

7/85

RECEIVED
OCT - 4 1985



1) Date: September 27, 1985
 2) Operator's Well No. Baxter #1
 3) API Well No. 47 103 -1367
 State County Permit

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

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

APPLICATION FOR A WELL WORK PERMIT

- 4) WELL TYPE: A Oil / Gas
 B (If "Gas", Production / Underground storage _____ / Deep _____ / Shallow _____ /)
- 5) LOCATION: Elevation: 1259' Watershed: Proctor Creek
 District: Proctor County: Wetzel Quadrangle: New Martinsville 7.5'
- 6) WELL OPERATOR Clay Resources CODE: 10025 7) DESIGNATED AGENT Andy Brown
 Address 204 Union Square Address Box 32
Marietta, OH 45750 Reader, WV 26167
- 8) OIL & GAS INSPECTOR TO BE NOTIFIED Name Robert Lowther 9) DRILLING CONTRACTOR:
 Address General Delivery Name Unknown
Middlebourne, WV 26149 Address _____
- 10) PROPOSED WELL WORK: Drill / Drill deeper _____ / Redrill _____ / Stimulate
 Plug off old formation _____ / Perforate new formation _____
 Other physical change in well (specify) _____
- 11) GEOLOGICAL TARGET FORMATION, Gordon
- 12) Estimated depth of completed well, 3500 feet
 13) Approximate trata depths: Fresh, 550 feet; salt, 500 feet.
 14) Approximate coal seam depths: 900 - 1000' Is coal being mined in the area? Yes _____ / No

15) 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	8 5/8					1030'	1030'	CTS	Per rule 15.05
Coal									Sizes
Intermediate									
Production	4 1/2					3500'	3500'	500 + SKS	Depths set Per rule 15.01
Tubing									
Lin...									Perforations:
									Top Bottom

OFFICE USE ONLY
DRILLING PERMIT

Permit number 47-103-1367

Date October 29 19 85

Date

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. 8) 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.)

The permitted work is as described in the Notice and Application, plat, and reclamation plan, subject to any modifications and conditions specified on the reverse hereof.

Permit expires October 29, 1987 unless well work is commenced prior to that date and prosecuted with due diligence.

Bond: <input checked="" type="checkbox"/>	Agent: <u>FRB</u>	Plat: <u>MU</u>	Casing: <u>MU</u>	Fee: <u>1030</u>	WPCP: <u>MU</u>	S&E: <u>MU</u>	Other: _____
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NOTE: Keep one copy of this permit posted at the drilling location.

[Signature]
Director, Division of Oil and Gas

12/01/2023 File

See the reverse side of the APPLICANT'S COPY for instructions to the well operator.

OFFICE USE ONLY

PERMIT MODIFICATIONS AND CONDITIONS (IF ANY) TO THE PROPOSED WELL WORK

1. WELL TYPE: A

2. LOCATION: Proctor Creek, West of New Martinsville, W.V.

3. WELL OPERATOR: Proctor City Resources, 304 Union Square, Martinsville, OH 45750

4. WELL IDENTIFICATION CODE: 10025

5. WELL DESIGNATION: ANDY BROWN

6. ADDRESS: Box 32, Reeders, WV 26167

7. DRILLING CONTRACTOR: Unknown, Unknown

8. GENERAL DELIVERY: General Delivery, Middlebourne, WV 26149

9. APPROVED WELL WORK: Drilling

10. GEOLOGICAL TARGET FORMATION: Gordon

11. ESTIMATED DEPTH OF COMPLETED WELL: 350'

12. APPROXIMATE DEPTH OF TEST: 350'

13. APPROXIMATE COAL STRATA DEPTH: 900 - 1000'

14. CASING AND TUBING PROGRAM:

Depth (ft)	Casing / Tubing	Material	Weight (lb/ft)	Length (ft)	Notes
0 - 1030'	8" ID	CTS	13.02	1030'	

OFFICE USE ONLY

This part of Form WW-2(B) is to record the dates of certain occurrences and any follow-up inspections.

