SEP 28 2007

Mr. Chris Blanchard
President
Performance Coal Company
P. O. Box 69
Naoma, WV 25140

Dear Mr. Blanchard:

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-T7

This will acknowledge receipt and approval of the subject permit for extracting coal in the vicinity of gas well No. 9080 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 August 8, 2007, 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,

/s/ ROBERT G. HARDMAN

Robert G. Hardman
District Manager
Coal Mine Safety and Health, District 4

cc: Mt. Hope Field Office
    Inspector
    Field Office Supervisor
    Files/dac
SEP 28 2007

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Sincerely,

[Signature]

Robert G. Hardman
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: RAL-1008
DATE: 05/07/2007

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

COMPANY: PERFORMANCE COAL CO.
MINE: UBBMC MONTCOAL EAGLE
SEAM: EAGLE
DISTRICT: MARSHFORK
COUNTY: RALEIGH
ADDRESS: PO BOX 69
CITY: NAOMA,
STATE: WV, ZIP: 25140

MINE PERMIT NUMBER: U00304292

PERMISSION IS HEREBY GIVEN:

TO MINE WITHIN A 200 FOOT RADIUS OF CHESAPEAKE
APPALACHIA 9080 ABANDONED GAS WELL LOCATED ON THE
NEW RIVER & POCAONATAS CONSOLIDATED COAL CO. FARM
IN THE MARSHFORK DISTRICT OF RALEIGH COUNTY AS
SHOWN ON THE APPROVED ATTACHED MAP.

CONTIGUOUS UPON THE FOLLOWING:

1. MINING IS TO PERFORMED STRICTLY IN ACCORDANCE WITH THE MAP APPROVED
   BY THE DIVISION OF MINER 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-TRANSFERABLE.

WELL OPERATOR: CHESAPEAKE APPALACHIA
WELL OPERATOR WELL NUMBER: 9080
MINE OPERATOR WELL NUMBER: 9080

Ronald L. Wooten
BY:
DIRECTOR - WV MINERS' HEALTH,
SAFETY AND TRAINING

ADMINISTRATOR - WV MINERS' HEALTH,
SAFETY AND TRAINING

CCS:
CHESAPEAKE APPALACHIA
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 / Liquid Inj / Waste Disposal
(If Gas, Production / Underground / Storage / Deep / Shallow)

LOCATION: Elevation: 1092.64  Watershed: Unnamed Tributary of Elk Run of Big Coal River

District: Marsh Fork  County: Raleigh  Quadrangle: Whitesville

WELL OPERATOR: Chesapeake Appalachia  DESIGNATED AGENT: Walter Jones
Address  900 Pennsylvania Ave.
Charleston, WV 25302

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 WK-35, Well Operator's Report of Drilling, Fracturing and/or Stimulating, or Physical Change, Affidavit of Plugging and Filling Well, and the Form WR38, to show that the well has been properly plugged in a manner to permit the safe mining through 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.

5-3-07

Performance Coal Company
By
George Levo
Its
Mining Engineer

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

I, George Levo, being first duly sworn, deposes and says that
he is a 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
MARCH 30 , 2007
My commission expires 2010

[Notary Public Signature]

[Notary Public Seal]
COAL OPERATOR'S PLAN TO OPERATE
WITHIN 200 FEET OR TO MINE THROUGH A WELL

COAL OPERATOR: Performance Coal Company
Address: P.O. Box 69, Neoma, WV 25140

MINE: Upper Big Branch, SECTION LBB UNIT 1
OVERBURDEN: S.S/Shale, COAL SEAM: Eagle
ROOF/Shale, BOTTOM/Shale

WELL TYPE: Oil___ / Gas_____ / Liquid Injection_____ / Waste Disposal_____
(if "Gas", Production _____ / Underground Storage_____/ Deep_____/ Shallow_____)

LOCATION: Elevation: 1092.64 / Watershed: Unnamed Tributary of Big Coal River
District: Marshfork / County: Raleigh / Quadrangle: Whitesville
Farm: New River & Pocahontas Consolidated Co. / Tract: 4236 / acres (Lease No. 16903)

STATUS: Active_____ / Abandoned_____ / Drilling_____ /
Date completed or abandoned, JULY 3 1905

AMOUNT OF CASING IN WELL: 2850' of 6 5/8", 1831' of 8 1/4", 547' OF 10" and 33' of 13"
April 18, 2007

Mr. Robert G. Hardman
District Manager
Mine Safety and Health Administration
100 Bluestone Road
Mt. Hope, West Virginia 25880-0112

RE: Performance Coal Company - Mine Within 200’ Gas Well 9080
  Upper Big Branch Mine-South
  Federal I.D. 46-08436
  State I. D. U-3042-92

Dear Mr. Hardman:

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 9080, API. 47-081-00247. A copy of this petition has been sent to the West Virginia Department of Environmental Protection for review and approval.

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

Respectfully Submitted,

[Signature]

George T. Levo
Performance Coal Co.
Mining Engineer