

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

Vertical Well

This permit, API Well Number: 47-3305776, 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: W.F. WILLIAMS NO. 234

Farm Name: HUFFMAN, BRIAN V.

API Well Number: 47-3305776

Permit Type: Vertical Well Date Issued: 07/09/2013

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. No land application of pit fluids.
- 6. A monitor well will be drilled near Mr. Huffman's house and fluid levels will be monitored at least quarterly and sampled at least yearly with the results provided to the WV DEP, Office of Oil and Gas. The well must be a minimum of 300 feet deep or 50 feet below the subsurface elevation of Mr. Huffman's water well, whichever achieves the greatest depth. The monitor well must be drilled and tested before injecting any fluids into any of the new secondary recovery wells within one thousand (1,000) feet of Mr. Huffman's water well.

			330577
Page _	3	of	4

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

2) Operator's Well Number: W. F. Williams No. 234 4) Well Type: (a) Oil X or Gas
(b) If Gas: Production Underground Storage 5) Proposed Target Formation(s): Fifth Sand 6) Proposed Total Depth: 2875' TVD 3100' TMID ft. 7) Approximate fresh water strata depths: 80' 8) Approximate salt water depths: 1270' 9) Approximate coal seam depths: 424' 10) Does land contain coal seams tributary to active mine? Yes No X 11) Proposed Well Work: Drill and stimulate production well in Fifth Sand, well to be drilled directionally N 42° V 12) CASING AND TUBING PROGRAM TYPE SPECIFICATIONS FOOTAGE INTERVALS CEMENT Weight For Left in Fill-up Size Grade Per Ft. Drilling Well (Cu. Ft.)
Proposed Target Formation(s): Fifth Sand Proposed Total Depth: 2875' TVD 3100' TMD ft. Approximate fresh water strata depths: 80' Approximate salt water depths: 1270' Approximate coal seam depths: 424' Does land contain coal seams tributary to active mine? Yes No X Proposed Well Work: Drill and stimulate production well in Fifth Sand, well to be drilled directionally N 42° N CASING AND TUBING PROGRAM TYPE SPECIFICATIONS FOOTAGE INTERVALS CEMENT Weight For Left in Fill-up Size Grade Per Ft. Drilling Well (Cu. Ft.)
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Size Grade Per Ft. Drilling Well (Cu. Ft.)
(0.11.11)
Conductor
Fresh Water 7" LS 17# 499' 499' Cement to surface
Coal
ntermediate
Production 4 1/2" J-55 10.5# 3100' 3100' 150 Sacks
Cubing Cu
iners
ackers: Kind
Sizes
Depths set

4
Copy

1)	Date: M	ay 22, 2013			
2)	Operator's Well	Number			
	W. F. William	ns No. 234			
3)	API Well No:	47 -	033	-	05776

County

Permit

State

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

	NOTICE AND APPLICA	ATION FOR A V	VELL WORK PERMIT	
4)	Surface Owner(s) to be served:	5) (a	a) Coal Operator:	
,	(a) Name Orville Myers	Name	NA	
	Address RR 4, Box 534	Addre		-
	Salem, WV 26426	_		-
	(b) Name Brian V. Huffman		oal Owner(s) with Declaration	
	Address RR 4, Box 530	Name	NA	- 01
	Salem, WV 26426	Addre	ss	-0 0
	(c) Name	-		-
	Address	Name		-:
		Addre	SS	
6)	Inspector Sam Ward	(c) C	oal Lessee with Declaration	
,	Address P.O. Box 2327	Name	Wolf Run Mining	
	Buckhannon, WV 26201	Addre		-
	Telephone (304) - 389-7583	_	Morgantown, WV 26505	-
	TO THE PERSON(S) NAMED	– ABOVE TAKE	NOTICE THAT:	
	Included is the lease or leases or othe the right to extract oil and gas OF		tract or contracts by which I hold	
	X Included is the information required by		article 6. Section 8(d) of the Code	
	of West Virginia (see page 2)	o, empter 22, 1		
	I certify that as required under Chapter 22 of	of the West Virg	inia Code I have served copies	
	of this notice and application, a location pla	it, and accompar	lying documents pages 1 through 4	
	on the above-named parties, by:	,	,g	
	Personal Service (Affidavit attached)			
	X Certified Mail (Postmarked postal rec	eipt attached)		
	Publication (Notice of Publication atta	ched)		
	I have read and understand Chapter 22-6 an	d 38 CSR 11-18	and Lagree to the terms and conditions	
of a	any permit issued under this application.	a so esit ii io	, and ragice to the terms and conditions	
010		rsonally examine	ed and am familiar with the information submitted	
on 1	his application form and all attachments, and that	t based on my in	quiry of those individuals immediately responsible	
for	obtaining the information, I believe that the infor			
c		es for submitting	g false information, including the possibility of	
Tine	and imprisonment.	Well Operator	HG Energy, LLC	
		By:	Diane C White Diane C White	
		Its:	Accountant	-
		Address	5260 Dupont Road	-
		Address		-
		m 1 1	Parkersburg, WV 26101	-
		Telephone	(304) 420-1119	-
Sub	scribed and sworn before me this 22 day of	May	(The state of the	Received
	Lin I Ports		OFFICIAL SEAL NOTARY PUBLIC Public	of Oil & Gas
M	commision expires 14 A 20		STATE OF WEST VIRGINIA	
wy	commission expires		TINAL PETHTEL	1 9 2013
			HG Energy, LLC 5260 Dupont Road Parkersburg, West Virginia 26101 My Commission Expires Nov. 12, 2018	1 5 2015
			Parkersburg, West Virginia 26101 My Commission Expires Nov. 12 2018	
			processing the same of the sam	

