

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

March 25, 2015

WELL WORK PERMIT

Rework-Secondary Recovery

This permit, API Well Number: 47-3304907, issued to HG ENERGY, 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.

James Martin

Chief

Operator's Well No: HIRAM LXNEH 114

Farm Name: JUNKINS, EARL & BELVA S.

API Well Number: 47-3304907

Permit Type: Rework-Secondary Recovery

Date Issued: 03/25/2015

State of West Virginia Division of Environmental Protection Section of Oil and Gas Well Operator's Report of Well Work

| 77 | | |
|------|-------|--|
| Harm | name: | |

JUNKINS, EARL AND BELVA S.

Operator Well No.: HIRAM LYNCH 114

LOCATION:

Elevation:

1,080'

Quadrangle:

WOLF SUMMIT 7.5'

District:

TEN MILE

County: HARRISON

Latitude:

3,330 Feet south of

39 Deg 17 Min 30 Sec.

Longitude:

8,425 Feet west of

80 Deg 27 Min 30 Sec.

| Company Address: | HG Energy 5260 DuPor Parkersburg | | Casing & Tubing | Used in Drilling | Left in Well | Cement Fill Up Cu. Ft. |
|---------------------|--|------------|--------------------|------------------|-----------------|---------------------------|
| Inspector: | Tristan J | enkins | | | | |
| Date Permit Issue | d: 01 | /25/2013 | | | | |
| Date Well Work (| Commenced: | 02/26/2013 | | | | |
| Date Well Work C | Completed: | 02/27/2013 | | | Hu. | |
| Verbal Plugging: | | | | | | |
| Date Permission C | Granted On: | | | 717 | THE TOTAL | |
| Rotary X Cab | ole R | ig | 7" | 450' | 450' | existing |
| Total vertical Dep | th (ft): | 2840' | | | | |
| Total Measured D | epth (ft): | 2840' | | | | |
| Fresh Water Deptl | n (ft): | 380' | 4 1/2" | 2769.9' | 2769.9 | existing |
| Salt Water Depth | (ft): | None | | | | |
| Is Coal being mine | ed in ares (Y/N)? | No | | | HECE | IVED |
| Coal Depths (ft): | | None | | C | ffice of O | I and Gas |
| Void(s) encountered | ed (Y/N) depth(s) | | | | FEB 0 | 6 2015 |
| | | | | | VV Depa | rtment of |
| OWDATA | * W | | | | | al Protection |

OPEN FLOW DATA

* Waterflood Injector

| Produc | ing formation | Fifth Sa | and | Pay zo | ne depth (ft | () | 2646'-2660' | |
|----------|---------------------------|------------|----------|-------------------|--------------|----------|-------------|---|
| Gas: | Initial open flow | * | MCF/d | Oil: Initial open | | * | Bbl/d | |
| | Final open flow | * | MCF/d | Final open | | * | Bbl/d | |
| | Time of open flow between | en initial | and fina | al tests | | Hours | | |
| Static 1 | ock pressure | 神 | psig (su | rface pressure) | after | * | Hours | |
| Second | l producing formation | | | Pay zo | ne depth (ft |) | | |
| Gas: | Initial open flow | | MCF/d | Oil: Initial open | flow | <u> </u> | Bbl/d | _ |
| | Final open flow | | MCF/d | Final open f | | | Bbl/d | |
| | Time of open flow between | en initial | and fina | l tests |] | Hours | | |
| Static 1 | ock pressure | | psig (su | rface pressure) | after | | Hours | |

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this document and all the attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information I believe that the information is true, accurate, and complete.

FORM WW-3 (A) 1/12



| 1) Date: Januar | y 14, 2015 | | | | |
|------------------|------------|--------|-----------|---|--------|
| 2) Operator's Wo | ell No. | Hiram | Lynch 114 | | |
| 3) API Well No. | 47 | - | 033 | - | 04907 |
| | State | | County | - | Permit |
| 4) UIC Permit No | . UIC2F | R03301 | IAP | | |

