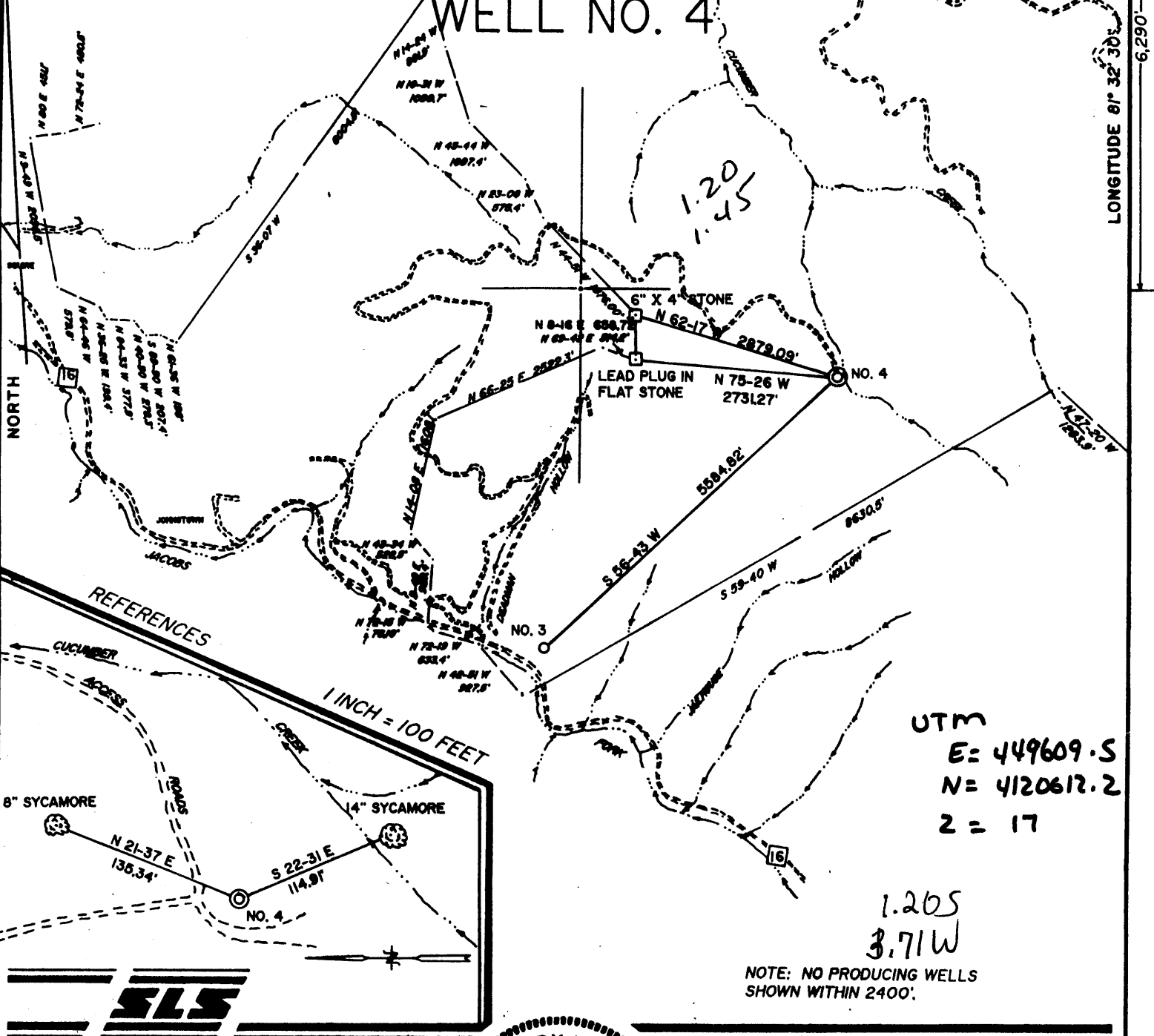


# POCAHONTAS LAND COMPANY LEASE

## P / O 19,500 ACRES ±

### WELL NO. 4

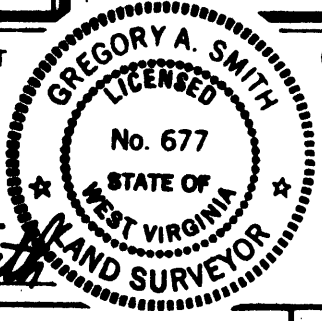


UTM  
 E = 449609.5  
 N = 4120612.2  
 Z = 17

1.205  
 3.71W

NOTE: NO PRODUCING WELLS SHOWN WITHIN 2400'.

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 ENERGY.