Form	WW-2A(1)
(10/10	0)

Operator's Well	No. W.	F.	Williams	No.	23
Operator o men	110.		TT TITLETTIS	110.	

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	
Williams, W F Et Ux	South Penn Oil Company	1/8	92/49	

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.

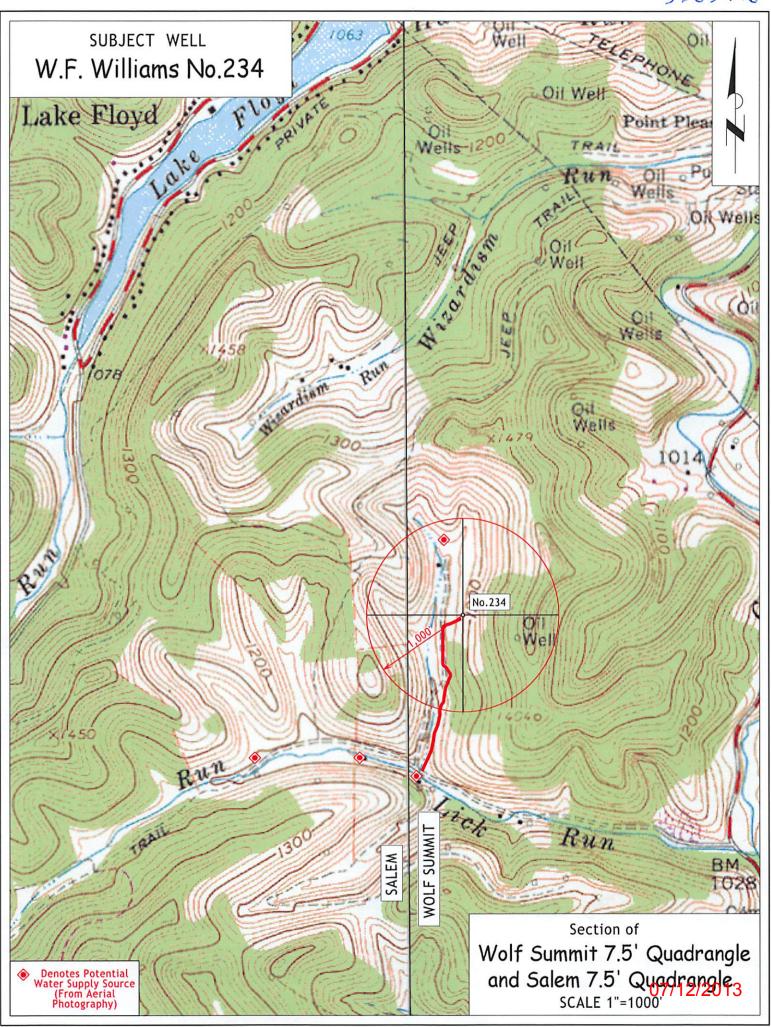
Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby ackowledges 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

JUN 1 9 2013

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



WW-2(B1)

FORM WW2-B1

W. F. Williams No. 234

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:

X Contractor Nam	e 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.

