

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

August 04, 2014

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-103345, issued to CNX GAS COMPANY LLC , is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

Chief

James Martin

Operator's Well No: PHL 21 CHS

Farm Name: PHILIPPI DEVELOPMENT, INC.

API Well Number: 47-103345

Permit Type: Horizontal 6A Well

Date Issued: 08/04/2014

API Number: <u>1-03345</u>

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

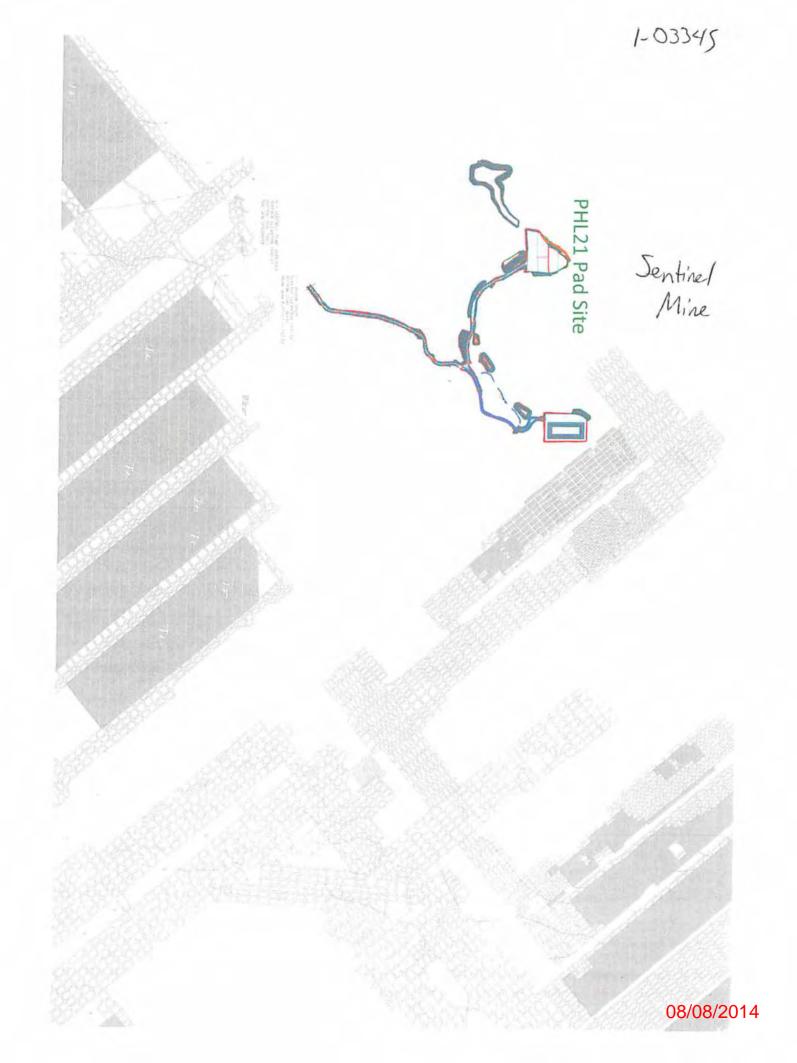
- This proposed activity will require permit coverage from the United States Army Corps of Engineers
 (USACE) and WV DEP Department of Water and Waste Management (DWWM). No activity authorized
 under this permit shall be commenced until all necessary permits from USACE and DWWM are obtained.
- 2. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-5a (12), which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled Water Well Regulations, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

WW-6B (9/13)