	Date	Date(s)
Application received		
Well work started		
Completion of the drilling process		
Well Record received		
Reclamation completed		

OTHER INSPECTIONS

Reason: _____

Reason: _____

1) Date: September 27, 1985
Operator's
2) Well No. Baxter #1
3) API Well No. 47 - 103 - 1367
State County Permi

STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY, DIVISION OF OIL & GAS
NOTICE OF APPLICATION FOR A WELL WORK PERMIT

4) SURFACE OWNER(S) OF RECORD TO BE SERVED

(i) Name Clarence Baxter
Address 99 Pennsylvania Ave.
Cameron, WV 26033
(ii) Name _____
Address _____
(iii) Name _____
Address _____

5 (i) COAL OPERATOR _____
Address _____

5 (ii) COAL OWNER(S) WITH DECLARATION ON RECORD:
Name N/A
Address _____

Name _____
Address _____

5 (iii) COAL LESSEE WITH DECLARATION ON RECORD:
Name _____
Address _____

TO THE PERSON(S) NAMED ABOVE: You should have received this Form and the following documents:

- (1) The Application for a Well Work Permit on Form WW-2(B) which sets out the parties involved in the drilling or other work, and describes the well and its location and, if applicable, the proposed casing and cementing program;
- (2) The plat (surveyor's map) showing the well location on Form WW-6, and
- (3) The Construction and Reclamation Plan on Form WW-9 (unless the well work is only to plug a well), which sets out the plan for erosion and sediment control and for reclamation for the site and access road.

THE REASON YOU RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON THE REVERSE SIDE OF THE COPY OF THE APPLICATION WW-2(B) DESIGNATED FOR YOU. HOWEVER, YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT ALL.

Take notice that under Chapter 22B of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a Well Work Permit with the Director of the Division of Oil and Gas, with respect to a well at the location described on attached Application and depicted on attached Form WW-6. Copies of this Notice, the Application, the plat, and the Construction and Reclamation Plan have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of mailing or delivery to the Director of the Division of Oil and Gas.

6) EXTRACTION RIGHTS

Check and provide one of the following:

- Included is 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 22B-1-8(c)(1) through (4). (see reverse side for specifics.)

7) ROYALTY PROVISIONS

Is the right to extract, produce or market the oil or gas based upon a lease or leases or other 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 WW-60.

See the reverse side for line item instructions, and for instructions concerning the required copies of the Notice and Application, plat, and Construction and Reclamation Plan.

The truth of the information on the Notice and Application is verified and sworn to and the Notice is signed on behalf of the Well Operator in my County and State by

Sandra L. Schafer,
this 27th day of September, 1985,
My commission expires 8-18, 1988.

[Signature]
Notary Public, Washington County,
State of Ohio

WELL OPERATOR Clay Resources, Inc.

By [Signature]
Its Vice President, Operations
Address 204 Union Square
Marietta, OH 45750
Telephone (614) 373-8686

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

RECEIVED
OCT - 2 1985

I N S T R U C T I O N S T O A P P L I C A N T

CONCERNING THE LINE ITEMS:

- 1) Date of Notice.
- 2) Your well name and number.
- 3) To be filled out by the Division of Oil & gas.
- 4) & 5) Use separate sheet if necessary.
- 4) Surface owner(s) of record to be served with Notice and Application. However, see also Code §22B-1-9(b) if "more than three tenants in common or other co-owners of interest described in subsection (a) of this section hold interests in such lands".
- 5(i) "Coal Operator" means any person, firm, partnership, partnership association or corporation that proposes to or does operate a coal mine.
- 5(ii, iii) See Code §22B-1-36.
- 6) See Code §22-4-11(c). However, in lieu of filing the lease(s) or other continuing contract(s), the Applicant may fill out the information in the space provided below.
- 7) See Code § § 22-4-11 (d, e).

CONCERNING THE REQUIRED COPIES FOR FILING AND SERVICE:

Filing. Code §22B-1-6 and Regulation 7.02 provide that the original and required copies of the Notice and Application must be filed with the Administrator, 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 §22B-1-2C and the reclamation required by Code §22B-1-30 and Regulation 23, (iv) unless previously paid on the same well, the fees required by Code §22B-1-2(c) and 22B-1-29, and (v) if applicable, the consent required by Code §22B-1-21 from the owner of any water well on dwelling within 200 feet of the proposed well.

Service. In addition, service must be made on the surface owner(s) and the person(s) with an interest in the coal. See Code § § 22B-1-9, 22-B-1-13 and 22B-1-14.

INFORMATION SUPPLIED UNDER CODE §22B-1-8(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on the obverse side of this Notice, I depose and say that I am the person who signed the Notice for the Applicant, and that--

- (1) the tract of land is the same tract described in the Application to which this Notice applies, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

<u>Grantor, lessor, etc.</u>	<u>Grantee, lessee, etc.</u>	<u>Royalty</u>	<u>Book page</u>
Clarence W. & Garnet L. Baxter	Clay Resources, Inc.		68A 336

12/01/2023



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1) Date: September 27, 1985
2) Operator's Well No. Boxter #1
3) API Well No. 47 103
State County Permit

STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY, OIL AND GAS DIVISION
DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY **APPLICATION FOR A WELL WORK PERMIT**

