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Mr. Bernard Reese
PO Box 98
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Mr. Reese,

The following figures and enclosed information, based on the West Virginia Geological Survey data, will evaluate the reserves on your 36.6 acre tract. The property is located on Horse Fork of Falling Rock Creek in the Elk District of Kanawha County, West Virginia.

The reserve calculations are based on the total tract size of 36.6 acres as all seams of coal are below the drainage elevation of 1120'. There is an old mine opening below the School House at Drainage probably in the #5 Block Seam.

There are two coal beds of sufficient thickness for mining. These are the #5 Block or Lower Kittanning Seam at 940' and the Stockton Seam at 826' elevation.

The #5 Block with an average thickness of 36" shows 191,315 tons of coal in place, with a 65% recovery (deep mine), 124,355 tons of recoverable reserves. At an average of \$0.36 per ton for 124,355 tons a value of \$44,767.00 for the reserve in the #5 Block Seam is reached.

The Stockton Seam with a thickness of 42" shows 223,201 tons of coal in place, with a 65% recovery rate, 145,080 tons of recoverable reserves. At the average of \$0.36 per ton for 145,080 tons a value of \$52,228.00 is reached.

The value of the coal reserve based on the given information is \$96,995.00.

The Value Table of Recoverable Coal Reserves is based on Condemned Coal reserve values set by the Federal Courts in Condemnation Proceedings in the State of West Virginia.

Gary J. Miller