



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

June 18, 2013

WELL WORK PERMIT

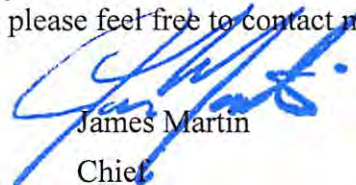
Vertical Well

This permit, API Well Number: 47-3305764, 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: T.J. CHAPLAIN #240
Farm Name: MYERS, ORVILLE JR. ET AL.
API Well Number: 47-3305764
Permit Type: Vertical Well
Date Issued: 06/18/2013

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

- 1) Well Operator: HG Energy, LLC
- 2) Operator's Well Number: T. J. Chaplain No. 240 3) Elevation 1286'
- 4) Well Type: (a) Oil or Gas _____
 (b) If Gas: Production _____ Underground Storage _____
- 5) Proposed Target Formation(s): Fifth Sand
- 6) Proposed Total Depth: 3000' TVD 3225' TMD ft.
- 7) Approximate fresh water strata depths: 200'
- 8) Approximate salt water depths: 1390'
- 9) Approximate coal seam depths: 600'
- 10) Does land contain coal seams tributary to active mine? Yes _____ No
- 11) Proposed Well Work: Drill and stimulate production well in Fifth Sand, well to be drilled directionally S 57° E 395'

CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS		FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight Per Ft.	For Drilling / Left in Well	
Conductor					
Fresh Water	7"	LS	17#	675' / 675'	Cement to surface
Coal					
Intermediate					
Production	4 1/2"	J-55	10.5#	3225' / 3225'	150 Sacks <i>CTS</i>
Tubing					
Liners					

*SDW
5/23/2013*

Packers: Kind _____
 Sizes _____
 Depths set _____

For Office of Oil and Gas Use Only

- Fee(s) Paid
 Well Work Permit
 Reclamation Fund
 WPCP
 Plat
 WW-9
 WW-2B
 Bond _____
 Agent
(Type)

1) Date: May 22, 2013
2) Operator's Well Number
T. J. Chaplain No. 240
3) API Well No: 47 - 033 -
State County Permit

**STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS**

Check # 2225
\$ 650.00

NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:
(a) Name Edith Jean Myers ✓
Address RR 4, Box 534
Salem, WV 26426
(b) Name Edgar Lee Myers ✓
Address RR 4, Box 532
Salem, WV 26426
(c) Name _____
Address _____
6) Inspector Sam Ward
Address P.O. Box 2327
Buckhannon, WV 26201
Telephone (304) - 389-7583

5) (a) Coal Operator:
Name NA
Address _____
(b) Coal Owner(s) with Declaration
Name NA
Address _____
(c) Coal Lessee with Declaration ✓
Name Wolf Run Mining
Address 2708 Cranberry Square
Morgantown, WV 26505

TO THE PERSON(S) NAMED ABOVE TAKE NOTICE THAT:

_____ Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas **OR**
X _____ Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

I certify that as required under Chapter 22 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through 4 on the above-named parties, by:

_____ Personal Service (Affidavit attached)
X _____ Certified Mail (Postmarked postal receipt attached)
_____ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 38 CSR 11-18, and I agree to the terms and conditions of any permit issued under this application.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all 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.

I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator HG Energy, LLC
By: Diane C White *Diane C White*
Its: Accountant
Address 5260 Dupont Road
Parkersburg, WV 26101
Telephone (304) 420-1119

Received
Office of Oil & Gas

MAY 27 2013

Subscribed and sworn before me this 21 day of May 2013
Tina L. Pethel Notary Public
My commission expires Nov 12 2018



06/21/2013

3305764

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
Josephine K. Myers	Pennzoil Products Company	1/8	1248/928

Merger and Conveyance dated July 3, 1963, from South Penn Oil Company to Penzoil Company, Kanawha County, Book 153, Page 35,

Assignment, Conveyance and Bill of Sale dated December 28, 1998, from Pennzoil Company to Pennz Energy Exploration and Production, Wetzel County, Book 12, Page 177.

