

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

July 09, 2013

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-3305740, issued to PDC MOUNTAINEER 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: MAXWELL 2HM

Farm Name: LYNCH FARM LLC

API Well Number: 47-3305740

Permit Type: Horizontal 6A Well

Date Issued: 07/09/2013

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. Failure to adhere to the specified permit conditions may result in enforcement action.

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 § 22-6A-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.
- 2. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the fill material shall be within plus or minus 2% (unless soil test results show a greater range of moisture content is appropriate and 95% compaction can still be achieved) of the optimum moisture content as determined by the standard proctor density test, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort. Each lift must meet 95% compaction of the optimum density based on results from the standard proctor density test of the actual soils used in specific engineered fill sites. 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.
- 3. 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.
- 4. 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.
- 5. 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.

WW - 6B (3/13)

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

		WELL WO	RK PE	RMIT APPLICA	rion 2	0	113
					·57		48"
1) Well Operator:	PDC Mou	ntaineer, LLC		494494839	Harrison	Union	Mount Clare 7.5'
				Operator ID	County	District	Quadrangle
2) Operator's Well ?	Number:	2HM		V	Vell Pad Nam	ie: Maxwell	/
3 Elevation, current	ground:	1462'	Ele	vation, proposed	post-construc	tion:	1459'
4) Well Type: (a) G	as	Oil _		Underground	d Storage		_
	Other						,
(b) If	Gas: Sha	allow		Deep			
	Но	rizontal					
5) Existing Pad? Ye	s or No:	No					
6) Proposed Target	Formation(s)), Depth(s), An	ticipate	d Thicknesses an	d Associated	Pressure(s):	
Marcellus Shale, 7600' TV	D, Approximately 10	00 feet thick, 7600' x 0.	594 psi/ft =	4514 psi calculated reserve	oir pressure.		
7) Proposed Total V	ertical Dept	h:					
8) Formation at Tota	al Vertical D	epth: Marcel	lus Shale				
9) Proposed Total M	leasured Dep	oth: 13,582	?'				
10) Approximate Fr	esh Water Si	trata Depths:	302	2', 369', 396', & 429'			
11) Method to Deter	mine Fresh	Water Depth:	Re	ported Wells: 47-033-047	75, 04559, 04575, &	05556	
12) Approximate Sa	ltwater Dept	ths: 628', 12	61'				
13) Approximate Co	oal Seam De	pths: <u>361',</u>	540'				
14) Approximate De	epth to Possi	ble Void (coal	mine, k	carst, other):	Not known		
15) Does proposed vadjacent to an ac				irectly overlying o	No No		
16) Describe propos	ed well worl	K: Drill and st	imulate a r	new horitzontal Marcellus v	well following all Sta	te & Federal guidelir	nes. All casing
used in the well bore will b	e new casing. Cen	tralizers will be used co	ntingent up	oon final log of well. Produc		II be at least 100 feet	into the
intermediate string. Cemer	nt will be API grade				Received ffice of Oil & (Gas	
17) Describe fractur	ing/stimulat	ing methods in	detail:				
Slick water frac, pumping 8	30 bbls minimum. E	Each stage to contain a	pproximate	ly 10,000 bbl of water and 4	10,000 pounds of sar	d. Frac additives, ch	emical names,
and CAS #s are provided of	on the next page.						
-							
18) Total area to be	disturbed, in	cluding roads,	stockp	ile area, pits, etc,	(acres):		- 16.59 AC
19) Area to be distu	rbed for well	pad only, less	access	road (acres):		14.	23 AC
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Frac Additives, Chemical Names, and CAS #'s

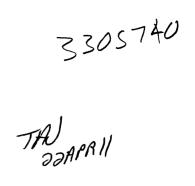
Vendor	Product	Code Number	Component	CAS-NO.
Schlumberger	100-mesh Sand	S100	Crystalline silica	14808-60-7
Schlumberger	30/50 mesh sand	S012-3050	Crystalline silica	14808-60-7
Schlumberger	40/70 mesh sand	S012-4070	Crystalline silica	14808-60-7
Schlumberger	Corrosion Inhibitor	A264	Methanol	67-56-1
			Prop-2-yn-1-ol	107-19-7
Schlumberger	Surfactant	F108	Methanol	67-56-1
Schlumberger	HCL	H028	Hydrochloric Acid '	7647-01-0
Schlumberger	Gelling Agent	J590	Propan-2-ol	67-63-0
Schlumberger	Friction Reducer	J609	Ammonium sulfate	7783-20-2
Schlumberger	Iron Stabilizer	L058	Sodium erthorbate	6381-77-7
XCHEM	Scale Inhibitor	TS-30	Sodium polycarboxylate	ND
XCHEM	Bleach	449610	Sodium chloride	7647-14-5
			Sodium hydroxide	1310-73-2
			Sodium Hypochlorite	7681-52-9
XCHEM	Chlorite	ADOX 3125/8125	Sodium chlorite	7758-19-2

