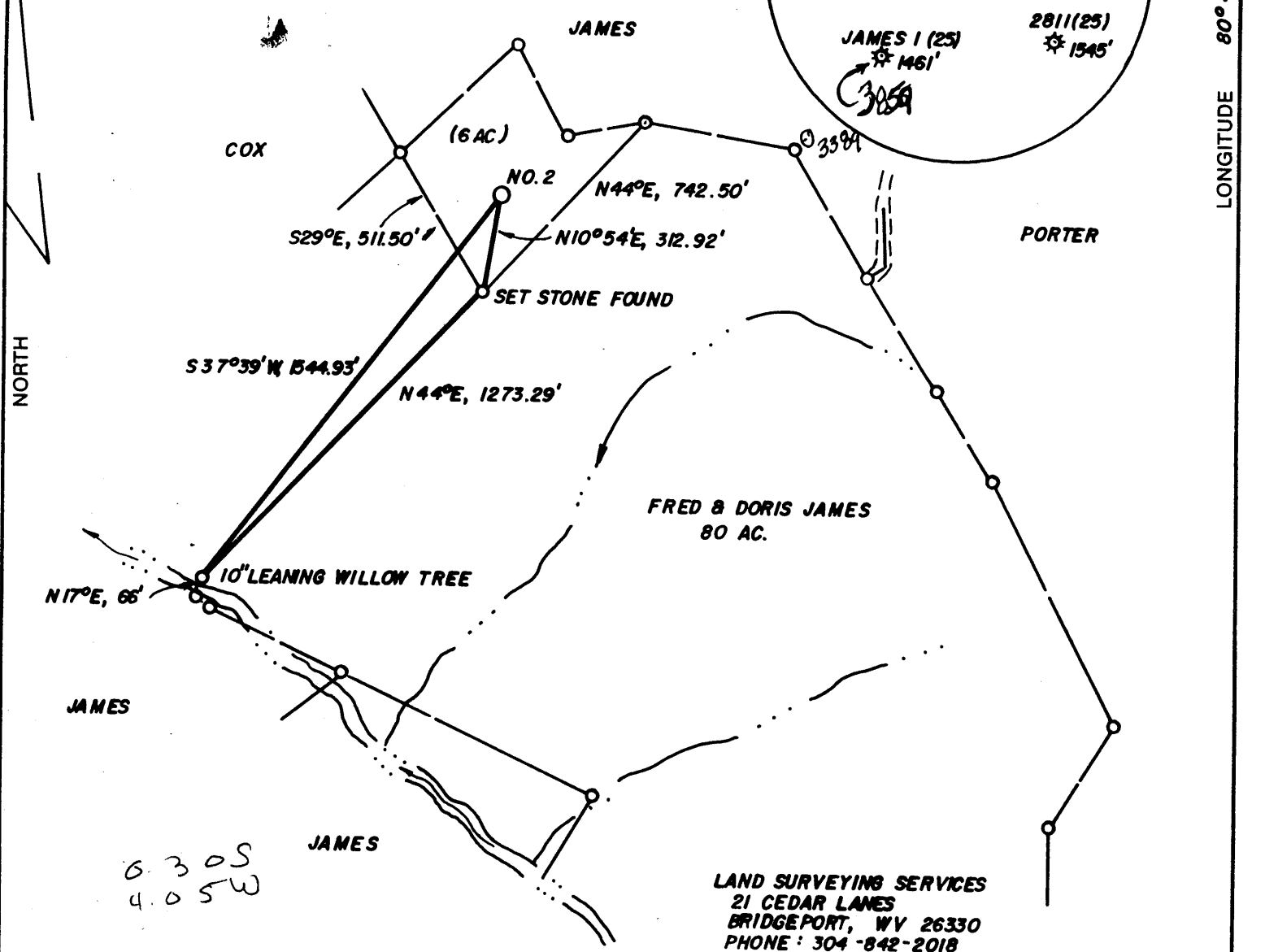
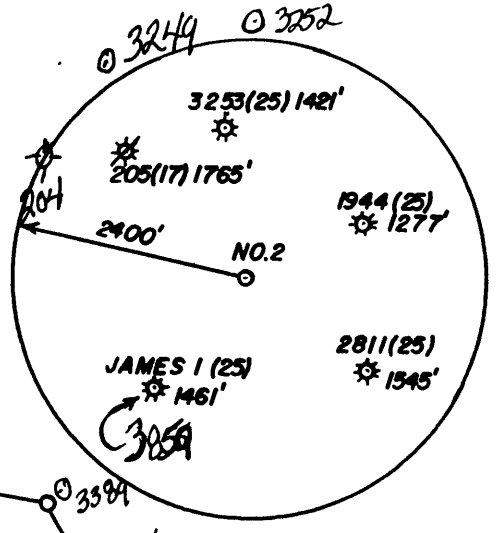


June 12/3/90

LATITUDE 39° 20' 00"

WELL REFERENCES:
 S40°W, 175.5' TO WEST PORCH POST
 N79°E, 200' TO 12" VIRGINIA PINE

7.5
 0.30S
 1.42W



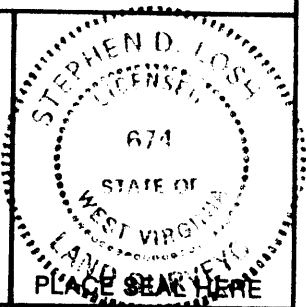
FRED & DORIS JAMES
 80 AC.

