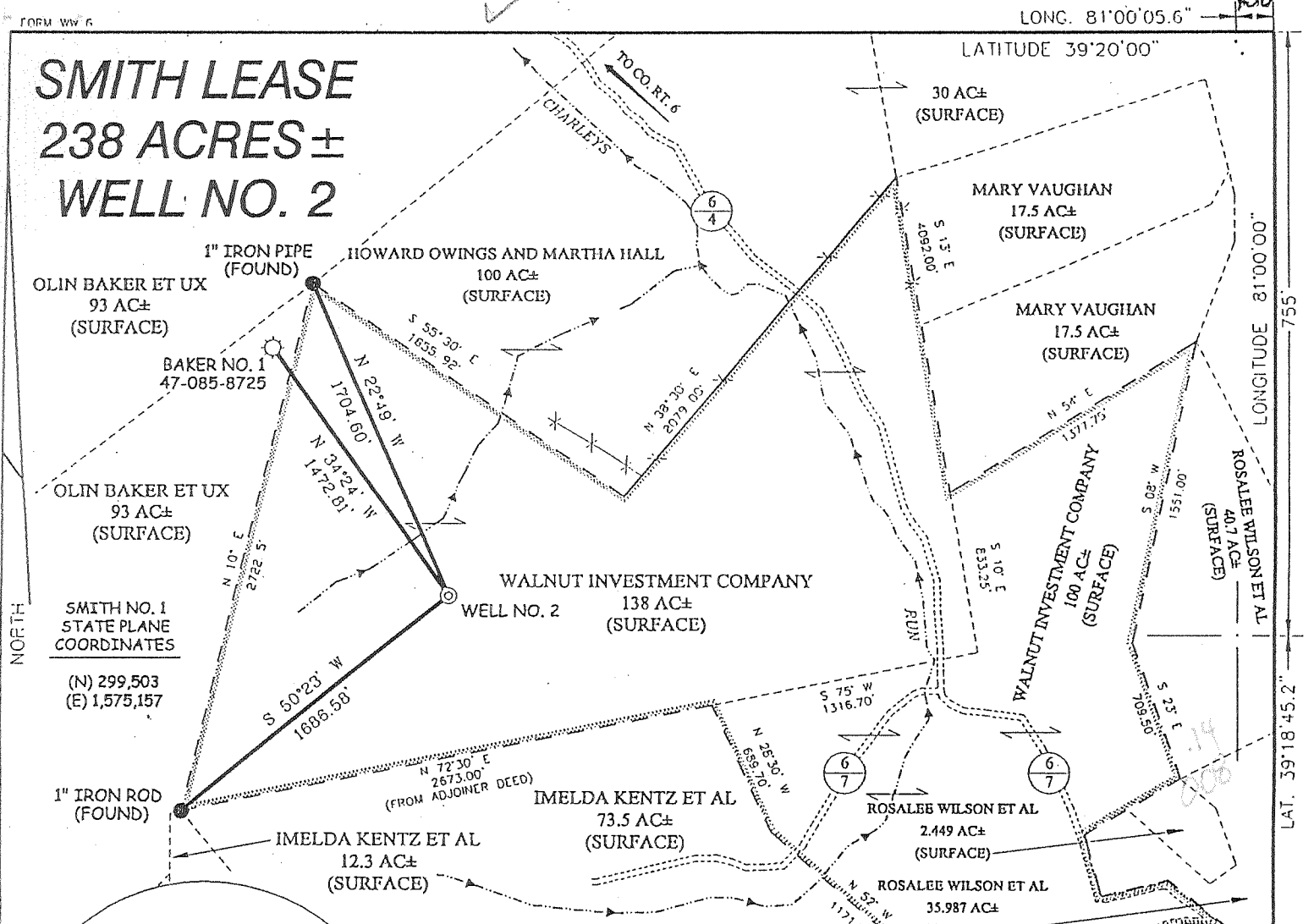
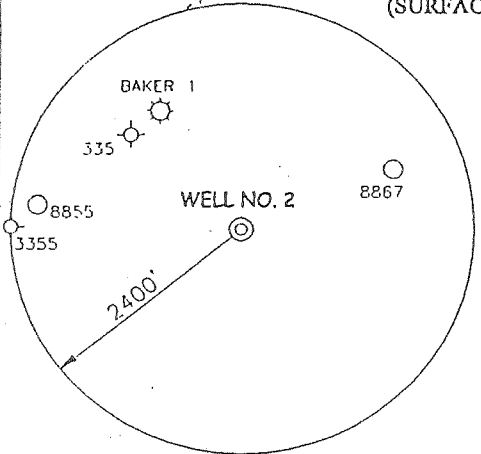


