

Fee ownership is vested in:-
 Clinton & Virginia Dillon
 St. Marus, West Va.

Minimum Error of Closure 1 in 200
 Source of Elevation USGS elev. (shown) = 812'

I, the undersigned, hereby certify that this map is correct to the best of my knowledge and belief and shows all the information required by paragraph 6 of the rules and regulations of the oil and gas section of the mining laws of West Virginia.

Fracture.....
 New Location.....
 Drill Deeper..... - 7/20/89
 Abandonment.....

Signed: [Signature]
 Map No. _____ Squares: N S E W

Company SANCHO OIL & GAS 4526
 Address 710 Second Street, St. Marus, W. Va. 26170
 Farm Clinton S. & Virginia H. Dillon
 Tract _____ Acres 575 Lease No. _____
 Well (Farm) No. One Serial No. _____
 Elevation (Spirit Level) 805
 Quadrangle Pennsboro 7 1/2, West Union 15'
 County Tyler District Meade 4
 Engineer [Signature]
 Engineer's Registration No. 1227
 File No. _____ Drawing No. _____
 Date Sept 22, 1979 Scale 1" = 500'

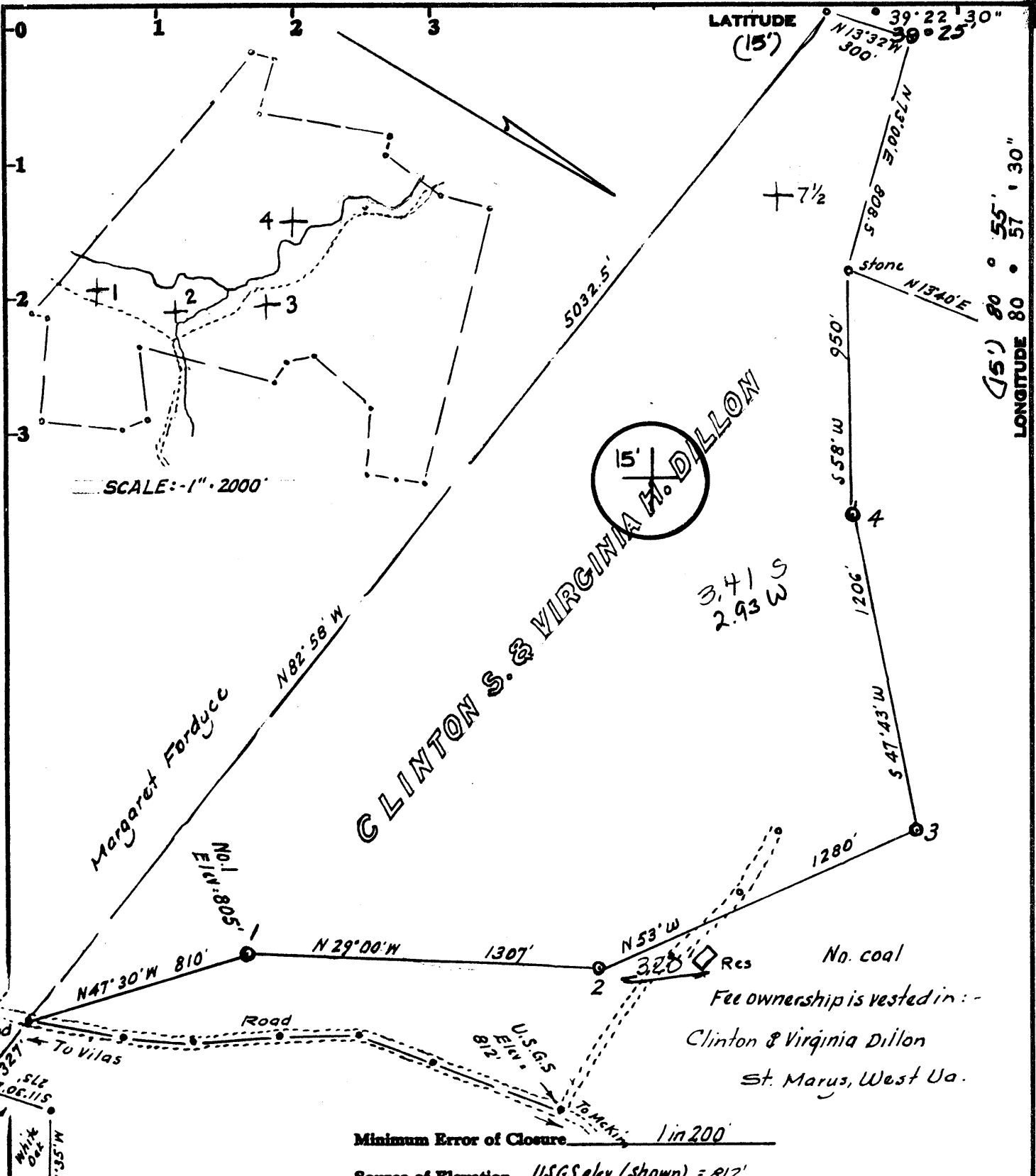
STATE OF WEST VIRGINIA
 DEPARTMENT OF MINES
 OIL AND GAS DIVISION
 CHARLESTON

WELL LOCATION MAP
 FILE NO. 47-095-0734

Drill Deeper
 + Denotes location of well on United States Topographic Maps, scale 1 to 25,000, latitude and longitude lines being represented by border lines as shown.
 - Denotes one inch spaces on border line of original tracing.

OWDD 5200' Chemung Group of Ohio shale
 6-6 Shiloh-Wick (086)

10/2/79



SCALE: -1" = 2000'

Minimum Error of Closure 1 in 200

Source of Elevation USGS elev. (shown) = 812'

