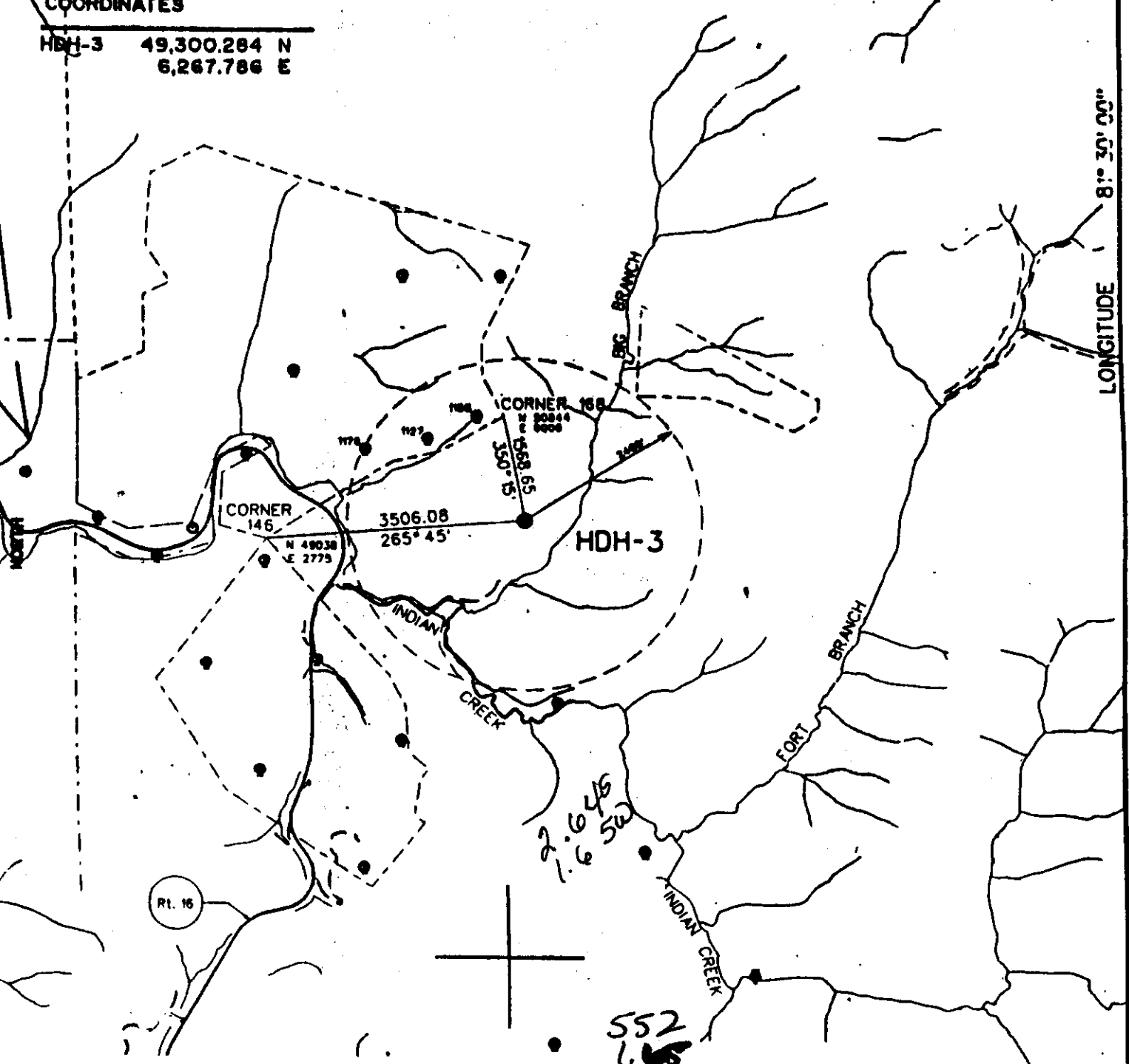


POCAHONTAS LAND CORP.
COORDINATES

LATITUDE 37° 32' 30"

HDH-3 49,300.284 N
6,267.786 E

LONGITUDE 100° 02' 18"



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

FILE NO. _____
 DRAWING NO. _____
 SCALE 1"=2000'
 MINIMUM DEGREE OF ACCURACY 1:2500
 PROVEN SOURCE OF ELEVATION PLC DS-4

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEFS AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENERGY.
 (SIGNED) *Richard R. ...*
 R.P.E. 2430 L.L.S. _____

PLACE SEAL HERE

STATE OF WEST VIRGINIA
 DEPARTMENT OF ENERGY
 DIVISION OF OIL AND GAS



DATE NOVEMBER 26, 19 91
 OPERATOR'S WELL NO. HDH-3
 API WELL NO.