- 4) WELL TYPE: A Oil / Gas
B (If "Gas", Production / Underground storage _____ / Deep _____ / Shallow _____)
- 5) LOCATION: Elevation: 1259' Watershed: Proctor Creek
District: Proctor County: Wetzel Quadrangle: New Martinsville 7.5'
- 6) WELL OPERATOR Clay Resources CODE: 10025 7) DESIGNATED AGENT Andy Brown
Address 204 Union Square Address Box 32
Marietta, OH 45750 Reader, WV 26167
- 8) OIL & GAS INSPECTOR TO BE NOTIFIED Name Robert Lowther 9) DRILLING CONTRACTOR:
Address General Delivery Name Unknown
Middlebourne, WV 26149 Address _____
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Plug off old formation _____ / Perforate new formation _____
Other physical change in well (specify) _____
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- 12) Estimated depth of completed well, 3500 feet
13) Approximate strata depths: Fresh, 550 feet; salt, 500 feet.
14) Approximate coal seam depths: 900 - 1000' Is coal being mined in the area? Yes _____ / No

15) 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>1030'</u>	<u>1030'</u>	<u>CTS</u>	<u>Per rule 15.05</u>
Coal									Sizes
Intermediate									
Production	<u>4 1/2</u>					<u>3500'</u>	<u>3500'</u>	<u>500 + SKS</u>	<u>Depths set Per rule 15.01</u>
Tubing									
Liners									Perforations: Top Bottom

The law requires a comment period for surface owners. However, the permit can be issued in less than 15 days from the filing of the Application if the surface owner(s) of record sign(s) the following "Voluntary Statement of No Objection" on a facsimile of this surface owner's copy of the Application.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners on the reverse side of this Application, and that I have received copies of (1) a Notice of Application for a Well Work Permit on Form WW-2(A), (2) an Application for a Well Work Permit on Form WW-2(B), (3) a survey plat on Form WW-6, and (4) a Construction and Reclamation Plan on Form WW-9, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued based on those materials.

(For execution by corporation, partnership, etc.)

(For execution by natural persons)

NAME: _____

X Clarence A. Baxter
(Signature) Date 9/30/85

By _____

X Garnet L. Baxter
(Signature) Date 9/30/85

Its _____ Date _____

12/01/2023

INSTRUCTIONS TO SURFACE OWNERS
AND
EXPLANATION OF METHODS AND TIME LIMITS TO COMMENT
ON OIL AND GAS WELL WORK PERMIT

The well operator named in the Notice and this Application and the attached materials is applying for a permit from the State to do oil or gas well drilling or other well work. You are being served with these materials because surface owners have the right to file comments before the permit is issued. (NOTE: If the surface tract is owned by more than three persons, in multiple heirship for example, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22B, Article 1 of the W. Va. Code. Permits are valid for 24 months.

If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator named in the materials and the Director of the Division of Oil and Gas in the West Virginia Department of Energy immediately.

NOTE : YOU ARE NOT REQUIRED TO FILE ANY COMMENT AT ALL.

WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION :

Director, Division of Oil and Gas
West Virginia Department of Energy
1615 Washington Street, East
Charleston, West Virginia 25311-2192
(304) - 348 - 3500

Who may file comments? If you wish to file comments, you must be an owner of record of (1) and interest in the surface tract on which the well already is or is about to be located, or (2) an interest in any other surface tract over the same oil or gas lease which will be utilized for roads or other land disturbances.

Time limits for comments. The law requires these materials to be delivered on or before the date the operator files his Application. You have FIFTEEN (15) DAYS after the filing date to file your comments as provided in METHODS FOR FILING COMMENTS below. You may call the Director's office at the above telephone number to be sure of the date. However, if you have been contacted by the well operator, and if you have signed a "voluntary statement of no objection" to any of the planned work described in these materials, then the permit may be issued at any time.

Comments must be in writing. Your comments must include your name, address and telephone number, the well operator's name and well number, and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

Methods for filing comments. Comments must be filed in person or received in the mail at the Director's office by the time stated above. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling.

The Director for Oil and Gas has the power to deny or condition a well work permit based on your comments on the following grounds:

- "(1) The proposed well work will constitute a hazard to the safety of persons; or
- "(2) The plan for soil erosion and sediment control is not adequate or effective; or
- "(3) Damage would occur to publicly owned lands or resources; or
- "(4) The proposed well work fails to protect fresh water sources or supplies."

If you want a copy of the permit as it is finally issued, or a copy of the order denying the permit, you should request a copy from the Director.

List of Water Testing Laboratories. The Director maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Director's office or an Oil and Gas Inspector to obtain a copy of the list.