LAND SURVEYING SERVICES
 21 CEDAR LANES
 BRIDGEPORT, WY 26330
 PHONE: 304-842-2018

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. _____
 DRAWING NO. _____
 SCALE 1" = 500'
 MINIMUM DEGREE OF ACCURACY 1 IN 200
 PROVEN SOURCE OF ELEVATION TOP OF KNOB 1700' N. OF LOC. AT ELEV. 1201'

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.
 (SIGNED) _____
 R.P.E. _____ L.L.S. NO. 674



STATE OF WEST VIRGINIA
 DEPARTMENT OF ENERGY
 OIL AND GAS DIVISION



DATE NOV. 30, 19 90
 OPERATOR'S WELL NO. JAMES 2
 API WELL NO. 47-017-3865
 STATE COUNTY PERMIT

WELL TYPE: OIL ___ GAS X LIQUID INJECTION ___ WASTE DISPOSAL ___
 (IF "GAS,") PRODUCTION X STORAGE ___ DEEP ___ SHALLOW X
 LOCATION: ELEVATION 1052' WATER SHED ARNOLDS CREEK
 DISTRICT CENTRAL COUNTY DODDRIDGE
 QUADRANGLE WEST UNION 15' SE

SURFACE OWNER FRED JAMES, ET. UX. ACREAGE 80.
 OIL & GAS ROYALTY OWNER LAWRENCE DOAK HRS. LEASE ACREAGE 77.

PROPOSED WORK: DRILL X CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE ___ PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
 TARGET FORMATION ALEXANDER ESTIMATED DEPTH 5350'
 WELL OPERATOR RARE EARTH ENERGY, INC. DESIGNATED AGENT ROBERT GARY HALL
 ADDRESS P. O. BOX 172 ADDRESS P. O. BOX 172
CLARKSBURG, WV 26301 CLARKSBURG, WV 26301

DEC 10 1990

COUNTY NAME
 PERMIT

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

REC'D
Division

AUG 14 1991

Well Operator's Report of Well Work

Farm name: JAMES, FRED ETUX.

Operator Well No.: JAMES #2 Perm Oil and Gas

LOCATION: Elevation: 1052.00 Quadrangle: WEST UNION

District: CENTRAL County: DODDRIDGE
Latitude: 1620 Feet South of 39 Deg. 20Min. 0 Sec.
Longitude 9625 Feet West of 80 Deg. 47 Min. 30 Sec.

Company: RARE EARTH ENERGY, INC.
P. O. BOX 172
CLARKSBURG, WV 26301-0000

Agent: ROBERT G. HALL

Inspector: MIKE UNDERWOOD
Permit Issued: 12/03/90
Well work Commenced: 12/06/90
Well work Completed: 12/14/90
Verbal Plugging
Permission granted on:
Rotary X Cable Rig
Total Depth (feet) 5346'
Fresh water depths (ft) 20, 240'
Salt water depths (ft) None

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
11 3/4"	201.45	201.45	136 CF
8 5/8"	1575.20'	1575.20	383 CF
4 1/2"	--	5319.35	445 CF

Is coal being mined in area (Y/N)? N
Coal Depths (ft): 403, 670'

OPEN FLOW DATA

Riley, 2nd Riley
 Producing formation Benson & Alexander Pay zone depth (ft) See Back
 Gas: Initial open flow 26 MCF/d Oil: Initial open flow -- Bbl/d
 Final open flow 850 MCF/d Final open flow -- Bbl/d
 Time of open flow between initial and final tests Hours
 Static rock Pressure 1300 psig (surface pressure) after 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.

For: RARE EARTH ENERGY, INC.

By: B. G. Hall
Date: 1-6-91

AUG 16 1991

STIMULATION SUMMARY

1st Stage- Alexander 5200-5251'
 (15 holes) 65 Quality foam frac;
 50,000 lbs. 20/40, 500 gal 15%
 HCL, 334 Bbls TWTR, 512 Mscf N2,
 BKDN-2410 psi, ATP-3050 psi,
 AIR-26 BRM, ISI-4000 psi
 (Screened out halfway thru
 flush)

2nd Stage-2nd Riley, Benson
 4757-4933' (16 holes) 65
 Quality foam frac; 5,000 lbs
 80/100, 26,400 lbs 20/40,
 500 gal 15% HCL, 378 Bbls
 TWTR, 544 Mscf N2, BKDN-1770
 psi, ATP-3510 psi, AIR-22 BPM
 ISI-2500

3rd Stage-Riley 4499-4547'
 (15 holes) 65 Quality foam frac,
 5,000 lbs 80/100, 48,700 lbs
 20/40, 500 gal 15% HCL, 318 Bbls
 ATP-2990 psi, AIR-26 BPM,
 ISI-2200 psi

Formation depths, 0-1480'. taken from driller's log book, depths, 1480-TD, taken from gamma ray log.

