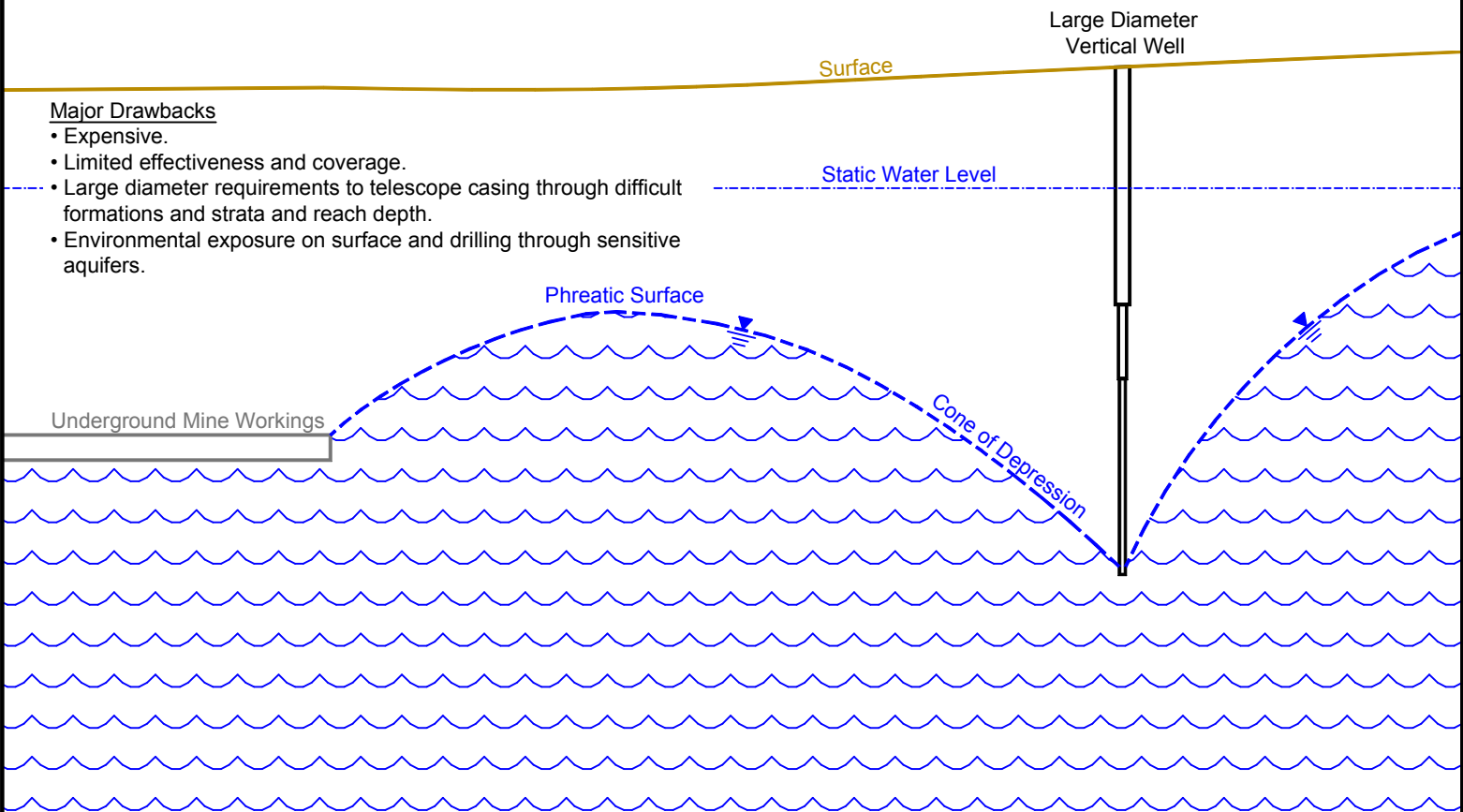


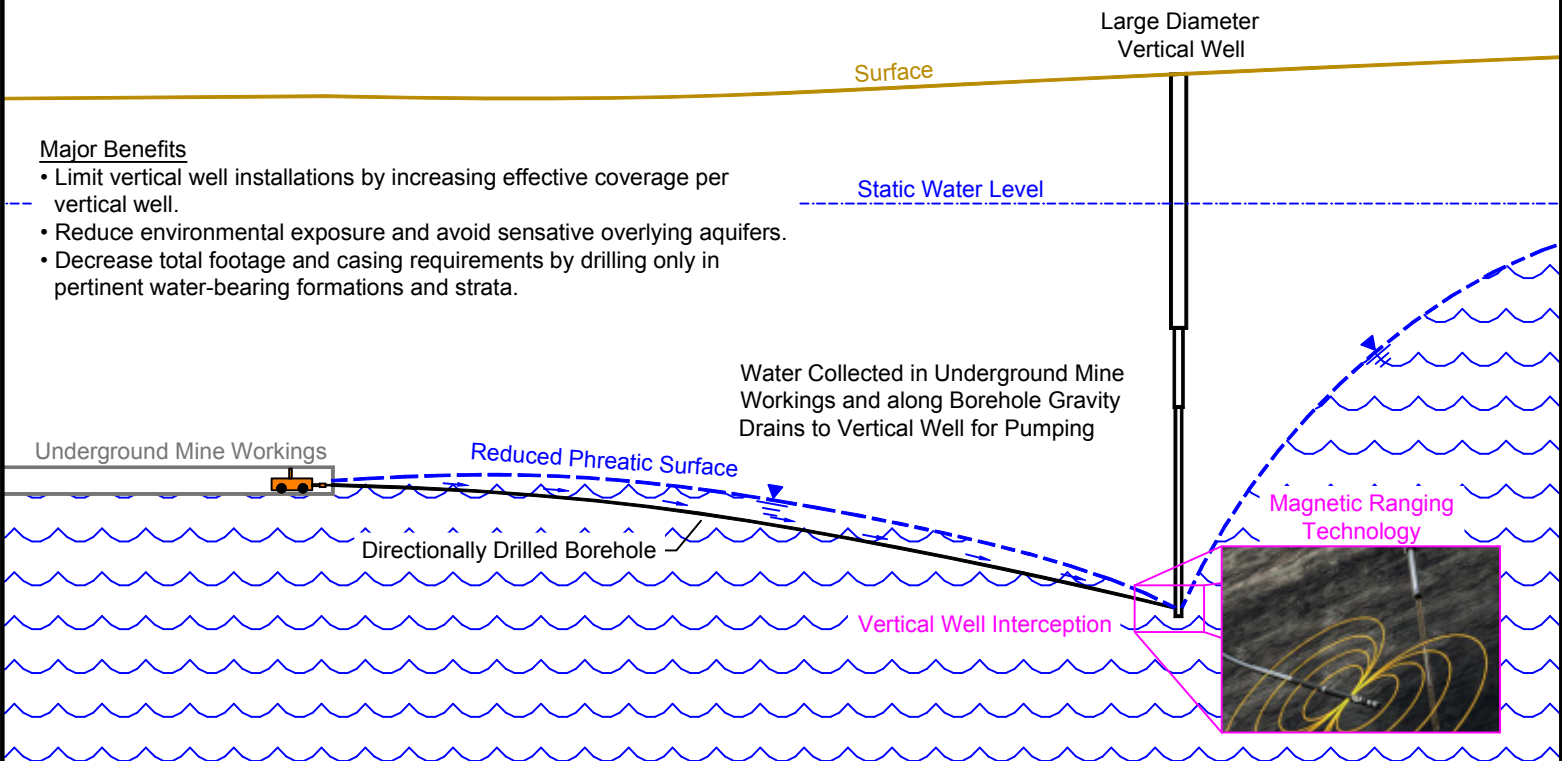
STANDARD APPROACH



Major Drawbacks

- Expensive.
- Limited effectiveness and coverage.
- Large diameter requirements to telescope casing through difficult formations and strata and reach depth.
- Environmental exposure on surface and drilling through sensitive aquifers.

