

CONSOLIDATION OIL & GAS BY-PRODUCTS COMPANY.

PROPERTY: In Floyd, Knott, Magoffin, Perry and Letcher Counties Kentucky, on the waters of of Right Beaver, Middle, Upper Quick-sand, Troublesome, Carr and Rockhouse Creeks, and trubutaries thereof. Beginning at Maytown and estending in a South Westerly direction across Floyd and into Magoffin and knott county, Kentucky following the well defined 45° line, and, within the range of the great Appalachian Oil & Gas belt, extending in an unbroken line from South Western New York through Western Pa; S. E. Ohio into the western portion of W. Va; crossing at Warfield, and extending through into Tennessee and Alabama. All of these leases have been specially selected with eference to geologiaal fromations as respects oil and gas measures, and no well has been drilled upon these leases which has not been paying producer of oil or gas.

TITLES: As these leases were taken from the land owners their titles were examined by a competent attorney, and only leases taken and accepted where the title of the leasors to the oil and gas were marketable.

GAS: The estimates of income are based upon contract now existing with the Louisville Gas & Electric Company, alone, to fill which the Company now has approximately 8,233,000 cu. ft. of open flow gas from four wells and 7,000,000 cu. ft. from wells which gave been drilled for oil and when gas was found the casing was pulled and the holes plugged. We own such leaseholds. The following is a statement of the wells:

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|---------------------|---------------|-----------|---------|
| T. A. Martin, No. 1 | (R.P.350 lbs) | 800,000 | cu. ft. |
| T. A. Martin, No. 2 | (R.P.350 lbs) | 2,150,000 | cu. ft. |
| Bolen, No 1, | (R.P.550 lbs) | 4,800,000 | " " |
| Estep, No 1, | (R.P.550 lbs) | 483,000 | " " |

8,233,000 cu ft.

(Note that the Estep well was drilled spedially fo oil 1,000,000 Cu ft. of gas was cased off at 712 ft.; salt sand;