

Janice 9/20/89

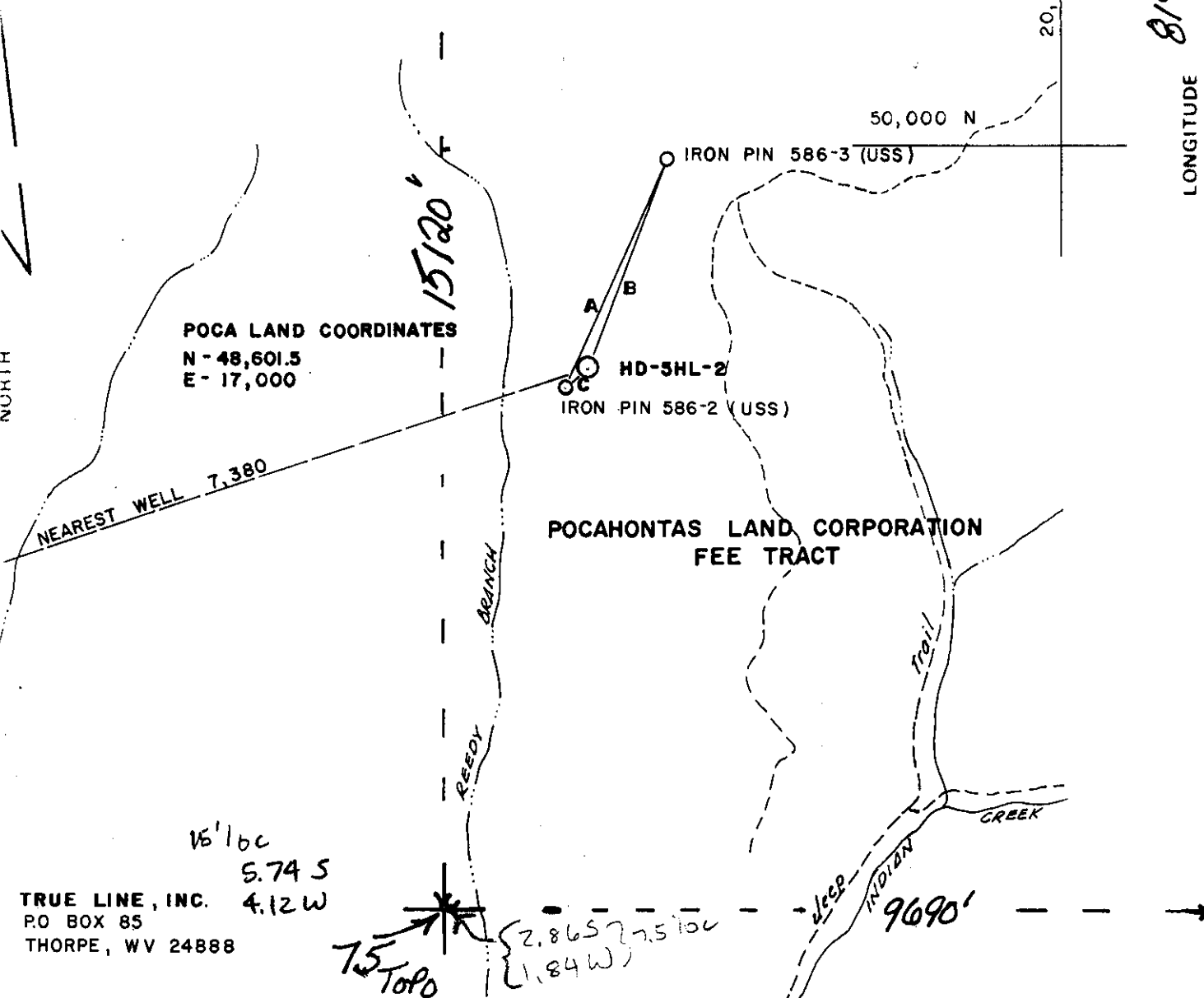
LATITUDE 37° 32' 30"

TIE LINE:

A - 20° 56' 1400.21'
B - 204° 16' 1584.22'
C - 47° 54' 203.42'

81° 27' 30"

LONGITUDE



TRUE LINE, INC.
PO BOX 85
THORPE, WV 24888

FILE NO. _____
 DRAWING NO. _____
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY 1:10,000
 PROVEN SOURCE OF ELEVATION BM 5' FROM
 IRON PIN 586-3 2316.39

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 MINES.