12/01/2023

Field Review



IV-9 (Rev. 5-81)

DATE Sept. 14, 1985
WELL NO. Baxter #1
API NO. 47 - 103 - 1367

RECEIVED
OCT - 4 1985

State of West Virginia
Department of Energy
Oil and Gas Division

DIVISION OF OIL & GAS
CONSTRUCTION AND RECLAMATION PLAN
DEPARTMENT OF ENERGY

COMPANY NAME Clay Resources Inc. DESIGNATED AGENT Andy Brown
Address 204 Union Square Marietta, Ohio Address P.O. Box 32 Reader, W.V. 26167
Telephone (614)373-8686 45750 Telephone _____
LANDOWNER Clarence Baxter SOIL CONS. DISTRICT Upper Ohio
Revegetation to be carried out by Clay Resources Inc. (Agent)

This plan has been reviewed by Upper Ohio SCD. All corrections and additions become a part of this plan: 9-25-85 (Date)
Lloyd Tustin (SCD Agent)

ACCESS ROAD	LOCATION
Structure <u>Cross Drains</u> (A)	Structure _____ (1)
Spacing <u>See Sketch</u>	Material _____
Page Ref. Manual <u>2-4</u>	Page Ref. Manual _____
Structure _____ (B)	Structure _____ (2)
Spacing _____	Material _____
Page Ref. Manual _____	Page Ref. Manual _____
Structure _____ (C)	Structure _____ (3)
Spacing _____	Material _____
Page Ref. Manual _____	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

Line _____ Tons/acre
or correct to pH 6.5

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

Mulch Hay 2 Tons/acre

Seed* Kv. 31 40 lbs/acre
Redtop 6 lbs/acre
Ladino Clover 3 lbs/acre

Treatment Area II

Line _____ Tons/acre
or correct to pH 6.5

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

Mulch Hay 2 Tons/acre

Seed* Ky. 31 40 lbs/acre
Redtop 6 lbs/acre
Ladino Clover 3 lbs/acre

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

NOTE: Please request landowner's cooperation to protect new seedlings for one growing season. Attach separate sheets as necessary for comments.

PLAN PREPARED BY Bruce E. Doak
ADDRESS 293 Ash Circle
Davisville, WV 26142
PHONE NO. 485-4633

12/01/2023

ATTACH OR PHOTOCOPY SECTION OF INVOLVED TOPOGRAPHIC MAP.

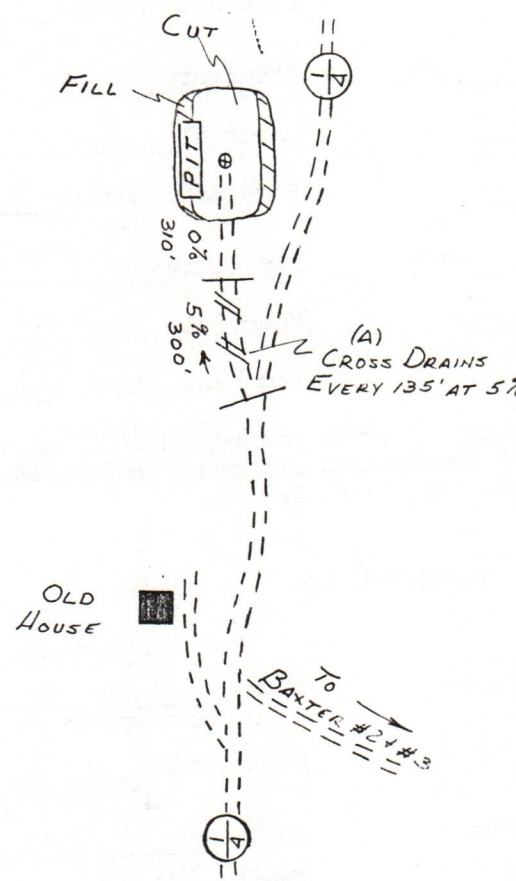
QUADRANGLE _____

LEGEND FOR ATTACHED TOPOGRAPHIC MAP	
Well Site	⊕
Access Road	-----

WELL SITE PLAN

Sketch to include well location, existing access roads, roads to be constructed, well site drilling pits and necessary structures numbered or lettered to correspond with the front page of this plan. All natural drainage and physical structures shown.

LEGEND	
Property boundary	▲▲▲▲▲▲▲▲▲▲
Roads (Existing or to be constructed will be stated)	=====
Existing fence	-x-x-x-x-
Planned fence	- \ - \ - \ - \ -
Stream	~~~~~
Open ditch	~~~~~>>>
Diversion ditch	
Spring	○→
Wet spot	⊙
Building	■
Drain pipe	→○→○→
Waterway	~~~~~
Culvert	==>>>==
Cross drain	==>>>==



NOTES

- 1) The location is in a mowed field. If any trees 8" or larger need to be cut, they will be stacked. Any others and brush will be burned or piled. 12/01/2023
- 2) The access roads and the County Road will be maintained.
- 3) The pit may not be located correctly. Exact location will be determined by the operator at the time of drilling.