Certificate of Merger filed with the WV Secretary of State, December 31, 1999, whereby Pennz Energy Exploration and Production, successor in interest to; to Penzoil Company, merged with Devon Energy Production Company, LP, Wetzel County, Book 12, Page 278.

Deed, Assignment and Bill of Sale dated June 1, 2000, from Devon Energy Production Company, LP to East Resources, Inc., recorded in Wetzel County, Book 370, Page 580.

Assignment, Conveyance and Bill of Sale, dated January 1, 2011, from East Resources, Inc., to HG Energy, LLC, Wetzel County, Book 118A, Page 253.

Upon information and belief, Operator's lease and/or other real property rights permit it to conduct drilling operations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

**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 acknowledges 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:

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

Received
Office of Oil & Gas

MAY 21 2013

Well Operator: HG Energy, LLC
 By: Diane C. White *Diane C White*
 Its: Accountant

06/21/2013

West Virginia Division of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing, The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

If no water well or spring is located within 1000 feet, the Chief may require the operator to sample and analyze water from a water well or spring within 2000 feet of the proposed well site.

Be advised, you have the right to sample and analyze any water supply at your own expense.

The laboratory used by the operator to analyze the samples will be approved by the Chief. The operator named below has decided to use the following laboratory to analyze the water samples:

Contractor Name Sturm Environmental Services
 Well operator's private laboratory

Well Operator HG Energy, LLC
Address 5260 Dupont Road
Parkersburg, WV 26101

Telephone 304-420-1119

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underlining which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site please indicates such.

Wayne & Beatrice England
RR 5, Box 960
Salem, WV 26426

Ronald E. & Naomi J. Myers
RR 4, Box 492
Salem, WV 26426

Richard L. & Kerry E. Kesling
RR 1, Box 24-D
Wolf Summit, WV 26462

Michael E. Hostutler
RR 4, Box 504
Salem, WV 26426

Frances J. Hostutler
RR 4, Box 506
Salem, WV 26426

Received
Office of Oil & Gas
MAY 21 2013

3305764

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 HG Energy, LLC OP Code 494497948
Watershed Branch of Lick Run Quadrangle Salem 7.5' 596
Elevation 1286' County Harrison 33 District Ten Mile 09

Description of anticipated Pit Waste: Fluids encountered in drilling shallow well.

Do you anticipate more than 5,000 bbls of water to complete the proposed well work? Yes No X

Will a synthetic liner be used in pit? Yes If so, what mil.? ~~10 MIL~~ 20 MIL

Proposed Disposal Method For Treated Pit Wastes:
 Land Application
 Underground Injection (UIC Permit Number)
 Reuse (at API Number)
 Off Site Disposal (Supply Form WW-9 for disposal location)
 Other (Explain)

SDW
5/23/2013

Drilling medium anticipated for this well? Air, fresh water, oil based, etc. Air, Fresh Water

- If oilbased, what type? Synthetic, petroleum, etc.

Additives to be used? Water, soap, KCl

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in Pit

- If left in pit and plan to solidify, what medium will be used? Cement, lime, sawdust Native soil, cement, lime

- Landfill or offsite name/permit number?

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto 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. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

Company Official Signature Diane C White
Company Official (Typed Name) Diane C. White
Company Official Title Accountant