(SIGNED) Richard J. Cough
 R.P.E. 9171 L.L.S.

PLACE SEAL HERE

STATE OF WEST VIRGINIA
 DEPARTMENT OF ENERGY
 OIL AND GAS DIVISION



DATE APRIL 18, 1989
 OPERATOR'S WELL NO. HD-5HL-2
 API WELL NO. 47-109-1113 C
 STATE COUNTY PERMIT

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS
 WELL TYPE: OIL ___ GAS X LIQUID INJECTION ___ WASTE DISPOSAL ___
 (IF "GAS,") PRODUCTION X STORAGE ___ DEEP ___ SHALLOW X
 LOCATION ELEVATION 2174.0 WATER SHED INDIAN CREEK
 DISTRICT CENTER 3 COUNTY WYOMING
 QUADRANGLE MULLENS 75 087 7 + 15' SW
 SURFACE OWNER POCAHONTAS LAND CORPORATION ACREAGE 0.50
 OIL & GAS ROYALTY OWNER POCAHONTAS LAND CORPORATION LEASE ACREAGE 0.50
 LEASE NO. _____
 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 POCAHONTAS No 3 ESTIMATED DEPTH 863'
 WELL OPERATOR U.S. STEEL MINING CO. DESIGNATED AGENT LARRY KING
 ADDRESS PO BOX 338 PINEVILLE, WV 24874 490 ADDRESS PO BOX 338 PINEVILLE, WV 24874

OCT 6 1989

3-2 uncorrected Pocahontas #3 coal gas well

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

Well Operator's Report of Well Work

Farm name: POCAHONTAS LAND CORP. Operator Well No.: HD-5HL-2

LOCATION: Elevation: 2174.00 Quadrangle: MULLENS

District: CENTER County: WYOMING
Latitude: 15120 Feet South of 37 Deg. 32Min. 30 Sec.
Longitude 9690 Feet West of 81 Deg. 27 Min. 30 Sec.

Company: U.S. STEEL MINING COMPANY
BOX 338
PINEVILLE, WV 24874-0338

Agent: LARRY KING

Inspector: RODNEY G. DILLON
Permit Issued: 10/04/89
Well work Commenced: 03/23/89
Well work Completed: 03/29/89

Verbal Plugging
Permission granted on: _____
Rotary Cable _____ Rig
Total Depth (feet) 865 Ft.
Fresh water depths (ft) _____

Salt water depths (ft) _____

Is coal being mined in area (Y/N)? Y
Coal Depths (ft): 865 Ft.

Casing & Tubing	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
Size			
12 3/4"	Surface	22 Ft.	
8 5/8"	Surface to mine opening	866 Ft.	225 Ft. ³
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DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

OPEN FLOW DATA

Producing formation Pocahontas #3 (990) 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

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: U.S. STEEL MINING COMPANY, INC.

By: J. H. Hedrick, III
Date: _____

** This is a borehole access to an active mine area which will be used to transport gas collected from the mined coal seam to the surface for commercialization.

NOV 09 1989

U. S. Steel Mining Co., Inc.
600 Grant Street
Pittsburgh, PA 15219-4776
412 433 4649
Telex: 86 6425
Fax: 412 433 5839

Headquarters
Office



November 1, 1989

West Virginia Department of Energy
Division of Oil and Gas
322 70th Street
Charleston, WV 25304

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DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

Attn.: Mr. Jamie Stevens

Re: U. S. Steel Mining Co., Inc.
Coal Seam Degasification Well
Operator Well #HD-5HL-2
API #47-109-01113

Dear Mr. Stevens:

This letter is written to follow up on our recent telephone conversation regarding the purpose and proposed use of subject well. I have included with this letter completed West Virginia Oil and Gas forms WR34 and WR35.

Currently, U. S. Steel Mining Co., Inc. (USM) must degas its active coal seam in Wyoming County, West Virginia prior to mining to maintain safe working conditions in the underground mine area and maintain profitability. The coal seam gas is removed from the active coal seam just prior to mining. This is accomplished by installing horizontal boreholes in the coal seam from the active underground mine area. The holes allow the gas in the coal seam to escape. The escaping gas is collected in an underground pipe network and transported through the underground mine entryways to a central location. From the central location, the gas is piped to the surface through HD-5HL-2. To date, this gas has been vented to the atmosphere. However, arrangements have been completed, which include permit for HD-5HL-2, to commercialize the gas once sufficient production is achieved.