12/01/2023

4863 III NW (ROUND BOTTOM)

42' 30"

4396

4395

4394

4392

OIL AND GAS LEASE

31-266-4

300

AGREEMENT, made and entered into this 23rd day of July A. D. 19 85

by and between Clarence W. and Garnet L. Baxter, husband and wife

99 Pennsylvania Avenue, Cameron, W. Va., 26033

party of the first part, hereinafter called Lessor (whether one or more), and

Clay Resources, Inc., 204 Union Square, Marietta, Ohio 45750 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 exclusive 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 situated in Proctor Township, County of Wetzel State of West Virginia, and bounded and described as follows, to-wit: North by lands of J. Wood, F. Cecil, M. Litten

East by lands of F. Parsons, R. Newman, M. Anderson
South by lands of G. Baxter, M. Baxter, R. Newman
West by lands of J. Wood, F. Cecil, G. Baxter
containing 178 acres, more or less and located in Range , Township

of Section _____

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 one-eighth (1/8) part of all oil produced and saved from the leased premises, and shall pay Lessor 1/8th of market price for all gas and casing head gas produced and sold from the premises, payable monthly, quarterly.

4. Lessee shall pay to Lessors a rental of Five dollars (\$5.00) per acre, per year, payable quarterly, and beginning in advance with the date of this lease, until such time as a well is commenced. 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 rental 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 Clarence W. and Garnet L. Baxter

6. Lessor reserves ~~200,000 cu. ft.~~ gas per annum for normal 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 interests of way necessary to store and produce such stored gas. As full payment for such storage rights, the Lessee shall pay to the Lessor a rental at the rate of \$1.00 per acre per year, 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. Lessor further grants to the Lessee, its heirs and assigns, the right to unitize this lease with other leases to form a unit or units in accordance with whatever plan the Lessee shall in its sole judgment adopt for development. Lessee may effect such unitization by filing a copy of such unitization notification in the local County records, listing the leases involved and the unit participation percentages. In the event this lease is so unitized, the Lessor agrees to accept, in lieu of the royalty hereinafter recited, such proportion of the royalty above provided, as the acreage covered by this lease bears to the total acreage comprising the unit.

9. If said Lessor owns a less interest in the above described land than the undivided fee simple estate thereon, 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 three (3) feet deep.

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 the 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 it is produced in paying quantities.

15. Sufficient natural gas per annum for normal domestic use (reference paragraph 6) shall be limited to 200,000 cu. ft. per annum to one dwelling house. Gas in excess of 200,000 cu. ft. per annum shall be paid for at the average rate received by lessee for gas produced from the lease for the same period of time. Lessee reserves the right to meter said gas at its own expense.

16. 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.

17. Reclamation of all damages will be made according to the approved Construction and Reclamation Plan submitted to the State of West Virginia Department of Mines upon permit application filings. See also Exhibit "A" attached to and made a part of this lease.

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

WITNESS:

Sandra L. Schaffer
Sandra L. Schaffer

Clarence W. Baxter (SEAL)
Garnet L. Baxter (SEAL)
(SEAL)
(SEAL)
(SEAL)

STATE OF West Virginia

COUNTY OF Marshall

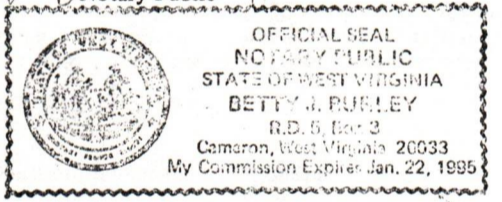
I, Betty J. Burley, a Notary Public of said County, do hereby certify that Clarence W. and Garnet L. Baxter

whose name s. are signed to the within writing bearing date the 23rd day of July, 1985 have this day acknowledged the same before me in my said County.

Given under my hand this 23rd day of July, 1985

Betty J. Burley
Notary Public

My Commissions expires January 22, 1995



STATE OF West Virginia

COUNTY OF Marshall

I, _____, a Notary Public of said County, do hereby certify that

whose name signed to the within writing bearing date the _____ day of _____, 19 _____ ha _____ this day acknowledged the same before me in my said County.

Given under my hand this _____ day of _____, 19 _____

Notary Public

My Commissions expires _____

This lease prepared by Clay Resources, Inc.

