

16. Lessee agrees to drill first well within 9 months of inception of lease.
17. The primary term of this lease will not begin until all interested parties have signed.
18. Lessee agrees that the first well will be scheduled and permitted to be drilled to the shale.
19. This lease may not be assigned.
20. Lessee agrees to furnish a log of the hole to lessor.

15. This lease embodies the entire contract and agreement between Lessor and Lessee, and no warranties, representations, promises or inducements not herein expressed have been made or relied upon by either party. The terms, conditions and stipulations hereof shall extend to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

15 A Additional paragraphs 16, 17, 18, 19 and 20 are attached hereto and made a part hereof.

Witness the hands and seals of the parties hereto the day and year first above written.

WITNESS:

Phyllis I. DeLange

Al. DeLange

_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)

Oregon ~~OHIO~~ ACKNOWLEDGMENT

STATE OF ~~OHIO~~ Oregon

COUNTY OF Deschutes

} SS.

Before me, a Notary Public in and for said county, personally appeared the above named Al and Phyllis I. DeLange

who acknowledged that they did sign the foregoing instrument, and that the same is free act and deed. In testimony whereof I have hereunto subscribed my name at Redmond, Oregon, this 20th day of July, 19 82.

Marilyn J. Gillham
Notary Public

My Commission expires 12-21-82

Marilyn J. Gillham
MARILYN J. GILLHAM
NOTARY PUBLIC - OREGON
My Commission Expires 12-21-85

ASSIGNMENT OF LEASE

FOR and in consideration of the sum of one dollar to me in hand paid, by We Al and Phyllis I. DeLange do hereby sell, assign and transfer all of my right, title and interest in the within oil and gas lease on and to Energex Oil & Gas Corp., heirs, successors and assigns.

Witness my hand this 20th day of July, 1982

WITNESS:

STATE OF ~~OHIO~~ Oregon

COUNTY OF Deschutes

} ss.

Personally appeared before me, a Notary Public, in and for said County of Deschutes

who acknowledged the signing of the foregoing instrument to be voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto set my hand and affixed my seal this 20th day of July, A. D., 19 82

My commission expires 12-21-85

Marilyn J. Gillham
Notary Public, Justice of the Peace.

Marilyn J. Gillham
MARILYN J. GILLHAM
NOTARY PUBLIC - OREGON
My Commission Expires 12-21-85

RECORDING DATA:
Term _____
County _____ State _____
Location _____
Acres _____
Date _____, 19 _____
TO _____
Oil and Gas Lease

RECEIVED
DEC 27 1982
OIL & GAS DIVISION
DEPT. OF MINES

OIL AND GAS LEASE

AGREEMENT, made and entered into this 28th day of June A. D. 19 82,
by and between Granville and Nelle H. Kester, Jr.
476 Beaver St.
Beaver, PA 15009
Mr. SS# 234-26-3603 Mrs. SS# 235-40-9239

of _____ party of the first part, hereinafter called Lessor (whether one or more),
and Energex Oil & Gas Corp. party of the second part, hereinafter called Lessee;

1. WITNESSETH: That the Lessor, in consideration of the sum of One Dollar, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant unto the Lessee all of the oil and gas and all of the constituents of either in and under the land hereinafter described, together with the exclusive right to drill for, produce and market oil and gas and their constituents and of storing gas of any kind in any formation underlying the land, and also the right to enter thereon at all times for the purpose of drilling and operating for oil, gas and water, laying pipe lines, erecting tanks, machinery, powers and structures, and to possess, use, and occupy so much of said premises as is necessary and convenient for said purposes and to convey

the above named products therefrom or thereto by pipe lines or otherwise; said land being situate in Jefferson District, County of Pleasants, State of WV, and described as follows, to-wit: Bounded on the

NORTH by lands of P. A. Marks, Jr.
EAST by lands of P. A. Marks, Jr.
SOUTH by lands of Oliver Rinehart
WEST by lands of F. R. & E. J. Bills

Containing 33.75 acres, more or less and being the same land conveyed to lessor by _____
by deed dated _____ and

recorded in said county records in _____ Book No. _____ Page _____

2. It is agreed that this lease shall remain in force for a primary term of 1 years from this date and as long thereafter as operations for oil or gas are being conducted on the premises, or oil or gas is found in paying quantities thereon, or any formation underlying the herein leased land is used for storage of gas as provided under paragraph 7 hereof.