Subscribed and sworn before me this 21 day of May, 2013

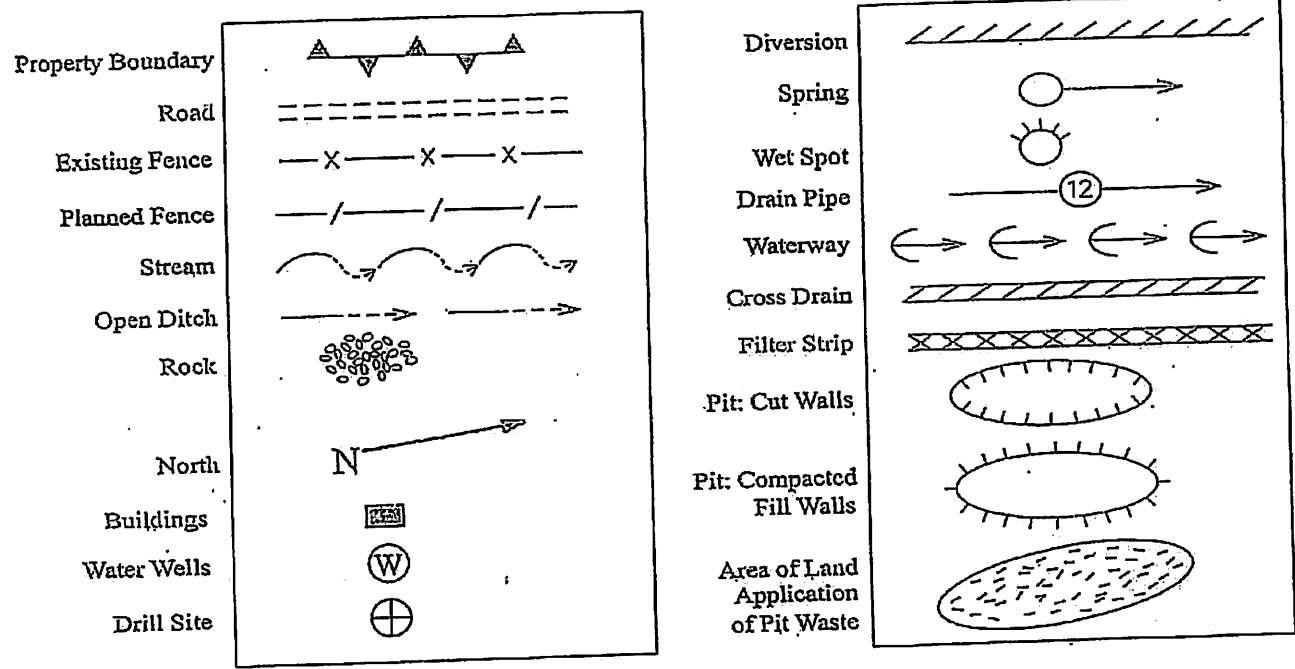
Tina L. Pethel Notary Public

My commission expires Nov 12, 2018



NOV 21 2013

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I
 Approx. 1.0 Ac. Prevegetation pH _____
Area II
 Approx. 0.1 Ac.

Lime 2 Tons/Acre or Correct to pH 6.5
 Fertilizer (10-20-20 or Equivalent) 500 Lbs./Acre (500 lbs. Minimum)
 Mulch Straw 2 Tons/Acre

SEED MIXTURES

<u>Area I (Location)</u>		<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.	Seed Type	Lbs./Ac.
Tall Fescue	40	Tall Fescue	40
Ladino Clover	5	Ladino Clover	Received
			Office of Oil & Gas