RECORDING DATA
Term _____
County _____ State _____
Location _____
Acres _____
Date _____, 19 _____
TO
Oil and Gas Lease
12/01/2008

RECEIVED
OCT - 6 1985

SITE REGISTRATION APPLICATION FORM
STATE OF WEST VIRGINIA/NPDES GENERAL PERMIT FOR DRILLING PIT WASTE DISCHARGE
DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

1. Company Name Clay Resources, Inc.
2. Mailing Address 204 Union Square Marietta OH 45750
street city state zip
3. Telephone (614) 373-8686 4. Well Name Baxter #1
5. Latitude 39° 42' 30" Longitude 80° 47' 30"
6. NPDES # WV0073343 7. Dept. Oil & Gas Permit NO. 47-103-1367
8. County Wetzel 9. Nearest Town New Martinsville
10. Nearest Stream Proctor Creek 11. Tributary of Ohio River
12. Will Discharge be Contracted Out? yes _____ no x
13. If Yes, Proposed Contractor _____
Address _____
Telephone _____
14. Proposed Disposal Method: UIC _____ Land application x
Off Site Disposal _____ Reuse _____ Centralized Treatment _____
Thermal Evaporation _____ Other _____
15. Attach to this application a topographic map (a duplicate of the one submitted to the Office of Oil and Gas) showing the outline of the facility, location of wells, springs, rivers and other surface water bodies, and drinking water wells known to the applicant in the area of the lease that may be impacted by any land application.

Nothing in the general permit shall be deemed in any way to create new, or enlarge existing, rights of riparian owners or others. Neither does anything in the general permit create new, or enlarge existing, obligations or duties of an operator pursuant to the requirements of W. Va. Code S22-4-1 et seq. The issuance of the general permit does not convey any property rights of any sort. Nor shall the issuance of the general permit give rise to any presumptions of law or findings of fact inuring to or for the benefit of persons other than the State of West Virginia.

RECEIVED
DEPARTMENT OF ENERGY
OIL AND GAS



State of West Virginia
DEPARTMENT OF ENERGY
Oil and Gas Division

Date February 18, 1986
Operator's
Well No. Baxter #1
Farm Clarence Baxter
API No. 47-103-1367

FEB 21 1986

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: 1259 Watershed Proctor Creek
District: Proctor County Wetzel Quadrangle New Martinsville 7.5'

COMPANY Clay Resources, Inc.
ADDRESS 204 Union Square, Marietta, OH 45750
DESIGNATED AGENT Andy Brown
ADDRESS Box 32, Reader, WV 26167
SURFACE OWNER Clarence Baxter
ADDRESS 99 Pennsylvania Ave. Cameron, WV 26033
MINERAL RIGHTS OWNER SAME
ADDRESS
OIL AND GAS INSPECTOR FOR THIS WORK Robert Lowther
General Delivery ADDRESS Middlebourne, WV 26149
PERMIT ISSUED October 29, 1985
DRILLING COMMENCED November 18, 1985
DRILLING COMPLETED November 24, 1985
IF APPLICABLE: PLUGGING OF DRY HOLE ON CONTINUOUS PROGRESSION FROM DRILLING OR REWORKING. VERBAL PERMISSION OBTAINED ON

Casing & Tubing	Used in Drilling	Left in Well	Cement fill up Cu. ft.
Size 20-16 Cond.			
13-10"			
9 5/8			
8 5/8		1530	365 Sx.
7			
5 1/2			
4 1/2		2959	200 sx
3			
2			
Liners used			

GEOLOGICAL TARGET FORMATION Gordon Depth 3500 feet
Depth of completed well 3040 feet Rotary X / Cable Tools
Water strata depth: Fresh ___ feet; Salt 2239 feet
Coal seam depths: 1049 Is coal being mined in the area? No

OPEN FLOW DATA

Producing formation Gordon Pay zone depth 2835-2846 feet
Gas: Initial open flow 20 Mcf/d Oil: Initial open flow 0 Bbl/d
Final open flow 20 Mcf/d Final open flow 0 Bbl/d
Time of open flow between initial and final tests 72 hours
Static rock pressure 300 psig (surface measurement) after 72 hours shut in
(If applicable due to multiple completion--)
Second producing formation Pay zone depth 12/01/2023 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)

WET 1367

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

PERFORATED: 12/11/85: 20 shots 2828 to 2840

FRAC: 12/13/85: 75% Foam: Broke @ 2100#: ISP 1600#: 446,666 SCF, N₂:
40,000# 20/40:

WELL LOG

FORMATION	COLOR	HARD OR SOFT	TOP FEET	BOTTOM FEET	REMARKS Including indication of all fresh and salt water, coal, oil and gas
sand & shale			0	500	
shale & limestone			500	1284	
shale, limestone, redrock			1284	1350	
shale, limestone			1350	2100	Injun: 2034-2234 Nice gas & oil
shale			2100	2500	Weir: 2383-2398
sand & shale			2500	2550	
sand			2550	2600	1st Berea: 2583-2588 2nd Berea: 2597-2602
sand & shale			2600	2750	
shale			2750	3000	Gordon: 2837-2850

(Attach separate sheets as necessary)

CLAY RESOURCES, INC.