STATE OF WEST VIRGINIA
NOTICE OF LIQUID INJECTION OF WASTE DISPOSAL WELL WORK PERMIT APPLICATION
FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS,

| 5) Surface Own | ner(S) To Be Served | 7) (a) Coal (| Operator | | |
|--|--|--|--|---|--|
| (a) Name | Earl & Belva Junkins | Name | - P | | |
| Address | RR 5, Box 1226 | Address | | | |
| | Salem, WV 26426 | | | | |
| (b) Name | | 7) (b) Coal | Owner(S) With D | eclaration Of Record | |
| Address | | Name | <u> </u> | | |
| | | Address | | | |
| (c) Name | | Name | - | | |
| Address | | Address | | | |
| 6) Inspector | Sam Ward 7 | 7) (c) Coal I | Lessee with Decla | ration Of Record | |
| Address | P. O. Box 2327 | Name | Wolf Run Mir | | |
| | Buckhannon, WV 26201 | Address | 2708 Cranbe | rry Square | |
| Telephone | 304-389-7583 | | Morgantown, | | |
| (2) The plat (s (3) The Const plan for er The date p THE REASON APPLICATION THE APPLICA ACTION AT A | | -9 (unless to on for the solisposal is UMENTS INSTRUCT TO YOU. | he well work is o ite and access roa IS THAT YOU TONS" ON THE HOWEVER YO | HAVE RIGHTS REG REVERSE SIDE OF TO OU ARE NOT REQUIR | ARDING THE THE COPY OF LED TO TAKE |
| Notice and App West Virginia Application and and Reclamatio | t under Chapter 22-6 of the West Virginia Co- plication and accompanying documents for a Department of Environmental Protection, v I depicted on the attached Form WW-6. Cop In Plan have been mailed by registered or cer In certain circumstances) on or before the day | well Work with respect pies of this rtified mail | k Permit with the t to a well at the Notice, the Appl or delivered by h | e Chief of the Office of e location described or ication, the plat, and the and to the person(s) nar | Oil and Gas, the attached Construction |
| | The person signing this documen | it shall ma | ke the following | certification: | |
| "I cortifu und | nonalty of law that I have noneally | ad and | Well Operator | HG Energy, LLC | |
| | penalty of law that I have personally examine the information submitted in this document | cu anu | Address | 5260 Dupont Road | |
| | I that, based on my inquiry of those individua | | | Parkersburg, WV 26101 | |
| immediately res | sponsible for obtaining the information, I believe | eve that | By: | Diane White | |
| | is true, accurate and complete. I am aware the | nat there | Its: | Agent | |
| are significant p the possibility o | penalties for submitting false information, including fine and imprisonment. | liiding and Gas | Signature: | Diane Whi | te |
| | EED AC | 2015 | | | |

FEB 0,6 2015

U.S. Postal Service™ CERTIFIED MAILT RECEIPT 5248 (Domestic Mail Only; No Insurance Coverage Provided) **401** Postage EBSBI 0000 Certified Fee 3.30 Postmark Return Receipt Fee (Endorsement Required) 2.70 Here 9-3 5018 Restricted Delivery Fee (Endorsement Required) 0570 Total Postage & Fees \$ 7.6 USHEIL PULY Wolf Run Mining Street, Apt. No.; or PO Box No. 2708 Cranberry Square City, State, ZIP+4 Morgantown WV 26605 See Reverse for Instructions

| 55 | U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) |
|------|---|
| 57 | For delivery information visit our website at www.usps.com |
| 1,4 | OFFICIAL USE |
| 4014 | Postage \$ [. |
| | Certified Fee 3.30 Postmark |
| 0000 | Return Receipt Fee (Endorsement Required) |
| | Restricted Delivery Fee (Endorsement Required) |
| 0570 | Total Postage & Fees \$ 7.61 |
| 7074 | Street, Apt. No.; or PO Box No. RR 5, Box 1226 |
| - | City, State, ZIP+4 Salem WV 26426 |
| | PS Form 3800, August 2006 See Reverse for Instructions |

RECEIVED
Office of Oil and Gas

FEB 0 6 2015

WV Department of Environmental Protection 03/27/2015 WW-9 Rev. 5/10

| Page 1 | 43 of |
|-----------------------------|-----------|
| API Number 47 - 033 | _ 04907 |
| Operator's Well No. Hiram ! | -ynch 114 |