DIRECTIONAL SOLUTION



Major Benefits

- Limit vertical well installations by increasing effective coverage per vertical well.
- Reduce environmental exposure and avoid sensitive overlying aquifers.
- Decrease total footage and casing requirements by drilling only in pertinent water-bearing formations and strata.

UNDERGROUND DIRECTIONAL DRILLING FOR INTERCEPTION OF A VERTICAL WELL

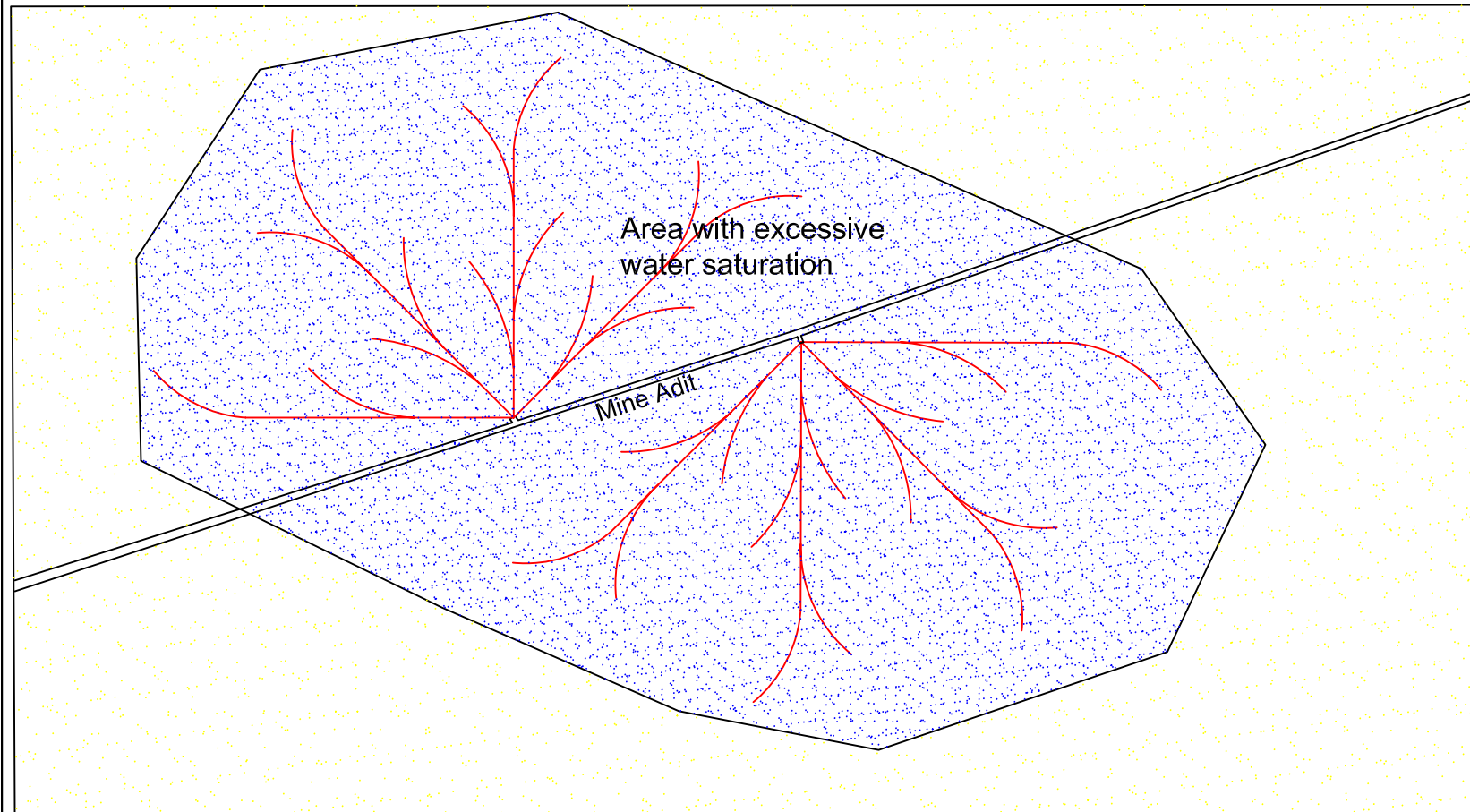
REI will set up one of its underground directional drilling rigs in a strategic location within the mine workings and develop a borehole flight plan to intercept an existing vertical dewatering well. We will drill a pilot hole for the standpipe, ream the pilot hole to the appropriate diameter and grout the standpipe into place. REI will pressure test the standpipe to 1.5x the anticipated pressure on the borehole or as determined by the Mine. The borehole will then be directionally drilled to within range of the vertical well using REI's measure-while-drilling ("MWD") survey system. At this point, magnetic ranging technology will be used to pinpoint the location of the vertical well and intercept it. The directionally drilled borehole may then be opened to a larger diameter and/or lined with solid or perforated casing. Water collected in underground mine workings and/or along borehole gravity drains to vertical well to be pumped to the surface.