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

-				6 593
1) Well Operator: CNX Gas C	Company LLC	494458046	Barbour	Pleasant Philippi
STATE OF THE PARTY		Operator ID	County	District Quadrangle
2) Operator's Well Number: PH	L21CHS	Well Pa	ad Name: PHL	21HS
3) Farm Name/Surface Owner:	Philippi Developme	nt, INC. Public Ro	oad Access: Co	o. Rt. 77/6
4) Elevation, current ground:	1556' E	levation, proposed	l post-construc	tion: 1567'
5) Well Type (a) Gas	Oil _	Und	derground Stor	age
(b)If Gas Sha	llow =	Deep		
Hor	rizontal =			
6) Existing Pad: Yes or No NO				
 Proposed Target Formation(s) Target - Marcellus, Depth - 7905 			and Associated	d Pressure(s):
8) Proposed Total Vertical Dept	h: 8095'			
9) Formation at Total Vertical D	The state of	Sand		
10) Proposed Total Measured De	epth: 18194'			
11) Proposed Horizontal Leg Le	ngth: 8715'			
12) Approximate Fresh Water S	trata Depths:	150', 575', 730'		
13) Method to Determine Fresh	Water Depths:	Offset Well		
14) Approximate Saltwater Dept	ths: 1650', 2455	5		
15) Approximate Coal Seam De	pths: 660', 730'			
16) Approximate Depth to Possi	ble Void (coal m	ine, karst, other):	None Anticipate	ed
17) Does Proposed well location directly overlying or adjacent to		ms Yes ✓	N	• Received
(a) If Yes, provide Mine Info:	Name: Sent	inel Mine		11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Depth: 660'	& 730'		MAY 1 - 2014
	Seam: Upper Kil	taning and Lower Kittaning		
	Owner: Arch	Coal		Office of Oil and Gas WV Dept. of Environmental Protection

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WW-6B (9/13)

18)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	N	J-55	94#	100'	100'	Grout to surface at Class A type cament
Fresh Water	13 3/8"	N	J-55	54.5#	800'	800'	CTS w/ Class A Type Cement
Coal							CTS w/ Class A Type Cement
Intermediate	9 5/8"	N	J-55	36#	2500'	2500'	CTS w/ Class A Type Cement
Production	5 1/2"	N	P-110	20#	18194'	18194'	2200 to 1 = 5050 POZ Leso 6 Clerk 6
Tubing	2 3/8"	N	J-55	4.7#	8500'	8500'	
Liners							

M .	.1.1	West 1 Houseon
Carp & Kt	4/10/14	Times I. Sheywedh 4-10-2014

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	26"	0.438	2110	Class A Type	1.18
Fresh Water	13 3/8"	17 1/2"	0.380	2730	Class A Type	1.39
Coal						
Intermediate	9 5/8"	12 3/8"	0.352	3520	Class A Type	1.18
Production	5 1/2"	8 3/4" & 8 1/2"	0.361	12640	Class A Type	1.26
Tubing	2 3/8"	5 1/2" Csg	0.190	7700		
Liners						

PACKERS

Kind:	None	
Sizes:	None	
Depths Set:	None	
		Hecewad

MAY 1 4 2014

WW-6B (9/13)

19	Describe proposed	well work	, including the	he drilling and	plugging back	of any	pilot hole:

Drill and stimulate new horizontal Marcellus well. Well to be drilled to a TMD of 18194'. Well to be drilled to a TVD of 8095'. formation at TVD - Oriskany Sand. The well will be drilled no more than 100' beyond the top of the Onondaga. Well will be plugged back to an approximate depth of 6800' (approximate due to exact kick off point being unknown). Plugging back will be done using the displacement method and Class A Type cement. A solid cement plug will be set from TD to KOP. If an unexpected void is encountered, plan will be to set casing at a minimum of 30' past void and cement to surface with approved Class A type cement. There will not be any production, perforation, or stimulation of any formations below the target formation.

200	TY "1	C	2		4. 4. 41			
10	Describe	trachiring	/stimulating	methods in detail	including anticipated	may pr	eccure and	may rate
Sec. 14. 1	LOSUITOC	Huctui III	Stillituiditii	memous in detail,	morading anticipated	THICK DIE	coourt and	man late.

The stimulation will be multiple stages divided over the lateral length of the well. Stage spacing is dependent upon engineering design. Slickwater fracturing technique will be utilized on each stage using sand, water, and chemicals. Max Pressure - 9500 psi. Max Rate - 100 bbl/min.

- 25.7 Acres 21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):
- 19.3 Acres 22) Area to be disturbed for well pad only, less access road (acres):

23) Describe centralizer placement for each casing string:

Conductor - No centralizers used. Fresh Water & Coal - Bow spring centralizers on first joint then every fourth joint to 100 feet from surface. Intermediate - Bow spring centralizers one on the first two joints and every forth joint until inside surface casing. Production - Rigid bow spring centralizer on first joint then every 2 casing joints (free floating) through the lateral and the curve. (Note: cementing the 5 1/2" casing completely in open hole lateral and curve.)