STATE OF WEST VIRGINIA DEPARTMENT 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

| Operator Name HG Energy, LL | | | OP Code 494497948 | 3 |
|--|--|---|--|---|
| Watershed Tenmile Creek | ., | | olf Summit 7.5' | |
| Elevation 1080' | County Harrison | 50 18468 | | |
| | Vaste: Fluids encountered while st | | | |
| Do you anticipate using more t | han 5,000 bbls of water to complet | e the proposed w | vell work? Yes | No X |
| | the pit? Yes If s | | | 5 Du |
| Proposed Disposal Method For Lane Und Reu Off | | Number | ation) |) |
| -If oil based, what typ Additives to be used? Water, S Will closed loop system be use Drill cuttings disposal method? -If left in pit and plan | oap, KCI | fsite, etc. Leave i | n pit ne, sawdustNative soil, c | cement, lime |
| on August 1, 2005, by the Offic provisions of the permit are en law or regulation can lead to en I certify under penalt application form and all attac obtaining the information, I b | y of law that I have personally enhances thereto and that, based elieve that the information is true aformation, including the possibility | inia Department ny term or cond xamined and an on my inquiry o e, accurate, and | of Environmental Prote- ition of the general per- n familiar with the info of those individuals in complete. I am award isonment. | ction. I understand that the mit and/or other applicable ormation submitted on this namediately responsible for |
| Company Official Title_go.w | | | W.V Environ | Department of mental Protection |
| Subscribed and sworn before n | e this 14th day of Janu | uary | , 20_15 | |
| My commission expires Oc- | t. 4, 2016 | y | S. Vien | OFFICIAL SEAL NOTARY PUBLIC ATE OF WEST VIRGINIA DIANNE DULANEY P. O. Box 5519 ana, West Virginia 26105 mission Expires 03/27/2(12) |

Operator's Well No. Hiram Lynch 114

| | EGEND |
|--|--|
| Property Boundary | Diversion Continue Diversion Land Continue Diversion |
| Rond = = = = = = = = = = = = = = = = = = = | Spring - |
| Existing Fence — X — X — X — | Wet Spot |
| Planned Fence/// | Drain Pipe with size in inches (2) |
| Stream | Waterway C C C |
| Open Ditch | Cross Drain //////////////////////////////////// |
| Rock Egggg | Artificial Filter Strip |
| North N | Pit: cut walls |
| Buildings | Pit: compacted fill walls |
| Water wells W | Area for Land Application of Pit Waste |
| Drill site | |
| | |
| Proposed Revegetation Treatment: Acres Disturbed4 | Prevegetation pH |
| Lime Tons/acre or to correct to pH _ | 6.5 |
| 500 | |
| returizer (10-20-20 or equivalent) | ere (500 lbs minimum) |
| Mulch Straw 2 Tons/acro | è |
| Seed M | /lixtures |
| A const | The state of the s |
| Area I Seed Type lbs/acre | Area II Seed Type lbs/acre |
| Tall Fescue 40 | Tall Fescue 40 |
| Ladino Clover 5 | |
| Ladino Giovei | Ladino Clover 5 |
| | |
| Proper sediment Control should be in place | e at all times. |
| Attach: | |
| Drawing(s) of road, location,pit and proposed area for land applica- | ation. RECEIVED |
| Drawing(s) of road, location,pit and proposed area for land applica- | ILCLIVED |
| | Office of Oil and Gas |
| Drawing(s) of road, location,pit and proposed area for land applica- | ILCLIVED |
| Drawing(s) of road, location,pit and proposed area for land application. Photocopied section of involved 7.5' topographic sheet. | Office of Oil and Gas |
| Drawing(s) of road, location,pit and proposed area for land application. Photocopied section of involved 7.5' topographic sheet. Plan Approved by: | Office of Oil and Gas FEB 0 6 2015 WV Department of |
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Reclamation Plan For: Hiram Lynch No. 114

47-033-4907 (See Attached Detail 0.2 Mi. to for Access Road to County Road) SLS (31 Access Main Waterflood **Begin New Road Construction** 100' of 15% Grade NOTE REFER TO THE WVDEP **EROSION AND SEDIMENT CONTROL** FIELD MANUAL VER. MAY 2012 FOR BMPs CONTROLLING EROSION AND SEDIMENT FROM SOIL-DISTURBING OPERATIONS. 250' of 8-10% Grade Earl & Belva Junkins Existing Vegetative - Surface Owner 47-033-5053 47-033-4907 H.L. No.113 No.114 RECEIVED Office of Oil and Gas Hiram Lynch Lease FEB 0 8 2015 WV Department of Environmental Protection NOTE:

WELL LOCATION WAS BUILT AND RECLAIMED UNDER DRILLING PERMIT NO.47-033-4907. ONLY MINIMAL EARTHWORK WILL BE REQUIRED FOR PROPOSED WELL WORK. ALL DISTURBED AREAS WILL BE RE-VEGETATED AS PER THE SEEDING PLAN ON FORM WW-9. NO PIT

WILL BE REQUIRED FOR PROPOSED WELL WORK.