3. The Lessee shall deliver to the credit of the Lessor free of cost, in the pipe line to which he may connect his wells, the equal fraction (3/16) (*Paragraph #9 applies) part of all oil produced and saved from the leased premises, and shall pay Lessor the same

for all gas and casing head gas produced and sold from the premises, payable monthly; provided, Lessee shall pay Lessor a royalty at the rate of Fifty Dollars per year on each gas well while, through lack of market, gas therefrom is not sold or used off the premises, and while said royalty is so paid said well shall be held to be a paying well under paragraph 2 hereof.

4. The Lessee shall commence operations for a well on the premises on or before see #16 of Attachment, unless Lessee ~~XXXXXXXXXXXXXXXX or lease will be voidXXXX~~

The consideration first recited herein, the down payment, shall cover not only the privilege granted to the date when first said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. The drilling of a non-productive well shall be accepted by the Lessor in lieu of delay rental for a period of one year after its completion, and following the exhaustion or abandonment of all wells the Lessee shall have the right for a period of one year to resume the payment of delay rental or commence operations for another well. Upon the resumption of payment of rentals the provisions hereof governing such payment and the effect thereof shall continue in force as though they had not been interrupted.

5. All moneys coming due hereunder shall be paid or tendered to Same as above direct, or by check payable to his (or her) order mailed to _____ and no default shall be declared against the Lessee by the Lessor for failure of the Lessee to make any payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for ten days after having received written notice by registered mail from the Lessor of his intention to declare such default.

6. Lessor reserves 200,000 cubic feet of gas per annum for domestic use, to be taken through his own appliances at any producing gas well, and agrees to pay Lessee a fair domestic rate for any gas used in excess thereof. Lessor further covenants and agrees that his taking and use of gas shall be wholly at his own risk, the Lessee not to be held liable for any accident or damage caused thereby, nor shall Lessee be liable for any shortage or failure in the supply of gas for said domestic use.

~~7. The Lessor shall have the right to use any formation underlying the leased premises for the storage of gas, and the Lessee shall not be held liable for any damage caused thereby. All rights and interests of the Lessor in such gas and storage shall survive the expiration of this lease. The provisions of this lease shall remain in full effect.~~

8. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

9. If said Lessor owns a less interest in the above described land than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

10. No well may be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall have and enjoy all rights and privileges necessary and convenient for the proper use and development of this lease, and shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor. Lessee shall also have the right at any time to remove all or any part of the machinery, fixtures or structures placed on said premises, including the right to draw and remove casing. Lessee shall pay for damages caused by its operations to growing crops on said lands, and, when requested by Lessor, shall bury its pipe lines below plow depth.

11. The interest or estate of either party hereto may be assigned, the privilege of assigning in whole or in part being expressly allowed. In event this lease shall be assigned as to any part or parts of the above described land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the said Lessee or any assignee thereof shall make due payment of said rental. No change of ownership in the land or in the rentals or royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with a written transfer or assignment or a certified copy thereof.

12. At any time, Lessee, its successors or assigns, shall have the right to surrender this lease or any part thereof for cancelation, after which all payments and liabilities hereunder thereafter shall cease and determine, and if the whole is surrendered, then this lease shall become absolutely null and void. This surrender may be made to the Lessor, or if more than one Lessor, then to any one of them, or to the heirs or assigns of any one of them by delivery of a duly executed surrender thereof in person or by mail addressed to the post office address of such person, or by recording a duly executed surrender thereof in the Recorder's office of the County in which the land is located.

13. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

14. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after the expiration of the term of this lease production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as oil or gas is produced in paying quantities.

This instrument prepared by Hale Baker

15. This lease embodies the entire contract and agreement between Lessor and Lessee, and no warranties, representations, promises or inducements not herein expressed have been made or relied upon by either party. The terms, conditions and stipulations hereof shall extend to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

15A. Additional paragraphs 16, 17, 18, 19 and 20 are attached hereto and made a part hereof.

