

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

September 06, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-1706343, issued to DIVERSIFIED RESOURCES, INC., 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.

James Martir

Chief

Operator's Well No: D-183

Farm Name: FLUHARTY, MICHAEL D. .. ET AI

API Well Number: 47-1706343
Permit Type: Vertical Well

Date Issued: 09/06/2013

PERMIT CONDITIONS

West Virginia Code § 22-6-11 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 conditions may result in enforcement action.</u>

CONDITIONS

- 1. 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 § 22-6-20, 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.
- 2. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
- 3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
- 4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
- 5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
- 6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
- 7. Well work activities shall not constitute a hazard to the safety of persons.

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1706343

WW - 2B (Rev. 8/10) AUG 2 1 2013

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

			11	00	
1) Well Operator:	Diversified Resources, Inc.	305996	Doddridge	New Milton	New Milton
	later to the second sec	Operator ID	County	District	Quadrangle
2) Operator's Wel	Number: D-183		3) Elevation:	1116.71′	
4) Well Type: (a)	Oil <u>×</u> or Gas <u>×</u>				
(b) I	f Gas: Production x / Unde	erground Sto	rage		
	Deep/ Sh	nallow x			
5) Proposed Targe	et Formation(s): Balltown		Proposed Ta	raet Depth: 3	680'
6) Proposed Total	Depth: 3700' Feet F	ormation at F	roposed Tot	al Depth: Ballt	own
7) Approximate fre	esh water strata depths: 110'		4.46.00.00.00.00.00		
Approximate sa	alt water depths: 1350				
9) Approximate co	pal seam depths: 105'				
, , ,					06
10) Approximate v	oid depths,(coal, Karst, other): <u>r</u>	n/a			_ PC2
11) Door land con	ntain coal seams tributary to activ	o mino?	1		5
i i) Does land con	tail coal seams indutary to active	ve mine?			
12) Describe propos	sed well work and fracturing metho	ds in detail (a	tach addition	al sheets if nee	eded)
Orill and stimulate new	v production				

13) <u>CASING AND TUBING PROGRAM</u>

TYPE	SPECIFIC	CATIONS		FOOTAGE	INTERVALS	<u>CEMENT</u>
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor						
Fresh Water	95/8	ERW	26#	145'	145'	CTS
Coal						
Intermediate	7	ERW	20#	1280'	1280'	CTS
Production	41/2	ERW	9.5#	3680'	3680'	225sks.
Tubing	10-10-1					
Liners						

Packers:	Kind:	
	Sizes:	
	Depths Set	

Chack # 1434 Chack # 1434

WW-2	2A
(Rev.	6-07)

1). Date: February 22, 2013

2.) Operator's Well Number D-183
State County Permit

3.) API Well No.: 47- 017 - 063 43

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

4) Surface Ov	vner(s) to be serve	۸.	5) (a) Coal Operator	Office of Oil ar	od Gas
(a) Name	Michael Fluharty	u. \/	Name		id Gas
Address	Michael Fluriarty	***	Address	AUG 2 1 201	3
(b) Name	-		(h) Coal Owner(s)	with De da vative partme Environmental Pro	
Address	-		Name	Environme	nt of
Address	-		Address	- Trailonmental Pro	tection
	-				
(c) Name			Name		
Address			Address		
6) Inspector	Sam Ward		(c) Coal Lessee wit	h Declaration	00
Address	PO Box 2327		Name		
-	Buckhannon, WV 26201		Address		7
Telephone	304-389-7583				
issued under this I certify this application f obtaining the info	Certified Mail (Publication (Nead and understand (see application). Sunder penalty of lawform and all attachmormation, I believe the	otice of Publicati Chapter 22-6 an that I have persents, and that be at the information	stal receipt attached) on attached) d 35 CSR 4, and I agree to sonally examined and am f ased on my inquiry of thos n is true, accurate and comp		submitted on esponsible for
I am awa	are that there are sig	inificant penalties	s for submitting false inform	ation, including the possibili	ty of fine and
imprisonment.		Well Operator	Diversified Besources, Inc.		
		By:	TO MIN		
		Its:	President		
		Address	100 Corporate Ridge, Suite 100		
			Birmingham, AL 35242		
		Telephone	205-408-0909		
Subscribed and	sworn before me this	_28 day o	f February	2013	
	Oserial C	ardwell		Notary Public	
My Commission		pril 4, 2015			
Oil and Gas Privacy	Notice	Mary and and			