24) Describe all cement additives associated with each cement type:

Conductor - 2% CaCl2. Fresh Water/Coal - 2% CaCl2. Intermediate - 2% CaCl2. Production - 2.6% Cement extender, 0.7% Fluid loss additive, 0.5% High Temperature Retarder, 0.2% Friction Reducer

25) Proposed borehole conditioning procedures:

Conductor - The hole is drilled w/ air and casing ran in air. Apart from insuring the hole is clean via air circulation at TD. there are no other conditioning procedures. Fresh Water/Coal - The hole is drilled w/ air and casing is ran in air. Once casing is on bottom, the casing shoe will be cleared with fresh water and gel prior to cementing. Intermediate - The hole is drilled w/ air and casing is ran in air. Once casing is on bottom, the casing shoe will be cleared with fresh water and get prior to cementing. (Note: Drilling soap may be utilized if the hole gets wet/damp during the drilling of all air holes with the exception of the conductor). Production - The hole will be drilled with synthetic oil base mud and once at TD the hole is circulated at a drilling pump rate until the hole is clean. Once casing is ran the hole is circulated for a minimum of one hole volume prior to pumping cement. RECEIVED Office of Oil and Gas

*Note: Attach additional sheets as needed.

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AUG 0 1 2014

Cement Additives

- Conductor 2% CaCl2
- Freshwater/Coal 2% CaCl2
- Intermediate 2% CaCl2
- Production
 - o 2.6% Cement extender
 - o 0.7% Fluid Loss Additive
 - o 0.5% High Temperature Retarder
 - o 0.2% Friction Reducer