MAY 27 2013

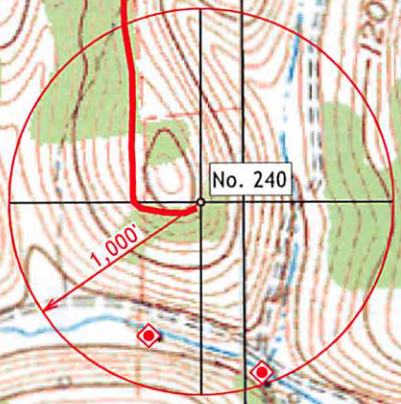
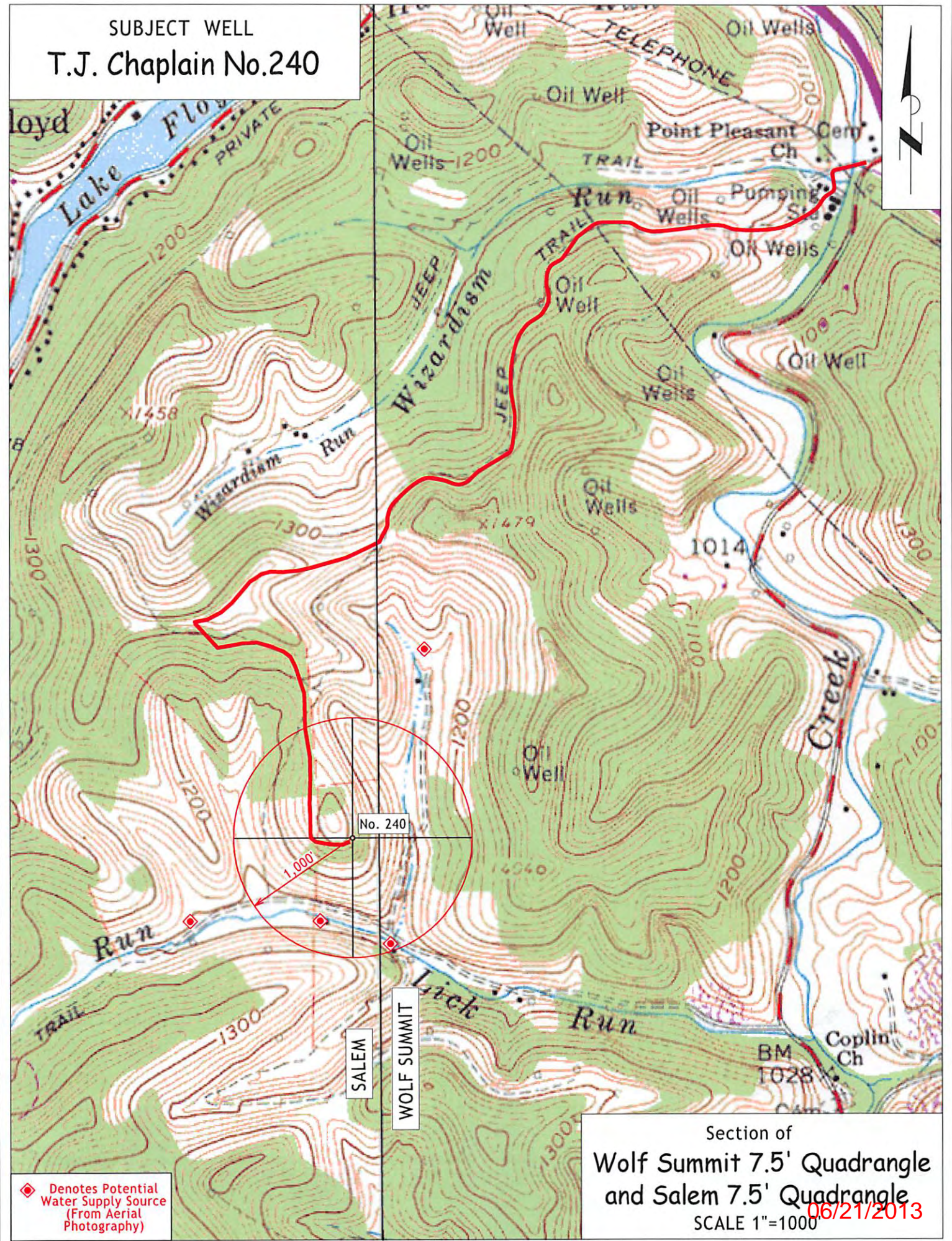
Attach:
 Drawing(s) of road, location, pit and proposed area for land application
 Photocopied section of involved 7.5' topographic sheet.

Pre-Seed mulch. Upgrade EDS as necessary per

Plan approved by: S. P. D. Warratt WU DEP EDS manual

Title: Oil & Gas Inspector Date: 5/23/2013
 Field Reviewed? X Yes _____ No

SUBJECT WELL
T.J. Chaplain No.240



◆ Denotes Potential Water Supply Source (From Aerial Photography)

Section of
Wolf Summit 7.5' Quadrangle
and Salem 7.5' Quadrangle
SCALE 1"=1000
06/21/2013

(BOTTOM HOLE: LON:-80°29'58.5")

LON:-80°30'02.7" 210

SURVEY NOTES

1 - Well ties and Latitude and Longitude were measured by Topcon Hiper GA survey grade GPS. Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).

2 - Surface owners, adjoining information, Lease names, & line mapping obtained from HGE GIS system. No survey was performed to determine lines within the Waterflood Unit-reference: HGE GIS system.