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20)

CASING AND TUBING PROGRAM



ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	H-40	94#	65'	65'	Cement to surface
Fresh Water	13 3/8"	New	J-55	54.5#	500'	500'	Cement to surface
Coal							
Intermediate	9 5/8"	New	J-55	40#	2850'	2850'	Cement to surface
Production	5 1/2"	New	P-110	20#	13,582'	13,582'	2820 minimum
Tubing							
Liners							

ТҮРЕ	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	24"	0.756	1500	1	1.06
Fresh Water	13 3/8"	17 1/2"	0.66	1730	1	1.18
Coal						
Intermediate	9 5/8"	12 1/4"	0.704	3520	1	1.18
Production	5 1/2"	8.5"/8.75"	0.722	12,460	Н	1.18
Tubing						
Liners						

PACKERS Received
Office of Oil & Gas Kind: Sizes: Depths Set:

21) Describe centralizer placement for each casing string.	Conductor: None
Surface 13 3/8": Centralizers every 90' & 1 Basket	
Intermediate 9 5/8": Centralizers every 7 joints & 1 Basket	
Production 5 1/2": Centralizers every 12 joints in the vertical s	ection & every 2 joints in the horizontal section
22) Describe all cement additives associated with each cemer	nt type. **See additional sheet for description of additives**
Conductor: Type 1 Cement	
Surface: Type 1 Cement + 2% CaCl + 1/4 #/sack Cello Flake	
Intermediate: Pre-Flush - Mud Clean 1 ahead of Type 1 ceme	nt + 2% CaCl + 1/4 #/sack Cello Flake
Production: Pre-Flush - Mud Clean 1 ahead of Lead Cement	Type 1 + 0.4% bwoc R-3 + 0.3% bwoc CD-32 +
1% bwoc FL-62 + 0.15% bwoc ASA-301 + 50.5% Fresh Water	& followed by a Tail Cement Class H + 0.1% bwoc
R-3 CD-32 + 1.2% bwoc FL-62 + 0.1% bwoc ASA-301 + 0.4%	bwoc Sodium Metasilicate + 50.5% Fresh Water
23) Proposed borehole conditioning procedures. Surface	ce and intermediate holes are cleaned with air.
Production hole is circulated with mud for at least 4 hours with	high viscosity sweeps ran occasionally.

*Note: Attach additional sheets as needed.

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22) Description of Cement Additives (Continued)

CaCI – Calcium Chloride – Accelerator
Cello Flake – Lost circulation control agent
R-3 – Retarder
CD-32 – Dispersant
FL-62 – Fluid – loss control agent
ASA-301 – Sodium Metasillicate – Free water control + Solid Suspension

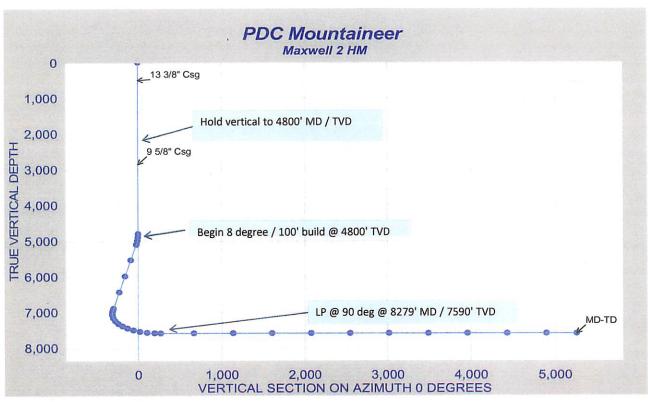
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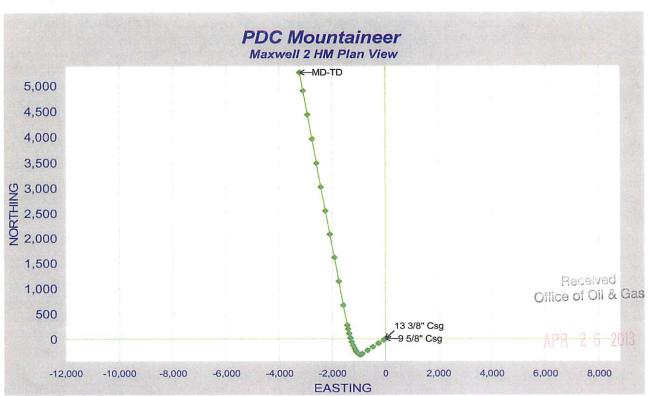
- - 2013