L.L.S. 677 *Gregory A. Smith*

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.  
 DATE OCTOBER 27, 19 92  
 OPERATORS WELL NO. POCA NO. 4  
 API WELL NO. 47 - 047 - 1180  
 STATE COUNTY PERMIT

MINIMUM DEGREE OF ACCURACY 1 / 200 FILE NO. 2921 (4-12)  
 PROVEN SOURCE OF ELEVATION BENCH MARK ELEVATION 1773' SCALE 1" = 2000'

STATE OF WEST VIRGINIA  
 DEPARTMENT OF ENERGY  
 OIL AND GAS DIVISION

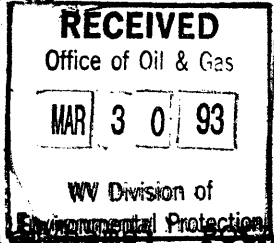


WELL TYPE: OIL  GAS  LIQUID INJECTION  WASTE DISPOSAL  IF "GAS" PRODUCTION  STORAGE  DEEP  SHALLOW   
 LOCATION: ELEVATION 2113' WATERSHED CUCUMBER CREEK DISTRICT BIG CREEK COUNTY McDOWELL QUADRANGLE TAZEWELL NORTH 7.5'  
 SURFACE OWNER POCAHONTAS LAND COMPANY (DONALD D. SMITH) ACREAGE 394  
 ROYALTY OWNER POCAHONTAS LAND COMPANY (DONALD D. SMITH) LEASE ACREAGE 394 OF 19,500  
 PROPOSED WORK: DRILL  CONVERT  DRILL DEEPER  REDRILL  FRACTURE OR STIMULATE  PLUG OFF OLD FORMATION  PERFORATE NEW FORMATION  PLUG AND ABANDON  CLEAN OUT AND REPLUG  OTHER   
 PHYSICAL CHANGE IN WELL (SPECIFY) \_\_\_\_\_ TARGET FORMATION DEVONIAN SHALE ESTIMATED DEPTH 6500'

WELL OPERATOR PHOENIX DIVERSIFIED VENTURES Inc. 4554 DESIGNATED AGENT TOM DUNN  
 ADDRESS P.O. BOX 428 BUCKHANNON, WV 26201 ADDRESS P.O. 428 BUCKHANNON, WV 26201

COUNTY NAME PERMIT

*Handwritten note: 1-1 unrecorded*



State of West Virginia  
Division of Environmental Protection  
Section of Oil and Gas

Well Operator's Report of Well Work

Operator Well No.: POCA LAND #4  
POCA HONTAS LAND CO.

LOCATION: Elevation: 2113.00 Quadrangle: TAZEWELL NORTH

District: BIG CREEK County: MCDOWELL  
Latitude: 6290 Feet South of 37 Deg. 15Min. 0 Sec.  
Longitude 7620 Feet West of 81 Deg. 32 Min. 30 Sec.

Company: PHOENIX DIVERSIFIED VENTU  
P. O. BOX 428  
BUCKHANNON, WV 26201-0428

Agent: THOMAS B. DUNN

Inspector: OFIE HELMICK  
Permit Issued: 11/16/92  
Well work Commenced: 12/31/92  
Well work Completed: 01/11/93  
Verbal Plugging  
Permission granted on: \_\_\_\_\_  
Rotary  Cable \_\_\_\_\_ Rig  
Total Depth (feet) 7222  
Fresh water depths (ft) \_\_\_\_\_  
40', 275'  
Salt water depths (ft) \_\_\_\_\_  
None  
Is coal being mined in area (Y/N)? N  
Coal Depths (ft): None

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
11-3/4"	172	172	Surf.
8-5/8"	1339	1339	Surf.
4-1/2"		7130	582 Sks.

OPEN FLOW DATA

Producing formation Devonian Shale Pay zone depth (ft) see treatmer  
Gas: Initial open flow N/A MCF/d Oil: Initial open flow N/A Bbl/d  
Final open flow 273 MCF/d Final open flow None Bbl/d  
Time of open flow between initial and final tests 4 Hours  
Static rock Pressure 1310 psig (surface pressure) after 48 Hours

Second producing formation \_\_\_\_\_ Pay zone depth (ft) \_\_\_\_\_  
Gas: Initial open flow \_\_\_\_\_ MCF/d Oil: Initial open flow \_\_\_\_\_ Bbl/d  
Final open flow \_\_\_\_\_ MCF/d Final open flow \_\_\_\_\_ Bbl/d  
Time of open flow between initial and final tests \_\_\_\_\_ Hours  
Static rock Pressure \_\_\_\_\_ psig (surface pressure) after \_\_\_\_\_ Hours

NOTE: ON BACK OF THIS FORM PUT THE FOLLOWING: 1). DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2). THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE.

For: PHOENIX DIVERSIFIED VENTURES, INC.