I, the undersigned, hereby certify that this map is correct to the best of my knowledge and belief and shows all the information required by paragraph 6 of the rules and regulations of the oil and gas section of the mining laws of West Virginia.

Signed: [Signature]
Squares: N S E W

- Fracture
- New Location
- Drill Deeper
- Abandonment

Map No. _____

Company SECURITY GAS & OIL INC.
 Address 417 1/2 2nd St. St Marus, W. Va. 26170
 Farm Clinton S. & Virginia H. Dillon
 Tract _____ Acres 575 Lease No. _____
 Well (Farm) No. One Serial No. _____
 Elevation (Spirit Level) 805 WC
 Quadrangle Pennsboro 7 1/2, West Union 15'
 County Tyler District Meade
 Engineer [Signature]
 Engineer's Registration No. 1227
 File No. _____ Drawing No. _____
 Date Sept 22, 1979 Scale 1" = 500'

STATE OF WEST VIRGINIA
 DEPARTMENT OF MINES
 OIL AND GAS DIVISION
 CHARLESTON

WELL LOCATION MAP
 FILE NO. 47-095-0734

+ Denotes location of well on United States Topographic Maps, scale 1 to 25,000, latitude and longitude lines being represented by border lines as shown.

OCT 12 1979

— Denotes one inch spaces on border line of original tracing.

RE AUG 25 1989

State of West Virginia
DEPARTMENT OF ENERGY
Division of Oil and Gas

API # 47- 95-00734 F

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

Well Operator's Report of Well Work

Farm name: DILLON, CLINTON S.

Operator Well No.: C.S. DILLON #1

LOCATION: Elevation: 805.00 Quadrangle: PENNSBORO

District: MEADE County: TYLER
Latitude: 2820 Feet South of 39 Deg. 22Min. 30 Sec.
Longitude 3730 Feet West of 80 Deg. 57 Min. 30 Sec.

