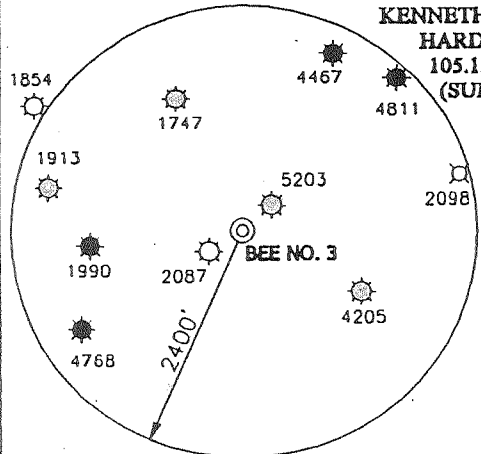
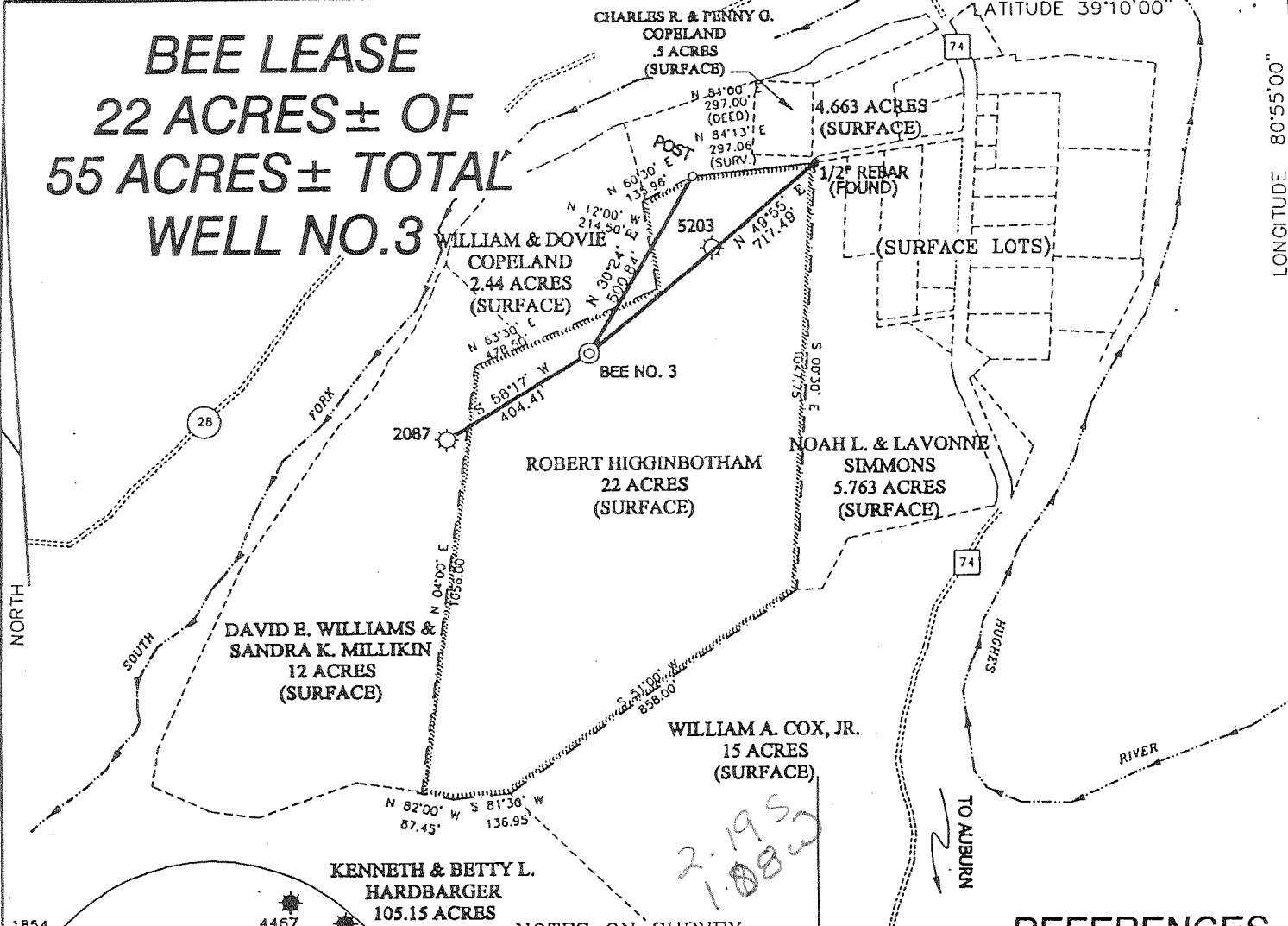
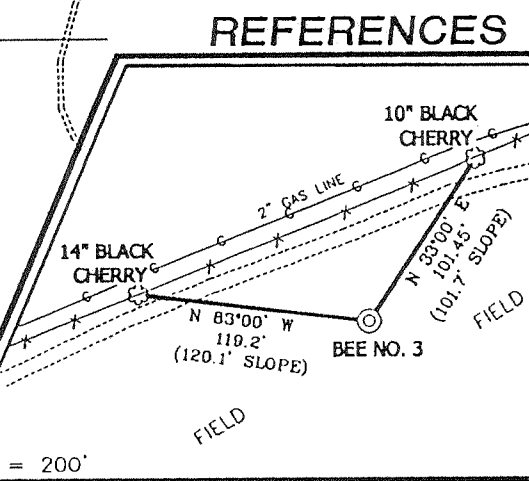