REI DRILLING
DIRECTIONAL SOLUTIONS

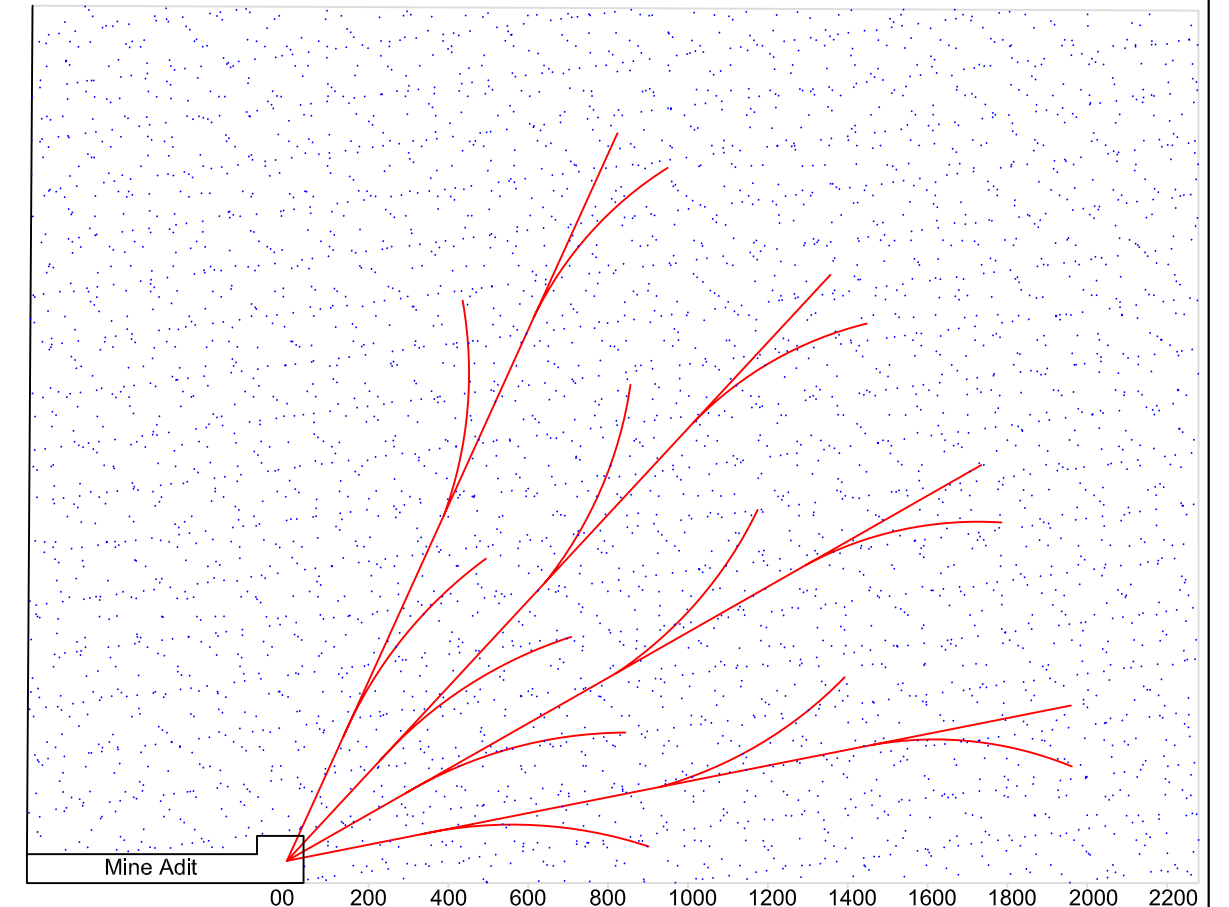
250 West Berger Lane
Salt Lake City, UT 84107