3 - No Title Opinion was provided to the Surveyor during this survey. This survey is subject to a complete title Opinion.

	UTM Coordinates (Zone 17N-NAD 1983)
Surface	N-4,346,812m. E-543,083m.
Bottom Hole	N-4,346,746m. E-543,184m.

LOCATION REFERENCES

UTM 27
N 85°06' E 37.6' EX: WELL
S 18°51' W 124.4' 6" MAPLE
Brg. Direction is prop. well to the ref.

LAT: 39°17'30"
**MAP OF
H.G. ENERGY, LLC
-WATERFLOOD UNIT-
T.J. CHAPLAIN 240**

LON: 80°30'00"
8075
LAT: 39°16'10.2"
(BOTTOM HOLE: LAT:39°16'08.0")



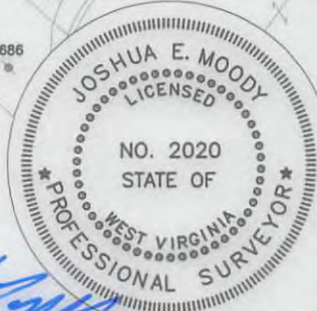
⊕ DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.

JOB # 13-014
DRAWING # 13LAKEFLOYD FOLDER
SCALE 1" = 1500'
MINIMUM DEGREE OF ACCURACY 1/2500
PROVEN SOURCE OF ELEV. BENCH MARK H-80

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PERSCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.



WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
MOODY LAND SURVEYING, LLC
ST. MARYS, WV 26170



JOSHUA E. MOODY, P.S. 2020

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

DATE 4/19/13
OPERATOR'S WELL T.J. CHAPLAIN #240

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
(IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
LOCATION: ELEVATION 1286' WATERSHED BRANCH OF LICK RUN API WELL # 47 - 033 - 05764
DISTRICT TEN MILE COUNTY HARRISON STATE COUNTY PERMIT

QUADRANGLE SALEM 7.5'
SURFACE OWNER EDITH JEAN MYERS ACREAGE 25.00 ACRES +/-
OIL & GAS ROYALTY OWNER ORVILLE MYERS JR. ET AL LEASE ACREAGE 131 ACRES +/-
PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW FORMATION
OTHER PHYSICAL CHANGE IN WELL (SPECIFY) WILL BE DRILLED DIRECTIONALLY (S 57° E 395')
PLUG & ABANDON CLEAN OUT & REPLUG
TARGET FORMATION 5TH SAND ESTIMATED DEPTH MD= 3,225'
WELL OPERATOR H.G. ENERGY, LLC DESIGNATED AGENT MIKE KIRSCH
ADDRESS 5260 DuPONT ROAD ADDRESS 5260 DuPONT ROAD
PARKERSBURG, WV 26101 PARKERSBURG, WV 26101

06/21/2013

3305764



HG Energy, LLC
5260 Dupont Road
Parkersburg, WV 26101
(304) 420-1100 - Office
(304) 863-3172 - Fax

May 22, 2013

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

CK# 2225
\$650.00

RE: T. J. Chaplain No. 240
Ten Mile District, Harrison County
West Virginia

Dear Mr. Peterson:

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 drill a liquid injection well. Also enclosed is our check in the amount of \$650.00 to cover the associated permit fees.

Very truly yours,

Diane C White

Diane C. White

Enclosures

cc: Edith Jean Myers – Certified
Edgar Lee Myers – Certified
Wolf Run Mining Co. - Certified
Sam Ward – Inspector