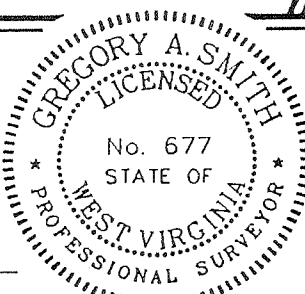
BEE LEASE 22 ACRES ± OF 55 ACRES ± TOTAL WELL NO. 3



- NOTES ON SURVEY**
1. TIES TO WELLS AND CORNERS ARE BASED ON STATE PLANE GRID NORTH WY NORTH ZONE NAD '27.
 2. TIES TO REFERENCES ARE BASED ON MAGNETIC NORTH 09/28/00.
 3. LEASE BOUNDARY SHOWN HEREON TAKEN FROM A TITLE REPORT DATED 07/03/00 AS PREPARED BY RICHARD M. REDDECLIFF, ATTORNEY AT LAW.
 4. SURFACE OWNER AND ADJOINER INFORMATION TAKEN FROM THE ASSESSOR AND COUNTY CLERK RECORDS OF RITCHE COUNTY IN OCTOBER, 2000.
 5. WELL LAT./LONG. ESTABLISHED BY DGPS(SUBMETER MAPPING GRADE).



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.



P.S. 677 Gregory A. Smith

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.
 DATE OCTOBER 11, 2000
 OPERATORS WELL NO. BEE #3
 API WELL NO. 47-085-08721
 STATE COUNTY PERMIT

MINIMUM DEGREE OF ACCURACY 1 / 200 FILE NO. 4477P3 (87-40)
 PROVEN SOURCE OF ELEVATION JUNCTION OF ROADS ELEVATION 753' SCALE 1" = 400'

STATE OF WEST VIRGINIA
 DIVISION OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS

WELL TYPE : OIL GAS LIQUID INJECTION WASTE DISPOSAL IF "GAS" PRODUCTION STORAGE DEEP SHALLOW

LOCATION :
 ELEVATION 785' WATERSHED SOUTH FORK HUGHES RIVER
 DISTRICT UNION COUNTY RITCHE QUADRANGLE PULLMAN 7.5'

SURFACE OWNER ROBERT HIGGINBOTHAM ACREAGE 22
 ROYALTY OWNER HAUGHT FAMILY TRUST LEASE ACREAGE 22 OF 55

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 DEVONIAN SHALE
 ESTIMATED DEPTH 6250'

WELL OPERATOR J.F. DEEM, DEEM, J. Frank DESIGNATED AGENT FRANK DEEM
 ADDRESS 5518 2nd AVE VIENNA, WV 26105 ADDRESS 5518 2nd AVE VIENNA, WV 26105

6-6128 OCT 20 2000 Pullman 8

RECEIVED
 Office of Oil & Gas
 Permitting
NOV 28 2000
 WV Division of
 Environmental Protection

DATE: November 14, 2000
 API #: 47-085-8721

State of West Virginia
 Division of Environmental Protection
 Section of Oil and Gas

Reviewed: _____

Well Operator's Report of Well Work

Farm name: Bee Operator Well No.: 3

LOCATION: Elevation: 785' Quadrangle: Pullman 7.5'

District: Union County: Ritchie
 Latitude: 5740 Feet South of 80 Deg. 55 Min. 00 Sec.
 Longitude 11,610 Feet West of 39 Deg. 10 Min. 00 Sec.