Phone: 801-270-2140

Email: dan@reidrilling.com



PLAN VIEW



PROFILE VIEW

Corporate Office

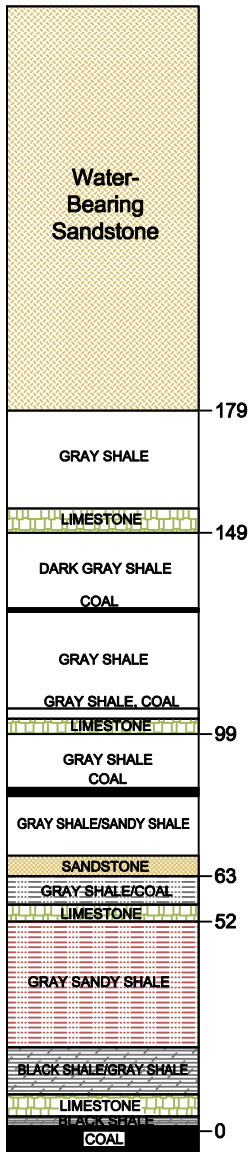
250 W Berger Ln
 Salt Lake City, UT 84107
 Toll Free: 877.838.0534
 Ph: 801.270.2140
 Fax: 801.281.2880
 Email: dan@reidrilling.com