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

WW-2A Surface Waiver

SURFACE OWNER WAIVER

DUBLAINE County

Operator Operator well number Sources

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Cas. WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION OF ONLY OF OR ORDER OF OR OR ORDER OF OR ORDE

Chief. Office of Oil and Gas Department of Environmental Protection 601 57th St. SE

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Time Limits and methods for filing comments. The law requires these materials to be served to the date the operator files his Application. You have FIFTEEN (15) DAYS after the filing date to file your comments. be sure of the date. Check with your postmaster to ensure a dequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Comments must be in writing. Your comments must include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

The Chief has the power to deny or condition a well work permit based on comments on the following grounds:

- 1) The proposed well work will constitute a hazard to the safety of persons.
- 2) The soil erosion and sediment control plan is not adequate or effective;
- 3) Damage would occur to publicly owned lands or resources;
- 4) The proposed well work fails to protect fresh water sources or supplies;
- 5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation...".

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through ___ including a work order on F orm WW2-B, a s urvey plat, and a s oil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL	PERSON		FO	R EXECUTION BY A CO	RPORATION, ETC.
Michael Albert	Date	6/12/13	Company Name By Its		Date
Print Name			4	Signature	Date

Onanatan'a	IALOH	Munahan	D 400
Operator's	vveii	Number	D-183

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Grover Johnson	George Buff, Jr	12.5%	70/466
Helen Buff	Ila Powell	12.5%	Unrecorded
Ila Powell	P&M Oil	12.5%	162/695-A
P&M Oil	R&K Oil and Gas Inc.	12.5%	190/371
R&K Oil and Gas Inc.	Diversiifed Resources, Inc.	12.5%	Unrecorded Farmout

Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby a cknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

RECEIVED

Office of Oil and Gas

- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

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WV Department of Environmental Protection

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the affected activity is initiated.

Well Operator:

By: Its:

President

Diversified Resources Inc.

FORM WW-9 Rev. 10/94

STATE OF WEST VIRGINIA

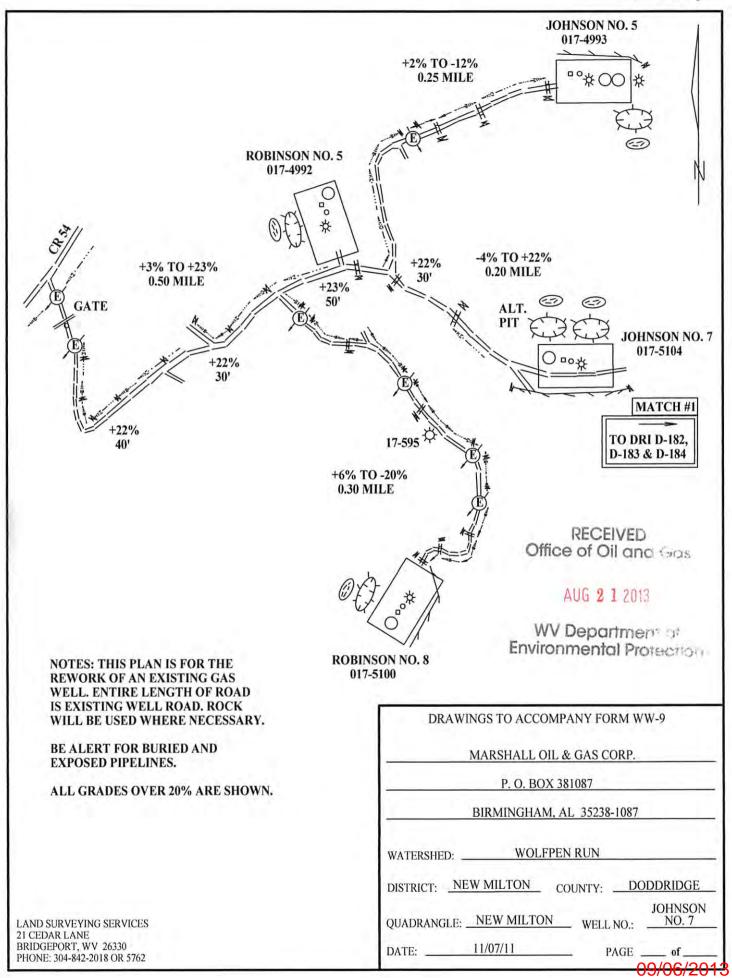
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