Company: SANCHO OIL & GAS CORPORAT
210 2ND. ST. P.O. BOX 179
ST. MARYS, WV 26170-0179

Agent: LOREN E. BAGLEY

Inspector: GLEN P. ROBINSON
Permit Issued: 07/20/89
Well work Commenced: 07/23/89
Well work Completed: 07/27/89

Verbal Plugging
Permission granted on: July, 1989
Rotary xx Cable Rig
Total Depth (feet) 4857' KB
Fresh water depths (ft) 95'

Salt water depths (ft) _____
1633' KB

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.
8 5/8"	922	922	surface
4 1/2"	3320'	3320'	1800' KB <i>per existing csg</i>
2 7/8"	4857'	4857'	69 ft ³

OPEN FLOW DATA

Producing formation Chemung Formation Pay zone depth (ft) 4550-47
Gas: Initial open flow 25 MCF/d Oil: Initial open flow 0 Bbl/d
Final open flow 25 MCF/d Final open flow 0 Bbl/d
Time of open flow between initial and final tests 24 Hours
Static rock Pressure 600 psig (surface pressure) after 24 Hours

Second producing formation none 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: SANCHO OIL & GAS CORPORATION

By: Richard A Brantley, Engineer
Date: 08/22/89

AUG 25 1989

Stimulation record:

perforated production casing at 4707-4715' w/ 10 holes
hydrofractured 8/11/89 with 600 bbl 30# gel & 30,000 lbs sand

WELL LOG

FORMATION	COLOR	HARD OR SOFT	TOP FEET	BOTTOM FEET	REMARKS
					Including indication of all fresh and salt water, coal, oil and gas
clay, gravel, unconsolidated sand			0	94	
conglomerate			95	115	fresh water
shale & sandstone			115	368	
limestone	gray		368	390	
sandstone	white		390	600	
shale & siltstone			600	900	
interbedded sand & shale			900	1055	
sandstone	lt. gray		1055	1146	
shale			1146	1207	
sandstone			1207	1392	
shale	dk grey		1392	1545	
sandstone			1545	1563	
shale & sand, lt grey			1563	1680	saltwater
limestone			1680	1760	Greenbrier
sandstone			1760	1905	
Cuyahoga shale			1905	2220	
Berea			2274	2275	trace gas
Ohio Shale			2280		
Gordon Sand			3250	3290	
shale & siltstone			3290	4550	
Chemung group			4550	4710	
shale			4710	4857'	
TD				4857'	

new TD 4857
old TD? 3320
new Hg? 1537

RECEIVED
AUG 25 1989

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

HUCE E

AUG 25 1989

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

perforated with 25 shots from 3250 to 3290'

Fracd with 1,000,000 scf nitrogen & 500 gallons of 15% HCl

WELL LOG

FORMATION	COLOR	HARD OR SOFT	TOP FEET	BOTTOM FEET	REMARKS Including indication of all fresh and salt water, coal, oil and gas
clay, gravel, unconsolidated sand			0	94	
conglomerate			95	115	fresh water
shale & sandstone			115	368	
limestone	gray		368	390	
sandstone	white		390	600	
shale & siltstone			600	900	
interbedded sand & shale			900	1055	
sandstone	lt. gray		1055	1146	
shale			1146	1207	
sandstone			1207	1392	
shale	dk grey		1392	1545	
sandstone			1545	1563	
shale & sand, lt grey			1563	1680	saltwater
limestone			1680	1760	Greenbrier
sandstone			1760	1905	
Cuyahoga shale			1905	2220	
Berea			2274	2275	trace gas
Ohio Shale			2280		
Gordon Sand			3250	3290	
TD Warren				3359	

DF

(Attach separate sheets as necessary)

Security Oil & Gas, Inc.