OVERLYING WATER DRAINAGE

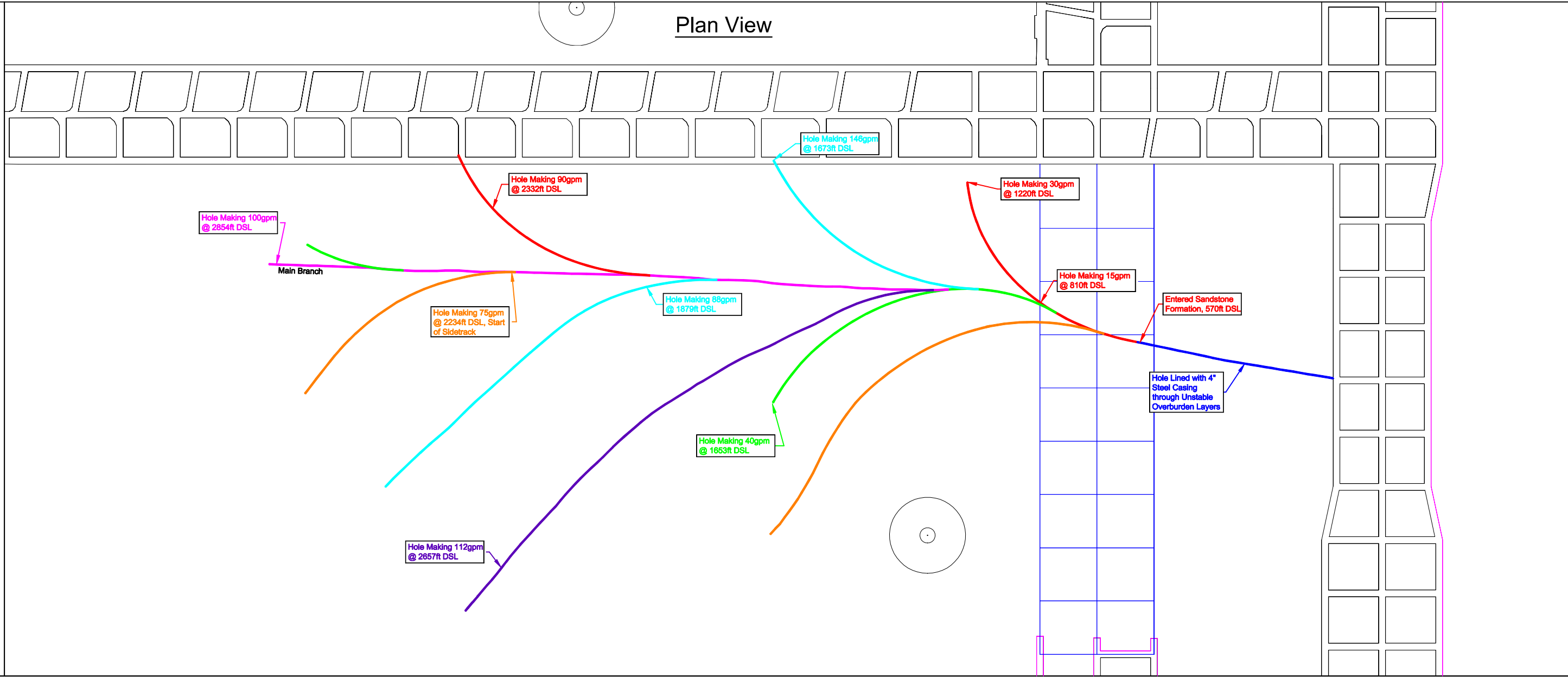


Boreholes directionally drilled from underground in order to drain water and reduce formation water pore pressure. Sidetracks are developed from the main borehole in a tangential pattern. This type of borehole pattern maximizes the amount of water that can be drained from the area, and minimizes the number of boreholes. The spacing of the boreholes will depend on the permeability of the formation. As shown, a volume of approximately 40 million cubic yards could be dewatered with 50,000 feet of borehole.

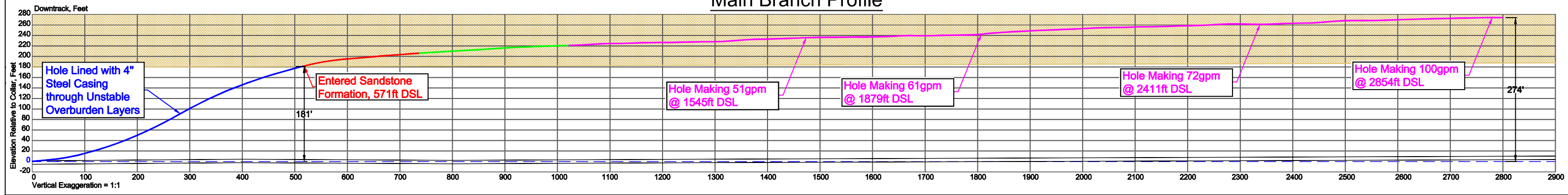
Core Log



Plan View



Main Branch Profile



250 W Berger Ln
 Salt Lake City, UT 84107
 Toll Free: 877.838.0534
 Ph: 801.270.2140
 Fax: 801.281.2880
 Email: dan@reidrilling.com



Proactive Roof Strata Water Drainage

The purpose of this borehole is to determine which layer above the coal seam contains water and then to dewater that layer as much as possible in advance of mining. This minimizes the amount of water that will have to be handled once the water-bearing sandstone is undermined, reducing maintenance and personnel requirements for water control during longwall mining.