Witness the hands and seals of the parties hereto the day and year first above written.

WITNESS:

Granville Kester (SEAL)
Nelle H. Kester (SEAL)

_____ (SEAL)

~~THIS~~ ACKNOWLEDGMENT

STATE OF ~~OHIO~~, PENNSYLVANIA

COUNTY OF BEAVER

} SS.

Before me, a Notary Public in and for said county, personally appeared the above named Granville Kester, Jr. and Nelle H. Kester, his wife,

_____ who acknowledged that I he y did sign the foregoing instrument, and that the same is their free act and deed. In testimony whereof I have hereunto subscribed my name at Brighton Township, this 6th day of July, 19 82.

Robert K. Brown
Notary Public

My Commission expires ROBERT K. BROWN, JR., Notary Public
BRIGHTON TWP., BEAVER COUNTY
MY COMMISSION EXPIRES JULY 7, 1983
Member, Pennsylvania Association of Notaries

ASSIGNMENT OF LEASE

For and in consideration of the sum of one dollar to me in hand paid, I, _____ do hereby sell, assign and transfer all of my right, title and interest in the within oil and gas lease on and to _____, heirs, successors and assigns.

Witness my hand this _____ day of _____, 19 _____
WITNESS:

STATE OF OHIO, } ss.
COUNTY OF _____

Personally appeared before me, a _____, in and for said County

_____, who acknowledged the signing of the foregoing instrument to be _____ voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto set my hand and affixed my _____ seal this _____ day of _____, A. D., 19 _____

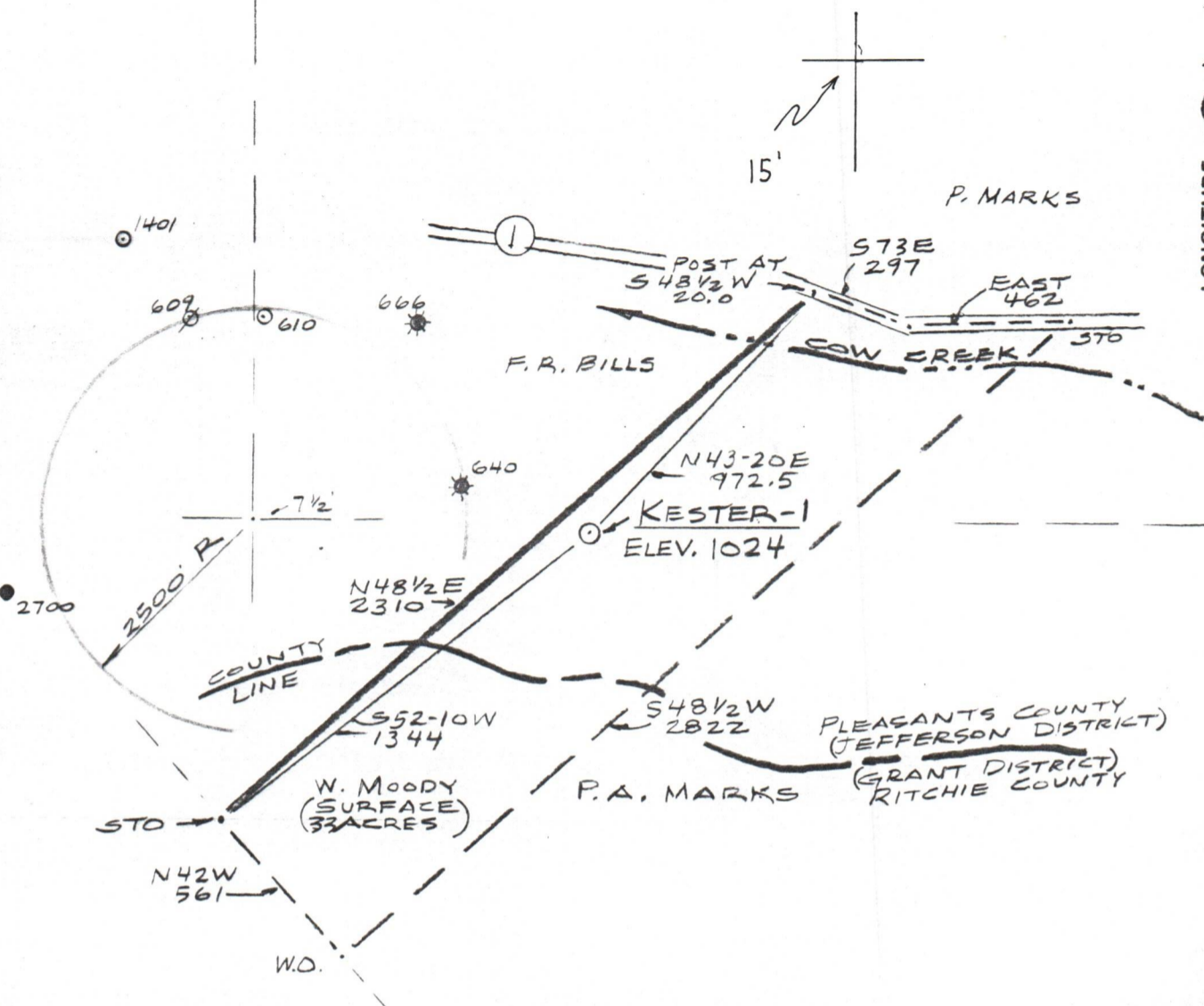
My commission expires _____ Notary Public, Justice of the Peace.