Well Operator

By: Paul Brown, engineer

Date: July 14, 1989

JUL 21 1989

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 ... encountered in the drilling of a well."
 2939

[08-78]

OIL AND GAS WELL PERMIT APPLICATION

Operator's Well No. C. S. Dillon #1
API Well No. 47 - 095 - 073
State County Perm

WELL TYPE: Oil XX / Gas XX /
(If "Gas", Production / Underground storage / Deep / Shallow /)

LOCATION: Elevation: 805' Watershed: Hokin
District: Neade County: Tyler Quadrangle: Pennsboro 7 1/2

WELL OPERATOR Security Gas & Oil Inc.
Address 417 1/2 Second St.
St. Marys, WV 26170

DESIGNATED AGENT Burl W. Smith
Address Rt. 39, St. Marys
WV 26170

OIL & GAS ROYALTY OWNER Clinton S. & Virginia Dillon
Address St. Marys, WV 26170

COAL OPERATOR None
Address:

Acreage 575

COAL OWNER(S) WITH DECLARATION ON RECORD:

SURFACE OWNER None

Name None

Address

Address

Acreage

Name

FIELD SALE (IF MADE) TO:

Name

Address

Address

COAL LESSEE WITH DECLARATION ON RECORD:

Name

Address

OIL & GAS INSPECTOR TO BE NOTIFIED

Name Phillip Chacey

Address Mid Lebourne, WV

1-304-758-4573

OCT 1 - 1979

OIL & GAS DIVISION
DEPT. OF MINES

The undersigned well operator is entitled to operate for oil or gas purposes at the above location under a deed / lease XX / other contract / dated Aug. 1, 1979, to the undersigned well operator from Clinton S. & Virginia Dillon

[If said deed, lease, or other contract has been recorded:]

Recorded on Sept. 5, 1979, in the office of the Clerk of the County Commission of Tyler County, West Virginia, in Deed Book 220 at page . A permit is requested as follows:

PROPOSED WORK: Drill XX / Drill deeper / Redrill / Fracture or stimulate /

Plug off old formation / Perforate new formation /

Other physical change in well (specify)

--planned as shown on the work order on the reverse side hereof.

The above named coal operator, coal owner(s), and coal lessee are hereby notified that any objection they wish to make or are required to make by Code § 22-4-3 must be filed with the Department of Mines within fifteen (15) days after the receipt of this Application by the Department.

Copies of this Permit Application and the enclosed plat and reclamation plan have been mailed by registered mail or delivered by hand to the above named coal operator, coal owner(s), and coal lessee on or before the day of the mailing or delivery of this Permit Application to the Department of Mines at Charleston, West Virginia.

PLEASE SUBMIT COPIES OF ALL GEOPHYSICAL LOGS DIRECTLY TO:

WEST VIRGINIA OIL AND GAS CONSERVATION COMMISSION
1615 WASHINGTON STREET EAST
CHARLESTON, WV 25311

TELEPHONE: (304) 348-3092

BLANKET BOND

Security Gas & Oil Inc.
Well Operator

By Frank E. Pettit
Field Sup.

PROPOSED WORK ORDER

THIS IS AN ESTIMATE ONLY:
ACTUAL INFORMATION MUST BE SUBMITTED ON FORM IV-35 UPON COMPLETION

DRILLING CONTRACTOR (IF KNOWN) _____

Address _____

GEOLOGICAL TARGET FORMATION, Cordon Series

Estimated depth of completed well, 3500 feet Rotary X / Cable tools /

Approximate water strata depths: Fresh, 125 feet; salt, feet.

Approximate coal seam depths: None Is coal being mined in the area? Yes / No X

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	8 5/8"		24 lb.	X		250'	250'	85 sacks	Kinds
Fresh water									
Coal									Sizes
Intermediate									
Production	4 1/2"		10.5				3500'	400 sacks	Depths set
Tubing									
Liners									Perforations:
									Top Bottom

NOTE: Regulation 7.02 of the Department of Mines provides that the original and four copies of Form IV-2 must be filed with the Department, 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 § 22-4-2, (iii) Form IV-9, "Reclamation Plan", applicable to the reclamation required by Code § 22-4-12b and Regulation 23, (iv) unless previously paid on the same well, the fee required by Code § 22-4-12a, and (v) if applicable, the consent required by Code § 22-4-8a from the owner of any water well or dwelling within 200 feet of the proposed well.