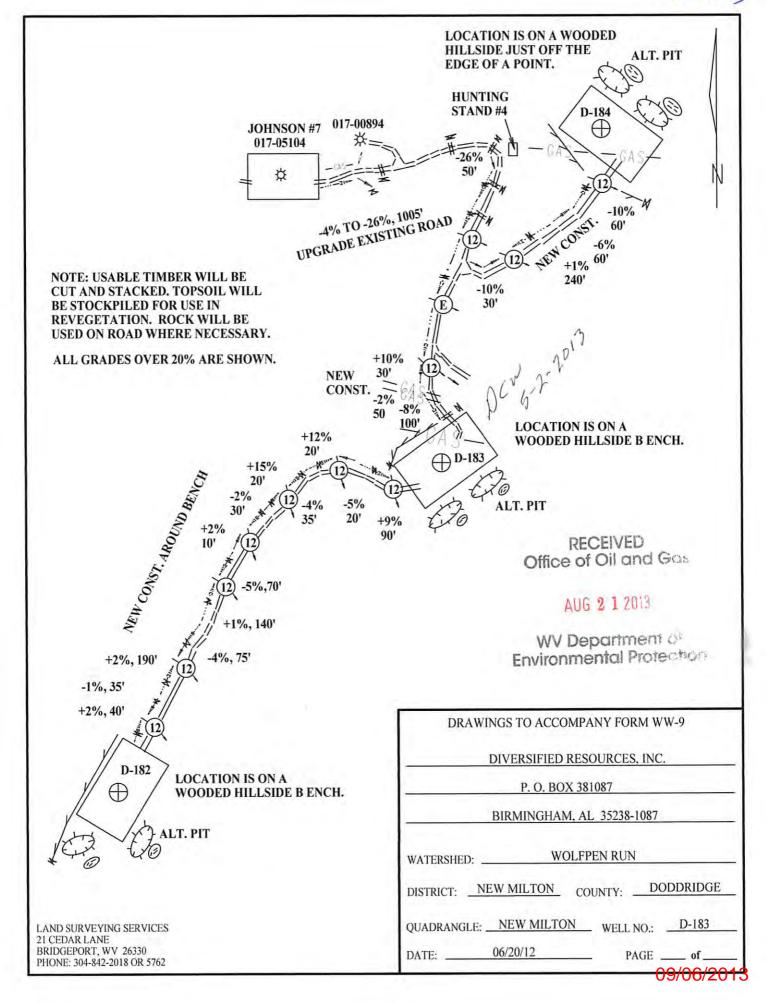
Page	of
API NUMBER 47-	017
nerator's Well No	D-183