Oil and Gas Lease
TO
Date _____, 19_____
Acres _____
Location _____
County _____ State _____
Term _____
RECORDING DATA:

LATITUDE 39-20

LONGITUDE 81-10

NORTH



FILE NO. _____
 DRAWING NO. _____
 SCALE 1"=500
 MINIMUM DEGREE OF ACCURACY 1 IN 200
 PROVEN SOURCE OF ELEVATION USGS BM 884

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF MINES.
 (SIGNED) Daniel R. Boice
 R.P.E. _____ L.L.S. 667

PLACE SEAL HERE

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS
 FORM IV-6 (8-78)



DATE Nov 15, 1982
 OPERATOR'S WELL NO. KESTER-1
 API WELL NO. _____
47 - 013 - 1579
 STATE COUNTY PERMIT

STATE OF WEST VIRGINIA
 DEPARTMENT OF MINES
 OIL AND GAS DIVISION

WELL TYPE: OIL GAS LIQUID INJECTION _____ WASTE DISPOSAL _____
 (IF "GAS,") PRODUCTION STORAGE _____ DEEP _____ SHALLOW
 LOCATION: ELEVATION 1024 WATER SHED COW CREEK
 DISTRICT JEFFERSON COUNTY PLEASANTS
 QUADRANGLE SCHULTZ
 SURFACE OWNER WILLIAM MOODY ACREAGE 33
 OIL & GAS ROYALTY OWNER KESTER HEIRS LEASE ACREAGE 33
 LEASE NO. _____
 PROPOSED WORK: DRILL CONVERT _____ DRILL DEEPER _____ REDRILL _____ FRACTURE OR STIMULATE _____ PLUG OFF OLD FORMATION _____ PERFORATE NEW FORMATION _____ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____
 PLUG AND ABANDON _____ CLEAN OUT AND REPLUG _____
 TARGET FORMATION MARCELLUS ESTIMATED DEPTH 4000'
 WELL OPERATOR BEACON RESOURCES DESIGNATED AGENT WALTER ALLEN
 ADDRESS No 1, 17th STREET ADDRESS No 1, 17th STREET
VIENNA, W. VA. VIENNA, W. VA.

PLEAS.-1579

STATE APPLICATION FOR WELL CLASSIFICATION

Previous File No.
(If Applicable)

WELL OPERATOR Vista Oil & Gas Corporation

DESIGNATED AGENT Russell T. Poole

ADDRESS P.O. Box 5370
Vienna, WV 26105

ADDRESS 2794 Valley Mills Rd.
Parkersburg, WV 26101

Gas Purchase Contract No. APPLIED FOR ONLY and Date APPLIED FOR ONLY
(Month, day and year)

Meter Chart Code

Name of First Purchaser Consolidated Gas Supply Corporation
445 West Main Street
(Street or P. O. Box)
Clarksburg, WV 26301
(City) (State) (Zip Code)

FERC Seller Code

FERC Buyer Code

TYPE OF DETERMINATION BEING SOUGHT:

- (1) Initial determination (See FERC Form 121.) 103 Section of NGPA N/A Category Code
- (2) Determination that increased production is the result of enhanced recovery technology.
- (3) Determination of a seasonally affected well.