A separate Form IV-2 shall not be required for fracturing or stimulating a well when fracturing or stimulating is to be part of the work for which a permit is sought and is noted as such on the permit. **THIS PERMIT MUST BE POSTED AT THE WELL SITE**

All provisions being in accordance with Chapter 22, of the W. Va. Code, the location is hereby approved for drilling.

This permit shall expire if operations have not commenced by 6-2-80.

[Signature]
Deputy Director - Oil & Gas Division

The following waiver must be completed by the coal operator and by any coal owner or coal lessee who has recorded a declaration under Code § 22-4-20, if the permit is to be issued within fifteen (15) days of receipt thereof:

W A I V E R

The undersigned coal operator / owner / lessee / of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of the well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

Date: _____, 19____

By _____

Its _____

47-095-0734
 Issued 7/20/89
 Drill
 Deepen

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

- 1) Well Operator: Sancho Oil And Gas Corp . 44005 (4) 538
- 2) Operator's Well Number: #1 Clinton S. Dillon 3) Elevation: 805
- 4) Well type: (a) Oil xx or Gas xx
 (b) If Gas: Production xx / Underground Storage /
 Deep / Shallow xx
- 5) Proposed Target Formation(s): Chemung Group Of Ohio Shale
- 6) Proposed Total Depth: 5200' feet
- 7) Approximate fresh water strata depths: 100
- 8) Approximate salt water depths: 1200'
- 9) Approximate coal seam depths: none
- 10) Does land contain coal seams tributary to active mine Yes xxx
- 11) Proposed Well Work: DEEPEN EXISTING WELL
- 12)

RECEIVED
 JUL 18 1989
 DIVISION OF OIL & GAS
 DEPARTMENT OF ENERGY

CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft.	For drilling	Left in well	Fill-up (cu. ft.)
<u>gpp</u> Conductor	10 3/4	J55	32 1/4		250	125 sks
Fresh Water						
Coal						
Intermediate	4 1/2"	J55	9 1/2 #	3320	3320	1800' fill
Production	2 7/8"	J55	6.5	5200	5200	38CSR18-11.1
Tubing						
Liners						

PACKERS : Kind _____
 Sizes _____
 Depths set _____

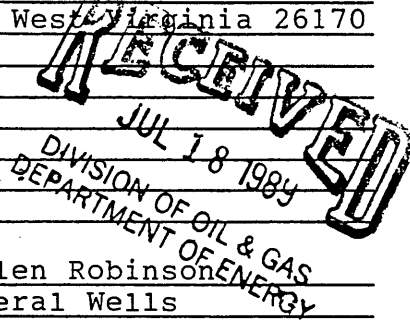
For Division of Oil and Gas Use Only

(38) 17
 Fee(s) paid: Well Work Permit Reclamation Fund WPCP
 Plat WW-9 WW-2B Bond LC # 101 Agent
 (Type)

1) Date: July 14, 1989
2) Operator's well number #1
3) API Well No: 47 - 095 - 0734-DD
State - County - Permit

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

<p>4) Surface Owner(s) to be served: (a) Name <u>Clinton S. Dillon</u> Address <u>P.O. Box 175</u> <u>St. Marys, West Virginia 26170</u> (b) Name _____ Address _____ (c) Name _____ Address _____</p>	<p>5) (a) Coal Operator: Name <u>none</u> Address _____ (b) Coal Owner(s) with Declaration Name <u>none</u> Address _____ Name _____ Address _____ (c) Coal Lessee with Declaration Name <u>none</u> Address _____</p>
<p>6) Inspector <u>Glen Robinson</u> Address <u>Mineral Wells</u> <u>West Virginia</u> Telephone <u>(304)-489-9162</u></p>	



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
XX 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 _____ on the above named parties, by:

- XX 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 Sancho Oil And Gas Corp
 By: [Signature]
 Its: President
 Address 210 Second Street
St. Marys, West Virginia 26170
 Telephone (304) 684-7170

Subscribed and sworn before me this _____ day of _____, 19____

My commission expires _____ Notary Public