SMITH LEASE 238 ACRES± WELL NO. 2



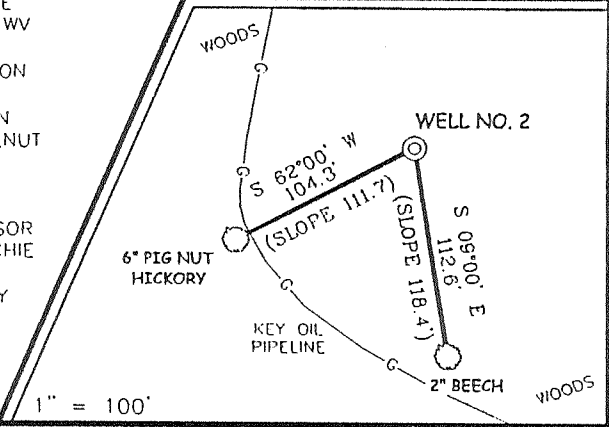
SMITH NO. 1
STATE PLANE
COORDINATES
(N) 299,503
(E) 1,575,157



NOTES ON SURVEY

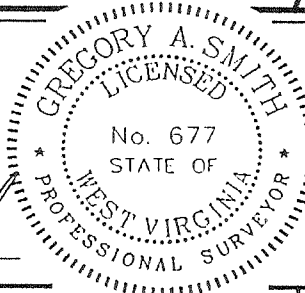
1. TIES TO WELLS AND CORNERS ARE BASED ON STATE PLANE GRID NORTH WV NORTH ZONE NAD '27.
2. TIES TO REFERENCES ARE BASED ON MAGNETIC NORTH 4/05/02.
3. LEASE BOUNDARY SHOWN HEREON TAKEN FROM A TITLE OPINION FOR WALNUT INVESTMENT COMPANY BY GARY MORRIS, LAWYER.
4. SURFACE OWNER AND ADJOINER INFORMATION TAKEN FROM THE ASSESSOR AND COUNTY CLERK RECORDS OF RITCHIE COUNTY IN NOVEMBER, 2001.
5. WELL LAT./LONG. ESTABLISHED BY DGPS(SUBMETER MAPPING GRADE).

REFERENCES



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 DIVISION OF ENVIRONMENTAL PROTECTION.

P.S. 677 *Gregory A. Smith*



(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.
 DATE APRIL 9 . 20 02
 OPERATORS WELL NO. 2
 API WELL NO. 47 - 85 - 08880
 STATE COUNTY PERMIT

MINIMUM DEGREE OF ACCURACY 1 / 200 FILE NO. 4919P2R (123-7)
 PROVEN SOURCE OF ELEVATION JUNCTION OF ROADS ELEVATION 896' SCALE 1"=800'

STATE OF WEST VIRGINIA
 DIVISION OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS

WELL TYPE : OIL GAS INJECTION WASTE DISPOSAL "GAS" PRODUCTION STORAGE DEEP SHALLOW

LOCATION : ELEVATION 1,060' WATERSHED TRIBUTARY OF CHARLEYS RUN
 DISTRICT CLAY COUNTY RITCHIE QUADRANGLE ELLENBORO 7.5'

SURFACE OWNER WALNUT INVESTMENT COMPANY ACREAGE 138±
 ROYALTY OWNER WALNUT INVESTMENT COMPANY LEASE ACREAGE 138 OF 238±

PROPOSED WORK : LEASE NO. _____
 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 ALEXANDER
 ESTIMATED DEPTH 5600'