Received
Office of Oil & Gas

MAY 27 2013

06/21/2013

Reclamation Plan For:
T.J. Chaplain No. 240

W.B. Carpenter
Lease

Earl & Belva Junkins
- Surface Owner

W.F. Williams Lease

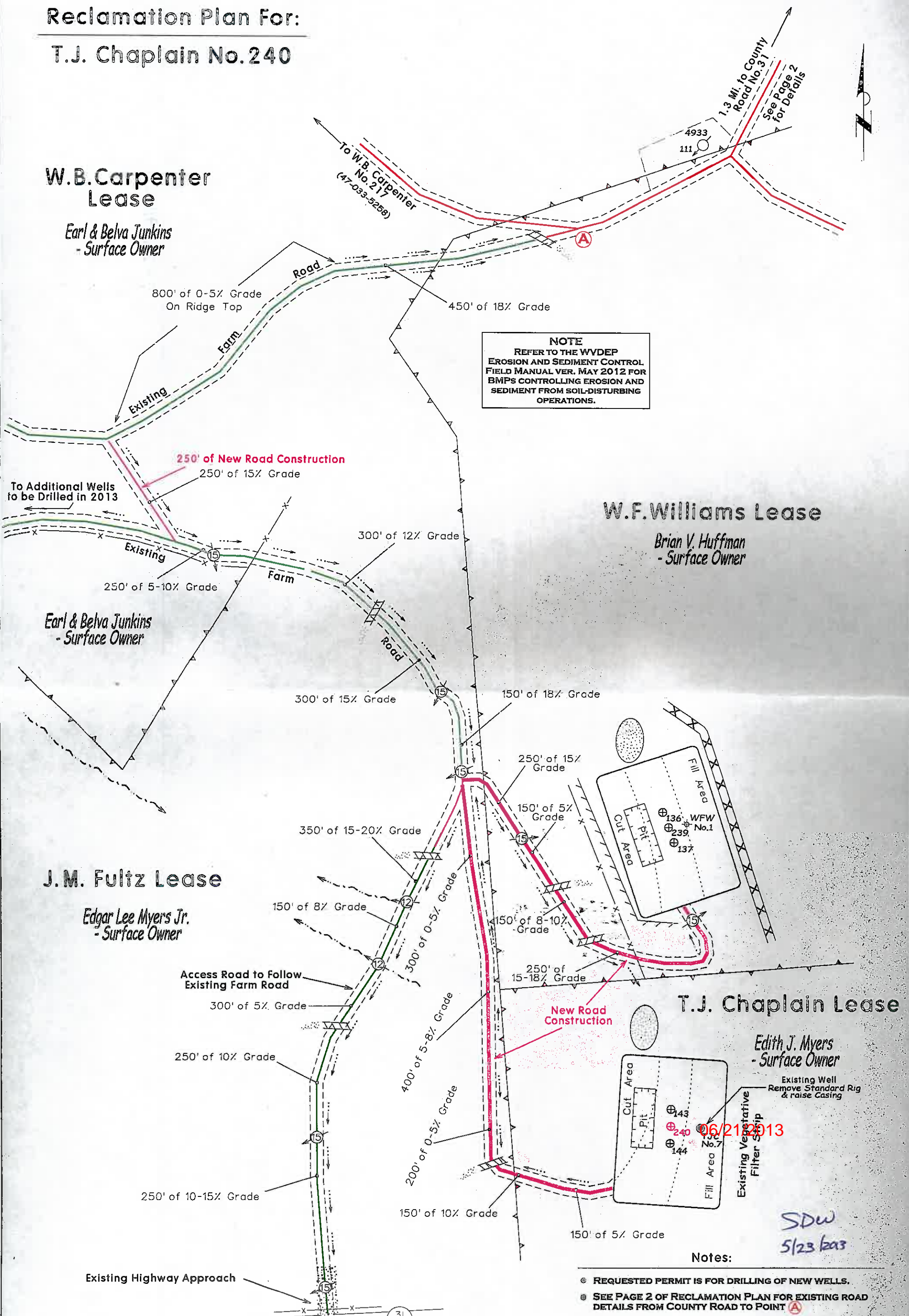
Brian V. Huffman
- Surface Owner

J.M. Fultz Lease

Edgar Lee Myers Jr.
- Surface Owner

T.J. Chaplain Lease

Edith J. Myers
- Surface Owner



NOTE
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMPs CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.

LEGEND

- EXISTING WATERFLOOD ROADS
- EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
- NEW ROADS TO BE CONSTRUCTED

Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
- SEE PAGE 2 OF RECLAMATION PLAN FOR EXISTING ROAD DETAILS FROM COUNTY ROAD TO POINT A
- 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.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

SDW
5/23/2013

06/21/2013

3305764