Well Operator

By: Sandra L. Schaefer Operations

Date: February 18, 1986

12/01/2023

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 coal, encountered in the drilling of a well."

10-29-85

IR-26
Obverse

INSPECTOR'S PERMIT SUMMARY FORM

WELL TYPE Shallow
ELEVATION 12.59'
DISTRICT Proctor
QUADRANGLE NEW MAR.
COUNTY WETZEL

API# 47-103-1367
OPERATOR CLAY RESOURCES
TELEPHONE _____
FARM CLARENCE BAXTER
WELL # BAXTER-1

SURFACE OWNER _____ COMMENTS _____ TELEPHONE _____
TARGET FORMATION _____ DATE APPLICATION RECEIVED _____
DATE STARTED _____
LOCATION _____ NOTIFIED _____ DRILLING COMMENCED _____

RECEIVED
ENERGY
OIL AND GAS

WATER DEPTHS _____, _____, _____, _____
COAL DEPTHS _____, _____, _____, _____

MAY 28 1986

CASING

Ran _____ feet of _____ "pipe on _____ with _____ fill up
Ran _____ feet of _____ "pipe on _____ with _____ fill up
Ran _____ feet of _____ "pipe on _____ with _____ fill up
Ran _____ feet of _____ "pipe on _____ with _____ fill up
TD _____ feet on _____

PLUGGING

Type	From	To	Pipe Removed

Pit Discharge date: _____ Type _____
Field analysis ph _____ fe _____ cl _____
Well Record received _____

Date Released 5-22-86

Mike Anderson
Inspector's signature 12/01/2023

API# 47/03-1367

LIST ALL VISITS FOR THIS PERMIT

	DATE	TIME	PURPOSE	COMMENTS
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Notes

O.K. To Real

Mailed to
Clay Resources Inc.
254 Lincoln Square
Marietta, OH 45752

BOX 08 PAGE 30
CLERK pd 04 95
JUL 25 10 00 AM '85
WETZEL COUNTY CLERK
WETZEL COUNTY, WEST VIRGINIA
Test: [Signature]
Clerk of County Commission, Wetzel County

1143

New Martinsville, W. Va., July 25 19 85 No 132195

RECEIVED OF Clay Resources Inc.

Two and 50/100 Dollars

Rec of P. dance Payee to Clay Resources Inc.

By S.M.

PEARL FREI, Clerk of County Commission, Wetzel County, W. Va.

100

250

12/01/2023

EXHIBIT "A"