KB-GL	0-10'	Damp at 20'	Shale & Silt	2345-2433'	
Clay	10-20'	(appr 1/4"	Berea	2433-2441'	
Sand & Shale	20-60'	stream)	Shale	2441-2547'	
Sand	60-100'		Gordon	2647-2688'	
Sd, Sh & RR	100-125'		Shale	2688-2853'	
Sand	125-185'		5th Sand	2853-2864'	
Sand & Shale	185-288'	Hole damp	Shale	2864-3345'	
Shale	288-310'	at 240'	Warren	3345-3382'	
Sand & Shale	310-403'		Shale	3382-3446'	
Coal	403-405'		Speechley	3446-3514'	
Sand & Shale	405-520'		Shale	3514-3715'	
Sh & Red Rock	520-670'	Soap pump	Balltown	3715-3949'	
Coal	670-672'	on hole	Shale & Silt	3949-4066'	
Sand & Shale	672-1594'	at 606'	Bradford	4066-4287'	
Shale	1594-1644'		Shale	4287-4481'	
Sand	1644-1716'		Riley	4481-4551'	
Shale	1716-1726'		Shale & Silt	4551-4708'	
Sand	1726-1754'		2nd Riley	4708-4902'	
Shale	1754-1870'		Shale & Silt	4902-4922'	
Little Lime	1870-1894'		Benson	4922-4983'	
Shale	1894-1923'		Shale	4983-5196'	
Big Lime	1923-1980'		Alexander	5196-5265'	
Big Injun	1980-2090'		Shale	5265-	
Sand & Shale	2090-2235'		LTD-	5344'	TD-
Weir	2235-2345'		DTD-	5346'	26 Mcf/

V1652

017-3865 Issued 12/03/90

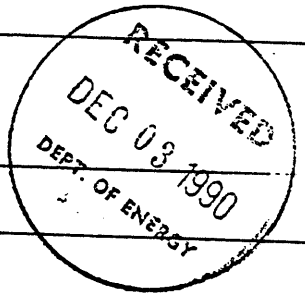
Expires 12/03/92

Page 3 of 7

FORM WW-2B

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

- 1) Well Operator: ⁷⁴⁰ Rare Earth Energy, Inc. 40900 (
- 2) Operator's Well Number: James No. 2 3) Elevation: 1050
- 4) Well type: (a) Oil ___ / or Gas x /
(b) If Gas: Production x / Underground Storage ___ /
Deep ___ / Shallow x /
- 5) Proposed Target Formation(s): Alexander ⁴³⁹
- 6) Proposed Total Depth: 5380 feet
- 7) Approximate fresh water strata depths: 100, 350, 460
- 8) Approximate salt water depths: (1540)
- 9) Approximate coal seam depths: None ⁶⁷¹⁻⁶⁷²
- 10) Does land contain coal seams tributary to active mine? Yes ___ / No x /
- 11) Proposed Well Work: drill and stimulate new well
- 12)



CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft.	For drilling	Left in well	Fill-up (cu. ft.)
Conductor	11-3/4			200	200	C.T.S. as needed
Fresh Water						
Coal						
Intermediate	8-5/8		20/23	1540	1540	511 c.f.
Production	4-1/2	J-55	10.5		5380	
Tubing						
Accessories						

CKERS : Kind _____
Sizes _____
Depths set _____

For Division of Oil and Gas Use Only

Fee(s) paid: 1 Well Work Permit 1 Reclamation Fund 1 WPCP

Plat 1 WW-9 1 WW-9 1 WW-9 1 WW-9

RECEIVED
DEC 03 1990

Date: November 30, 1990
Operator's well number
James No. 2
API Well No: 47 - 017 - 3865
State - County - Permit

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY
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:</p> <p>(a) Name <u>Fred James</u>
Address <u>Rt. 1, Box 278</u>
<u>West Union, WV 26456</u></p> <p>(b) Name _____
Address _____</p> <p>(c) Name _____
Address _____</p> | <p>5) (a) Coal Operator:</p> <p>Name <u>None</u>
Address _____</p> <p>(b) Coal Owner(s) with Declaration</p> <p>Name <u>None</u>
Address _____</p> <p>Name _____
Address _____</p> <p>(c) Coal Lessee with Declaration</p> <p>Name _____
Address _____</p> |
| <p>6) Inspector <u>Mike Underwood</u>
Address <u>Rt. 2, Box 135</u>
<u>Salem, WV 26426</u>
Telephone (304)-<u>782-1043</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

X 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 7 on the above named parties, by:

- X 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 Rare Earth Energy, Inc.
 By: Robert Gary Hall *Robert Gary Hall*
 Its: Designated Agent
 Address P. O. Box 172
Clarksburg, WV 26302-0172
 Telephone (304) 622-4001

Subscribed and sworn before me this 30th day of November, 1990

D. Tad Alawer Notary Public
My commission expires June 13, 1994