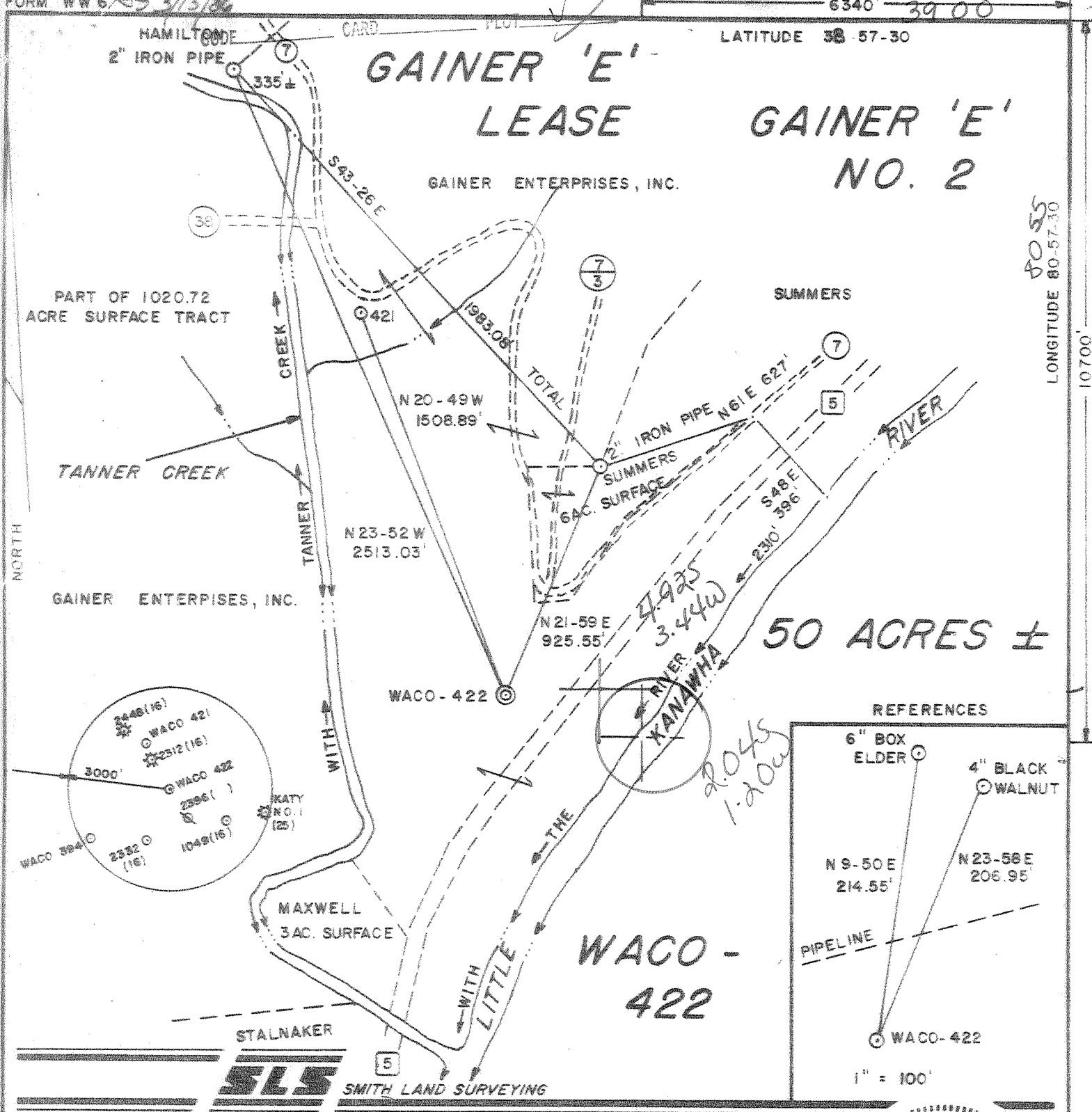


GAINER 'E' LEASE

GAINER 'E' NO. 2

GAINER ENTERPRISES, INC.

