

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

Well Operator's Report of Well Work

Farm name: McDonald Operator Well No.: 1

LOCATION: Elevation: 1132 Quadrangle: Harrisville

District: Grant County: Ritchie
Latitude: 5220 Feet South of 39 Deg. 12 Min. 30 Sec.
Longitude 11,090 Feet West of 80 Deg. 05 Min. 00 Sec.

Company: Jay-Bee Oil & Gas Inc.

	Casing & Tubing	Used in drilling	Left in well	Cement fill up Cu. Ft.
Address: 1720 Rt. 22 East				
Union, N.J. 07083				
Agent: Randy Broda				
Inspector: Steve Mossor	7	352	352	cts
Date Permit Issued: 8/4/05				
Date Well Work Commenced: 8/30/06	4 1/2	0	0	0 sks
Date Well Work Completed: 9/7/06				
Verbal Plugging:				
Date Permission granted on:				
Rotary x Cable Rig 30				
Total Depth (feet): 3010				
Fresh Water Depth (ft.): 75'				
Salt Water Depth (ft.): n/a				
Is coal being mined in area (N/Y)? n				
Coal Depths (ft.): n/a				

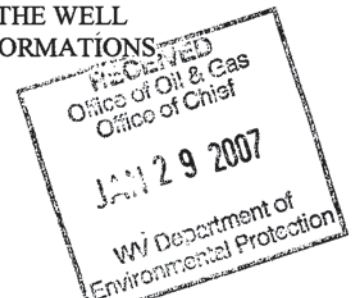
OPEN FLOW DATA

Producing formation Plugged Pay zone depth (ft) see well record
Gas: Initial open flow 10 MCF/d Oil: Initial open flow 0 Bbl/d
Final open flow - MCF/d Final open flow show Bbl/d
Time of open flow between initial and final tests 96 Hours
Static rock Pressure - psig (surface pressure) after 72 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.

Signed: [Signature]
By: Randy Broda
Date: 1/7/07



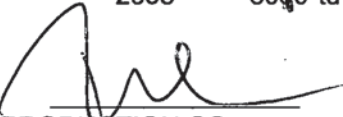
WELL RECORD

Mcdonlad 1
PERMIT # 47-085-09206
elevation 1132

DETAILS OF PERFORATED INTERVALS:

plugged well

<u>FORMATION</u>	<u>COLOR</u>	<u>HARD/SOFT</u>	<u>TOP</u>	<u>BOTTOM</u>	<u>OIL,GAS,WATER</u>	<u>DEPTH</u>	<u>REMARKS</u>
MISC. RED ROCK & SHALES			0	1359		0	9 5/8
SAND			1359	1377			
SHALE			1377	1458		352	7
SAND			1458	1524			
SHALE			1524	1560			all off of drillers reopr
SAND			1560	1600			never logged
SHALE			1600	1648			
RATTY SAND			1648	1772			
SHALE			1772	1835			
SAND			1835	1846			
RATTY SAND			1846	1952			
LIME			1952	1962			
SAND			1962	1992			
LIME			1992	2063			
INJUN			2063	2146			
SHALE			2146	2166			
SQUAW			2166	2182			
SHALE			2182	2286			
WIER			2286	2380			
SHALE			2380	2548			
BEREA			2548	2552			
SHALE			2552	2656			
30 FOOT			2656	2684			
SHALE			2684	2946			
FIFTH SAND			2946	2958			
SHALE			2958	3040	td		

SIGNED: 
JAY-BEE PRODUCTION CO.
BY IT'S: PRESIDENT
DATE: 1/7/2007





west virginia department of environmental protection

Office of Oil and Gas
601 57th Street SE
Charleston, WV 25304
(304) 926-0450
(304) 926-0452 fax

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

August 04, 2005

WELL WORK PERMIT
New Well

This permit, API Well Number: 47-8509206, issued to JAY-BEE OIL & GAS, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, well operators report of well work, is to be submitted to this office within 90 days of completion of drilling, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable.

Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced.

If there are any questions, please feel free to contact me or Mr. Al Blankenship at 304-926-0499 ext. 1653.

JAMES MARTIN
Chief,
Office of Oil and Gas

Operator's Well No: MCDONALD 1
Farm Name: SIX, RONALD, ET AL
API Well Number: 47-8509206
Permit Type: New Well
Date Issued: 08/04/2005

Promoting a healthy environment.

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
WELL WORK PERMIT APPLICATION

1) Well Jay-Bee Oil & Gas Inc. 24610 085 Grant Harrisville
 Operator Operator ID County District Quadrangle

2) Operators Well Number: McDONALD #1 3) Elevation: 1132

4) Well Type: (a) Oil or Gas
 (b) If Gas: Production / Underground Storage
 Deep / Shallow

5) Proposed Target Formation(s): Fifth sand

6) Proposed Total Depth: 3000' Feet

7) Approximate fresh water strata depths: 75'

8) Approximate salt water depths: n/a

9) Approximate coal seam depths: n/a

10) Does land contain coal seams tributary to active mine? no

11) Describe proposed well work Drill & Stimulate a new well

OK S.M. 7-21-05

CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	13 3/8					
Fresh Water	9 5/8			130	130	CTS
Coal						
Intermediate	7		16	1352	1352	As per rules
Production	4 1/2	J-55	9.5	3000	3000	As per rules
Tubing						
Liners						

Packers: Kind _____
 Sizes _____
 Depths Set _____