Russell T. Poole V/ Pres.
Name (Print) Title
Russell T. Poole
Signature
P.O. Box 5370
Street or P. O. Box
Vienna, WV 26105
City State (Zip Code)
(304) 295-3333
Area Code Phone Number

(Certificate of Proof of Service to Purchaser)

SEE ATTACHED

All of the above to be completed by the Operator/Applicant)

To be completed by Jurisdictional Agency. Executed copy to be returned to Operator/Applicant and purchaser, if known).

The Department of Mines has received a request, for certification of the above described well as meeting the requirements of Section under the Natural Gas Policy Act of 1976. (NGPA); or for determination that increased production is the result of enhanced recovery technology under Section 108 of (NGPA); or for determination of a seasonally affected well under Section 108 of (NGPA).

All interested parties are hereby notified that on the day of , 1983, at the office of the Oil and Gas Division in Charleston, West Virginia, or as soon thereafter as it may be heard, there will be a public hearing, if requested, or if objection is filed.

This Application is assigned File No. .

Initial review of information submitted indicates the well is. is not entitled to certification as claimed under the Natural Gas Policy Act (NGPA). A review of this evidence and any additional evidence will be made at the time appointed for a public hearing or as soon thereafter as the matter may be heard.

Unless objections are timely filed or a request for a hearing is made within fifteen (15) days, a hearing will not be held except on ex parte motion of the department and the matter will go to determination.

WEST VIRGINIA DEPARTMENT OF MINES

FEB 23 1983

Received by
Jurisdictional Agency

By [Signature] Director
Title

DATE: MAY 23 1983

BUYER-SELLER COI

PARTICIPANTS:

WELL OPERATOR: Vista Oil & Gas Corp

FIRST PURCHASER: Consolidated Gas Supply

OTHER: _____

1500

Qual 1st

W. Va. Department of Mines, Oil & Gas Division
WELL DETERMINATION FILE NUMBER

83 02 23 103-073-1579

Use Above File Number on all Communications
Relating to Determination of this Well

QUALIFIED

CHECK EACH ITEM AS COMPLETE OR NOTE WHAT IS MISSING

ITEM NO.

1. FERC -121 Items not completed - Line No. 7.0 WA 8.0 b.c

2. IV-1 Agent Russell T Poole

3. IV-2 Well Permit _____

4. IV-6 Well Plat

5. IV-35 Well Record Drilling Deepening

6. IV-36 Gas-Oil Test: Gas Only _____ Was Oil Produced? _____ Ratio _____

7. IV-39 Annual Production _____ years

8. IV-40 90 day Production _____ Days off line: _____

9. IV-48 Application for certification. Complete?

10-17. IV Form 51 - 52 - 53 - 54 - 55 - 56 - 57 - 58 Complete? Affidavit Signed

18-28. Other: Survey _____ Logs _____ Geological Charts _____
Structure Map _____ 1: 4000 Map _____ Well Tabulations _____
Gas Analyses _____

(5) Date commenced: 1-3-83 Date completed 1-9-83 Deepened _____

(5) Production Depth: 3272 - 4000

(5) Production Formation: Devonian - Marcell

(5) Final Open Flow: 250 mcf

(5) After Frac. R. P.

(6) Other Gas Test: _____

(7) Avg. Daily Gas from Annual Production: _____

(8) Avg. Daily Gas from 90-day ending w/1-120 days _____

(8) Line Pressure: _____ PSIG from Daily Repo

(5) Oil Production: _____ From Completion Report _____

10-17. Does lease inventory indicate enhanced recovery being done _____

10-17. Is affidavit signed? Notarized?

Does official well record with the Department confirm the submitted information? yes

Additional information _____ Does computer program confirm? _____

Was Determination Objected to _____ By Whom? _____