By: Daniel R. Chapman, Geologist

Date: February 1, 1993

Reviewed TM6

Recorded \_\_\_\_\_

630 830  
 1st stage: Devonian Shale (7031-6441) 665 gal 15% HCL, 40 ton CO<sub>2</sub>, 976 mcf N<sub>2</sub>  
 2nd stage: Devonian Shale (6366-5835) 665 gal 15% HCL, 40 ton CO<sub>2</sub>, 997 mcf N<sub>2</sub>  
 83 83  
 3rd stage: Devonian Shale (5779-5134) 665 gal 15% HCL, 42 ton CO<sub>2</sub>, 1,080 mcf N<sub>2</sub>  
 400 400

Sand, Shale	0	83	1" stream @ 40'
Coal	83	85	1" stream @ 275
Sand, Shale	85	135	
Coal	135	139	
Sand, Shale	139	347	
Coal	347	352	
Sand, Shale	352	3280	
Big Lime	3280	4070	
Shale	4070	4693	
Berea	4693	4717	
Shale	4717	7222	T. D.

DE }  
 DET } 830

Exp 1 ftg - 7222

STATE OF WEST VIRGINIA DEPARTMENT OF ENERGY, DIVISION OF OIL AND GAS WELL WORK PERMIT APPLICATION

- 1) Well Operator: PHOENIX DIVERSIFIED VENTURES, INC. 4554 35605 (2) 635
2) Operator's Well Number: POCA-LAND WELL #4 3) Elevation: 2113'
4) Well type: (a) Oil / or Gas X /
(b) If Gas: Production X / Underground Storage / Deep / Shallow /
5) Proposed Target Formation(s): 44) DEVONIAN SHALE
6) Proposed Total Depth: 6500' feet
7) Approximate fresh water strata depths: 60'
8) Approximate salt water depths: N/A
9) Approximate coal seam depths: N/A
10) Does land contain coal seams tributary to active mine? Yes / No X /
11) Proposed Well Work: DRILL & STIMULATE New Well
12)

CASING AND TUBING PROGRAM

Table with 7 columns: TYPE, SPECIFICATIONS (Size, Grade, Weight per ft.), FOOTAGE INTERVALS (For drilling, Left in well), CEMENT (Fill-up). Rows include Conductor, Fresh Water, Coal, Intermediate, Production, Tubing, and Liners.

PACKERS : Kind \_\_\_\_\_ Sizes \_\_\_\_\_ Depths set \_\_\_\_\_

For Division of Oil and Gas Use Only

Fee(s) paid: [X] Well Work Permit [X] Reclamation Fund [X] WPCP
Plat [X] WW-9 [X] WW-2B [X] Bond [X] Agent (Type)

1) Date: October 26, 1992  
2) Operator's well number  
POCA-LAND WELL #4  
3) API Well No: 47 - 047 - 1180  
State - County - Permit

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

NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:  
(a) Name POCAHONTAS LAND COMPANY  
Address MR. DONALD D. SMITH  
GENERAL MANAGER AND CHIEF ENGINEER  
~~XXXXXXXX~~ P.O. BOX 1517  
~~XXXXXXXX~~ BLUEFIELD, WV 24701  
(c) Name \_\_\_\_\_  
Address \_\_\_\_\_

5) (a) Coal Operator:  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
(b) Coal Owner(s) with Declaration  
Name POCAHONTAS LAND COMPANY  
Address P.O. BOX 1517  
BLUEFIELD, WV 24701  
Name \_\_\_\_\_  
Address \_\_\_\_\_

6) Inspector OFIE HELMICK  
Address P.O. BOX 218  
FANROCK, WV 24834  
Telephone (304)- 732-9135

(c) Coal Lessee with Declaration  
Name U.S. DIVERSIFIED GROUP (U.S. STEEL)  
Address MR. ROBERT M. PAWLOWSKI  
SUPERVISOR OF MINERAL LEASES  
P.O. BOX 5685, PRINCETON, WV 24740

TO THE PERSON(S) NAMED ABOVE TAKE NOTICE THAT:

\_\_\_\_\_ Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas OR  
XXX Included is the information required by Chapter 22B, Article 1, Section 8(d) of the Code of West Virginia (see page 2)

I certify that as required under Chapter 22B of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through 7 on the above named parties, by:  
XXX Personal Service (Affidavit attached)  
\_\_\_\_\_ Certified Mail (Postmarked postal receipt attached)  
\_\_\_\_\_ Publication (Notice of Publication attached)

I have read and understand Chapter 22B and 38 CSR 11-18, and I agree to the terms and conditions of any permit issued under this application. I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator PHOENIX DIVERSIFIED VENTURES, INC.  
By: \_\_\_\_\_  
Its: CHARLES CANFIELD, OPERATIONS MANAGER  
Address P.O. BOX 428  
BUCKHANNON, WV 26201  
Telephone (304) 472-1940

Subscribed and sworn before me this 27th day of October, 1992

Gregory A. Smith Notary Public  
My commission expires 12-7-92