Received

MAY 1 4 2014

Office of Oil and Gas
WV Dept. of Environmental Protection

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

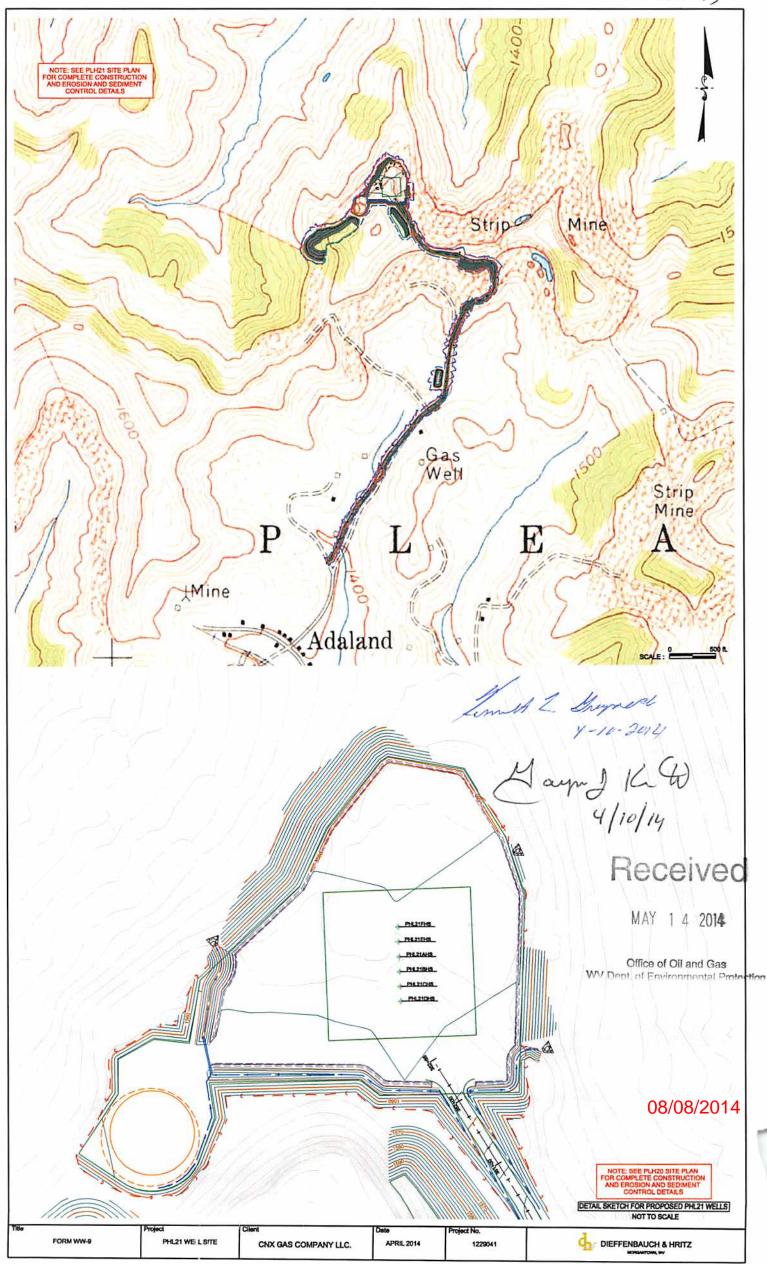
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name CNX Gas Com	pany LLC	OP Code 494458046	
Watershed (HUC 10) Pleasa	nt Creek	Quadrangle Philippi	
Elevation 1556	County Barbour	District Pleasant	
Do you anticipate using more Will a pit be used? Yes	than 5,000 bbls of water to complete the	he proposed well work? Yes No	
If so, please describe	anticipated pit waste: N/A		
Will a synthetic liner	be used in the pit? Yes No	✓ If so, what ml.? N/A	
Proposed Disposal M	lethod For Treated Pit Wastes:		
	nd Application		
	derground Injection (UIC Permit Num	nber)	
	ise (at API Number	or disposal location)	1
		same pad or adjacent pads	
Will closed loop system be use	ed? If so, describe: Yes, cuttings/fluid separated w	ith the use of a centrifuge/shaker liquids recycled solids disposed offsite at approved landfill.	
		Air, freshwater, oil based, etc. Air and oil based mud	
and the second state of the second state of		All, Heshwater, on based, etc.	
	pe? Synthetic, petroleum, etc.Synthetic	(4 × 4 × 5 ×	-
	g medium? Bactericide, Polymers, and Weig		-
Drill cuttings disposal method	? Leave in pit, landfill, removed offsit	e, etc. Landfill	-
-If left in pit and plan	to solidify what medium will be used	? (cement, lime, sawdust) N/A	_
-Landfill or offsite na	me/permit number?Meadowfill, Northwest	tern Landfill, Max Environmental's Yukon Landfill and Bulger Landfill	
on August 1, 2005, by the Off provisions of the permit are e law or regulation can lead to e I certify under penal application form and all atta obtaining the information, I I penalties for submitting false i Company Official Signature_ Company Official (Typed Na	ice of Oil and Gas of the West Virginia nforceable by law. Violations of any inforcement action. Ity of law that I have personally example the chiments thereto and that, based on believe that the information is true, a information, including the possibility of	MAY 1 4 2014	that to blication the
Company Official Title Design	gnated Agent General Manager WV Gas	Operations Office of Oil and Gas WV Dept. of Environmental Protection	
		Froinction	
Subscribed and sworn before in	- Am	Notary Parents STATE OF WILLIAM CAROLINDA	EST VIRG
My commission expires 09/15/2	2021	Lumbarpon	

Form WW-9

Operator's Well No. PHL21CHS

Proposed Revegetation Treatn	ment: Acres Disturbed	25.7 Prevegetal	tion pH 6.5
	test Tons/acre or to corre	rio regeta	поп ртт
	0/20 or equivalent	ест то рн	
Fertilizer amount 50	00	No de con-	
h4		lbs/acre	
Mulch_ nay or st		_Tons/acre	
		Seed Mixtures	
Ten	nporary	1	Permanent
Seed Type	lbs/acre	Seed Type	lbs/acre
Orchard Grass	25	Orchard Grass	25
Birdsfoot Trefoil	15	Birdsfoot Trefoil	15
Ladino Clover	10	Ladino Clover	10
Attach: Drawing(s) of road, location, porovided) Photocopied section of involve		land application (unless engineered pl	ans including this info have b
Drawing(s) of road, location, porovided) Photocopied section of involve	ed 7.5' topographic sheet.		
Orawing(s) of road, location, provided) Photocopied section of involve	ed 7.5' topographic sheet.		
Drawing(s) of road, location, porovided) Photocopied section of involve	ed 7.5' topographic sheet.		m J/land
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Drawing(s) of road, location, porovided) Photocopied section of involve Plan Approved by: Comments:	Emret I conps at	Soil STOCKPILE	MOR ACCES



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