Company: J. F. Deem Oil & Gas

	Casing & Tubing	Used in drilling	Left in well	Cement fill up Cu. Ft.
Address: 5518 2nd Avenue Vienna, WV 26105-1916	8-5/8"	791'	791'	236
Agent: J. F. Deem	4-1/2"		4965'	580
Inspector: Larry Parrish				
Date Permit Issued:				
Date Well Work Commenced: 10/25/00				
Date Well Work Completed: 10/30/00				
Verbal Plugging:				
Date Permission granted on:				
Rotary x Cable Rig				
Total Depth (feet): 5000'				
Fresh Water Depth (ft.): 50' & 240'				
Salt Water Depth (ft.): No				
Is coal being mined in area (N/Y)? No				
Coal Depths (ft.):				

OPEN FLOW DATA

Riley, Balltown, Warren
 Producing formation Alexander & Benson Pay zone depth (ft) 3368'-4857'
 Gas: Initial open flow 12 MCF/d Oil: Initial open flow 0 Bbl/d
 Final open flow 1739 MCF/d Final open flow 0 Bbl/d
 Time of open flow between initial and final tests 28 Hours
 Static rock Pressure 1100 psig (surface pressure) after 5 Hours

*All Formations Comingled.

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: J. F. Deem
 By: _____
 Date: November 14, 2000

REAN 5 2001
 3/2/2001

RIT 8721

1st Stage: Alexander, Elk & Benson Sands: 4779-4842 (8 Holes); 4736-37 (4 Holes) & 4542-43 (4 Holes); 500 Gal. 15% HCl; 60,000# 20/40 Sand; 550,000 SCF N₂; 322 Bbls. Water

2nd Stage: Riley & Lower Balltown Sands: 4183-94 (10 Holes) & 3740-47 (6 Holes); 1,000 Gal. 15% HCl; 40,000# 20/40 Sand; 417,000 SCF N₂; 242 Bbls. Water

3rd State: Upper Balltown & Warren Sands: 3539-40 (4 Holes) & 3057-3101 (11 Holes); 1,000 Gal. 15% HCl; 5,000# 80/100 Sand; 45,000# 20/40 Sand; 502,000 SCF N₂ & 262 Bbls. Water

Fill	0	-	4
RR	4	-	10
Sd & Sh	10	-	30
Sand	30	-	45
RR	45	-	205
Sd & Sh	205	-	280
RR	280	-	295
Sd & Sh	295	-	631
Sand	631	-	720
RR	720	-	754
Sd & Sh	754	-	784
RR	784	-	823
Sand	823	-	877
Sd & Sh	877	-	1527
Sand	1527	-	1593
Sd & Sh	1593	-	1688
L Lime	1688	-	1720
B Lime	1720	-	-----
Big Injun	-----	-	1800
Sd & Sh	1800	-	3110
Sand	3110	-	3130
Sd & Sh	3130	-	3640
Sand	3640	-	3650
Sd & Sh	3650	-	4160
Riley	4160	-	4170
Sd & Sh	4170	-	4520
Brn Sand	4520	-	4530
Shale	4530	-	4540
Benson	4540	-	4550
Sd & Sh	4550	-	4750
Brn Sand	4750	-	4760
Sd & Sh	4760	-	4780
Alexander	4780	-	4850
Sd & Sh	4850	-	TD
TD	5000		

Water @ 50' - 1/2" Stream
Water @ 240' - 1" Stream

Gas Tests: 1595' - NS
1906' - NS
3368' - NS
3676' - 4/10 - 1/2" W/W
4174' - 2/10 - 1/2" W/W
4519' - 4/10 - 1/2" W/W
4614' - 2/10 - 1/2" W/W
4863' - 40/10 - 1/2" W/W
Collars - 34/10 - 1/2" W/W