WELL OPERATOR KEY OIL COMPANY DESIGNATED AGENT JAN CHAPMAN
 ADDRESS 22 GARTON PLAZA WESTON, WV 26452 ADDRESS 22 GARTON PLAZA WESTON, WV 26452

6-6 unnamed (to)

MAY 10 2002

COUNTY NAME RIT
 PERMIT 8880

ACB

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

Well Operator's Report of Well Work

Farm Name: WALNUT INVESTMENT COMPANY

Operator Well No. : SMITH #2

LOCATION: Elevation: 1060.00

Quadrangle: ELLENBORO

District: CLAY County: RITCHIE
Latitude: 7,550 Feet South of 39 Deg. 20 Min. 00 Sec.
Longitude: 450 Feet West of 81 Deg. 00 Min. 00 Sec.

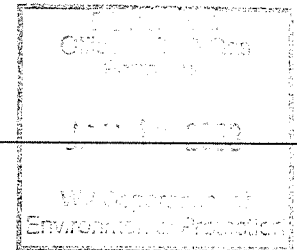
Company: KEY OIL COMPANY
22 GARTON PLAZA
WESTON, WV 26452-0000

Agent: JAN E. CHAPMAN

Inspector: ED GAINER
Permit Issued: 05/06/02
Well Work Commenced: 11/08/02
Well Work Completed: 11/11/02
Verbal Plugging
Permission granted on: _____
Rotary X Cable _____ Rig
Total Depth (feet) 5057'
Fresh water depths (ft) 410'
Salt water depths (ft) NONE

Casing & Tubing Size	Used in Drilling	Left In Well	Cement Fill Up Cu. Ft.
8 5/8"	1055'	1055'	215 sks To Surface
4 1/2"	4971'	4971'	140 sks

Is coal being mined in area (Y / N)? N
Coal Depths (ft): NONE



OPEN FLOW DATA

Producing formation Rileys Benson Pay zone depth (ft) 4500' - 4789'
 Gas: Initial open flow odor MCF / d Oil: Initial open flow 0 Bbl / d
 Final open flow 1,391 MCF / d Oil: Final open flow show Bbl / d
 Time of open flow between initial and final tests N/A Hours
 Static rock pressure 1,500 psig (surface pressure) after 96 Hours

Second producing formation Commingled Pay zone depth (ft) _____
 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 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: KEY OIL COMPANY
By: [Signature]
Date: November 27, 2002

PRESIDENT

FEB 27 2003

RIT 8880

Smith #2 (47-085- 8880)
Two Stage Foam Frac – B.J. Services

1st Stage: Benson (8 holes) (4886' to 4887.75') 60 Quality Foam. 500 gal. 15% HCL.
 Second Riley (4 holes) (4776.50' to 4777.25') 60,000# 20/40 sand, 550,000 SCF N2,
 810 bbls foam.

2nd Stage: Riley (12 holes) (4543' to 4558.25') 60 Quality Foam. 750 gal. 15% HCL.
 20,000# 20/40 sand, 31,000 SCF N2,
 365 bbls foam.

WELL LOG

KB-GL	0	10	
Clay	10	14	
Shale & Red Rock	14	32	
Sand & Shale	32	210	
Red Rock & Shale	210	235	
Sand & Shale	235	330	
Red Rock	330	400	
Sand & Red Rock	400	433	
Sand & Shale	433	930	1" water @ 410'
Shale & Red Rock	930	1029	
Sand & Shale	1029	1848	
Little Lime	1848	1866	
Big Lime	1866	1952	Gas Checks
Big Injun	1952	2100	1450' – Oil odor
Shale	2100	2350	1820' – No Show
Weir	2350	2422	2166' - Odor
Shale	2422	2482	3397' - Odor
Berea	2482	2502	3897' - Odor
Sand & Shale	2502	2876	4431' - Odor
Gordon	2876	2896	4809' - Odor
Shale	2896	3450	
Warren	3450	3528	
Shale	3528	3581	
Shale & Siltstones	3581	4500	
Riley	4500	4583	
Shale	4583	4744	
Second Riley	4744	4789	
Shale	4789	4876	
Benson	4876	4892	
Shale	4892	5057	
TD	5057		