PDC Mountaineer Maxwell 2HM Well Plan Harrison County, WV







API Number 47 -	33 - 05740
Operator's	Well No. 2HM

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_ PDC Mountaineer, LLC OP Code 494494839	
Watershed (HUC 10) West Fork River Quadrangle Mount Clare 7.5'	
Elevation 1,462' County Harrison District Union	
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes X No Will a pit be used for drill cuttings? Yes No X No Mill a pit be used for drill cuttings? Yes No X No Mill a synthetic liner be used in the pit? Yes X No If so, what ml.? 60 Proposed Disposal Method For Treated Pit Wastes: Land Application Underground Injection (UIC Permit Number) Reuse (at API Number Maxwell Lease Wells) Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain Suttings will be removed offsite to Meadow Fill Landfill	
Will closed loop system be used?	
Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Synthetic Mud	
-If oil based, what type? Synthetic, petroleum, etc	
Additives to be used in drilling medium? Salt, Pac R, New Drill, Lime, Perma-Lose, Xan-plex, Walnut Hulls, Super Sweep, Caustic Soda, Bar, X-cide	
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Remove offsite	
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) Cement	_
-Landfill or offsite name/permit number? Meadow Fill Landfill	
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT is on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other application can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted or application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible obtaining the information, I believe that the information is true accurate, and complete. I am aware that there are significantly penalties for submitting false information, including the possibility of fine or imprisonment. OFFICIAL SEAL Notary Public, State of West Virginia DEANNA S McVICKER 4230 Dusk Camp Run Road Sand Fork, WY 26430 My commission expires January 22, 2023	at the cable this e for
Subscribed and sworn before me this 5th day of April , 2013 Dlanna S McVicker Notary Public	
Dlanna S. McVicker Notary Public	
My commission expires $1/22/2023$ 07/12	2/20

013

LEGEND

Property Boundary	Diversion (1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/
Road = = = = = = = = = = = = = = = = = = =	Spring -
Existing Fence $- \times \times - \times -$	Wet Spot
Planned Fence / / /	Drain Pipe with size in inches
Stream China Thomas The Stream	Waterway \longleftrightarrow
Open Ditch	Cross Drain 7777777
Rock 65668	Artificial Filter Strip XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
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 Disturbed 2	21.18 +/- Prevegetation pH
Lime 3 Tons/acre or to correct to	
Fertilizer (10-20-20 or equivalent) 1/3 TON	·
•	ons/acre
A State of the sta	eed Mixtures
, Area I	Area II
Seed Type lbs/acre	Seed Type lbs/acre
KY-31 40	ORCHARD GRASS 4-5
ALSIKE CLOVER 5	ALSIKE CLOVER 5
ANNUAL RYE 15	
Attach: Drawing(s) of road, location, pit and proposed area for la	nd application.
Photocopied section of involved 7.5' topographic sheet.	Office of Oil & Gas
Photocopted section of involved 7.3 topographic sheet.	
Plan Approved by:	
Title: 01 9 CAS to hector	Date: 22AFB 13
Time. (). (, ALL PARTITION)	Daic.
Field Reviewed? (X_) Yes (X_) No

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Water Management Plan: Primary Water Sources



WMP-01228

API/ID Number:

047-033-05740

Operator:

PDC Mountaineer

Maxwell 2HM

Important:

For each proposed primary water source (including source intakes for purchased water sources) identified in your water management plan, and summarized herein, DEP has made an evaluation concerning water availability over the specified date range. DEP's assessment is based on the following considerations:

- Statistical analysis of historical USGS stream gauge data (transferred to un-gauged locations as necessary);
- •Identification of sensitive aquatic life (endangered species, mussels, etc.);
- Quantification of known existing demands on the water supply (Large Quantity Users);
- Minimum flows required by the Army Corps of Engineers; and
- · Designated stream uses.

Based on these factors, DEP has provided, for each intake location (and origination point for purchased water), a reference gauge location and discharge flow reading which must be surpassed prior to withdrawals. Additionally, DEP has established a minimum passby flow at the withdrawal location which must also be surpassed prior to withdrawals. These thresholds are considered terms of the permit and are enforceable as such.

DEP is aware that some intake points will be used for mutiple wells and well sites. In these cases, the thresholds set by the Water Management Plan are to be interepreted as total withdrawal limits for each location over the specified date range regardless of how many wells are supported by that intake.

For all purchased water intakes, determinations of water availability are made at the original source intake location. It is the responsibility of the Oil and Gas Operator, not the seller, to cease withdrawal of water from the seller when flows are less than the minimum gauge reading at the stream gauge referenced by the Water Management Plan in order to protect stream uses.