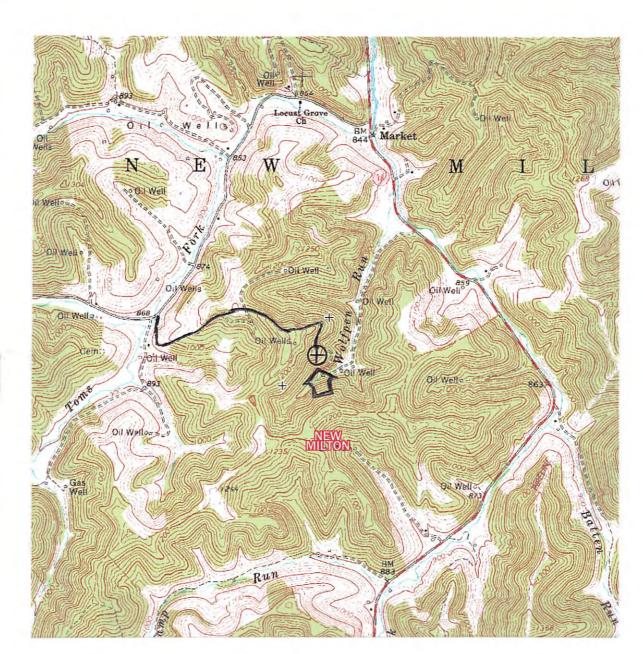
Operator Name	DI	VERSIFIED RES	OURCES, INC.	C	P Code	
Watershed	WO	LFPEN RUN		Quadrangle	NEW N	MILTON
Elevation	1116.71'	County	DODDRIDGE	District	NEW MIL	TON
Description of a	anticipated Pit Wast	e:	FLUIDS ASSOCIATED			
Will a synthetic	line be used in the	pit?	YES	201	MIL	00 2013
	osal Method For Tro	eated Pit Wastes: Land Application	MON	R THAN STIMULA	USTE 5000 G TE WELL.	1000 5 5.2.2013
) -		Underground Injec	etion (UIC Permit Number)
-		Reuse (at API Nur	mber)
		Section and the section of	(Supply for WW-9 for disposal			
-		_ Other (Explain)				RECEIVED
Proposed Work	k For Which Pit Wil	l Be Used:			Offi	ce of Oil and Gas
	X	Drilling		Swabbin	g	AUG 2 1 2013
				Plugging		
						V Department of one of the control o
Company Offici Company Offici Company Offici	issued on June 14, understand that the permit and/or other I certify this application for for obtaining the ir significant penaltical Signature al (Typed Name)	1994, by the Office of provisions of the per- applicable law or reg under penalty of law rm and all attachment formation, I believe	agree to the terms and condition of Oil and Gas of the West Virging mit are enforceable by law. Viogulation can lead to enforcement that I have personally examined as thereto and that, based on my that the information is true, accomportant on, including the pos	nia Division of Environi plations of any term or co it action. If and am familiar with the inquiry of those individurate, and complete. I ar sibility of fine or impris	mental Protection. I ondition of the general the information submittuals immediately response aware that there are	ed on
Subscribed and	sworn before me th	- // //	h day of Fu	oruary, 21	o 13	
My commission	expires	April	4,2015			

LEGEND

Property Boundary	Diversion
Road ====================================	Spring
Existing Fence — * — * — * — * —	Wet Spot
Planned Fence	Drain Pipe with size in inches
Stream	Waterway
Open Ditch	Cross Drain
Rock SSE	Artificial Filter Strip
North North	Pit: cut walls
Water wells W	Pit: compacted fill walls
Drill Site	Area for Land Application of Pit Waste
Proposed Revegetation Treatment: Acres Disturbed 1.00 Limeaccording to pH test	Prevegetation pH 6.5 Fons/acre or correct to pH 7.0
	olimate of our oction to p.1
	lbs/acre (500 lbs minimum) 2 Tons/acre
Mulch HAY OR STRAW	
Seed Mixture	S
Area I	Area II
Area I Seed Type lbs/acre	Seed Type Ibs/acre
	o 1m
Seed Type lbs/acre	Seed Type lbs/acre
Seed Type lbs/acre ORCHARDGRASS 25	Seed Type lbs/acre ORCHARDGRASS 25
Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10 Attach:	Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15
Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10	Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10
Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10 Attach:	Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10
Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10 Attach: Drawing(s) of road, location, pit and proposed area for land application.	Seed Type Ibs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10
Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10 Attach: Drawing(s) of road, location, pit and proposed area for land application. Photocopied section of involved 7.5' topographic sheet.	Seed Type lbs/acre ORCHARDGRASS 25 BIRDSFOOT TREFOIL 15 LADINO CLOVER 10







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Office of Oil and Gas

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WV Department of Environmental Protection

LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 OR 5762

DRAWINGS TO ACCOMPANY FORM WW-	DRAWINGS TO	ACCOMPANY	FORM	WW-
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DIVERSIFIED RESOURCES, INC.

P.O. BOX 381087

BIRMINGHAM, AL 35238-1087

WOLFPEN RUN WATERSHED: ____

DISTRICT: NEW MILTON COUNTY: DODDRIDGE

QUADRANGLE: NEW MILTON WELL NO.: D-183

06/20/12 DATE: ___ PAGE __ _ of _

09/06/201