WELL TYPE: OIL _____ GAS LIQUID INJECTION _____ WASTE DISPOSAL _____
 (IF "GAS" PRODUCTION STORAGE DEEP SHALLOW
 LOCATION: ELEVATION 1924 WATERSHED BIG BRANCH OF INDIAN CREEK
 DISTRICT CENTER 3 COUNTY WYOMING
 QUADRANGLE PINEVILLE

SURFACE OWNER POCAHONTAS LAND CORP. ACREAGE _____
 OIL & GAS ROYALTY OWNER POCAHONTAS LAND CORP. LEASE ACREAGE _____
 LEASE NO. _____

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

PLUS AND ABANDON _____ CLEAN OUT AND REPLUG _____

TARGET FORMATION POCA. NO. SEAM ESTIMATED DEPTH 78' EST. BOTTOM EL. 1143
 WELL OPERATOR U.S. STEEL MINING CO., INC. DESIGNATED AGENT L. J. SIMPKINS
 ADDRESS BOX 338, PINEVILLE, WV, 24874 ADDRESS BOX 338, PINEVILLE, WV 24874

COUNTY NAME . PERMIT

890

8-0 291

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

Well Operator's Report of Well Work

Farm name: POCAHONTAS LAND CORP. Operator Well No.: HDH-3

Location: Elevation: 1,924.0 Quadrangle: Pineville
District: CENTER County: WYOMING
Latitude: 14,390 Feet South of 37 Deg. 32 Min. 30 Sec.
Longitude: 8,430 Feet West of 81 Deg. 30 Min. 00 Sec.

Company: U.S. STEEL MINING CO.
P.O. Box 338
Pineville, WV
24874-0338

Agent: J. A. Zupanick

Inspector: Offie Helmick
Permit Issued: 12/23/92
Well work commenced: (see note below)
Work completed: _____
Verbal plugging permission granted on: _____
Rotary _____ Cable _____ Rig _____
Total depth (ft) 700
Fresh water depths (ft) _____
Salt water depths (ft) _____
Is coal being mined in the area (Y/N)? Y
Coal depths (ft): 609-610, 636-638, 714-717, 777-781

Casing & Tubing	Used in Drilling	Left in Well	Cement Fill up
8-5/8"		781'	273 ft ³

OPEN FLOW DATA

Producing formation Pocahontas No. 3 Seam Pay zone depth (ft) 781
Gas: Initial open flow n/a 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.

Note: This well is permitted as a CBM vent well. The casing previously served as a coal mine water supply borehole. The borehole was drilled under DEP Permit No. U-204-83 (NPDES WV0090000) prior to the issuance of this permit.

J. A. Zupanick
For: U.S. Steel Mining Co., Inc.
By: Joseph A. Zupanick
Date: February 13, 1995

Operator: HDH-3
API: 47-109-1302
Location: 7-HLG

Details of Perforated Intervals, Fracturing or Stimulation, Physical Change, Etc.

CBM vent hole located at Big Branch. No stimulation performed.

Well Log & Geologic Record

Formation	Top	Bottom
Sand & Shale	0	190
Sand	190	288
Sand & Shale	288	420
Shale	420	476
Sand	476	557
Quartz	557	605
Shale	605	609
Coal	609	610
Sand & Shale	610	636
Coal	636	638
Sand & Shale	638	714
Coal	714	717
Sand & Shale	717	774
Mine Void	774	781

Permitting
 Office of Oil & Gas

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) 548
- 2) Operator's Well Number: HDH-3 3) Elevation: 1924
- 4) Well type: (a) Oil / or Gas /
 (b) If Gas: Production / Underground Storage
 Deep / Shallow
- 5) Proposed Target Formation(s): 998 Pocahontas No. 3 Seam
- 6) Proposed Total Depth: 781' feet
- 7) Approximate fresh water strata depths: None
- 8) Approximate salt water depths: None
- 9) Approximate coal seam depths: Pocahontas No. 3 Seam - 781' (Est. Bottom El. 1143)
- 10) Does land contain coal seams tributary to active mine? Yes / No
- 11) Proposed Well Work: Existing Borehole Access (to an underground mine area) which will be used to transport gas collected from mined seam to surface for commercialization.
- 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						
Fresh Water						
Coal						
Intermediate						
Production	8" Steel Casing				781'	273 ft. ³
Tubing	<i>Regulation Variance of 39C818-11.2.1</i>					
Liners						

PACKERS : Kind _____
 Sizes _____
 Depths set _____

5193/39

For Division of Oil and Gas Use Only

Fee(s) paid: Well Work Permit Reclamation Fund WPCP
 Plat WW-9 WW-2B Bond _____ Agent
 (Type)