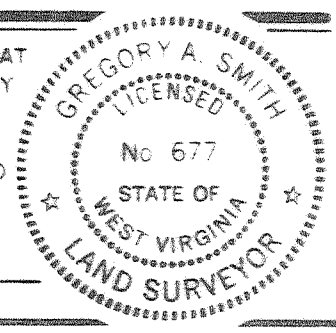


SLS SMITH LAND SURVEYING

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS
 DATE JANUARY 3, 1986
 OPERATORS WELL NO. WACO NO. 422
 API WELL NO. GAINER 'E' NO. 2
47 - 021 - 4458
 STATE COUNTY PERMIT

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. Gregory A. Smith
 677



MINIMUM DEGREE OF ACCURACY 1 / 200 FILE NO. 17-85
 PROVEN SOURCE OF ELEVATION JUNCTION OF ROADS ELEV. = 860' SCALE 1" = 500'



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 854' WATERSHED TANNER CREEK & THE LITTLE KANAWHA RIVER
 DISTRICT DE KALB 2 COUNTY GILMER QUADRANGLE TANNER 7.5 634
 SURFACE OWNER GAINER ENTERPRISES, INC. ACREAGE 50 of 1020.72 0.50 NW
 OIL & GAS ROYALTY OWNER GAINER ENTERPRISES, INC. LEASE ACREAGE 50

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 ORISKANY
 ESTIMATED DEPTH 6800'

WELL OPERATOR WACO OIL & GAS CO. INC. DESIGNATED AGENT STEPHEN HOLLOWAY
 ADDRESS P.O. BOX 397, GLENVILLE, WV 26351 6-6 DeKalb (179) ADDRESS P.O. BOX 397, GLENVILLE, WV 26351

80.55
02-57-08 EQUILINOIT

00701

COUNTY NAME 021

PERMIT 4458



WV-35

State of West Virginia DEPARTMENT OF ENERGY Oil and Gas Division

Date December 12, 1986 Operator's Well No. Waco #422 Farm Gainer E #2 API No. 47-021 - 4458

WELL OPERATOR'S REPORT OF DRILLING, FRACTURING AND/OR STIMULATING, OR PHYSICAL CHANGE

WELL TYPE: Oil / Gas X / Liquid Injection / Waste Disposal / (If "Gas," Production X / Underground Storage / Deep / Shallow X /)

LOCATION: Elevation: 854' Watershed Tanner Creek District: DeKalb County Gilmer Quadrangle Tanner 7.5'

COMPANY WACO OIL & GAS CO., INC. ADDRESS PO Box 397, Glenville, WV 26351 DESIGNATED AGENT Stephen E. Holloway ADDRESS PO Box 397, Glenville, WV 26351 SURFACE OWNER Gainer Enterprises, Inc. ADDRESS Charleston, WV MINERAL RIGHTS OWNER Gainer Enterprises, Inc. ADDRESS Charleston, WV OIL AND GAS INSPECTOR FOR THIS WORK Craig Dickworth ADDRESS Cassaway, WV PERMIT ISSUED March 26, 1986 DRILLING COMMENCED December 1, 1986 DRILLING COMPLETED December 5, 1986 IF APPLICABLE: PLUGGING OF DRY HOLE ON CONTINUOUS PROGRESSION FROM DRILLING OR REWORKING. VERBAL PERMISSION OBTAINED ON

Table with 4 columns: Casing & Tubing Size, Used in Drilling, Left in Well, Cement fill up Cu. ft. Rows include sizes 13-10", 9 5/8, 8 5/8, 7, 5 1/2, 4 1/2, 3, 2, and Liners used.

GEOLOGICAL TARGET FORMATION Oriskany Depth 6800 feet Depth of completed well 6056 feet Rotary X / Cable Tools Water strata depth: Fresh 60', 632 feet; Salt 1760 feet Coal seam depths: None Is coal being mined in the area? No

OPEN FLOW DATA

Producing formation Slate, Elk, Alexander Pay zone depth see treatment feet Gas: Initial open flow Mcf/d Oil: Initial open flow Bbl/d Final open flow 1540 Mcf/d Final open flow slow Bbl/d Time of open flow between initial and final tests 4 hours Static rock pressure 1535 psig (surface measurement) after 48 hours shut in (If applicable due to multiple completion--)

APR 20 1987

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

- 1st Stage - Shale (5962 - 5736) 500 gal 15% Hcl, 30 ton CO₂, 512 MCF N₂
- 2nd Stage - Elk, Alexander (4908-4716) 500 gal 15% Hcl, 30 ton CO₂, 488 MCF N₂
- 3rd Stage - Riley (4423-4151) 500 gal 15% Hcl, 40 ton CO₂, 400 MCF N₂
- 4th Stage - Balltown (3842-3460) 1000 gal 15% Hcl, 80 ton CO₂, 648 MCF N₂
- 5th Stage - Speechly (3097-3065) 500 gal 15% Hcl, 20 ton CO₂, 951 MCF N₂