Any water produced from the horizontal boreholes in the coal seam is drained through water traps to the mine environment. This is the same area that water for the coal seam would escape to once the coal has been mined.

HD-5HL-2 is not a well that has been drilled into the virgin coal seam and stimulated. It is simply a means of transporting the produced coal seam gas from the active mine environment to the surface.

drilled - 0 - 850 - to mine -

-2-

You should note on the attached forms WR34 and WR35 that I have completed them to the extent that information is available. I have also included some footnotes on the forms to clarify the special application and use of the permitted well (HD-5HL-2). Once we commercialize the production of the coal seam gas from HD-5HL-2, I plan to complete and process forms for a FERC 107 coal seam filing.

Commercialization of the coal seam gas by USM could be a first for West Virginia. I hope I have sufficiently explained how we propose to use Well HD-5HL-2 to accomplish our objective. However, if there are any questions, or you need additional information, or you would like to meet with me to discuss the project in greater detail, please let me know. I can be reached at Area Code (412) 433-6912. I would like to take this opportunity to express my appreciation for the assistance provided with the permit application and for the efficient manner in which the review was completed.

Sincerely,



Larry King

LK/b
Att.

bcc: R. E. Osborne, w/o att.
G. D. Gadley, "
J. H. Hedrick, "
C. J. Bond, "
J. R. Blevins, (with)
B. Wolfe, (with)

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DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

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

- 1) Well Operator: ⁸⁹⁰ U.S. Steel Mining Co., Inc. 50510, 3, 497
- 2) Operator's Well Number: HD-5HL-2 3) Elevation: 2174.0
- 4) Well type: (a) Oil / or Gas X /
(b) If Gas: Production X / Underground Storage /
Deep / Shallow
- 5) Proposed Target Formation(s): Pocahontas No. 3 Seam
- 6) Proposed Total Depth: 863' feet
- 7) Approximate fresh water strata depths: 863'
- 8) Approximate salt water depths: N/A
- 9) Approximate coal seam depths: 863'
- 10) Does land contain coal seams tributary to active mine? Yes X / No
- 11) Proposed Well Work: Drill Stimulate Well
- 12) Coal Seam Gas Well

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"					
Fresh Water	11 3/4"	H-40	42	22'	22'	To surface
Coal						38CSPIB-113 38CSPIE-11.2.2 to surface
Intermediate	8 5/8"	EW structure	20 lb.	866	866	
Production						38CSPIB-11.1
Tubing						
Liners						

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PACKERS : Kind _____
Sizes _____
Depths set _____

For Division of Oil and Gas Use Only

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

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

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Page 1 of 5
Form WW2-A
(09/87)
File Copy

DIVISION OF OIL & GAS
DEPARTMENT OF ENERGY

Date: April 11, 1989
Operator's well number
HD-5HI-2
API Well No: 47 - 109 - 1113
State - County - Permit

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

4) Surface Owner(s) to be served:
(a) Name Pocahontas Land Corp.
Address 800 Princeton Ave.
Bluefield, WV 24701
(b) Name _____
Address _____
(c) Name _____
Address _____
6) Inspector _____
Address _____
Telephone (304)- _____

5) (a) Coal Operator:
Name U.S. Steel Mining Co., Inc.
Address Box 338
Pineville, WV 24874
(b) Coal Owner(s) with Declaration
Name Pocahontas Land Corp.
Address 800 Princeton Ave.
Bluefield, WV 24701
Name _____
Address _____
(c) Coal Lessee with Declaration
Name U.S. Steel Mining Co., Inc.
Address Box 338
Pineville, WV 24874

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 _____ on the above named parties, by:

- _____ Personal Service (Affidavit attached)
- X 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 U.S. Steel Mining Co., Inc.
By: [Signature]
Its: John H. Hedrick, III
General Manager-Operating Services
Address Box 338
Pineville, WV 24874

Telephone _____
Subscribed and sworn before me this 5th day of September, 1989

My commission expires _____
[Signature] Notary Public
NOTARIAL SEAL