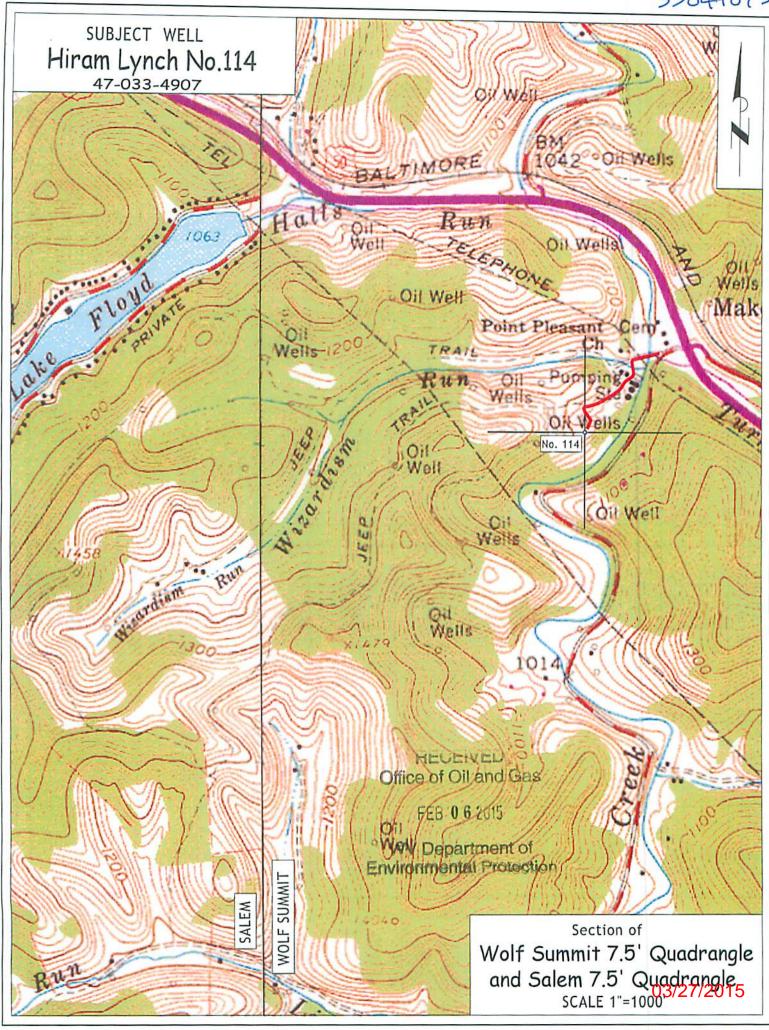
Requested permit is for stimulation of existing well.

Notes:

- Access road from Co. Rd. 31 to Location is existing. Structures will be maintained.

 • Scalp topsoil and stockpile for re-dressing location
- during reclamation.
- All disturbed areas will be re-vegetated as outlined on Form WW-9.
- Maintain sediment barriers and drainage structures.
- All road grades <5% except as noted. 03/27/2015
 Location of drill pit may be changed based on the changed based on the changed based on the change of th as-built considerations.

Note: Drawing not to Scale



FEB 0 6 2015

WV Department of

Environmental Protection

PURM IV-D

PLUG AND ABANDON_

TARGET FORMATION _

WELL OPERATOR

ADDRESS

CLEAN OUT AND REPLUG

ESTIMATED DEPTH_

2,840'