WELL LOG

FORMATION	COLOR	HARD OR SOFT	TOP FEET	BOTTOM FEET	REMARKS
					Including indication of all fresh and salt water, coal, oil and gas
Sand & Shale			0	105	1/2" Fresh H ₂ O @ 60'
Sand			105	110	
Sand, Shale & Redrock			110	799	1/2" Fresh H ₂ O @ 632'
Sand & shale			799	1520	
Sand, Shale & Redrock			1520	1606	
Sand & Shale			1606	1661	
Little Lime			1661	1682	
Blue Monday			1682	1710	
Big Lime			1710	1818	Hole Damp @ 1760'
Big Injun			1818	1846	
Sand & Shale			1846	3064	
Speechly Section			3064	3396	
Shale			3396	3444	
Balltown Section			3444	4020	
Riley Section			4020	4433	
Shale			4433	4477	
Benson			4477	4484	
Shale			4484	4714	
Alexander			4714	4772	
Shale			4772	4885	
Elk Section			4885	5145	
Shale			5145	5982	
Marcellus Shale			5982	6036	
Onondaga			6036	6056	TD

404 2096
 813 3171
 822 4470
 828 4720
 830 5080

413
 854
 5182

(Attach separate sheets as necessary)

WACO OIL AND GAS CO., INC.
 Well Operator

By: Dan Chapman, Geologist

Date: December 12, 1986

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 coal, encountered in the drilling of a well."

RECEIVED
MAR 11 1986



1) Date: February 27, 1986

2) Operator's Well No. Waco #422-Gainer E-#2

3) API Well No. 47-021-4458
State County Permit

STATE OF WEST VIRGINIA

DIVISION OF OIL & GAS DEPARTMENT OF ENERGY, OIL AND GAS DIVISION
DEPARTMENT OF ENERGY APPLICATION FOR A WELL WORK PERMIT

- 4) WELL TYPE: A Oil / Gas /
B (If "Gas", Production / Underground storage / Deep / Shallow /)
- 5) LOCATION: Elevation: 854' Watershed: Tanner Creek
District: DeKalb 933 County: Gilmer Quadrangle: Tanner 7.5'
- 6) WELL OPERATOR WACO OIL & GAS CO. CODE: 57800 7) DESIGNATED AGENT Stephen E. Holloway
Address PO Box 397 Address PO Box 397
Glenville, WV 26351 Glenville, WV 26351
- 8) OIL & GAS INSPECTOR TO BE NOTIFIED 9) DRILLING CONTRACTOR:
Name Craig Duckworth Name I.L. Morris Well Service, Inc.
Address Box 107 Davisson Rt. Address PO Box 397
Gassaway, WV 26624 Glenville, WV 26351
- 10) PROPOSED WELL WORK: Drill / Drill deeper / Redrill / Stimulate /
Plug off old formation / Perforate new formation /
Other physical change in well (specify) _____
- 11) GEOLOGICAL TARGET FORMATION, Oriskany 475
- 12) Estimated depth of completed well, 6800 feet
- 13) Approximate trata depths: Fresh, 2100' feet; salt, _____ feet.
- 14) Approximate coal seam depths: None Is coal being mined in the area? Yes / No /
- 15) 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									Kinds
Fresh water									
Coal									Sizes
Intermediate	8 5/8	ERW	20#	X		900	900	258 sks.	C.T.S. Per Rule 15.05
Production	4 1/2	J-55	10.5#	X			6800	715 sks.	
Tubing									Depths set
Lin...									Perforations:
									Top Bottom

OFFICE USE ONLY
DRILLING PERMIT

Permit number: 47-021-4458

March 26 19 86
Date

This permit covering the well operator and well location shown below is evidence of permission granted to drill in accordance with the pertinent legal requirements subject to the conditions contained herein and on the reverse hereof. Notification must be given to the District Oil and Gas Inspector. (Refer to No. 8) Prior to the construction of roads, locations and pits for any permitted work. In addition, the well operator or his contractor shall notify the proper district oil and gas inspector 24 hours before actual permitted work has commenced.)

The permitted work is as described in the Notice and Application, plat, and reclamation plan, subject to any modifications and conditions specified on the reverse hereof.

Permit expires March 26, 1988 unless well work is commenced prior to that date and prosecuted with due diligence.

Bond: <input checked="" type="checkbox"/>	Agent: <i>AS</i>	Plat: <i>AS</i>	Casing: <i>AS</i>	Fee: 15-73	WPCP: <i>AS</i>	S&E: <i>AS</i>	Other: <input type="checkbox"/>
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NOTE: Keep one copy of this permit posted at the drilling location.

[Signature]
Director, Division of Oil and Gas

File