Mr. Bill Potter  
President  
Performance Coal Company  
P. O. Box 69  
Naoma, WV 25140

Dear Mr. Potter:

Subject: Approved Gas Well Permit, Section 75.1700, 30 CFR 75, Upper Big Branch Mine-South, I.D. No. 46-08436, Performance Coal Company, Montcoal, Raleigh County, West Virginia, Permit No. 17325-T2

This will acknowledge receipt and approval of the subject permit for extracting coal in the vicinity of gas well No. POC 19A located on the subject mine property.

The permit is based upon an evaluation of the projected mine plan as shown on Form OG-45 dated September 15, 2004, and is issued in accordance with provisions of Section 75.1700, 30 CFR.

Should you have any questions concerning this matter, please contact William L. Ross at (304) 877-3900/Ext. 142.

Sincerely,

Jesse P. Cole  
District Manager  
Coal Mine Safety and Health, District 4

cc: Mt. Hope Field Office (3 encl.)  
Files/dac
DEC 15 2004

Mr. Bill Potter
President
Performance Coal Company
P. O. Box 69
Naoma, WV 25140

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Subject: Approved Gas Well Permit, Section 75.1700, 30 CFR 75,
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Performance Coal Company, Montcoal, Raleigh County,
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Sincerely,

Jesse P. Cole
District Manager
Coal Mine Safety and Health, District 4
STATE OF WEST VIRGINIA
OFFICE OF MINERS' HEALTH, SAFETY & TRAINING
1615 WASHINGTON ST. EAST
CHARLESTON, WV 25311-2126

PERMIT NUMBER: BOO-831
DATE: 11/05/2004

PERMIT
TO EXTEND MINE WORKINGS
WITHIN THE 200 FOOT RADIUS OF OIL OR GAS WELLS

COMPANY: PERFORMANCE COAL CO.
MINE: UBBMC MONTOAL EAGLE
SEAM: EAGLE
DISTRICT: CROOK
COUNTY: RALEIGH
ADDRESS: PO BOX 69
CITY: NAOMA,
STATE: WV, ZIP: 251400000

MINE PERMIT NUMBER: U00304292

PERMISSION IS HEREBY GIVEN:

TO MINE WITHIN A 200 FOOT RADIUS OF NEW RIVER ENERGY'S ACTIVE GAS WELL # POC 19A LOCATED ON THE WESTERN POCAHONTAS FARM IN THE CROOK DISTRICT OF BOONE COUNTY AS SHOWN ON THE APPROVED ATTACHED MAP.

CONTINGENT UPON THE FOLLOWING:

1. MINING IS TO PERFORMED STRICTLY IN ACCORDANCE WITH THE MAP APPROVED BY THE DIVISION OF MINE HEALTH, SAFETY AND TRAINING HERETO.
2. A COPY OF THE PERMIT SHALL BE KEPT AT THE MINE.
3. THE PERMIT IS VOID UPON INSPECTOR'S RECOMMENDATION.
4. THE PERMIT IS NON-TRANSFERRABLE.

WELL OPERATOR: NEW RIVER ENERGY
WELL OPERATOR WELL NUMBER: POC 19A
MINE OPERATOR WELL NUMBER: POC 19A

BY:

DIRECTOR - WV MINERS' HEALTH, SAFETY AND TRAINING

ADMINISTRATOR - WV MINERS' HEALTH, SAFETY AND TRAINING

CCS:
NEW RIVER ENERGY
REGION: 4
M.S.H.A. District Office
H.S. & T. File
STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY, DIVISION OF MINES AND MINERALS

COAL OPERATOR'S PETITION TO OPERATE
WITHIN 200 FEET OR TO MINE THROUGH A WELL

WELL TYPE: Oil ______ Gas X ______ Liquid Injection ______ Waste Disposal ______
(If "Gas", Production X ______ Underground storage ______ Deep ______ Shallow ______)

LOCATION: Elevation: 2171.66' Watershed: Unnamed Tributary of Elk Run of
Coal River

District: Crook County: Boone Quadrangle: Whitesville

WELL OPERATOR: New River Energy Corp. DESIGNATED AGENT: Timothy M. Comer

Address: 115 70th St. SE Address: 115 70th St. SE
Charleston, WV 25304 Charleston, WV 25304

The undersigned coal operator hereby petitions for leave to do the following:

X Mine within 200 feet of said well.

___ Mine through said well when the same is properly plugged.

On the reverse side hereof is a copy of the map and plan of the undersigned coal operator
showing its projected mine workings within 500 feet of said well.

The undersigned coal operator hereby represents that it will file updated or new
maps and plans with the Department every six months, until mining within 500 feet of
the well has ceased or until the well has been mined through.

Prior to the actual mining through of said well, the undersigned coal operator will
submit the Form WR-35, "Well Operator's Report of Drilling, Fracturing and/or Stimulating
or Physical Change", and the Form WR-38, "Affidavit of Plugging and Filling Well", to show
that the well has been properly plugged in a manner to permit the safe mining through of
the well.

Copies of this petition and enclosed maps and plans have been sent by registered mail
to the well operator, as required by Code 22A-2-75.

My 10-25-04

Performance Coal Company
Coal Operator

By

Its Mining Engineer

STATE OF West Virginia,
COUNTY OF Raleigh, TO WIT:

George T. Levo ______ being first duly sworn, deposes and says that
he is ______ Mining Engineer ______ of the coal operator named above; that he is familiar
with the facts set out both in the petition and on the accompanying maps and plans; and that
the same are true.

