

State of West Virginia
Division of Environmental Protection
Section of Oil and Gas
Well Operator's Report of Well Work

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Office of Oil & Gas

AUG 23 2012

WV Department of
Environmental Protection

Farm name: DALLISON LUMBER INCORP.

Operator Well No.: DAVID FLUHARTY HEIRS 4

LOCATION: Elevation: 1,064'

Quadrangle: CENTERPOINT 7.5'

District: GREEN

County: WETZEL

Latitude: 1,440 Feet south of

39 Deg 30 Min 0 Sec

Longitude: 7,885 Feet west of

80 Deg 40 Min 0 Sec.

| Company Address: | HG Energy PO Box 5519 Vienna, WV 26105 | Casing & Tubing | Used in Drilling | Left in Well | Cement Fill Up Cu. Ft. |
|-------------------------------------|--|-----------------|------------------|--------------|------------------------|
| Inspector: | Derek Haught | | | | |
| Date Permit Issued: | 07/06/2011 | | | | |
| Date Well Work Commenced: | 11/09/2011 | | | | |
| Date Well Work Completed: | 01/27/2012 | | | | |
| Verbal Plugging: | | | | | |
| Date Permission Granted On: | | | | | |
| Rotary X Cable | Rig | 7" | 1040' | 1040' | 250 sks |
| Total vertical Depth (ft): | 3143' | | | | |
| Total Measured Depth (ft): | 3192' | | | | |
| Fresh Water Depth (ft): | none | 4 1/2" | 3089' | 3089' | 200 sks |
| Salt Water Depth (ft): | none | | | | |
| Is Coal being mined in ares (Y/N)? | No | | | | |
| Coal Depths (ft): x | 806'-813' | | | | |
| Void(s) encountered (Y/N) depth(s): | NONE | | | | |

OPEN FLOW DATA

* Waterflood Producer

This well drilled directionally 69 degrees NE at a distance of 347'.

| | | | |
|---|---------------------------|------------------------|-------------|
| Producing formation | Gordon | Pay zone depth (ft) | 2961'-2974' |
| 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 |
| 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 |

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

8/20/12
Date

08/31/2012

Were core samples taken? No

Were cuttings caught during drilling? No

Were Y Electrical, N Mechanical, N 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 DEPTH.

Treatment: Treated perms 2961'-2974' w/ 250 gals 15% HCL, 358 bbls cross linked gel, and 15,700# 20/40 sand.

Well Log: All depths are measured relative to KB (8' AGL).

| | | | |
|-----------------------|------|----|------|
| Shale w/ sand streaks | 0 | - | 806 |
| Coal | 806 | - | 813 |
| Shale w/ sand streaks | 813 | - | 1252 |
| Sand | 1252 | - | 1313 |
| shale | 1313 | - | 1348 |
| sand | 1348 | - | 1388 |
| shale | 1388 | - | 1456 |
| sand | 1456 | - | 1495 |
| shale | 1495 | - | 1636 |
| sand | 1636 | - | 1670 |
| shale | 1670 | - | 1842 |
| sand | 1842 | - | 1882 |
| shale | 1882 | - | 2030 |
| sand | 2030 | - | 2045 |
| shale | 2045 | - | 2062 |
| sand | 2062 | - | 2070 |
| Big Lime | 2070 | - | 2148 |
| Big Injun | 2148 | - | 2324 |
| shale | 2324 | - | 2929 |
| Gordon Stray | 2929 | - | 2945 |
| shale | 2945 | - | 2954 |
| Gordon | 2954 | - | 2974 |
| shale | 2974 | - | 2984 |
| sand | 2984 | - | 2988 |
| shale | 2988 | - | 2991 |
| sand | 2991 | - | 2994 |
| shale | 2994 | - | 3192 |
| TD | 3192 | | |
| T.D. -Logger | 3114 | KB | |
| T.D. -Driller | 3192 | KB | |

08/31/2012