Note that the determinations made herein are based on the best available data, but it is impossible to predict water availability in the future. While the DEP has carefully established these minimum withdrawal thresholds, it remains the operator's responsibility to protect aquatic life at all times. Approval to withdrawal is contingent upon permission from the land owner. It is the responsibility of the operator to secure and maintain permission prior to any withdrawals.

The operator is reminded that 24-48 hours prior to withdrawing (or purchasing) water, DEP must be notified by email at DEP.water.use@wv.gov.

APPROVED JUN 1 2 7013

Source Summary

WMP-01228 API Number: 047-033-05740 Operator: PDC Mountaineer

Maxwell 2HM

Stream/River

Source West Fork River @ WBM Heirs Properties Withdrawal Site
 Owner: WBM Heirs Properties

Start Date End Date Total Volume (gal) Max. daily purchase (gal) Intake Latitude: Intake Longitude:

3/1/2014 3/1/2015 8,850,000 39.223184 -80.374736

Regulated Stream? Stonewall Jackson Dam Ref. Gauge ID: 3061000 WEST FORK RIVER AT ENTERPRISE, WV

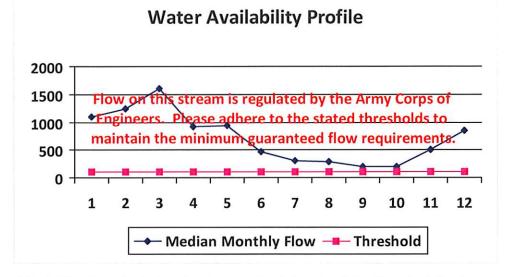
Max. Pump rate (gpm): 2,000 Min. Gauge Reading (cfs): 175.94 Min. Passby (cfs) 111.68

DEP Comments:

Source Detail

WMP-01228 API/ID Number: 047-03 Maxwell 2HM	3-05740 Operator: PDC Mou	ıntaineer
Source ID: 17925 Source Name West Fork River @ WBM Heirs Properties	rties Withdraw Source Latitude: 39.2 Source Longitude: -80.	
HUC-8 Code: 5020002 Drainage Area (sq. mi.): 361.3 County: Harrison □ Endangered Species? ✓ Mussel Stream? □ Trout Stream? □ Tier 3? ✓ Regulated Stream? Stonewall Jackson Dam	Anticipated withdrawal start date: Anticipated withdrawal end date: Total Volume from Source (gal): Max. Pump rate (gpm):	3/1/2014 3/1/2015 8,850,000 2,000
☐ Proximate PSD? ✓ Gauged Stream?	Max. Simultaneou Max. Truck pump ra	
Reference Gaug 3061000 WEST FORK RIVER AT ENTERIOR Drainage Area (sq. mi.) 759.00	PRISE, WV Gauge Threshold (cfs):	234

Month	Median monthly flow (cfs)	Threshold (+ pump	Estimated Available water (cfs)
1	1,107.13	-	-
2	1,246.52	-	-
3	1,605.57	-	1.00
4	918.24	-	-
5	942.54	-	-
6	472.28	-	-
7	305.99	-	-
8	292.17	-	-
9	203.29	-	-
10	199.31	=	-
11	500.16	-	-
12	853.92		-



Water Availability Assessment of	Location
Base Threshold (cfs):	-
Upstream Demand (cfs):	25.23
Downstream Demand (cfs):	12.33
Pump rate (cfs):	4.46
Headwater Safety (cfs):	27.85
Ungauged Stream Safety (cfs):	0.00
Min. Gauge Reading (cfs): Passby at Location (cfs):	-

[&]quot;Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.

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Water Management Plan: Secondary Water Sources



WMP-01228

Recycled Frac Water

API/ID Number

047-033-05740

Operator:

PDC Mountaineer

Maxwell 2HM

Important:

For each proposed secondary water source identified in your water management plan (i.e., groundwater well, lake/reservoir, recycled frac water, multi-site impoundment, out-of-state source), DEP makes no estimation of the availability of water. These sources may prove to be unsuitable water supplies. Please review the following notes:

- For groundwater supply wells, DEP recommends that the operator contact the local health department prior to drilling any new well; and reminds the operator that all drinking water wells within 1,500 feet of a water supply well shall be flow- and quality-tested by the operator at the request of the drinking well owner prior to operation of the water supply well.
- •For each proposed multi-site impoundment water source identified in your water management plan (if applicable), DEP will review the withdrawal limits established in the referenced Water Management Plan for current suitability and provide to the operator these limits for each identified intake. Note that withdrawal limits may be modified as necessary based on changing demands upon that water supply.

Source ID: 17926		Source Name	Various		Source	start date:	3/1/2014
						end date:	3/1/2015
		Source Lat:		Source Long:	County		
Max. Daily Purchase (gal)			rchase (gal)		Total Volume from Sour	ce (gal):	250,000
	DEP Co	omments:					