Ronald E. & Naomi J. Myers

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

RR 4, Box 492 Salem, WV 26426 Richard L. & Kerry E. Kesling
RR 1, Box 24-D
Wolf Summit, WV 26462
Office of Oil & Gas

Michael E. Hostutler RR 4, Box 504 Salem, WV 26426 Frances J. Hostutler RR 4, Box 506 Salem, WV 26426

July 1 5 2013

Form WW-9 Rev. 10/10

	Page	3	of	3	
API	Number 47-	033		-645	
Operator's Well No.	W. F. Wi	lliams	No. 234		

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

The state of the s	HG Elle	ergy, LLC				OP	Code 4	19449794	18
Watershed	Branch	of Lick Run			Quadra	ngle	Wolf Sum	mit 7.5'	692
Elevation	1168'	Cou	nty	Harrison 3	3 Dis	trict	Ten M	Mile	09
Do you anticip Will a synthet		bbls of water to com	plete the propos	sed well work? If so, what mil.? HAUL PIT		O MI	No X		
_	Off Site 1	t API Number Disposal (Supply Fo (Explain)
	m anticipated for thi If oilbased, what type used?		eum, etc.	etc	Air, Fresh Wate	er			
	lisposal method? Le			etc.	Leave in Pit	-17			
	If left in pit and plan Landfill or offsite na	to solidify, what me				Na	tive soil, cem	nent, lime	
issued on Augu that the provis	ust 1, 2005, by the Of ions of the permit ar	e enforceable by law	f the West Virg . Violations of a	inia Department o	Environmental	Protect	ion. I unders	tand	50 W
issued on Augu that the provis applicable la I this application for obtaining t	st 1, 2005, by the Of	fice of Oil and Gas o e enforceable by law n lead to enforcem of law that I have p ments thereto and t eve that the informa	f the West Virg . Violations of a ent action. ersonally exam hat, based on m ation is true, ac	inia Department of any term or condition nined and am famil by inquiry of those c curate and complet	Environmental on of the general iar with the info individuals imm e. I am aware th	Protection permit protection permit p	ion. I unders and/or other submitted o responsible	tand n	50 cm 51231
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Legend

Property Boundary	A A A	Diversion		
Road		Spring	○ >	
Existing Fence	—x——x——	Wet Spot	\ \tag{\tau}	
Planned Fence	—/——/—	Drain Pipe	—— <u>(12)</u> ——>	
Stream	1-7 -7	Waterway	\Leftrightarrow \Leftrightarrow \Leftrightarrow	
Open Ditch	>>	Cross Drain		
Rock	60000000000000000000000000000000000000	Filter Strip	XXXXXXXXX	
		Pit: Cut Walls		
North	N	Bits Commonted	Juliu I	
Buildings		Pit: Compacted Fill Walls		
Water Wells	W	Area of Land		
Drill Site	\oplus	Application of Pit Waste		
		j		
Area I				
Proposed Revegetation Treatment: Acres Disturbed 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)				
		ons/Acre		
SEED MIXTURES.				
SEED MIXI ORES.				
Seed Type	Area I (Location) Lbs/Ac.	Seed Ty	Area II (Road) /pe Lbs/Ac.	
Tall Fescue	40	Tall Fes	•	
Ladino Clover 5		Ladino (
Attach:			•	
Drawing(s) of road, location, pit and proposed area for land application				
Photocopied section of involved 7.5' topographic sheet.				
Pre-spedt mulch. Upgrade Ets as pecessary per				
Plan approved by: Sel 1) Would INV DEP EAS Margual				
Title: Oil & Gas Tucperfor Date: 5/23/2013				
Field Reviewed? YesNo				

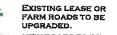
- Notes:

 REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
- ACCESS ROAD FROM CO. RD. 31/1 TO PT. AIS EXISTING.
 ROAD WILL BE UPGRADED TO WVDEP STANDARDS AND STRUCTURES INSTALLED AS SHOWN.
- 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.
 </p>
- © LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

50W 5/23/2013

> LEGEND EXISTING W

EXISTING WATERFLOOD ROADS



NEW ROADS TO BE CONSTRUCTED