P. O. Box 5519

Vienna, W.Va. 26105

DESIGNATED AGENT Diane White

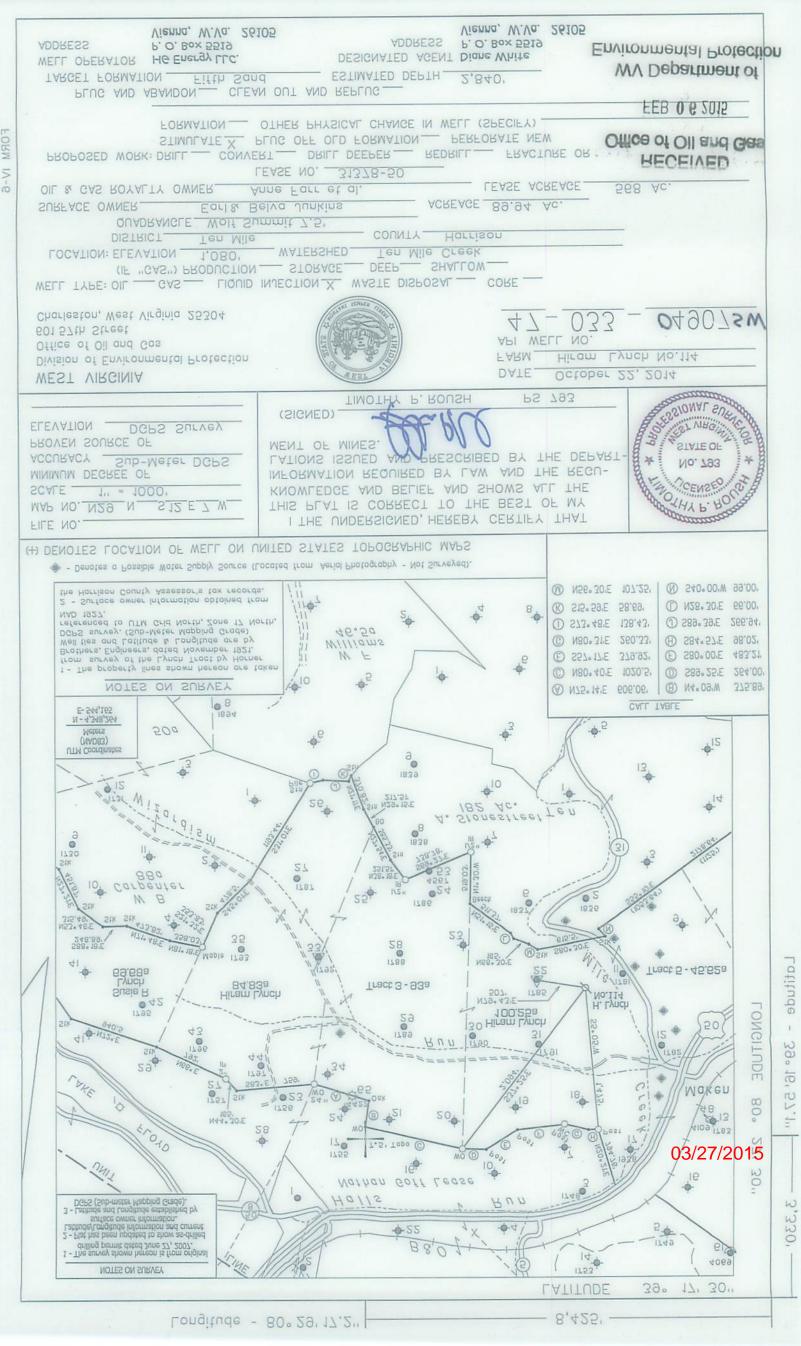
ADDRESS

Fifth Sand

Vienna, W.Va. 26105

HG Energy LLC.

P. O. Box 5519





HG Energy, LLC

5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax 33 049075W CX# 2896 650°

January 14, 2015

Mr. Jeff McLaughlin WVDEP Division of Oil & Gas 601 57th Street Charleston, West Virginia 25304

RE:

Hiram Lynch No. 114 (API 47-033-04907)

Tenmile District, Harrison County

West Virginia

Dear Mr. McLaughlin:

Enclosed are Forms WW-3A, WW-3B, WW-9, WW-3(B1), mylar of plat, reclamation plan, topo map and copies of the certified mailing receipts for a permit to stimulate an injection well. Also enclosed is our check in the amount of \$650.00 to cover the associated permit fees.

Very truly yours,

Diane White

Diane C. White

Enclosures

cc:

Belva & Earl Junkins - Certified

Wolf Run Mining Company - Certified

Sam Ward - Inspector

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Office of Oil and Gas

FEB 0 6 2015

WV Department of Environmental Protection 03/27/2015