NOV 2 1992
Permitting
Office of Oil & Gas

- 1) Date: November 18, 1992
- 2) Operator's well number
HDH-3
- 3) API Well No: 47 - 109 - 1302
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 Avenue
Bluefield, WV 24701
 - (b) Name _____
Address _____
 - (c) Name _____
Address _____

- 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 Avenue
Bluefield, WV 24701
 - Name _____
Address _____

- 6) Inspector Rodney Dillon
Address P.O. Box 1526
Sophia, WV 25921
Telephone (304) - 683-3989

- (c) Coal Lessee with Declaration
Name USX Corporation
Address P.O. Box 5686
Princeton, WV 24740

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 6 on the above named parties, by:

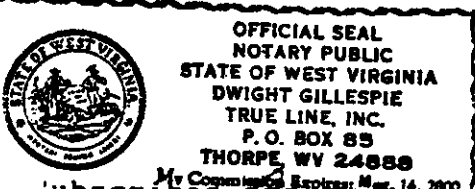
- X Personal Service (Affidavit attached)
- _____ Certified Mail (Postmarked postal receipt attached)
- _____ Publication (Notice of Publication attached)

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 U. S. Steel Mining Co., Inc.
By: [Signature]
Its: John L. Schroder, III - General Manager
Address Box 338
Pineville, WV 24874
Telephone (304) 732-5249



Subscribed and sworn before me this 24 day of November, 1992

[Signature] Notary Public
My commission expires March 14, 2000



Dated: November 23, 1992

Theodore M. Streit
Chief-Office Oil & Gas
10 McJunkin Rd
Nitro, West Virginia 25143

109-1302

ATTN: Jamie Stevens

**RE: Oil & Gas Permit Application
U. S. Steel Mining Co., Inc. (USM)
Coal Seam Gas Ventilation Borehole
Borehole No. HDH-3**

Dear Mr. Streit:

Included herewith is an application for permitting a currently operating coal seam gas vertical vent borehole. We are requesting the assistance of your department in completing an expeditious review of the application in order that any comments or concerns regarding the permitting can be addressed, and permit approval received, prior to December 31, 1992. As you are aware, West Virginia does not currently have regulations applicable to coal seam gas production. We, therefore, need special assistance and consideration for approval of this application.

The vertical borehole is a necessary part of our coal mine operations and is used to transport coal seam gas produced in our underground mine work area to the surface for venting. The coal seam gas must be removed prior to mining in order to maintain safe working conditions in the mine area and mitigate exorbitant mine ventilation costs.

The vertical borehole is currently operating and is permitted under the West Virginia Division of Environmental Protection, inclusive of site access roads.

USM is in the process of finalizing an agreement with a West Virginia gas production company for commercializing production of the currently vented and wasted coal seam gas. In order to make the commercial project economically feasible it is

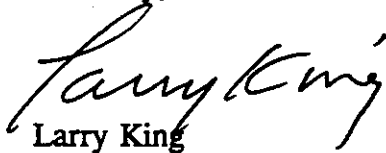
necessary that the coal seam gas production from any vertical boreholes qualify for federal tax credits under Section 29 of the Federal Revenue Code. Qualification procedures must be completed by December 31, 1992 to take advantage of the federal credits. Once qualified, the tax credits are allowed on all production from a borehole through year 2002.

The vertical borehole was drilled and cased from the surface to the underground work area of the mine. The borehole casing extends into the mine work area and is connected to an underground pipe network which collects coal seam gas produced from the coal prior to mining. The vertical borehole contains only casing and no "production pipe" as would be installed in a natural gas well. The borehole is only used to transport the coal seam gas to the surface area for venting. The gas in the vertically cased borehole should never exceed about 2 psi pressure or 10" Hg vacuum. We, therefore, do not anticipate any problems with a single casing for this special application.

Additionally, since the borehole is existing and provides continuous degasification of our mine operations, we cannot shut the system down to make modifications to the borehole (ie, add a production pipe). A shutdown would impact on our longwall mining operations and be very costly. We do plan to add a production pipe to vertical boreholes which are installed for future coal seam gas venting. However, there may be areas where a single casing is the most practical for our mining and degas procedures and, at that time, we would seek special approval from the Oil & Gas Board.

Commercial coal seam gas production would be beneficial to USM and West Virginia. We have spent over two years trying to complete a commercial project for this area. We need your departments' assistance in completing the permitting process prior to December 31, 1992. Please contact me at 412-223-5554 at the earliest opportunity if there are any questions regarding the application or our coal seam degasification methods or procedures.

Sincerely,



Larry King

Attachments

c.c. Michael Lewis
w/o Att.