Subscribed and sworn to before me this 11th day of October, 2004.

My commission expires December 13th, 2010.

Notary Public

Off 20466

Scott Tiley

Notary Public

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

Well Operator's Report of Well Work

Name: WESTERN POCAHONTAS PROP.
Station: Elevation: 2153.03
District: CROOK
Latitude: 6650
Longitude: 8200

Company: PEAKE OPERATING COMPANY
1401 CHARLESTON NAT'L PLAZA
CHARLESTON, WV 25301

Agent: Thomas S. Liberatore

Work: Jerry Holcomb

Work Completed: 09/10/90

Well Number: EUNICE 13-A

Quadrangle: WHITESVILLE

County: BOONE

Feet South of 37 Deg. 57 Min. 30 Sec.
Feet West of 81 Deg. 32 Min. 32 Sec.

<table>
<thead>
<tr>
<th>Casing &amp; Tubing</th>
<th>Used in Drilling</th>
<th>Left in Well</th>
<th>Cement Fill Up Cu. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 3/4&quot;</td>
<td>21'</td>
<td>21'</td>
<td></td>
</tr>
<tr>
<td>.9 5/8&quot;</td>
<td>1102'</td>
<td>1102'</td>
<td>360 Sks.</td>
</tr>
<tr>
<td>7&quot;</td>
<td>1669'</td>
<td>1669'</td>
<td>275 Sks.</td>
</tr>
<tr>
<td>4 1/2&quot;</td>
<td>3968'</td>
<td>3968'</td>
<td>70 Sks.</td>
</tr>
</tbody>
</table>

Flow Data

Producing formation: Weir
Gas: Initial open flow: 28 Mcf/d
Oil: Initial open flow: 0 bbl/c
Final open flow: 700 Mcf/d
Final open flow: 0 bbl/c
Time of open flow between initial and final tests: Hours
Static rock Pressure: 650 psig (surface pressure) after: 18 Hours

Second producing formation
Gas: Initial open flow: Mcf/d
Oil: Initial open flow: 0 bbl/c
Final open flow: Mcf/d
Final open flow: 0 bbl/c
Time of open flow between initial and final tests: Hours
Static rock Pressure: psig (surface pressure) after: Hours

E: ON BACK OF THIS FORM PUT THE FOLLOWING: 1). DETAILS OF PERFORATED BERNALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2). THE WELL LOG CH IS A SYSTEMATIC DETAILED GEOLOGIC RECORD OF ALL FORMATIONS, INCLUDING COAL OUNTERED BY THE WELL BORE.

For: PEAKE OPERATING COMPANY
By: Thomas S. Liberatore/Operations Man.
Date: 1/8/90
TAIL OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ET
erforated Weir from 3218' to 3242' - 32 holes. Treated with 75 Q. foam frac, bbls./min., 500 gal acid, 60,000# 20/40 sand, 665,000 SCFN, 312 bbls. water
p. 2035#, ATP 1920#, ISIP 1600#, 15 min. SIP 1280#.

WELL LOG

<table>
<thead>
<tr>
<th>ROCK</th>
<th>TOP FEET</th>
<th>BASE FEET</th>
<th>REMARKS</th>
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<tbody>
<tr>
<td>nd</td>
<td>0</td>
<td>1182</td>
<td>Fresh Water</td>
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<td>and Shale</td>
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<td></td>
<td>None encounter</td>
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<tr>
<td>ndy Shale</td>
<td>1182</td>
<td>1631</td>
<td>Salt Water</td>
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<tr>
<td>ale</td>
<td>1631</td>
<td>1825</td>
<td>@ 1960, 2375</td>
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<td>nd</td>
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<td>2011</td>
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<td>ndy Shale</td>
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<td>2511</td>
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<td>nd w/ Shale Stringers</td>
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<td>ndy Shale</td>
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<td>Maxton Sand</td>
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<td>3297</td>
<td>3131 TSTG</td>
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<td>3297</td>
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<td>3400 36 MCFD</td>
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<td>3570 33m</td>
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<td>3610 TSTG</td>
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<td>TD 30m</td>
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<td></td>
<td></td>
<td></td>
<td>485-493</td>
</tr>
</tbody>
</table>

TD and 4006' KD
LTD Not measured - Hole bridged
October 12, 2004

Mr. Jesse P. Cole  
District Manager  
Mine Safety and Health Administration  
100 Bluestone Road  
Mt. Hope, West Virginia 25880-0112  

RE: Performance Coal Company - Mine Within 200’ of P.O.C. No. 19A Gas Well  
    Upper Big Branch Mine-South  
    Federal I.D. 46-08436  
    State I. D. U-3042-92

Dear Mr. Cole:

Performance Coal Company, Upper Big Branch Mine-South (ID 46-08436), is submitting the enclosed OG-45 form to mine within 200’ of gas well, P.O.C. #19A, API. 47-005-1523. A copy of this petition has been sent to the West Virginia Department of Environmental Protection for review and approval.

Performance Coal had received previously, permission to mine within 48’ of the subject well. Current mine projections will mine within 145’ of this well.

If you have any questions, or require further information, please call me at (304) 854-1761.

Respectfully Submitted,

[Signature]

Performance Coal Co.  
George T. Levo  
Mining Engineer