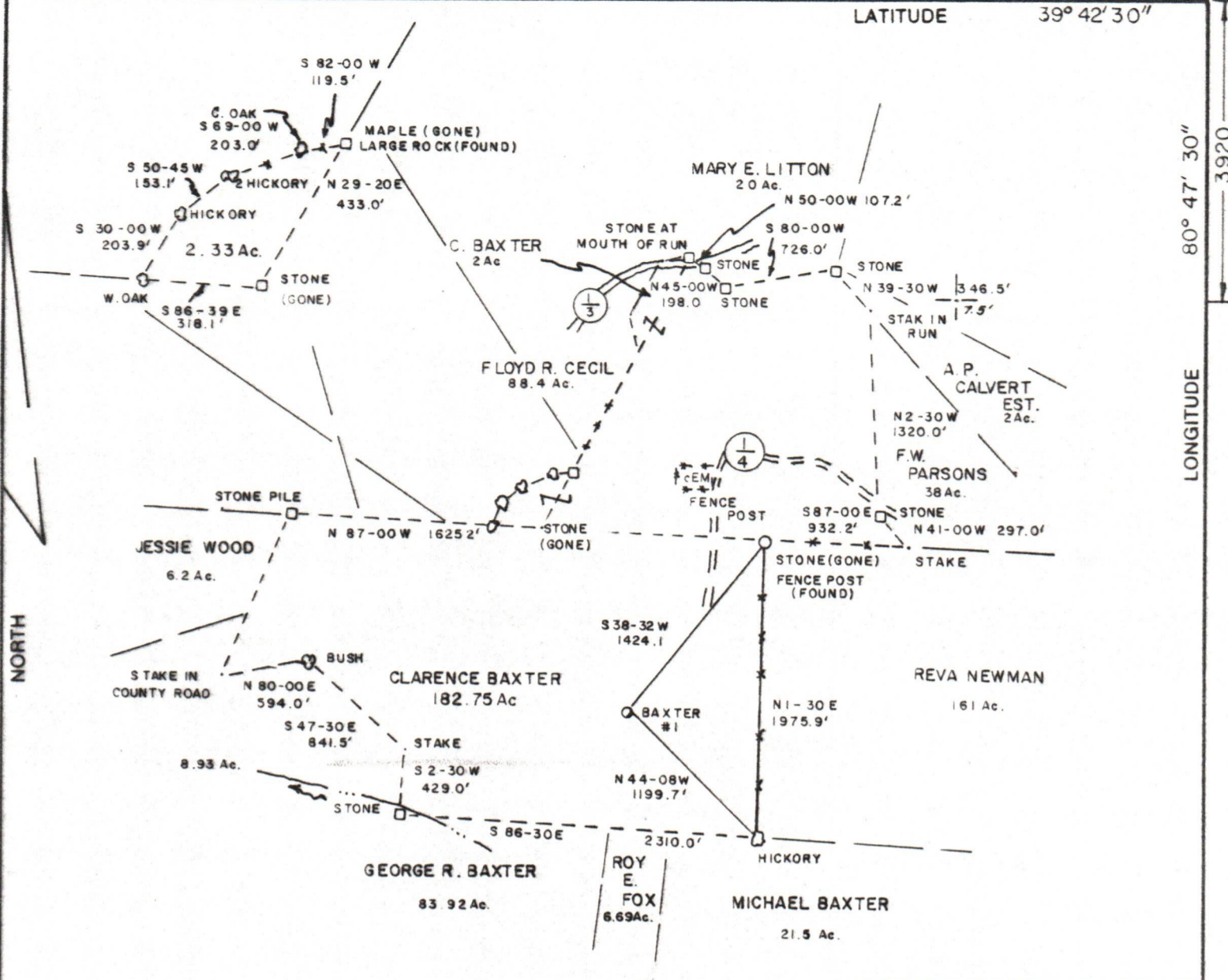
All trees in excess of 8 inches in diameter to be topped and stacked in one central location as per landowners request.

All trees less than 8 inches in diameter, which are of suitable quality to be used for firewood will be pushed to the side of the lease road where they will be easily accessible to the landowner.

STATE OF WEST VIRGINIA, COUNTY OF WETZEL, TO-WIT
OFFICE OF THE CLERK OF THE COUNTY COMMISSION OF WETZEL COUNTY
The foregoing paper writing was this day July 25 1985
at 10:20 A.M. presented for record in my office, and thereupon
together with this certificate thereto annexed, is admitted to record.

Teste:  Clerk
County Commission of Wetzel County

MW 10-25-85

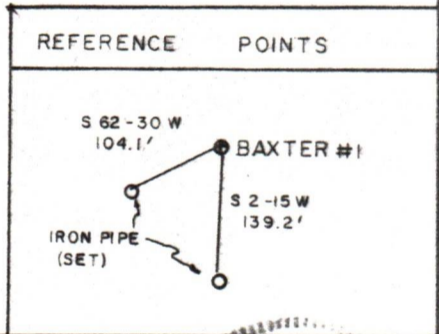


LATITUDE 39° 42' 30"

LONGITUDE 80° 47' 30"

NORTH

NOTE
BEARINGS ARE MAGNETIC



(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. _____
 DRAWING NO. _____
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY 1:200
 PROVEN SOURCE OF ELEVATION TOP OF HILL
1310'

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) Paul K. Marshall
 R.P.E. _____ L.L.S.# 580



STATE OF WEST VIRGINIA
 DEPARTMENT OF MINES
OIL AND GAS DIVISION

DATE SEPT. 14, 19 85
 OPERATOR'S WELL NO. BAXTER #1
 API WELL NO. _____

WELL TYPE: OIL GAS LIQUID INJECTION _____ WASTE DISPOSAL _____
 (IF "GAS,") PRODUCTION STORAGE _____ DEEP _____ SHALLOW

LOCATION: ELEVATION 1259' WATERSHED PROCTOR CREEK
 DISTRICT PROCTOR COUNTY WETZEL
 QUADRANGLE NEW MARTINSVILLE 7.5'

SURFACE OWNER CLARENCE BAXTER ACREAGE 12.01/2023
 OIL & GAS ROYALTY OWNER CLARENCE BAXTER LEASE ACREAGE 182.75
 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 GORDEN ESTIMATED DEPTH 3500'
 WELL OPERATOR CLAY RESOURCES INC. DESIGNATED AGENT ANDY BROWN
 ADDRESS 204 UNION SQUARE ADDRESS P.O. BOX 32
MARIETTA OHIO 45750 READER W.V 26167

COUNTY NAME
PERMIT