

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

Well Operator's Report of Well Work

Farm name: WALTER, ARTHUR Operator Well No.: 3

LOCATION: Elevation: 1420 Quadrangle: THORNTON

District: KNOTTSVILLE County: TAYLOR
Latitude: 1,380 Feet South of 39 Deg. 20 Min. 0 Sec.
Longitude: 7,550 Feet West of 79 Deg. 52 Min. 30 Sec.

Company: Texas Keystone, Inc.

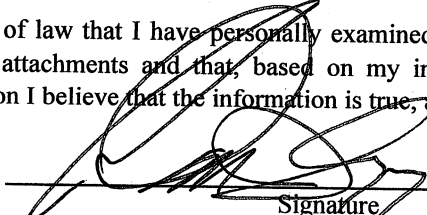
| Address: | Casing & Tubing | Used in drilling | Left in well | Cement fill up Cu. Ft. |
|--|-----------------|------------------|--------------|------------------------|
| <u>560 Epsilon Drive Pittsburgh, PA 15238</u> | | | | |
| Agent: <u>Jon Farmer</u> | <u>13 3/8"</u> | <u>129</u> | <u>129</u> | <u>Sanded In</u> |
| Inspector: <u>Bryan Harris</u> | | | | |
| Date Permit Issued: <u>09/27/10</u> | <u>9 5/8"</u> | <u>462</u> | <u>462</u> | <u>350</u> |
| Date Well Work Commenced: <u>02/09/11</u> | | | | |
| Date Well Work Completed: <u>02/18/11</u> | <u>7"</u> | <u>1544</u> | <u>1544</u> | <u>200</u> |
| Verbal Plugging: | | | | |
| Date Permission granted on: | <u>4 1/2"</u> | <u>0</u> | <u>5166</u> | <u>240</u> |
| Rotary <input checked="" type="checkbox"/> Cable <input type="checkbox"/> Rig <input type="checkbox"/> | | | | |
| Total Vertical Depth (ft.): <u>5736</u> | | | | |
| Total Measured Depth(ft.): <u>5736</u> | | | | |
| Fresh Water Depth (ft.): <u>142, 145, 210, 390, 560</u> | | | | |
| Salt Water Depth (ft.): <u>none reported</u> | | | | |
| Is coal being mined in the area (N/Y)? <u>N</u> | | | | |
| Coal Depths (ft.): <u>1225</u> | | | | |
| Void(s) encountered (N/Y) Depth(s): <u>N</u> | | | | |

OPEN FLOW DATA (If more than two producing formations please include additional data on separate sheet)

Producing formation: 3RD ELK Pay zone Depth (ft) 4955 - 5055
Gas: Initial open flow: G/S TSTM MCF/D Oil: Initial open flow: 0 Bbl/d
Final open flow 215 MCF/D Oil: Final open flow: 0 Bbl/d
Time of open flow between initial and final tests: N/A Hours
Static rock Pressure: 880 psig(surface pressure) after 120 Hours

Second Producing formation: 2ND ELK Pay zone Depth (ft) 4753 - 4763
Gas: Initial open flow: Co-mingled MCF/D Oil: Initial open flow: 0 Bbl/d
Final open flow Co-mingled MCF/D Oil: Final open flow: 0 Bbl/d
Time of open flow between initial and final tests: Hours
Static rock Pressure: Co-mingled psig(surface pressure) after - Hours

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this document and all the 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.



Signature

4-12-11

Date

Were core samples taken? Yes No Were cuttings caught during drilling? Yes No

Were Electrical, Mechanical, or Geophysical logs recorded on this well?
 Y/N Y/N Y/N

NOTE: IN THE AREA BELOW 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 THE TOPS AND BOTTOMS OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE FROM SURFACE TO TOTAL

Perforated Intervals, Fracturing, or Stimulating:

Perfed 3rd Elk 4955' - 5055' (20 shots). BD 3833 #. 200 sks 40/70 & 100 sks 20/40. 628 bbl. Gel Frac.
 Perfed 2nd Elk 4753' - 4763' (21 shots). BD 4800 #. 150 sks 40/70 & 100 sks 20/40. 623 bbl. Gel Frac.
 Perfed Alexander 4320' - 4324' (12 shots). No breakdown.
 Perfed Lower Riley 3926' - 3931' (15 shots). BD 4900 #. 200 sks 40/70 & 100 sks 20/40. 560 bbl. Gel Frac.
 Perfed Balltown A 2848' - 2880' (25 shots). BD 4410 #. 200 sks 40/70 & 100 sks 20/40. 580 bbl. Gel Frac.
 Perfed Bayard & Speechley A 2254' - 2327' (24 shots). BD 4140 #. 200 sks 40/70 & 100 sks 20/40. 573 bbl. Gel Frac.

| Formations Encountered: | Top Depth | Bottom Depth | Notes: |
|-------------------------|-----------|--------------|-----------------------|
| FILL | 0 | 15 | |
| SANDY SHALE | 15 | 40 | |
| SANDSTONE | 40 | 60 | |
| SANDY SHALE | 60 | 100 | DAMP FW @ 142' |
| SANDSTONE | 100 | 172 | 1/2" FW @ 145' |
| SANDY SHALE | 172 | 225 | 1 1/2" FW @ 210' |
| COAL | 225 | 230 | |
| SANDY SHALE | 230 | 360 | |
| SANDSTONE | 360 | 405 | 3" FW @ 390' |
| SANDY SHALE | 405 | 450 | |
| SANDSTONE | 450 | 465 | |
| SANDY SHALE | 465 | 605 | 1/4" FW @ 560' |
| REDROCK SHALE | 605 | 625 | |
| SANDY SHALE | 625 | 850 | |
| SANDSTONE | 850 | 945 | |
| SANDY SHALE | 945 | 993 | |
| LITTLE LIME | 993 | 1007 | |
| PENCIL CAVE SHALE | 1007 | 1032 | |
| BIG LIME | 1032 | 1248 | |
| SHALE | 1248 | 1273 | |
| SQUAW SANDSTONE | 1273 | 1302 | |
| SHALE | 1302 | 1335 | |
| WEIR SANDSTONE | 1335 | 1371 | |
| SHALE | 1371 | 1472 | |
| BEREA SANDSTONE | 1472 | 1493 | |
| UPPER GANTZ SANDSTONE | 1493 | 1504 | |
| SHALE | 1504 | 1525 | |
| GANTZ SANDSTONE | 1525 | 1558 | |
| SHALE | 1558 | 1573 | |
| LOWER GANTZ SANDSTONE | 1573 | 1628 | |
| SANDY SHALE | 1628 | 2043 | |
| LOWER FOURTH SAND | 2043 | 2073 | |
| SHALE | 2073 | 2103 | |
| SANDY SHALE | 2103 | 2229 | |
| BAYARD SANDSTONE | 2229 | 2260 | GAS SHOW @ 2255' TSTM |
| SHALE | 2260 | 2293 | |
| SPEECHLEY A SANDSTONE | 2293 | 2331 | |
| SANDY SHALE | 2331 | 2838 | |
| BALLTOWN A SANDSTONE | 2838 | 2886 | |
| SHALE | 2886 | 2911 | |
| BALLTOWN B SANDSTONE | 2911 | 2932 | |
| SHALE | 2932 | 3821 | |
| SANDY SHALE | 3821 | 3919 | |
| LOWER RILEY SILTSTONE | 3919 | 3943 | GAS SHOW @ 3930' TSTM |
| SANDY SHALE | 3943 | 4293 | |
| ALEXANDER SILTSTONE | 4293 | 4356 | GAS SHOW @ 4215' 2011 |
| SANDY SHALE | 4356 | 4480 | |
| 1ST ELK SILTSTONE | 4480 | 4543 | |
| SANDY SHALE | 4543 | 4703 | |
| 2ND ELK SILTSTONE | 4703 | 4764 | GAS SHOW @ 4755' TSTM |
| SANDY SHALE | 4764 | 4953 | |
| 3RD ELK SILTSTONE | 4953 | 5073 | GAS SHOW @ 4955' TSTM |
| SHALE | 5073 | 5736 | TD |

Third Producing formation: ALEXANDER Pay zone Depth (ft) 4320 - 4324
 Gas: Initial open flow: Co-mingled MCF/D Oil: Initial open flow: 0 Bbl/d
 Final open flow Co-mingled MCF/D Oil: Final open flow: 0 Bbl/d
 Time of open flow between initial and final tests: _____ Hours
 Static rock Pressure: Co-mingled psig(surface pressure) after - Hours

Fourth Producing formation: LOWER RILEY Pay zone Depth (ft) 3926 - 3921
 Gas: Initial open flow: Co-mingled MCF/D Oil: Initial open flow: 0 Bbl/d
 Final open flow Co-mingled MCF/D Oil: Final open flow: 0 Bbl/d
 Time of open flow between initial and final tests: _____ Hours
 Static rock Pressure: Co-mingled psig(surface pressure) after - Hours

Fifth Producing formation: BALLTOWN A Pay zone Depth (ft) 2848 - 2880
 Gas: Initial open flow: Co-mingled MCF/D Oil: Initial open flow: 0 Bbl/d
 Final open flow Co-mingled MCF/D Oil: Final open flow: 0 Bbl/d
 Time of open flow between initial and final tests: _____ Hours
 Static rock Pressure: Co-mingled psig(surface pressure) after - Hours

Sixth Producing formation: BAYARD & SPEECHLEY A Pay zone Depth (ft) 2254 - 2327
 Gas: Initial open flow: Co-mingled MCF/D Oil: Initial open flow: 0 Bbl/d
 Final open flow Co-mingled MCF/D Oil: Final open flow: 0 Bbl/d
 Time of open flow between initial and final tests: _____ Hours
 Static rock Pressure: Co-mingled psig(surface pressure) after - Hours

12/16/2011