



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

February 04, 2014

WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-3305803, 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: S.E. ADAMS NO. 148
Farm Name: HILARY HEIGHTS LTD

API Well Number: 47-3305803

Permit Type: Secondary Recovery Well

Date Issued: 02/04/2014

Promoting a healthy environment.

02/07/2014

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. 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 § 22-6-20, 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.
8. Treated pit fluids shall not be applied to the adjacent surface property of Stacey and Lori Bokey per the modified reclamation plan.

WW-3B
10/07



1) Date December 18, 2013
2) Operator's Well No. S. E. Adams No. 148
3) API Well No. 47 - 033 -
State County Permit
4) UIC Permit No. UIC2R03301AP

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

- 5) WELL TYPE: Liquid Injection X Gas Injection (not storage) Waste Disposal
- 6) LOCATION: Elevation 1267' Watershed Ten Mile Creek
District Tenmile 09 County Harrison 33 Quadrangle Salem 7.5' 596
- 7) WELL OPERATOR: HG Energy, LLC 494497948
5260 Dupont Road
Parkersburg, WV 26101
- 8) DESIGNATED AGENT: Mike Kirsch
5260 Dupont Road
Parkersburg, WV 26101
- 9) OIL & GAS INSPECTOR TO BE NOTIFIED: Name Sam Ward
Address P. O. Box 2327
Buckhannon, WV 26201
- 10) DRILLING CONTRACTOR: Name
Address
- 11) PROPOSED WELL WORK: Drill X Drill Deeper Redrill Stimulate X
Plug Off Old Formation Perforate New Formation Convert
Other Physical Change in Well (specify)
- 12) Geological target formation Fifth Sand Depth 3,070 Ft. (Top) to 3,081 Ft. (Bottom)
- 13) Estimated depth of completed well (or actual depth of existing well) 3230' TMD Ft.
- 14) Approximate water strata depths: Fresh 200 Ft. Salt 1,376 Ft.
- 15) Approximate coal seam depths: 643 Ft.
- 16) Is coal being mined in the area? Yes X No
- 17) Virgin reservoir pressure in target formation: 1,250 psig. Source Estimated
- 18) Estimated reservoir fracture pressure: 2,650 psig.
- 19) MAXIMUM PROPOSED INJECTION OPERATIONS: Volume per hour 25 BBL Bottom Hole Pressure 2,400 psi
- 20) DETAILED IDENTIFICATION OF MATERIALS TO BE INJECTED, INCLUDING ADDITIVES and other chemicals as needed to maintain water quality and improve oil recovery. Fresh water, produced water, bactericides
- 21) FILTERS (IF ANY) Cartridge filters and/or coal bed filters
- 22) SPECIFICATION FOR CATHODIC PROTECTION AND OTHER CORROSION CONTROL

SDW
12/23/2013
MDC

23) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILLUP OR SACKS (CU. FT.)	PACKERS
	Size	Grade	Weight	New	Used	For Drilling	Left in Well		
Conductor									Kinds
Fresh Water	7"	L.S.	17#	X		720'	720'	Cement to Surface	Tension
Coal									Sizes
Intermediate									2.375" x 4.5"
Production	4 1/2"	J-55	10.5#	X		3230'	3230'	150 sacks	Depths Set
Tubing	2 3/8"	J-55	4.6 #	X		3030'	3030'		2930'
Liners									Perforations
									Top " Bottom

RECEIVED
Office of
Environmental Protection
JAN 02 2014

24) APPLICANT'S OPERATING RIGHTS were acquired from Sarah E. Adams
by Deed Lease X Other Contract Dated July 26, 1899 of record in the
Harrison County Clerk's Office in Book 110 at Page 144

WW-2B1

Well No. S. E. Adams No. 148

West Virginia Department 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 indicate such.

No known Water Supply Sources are located within 1000' of proposed well but many water sources have been tested in conjunction with this Wolf Summit drilling program

Pertinent to this well site are:

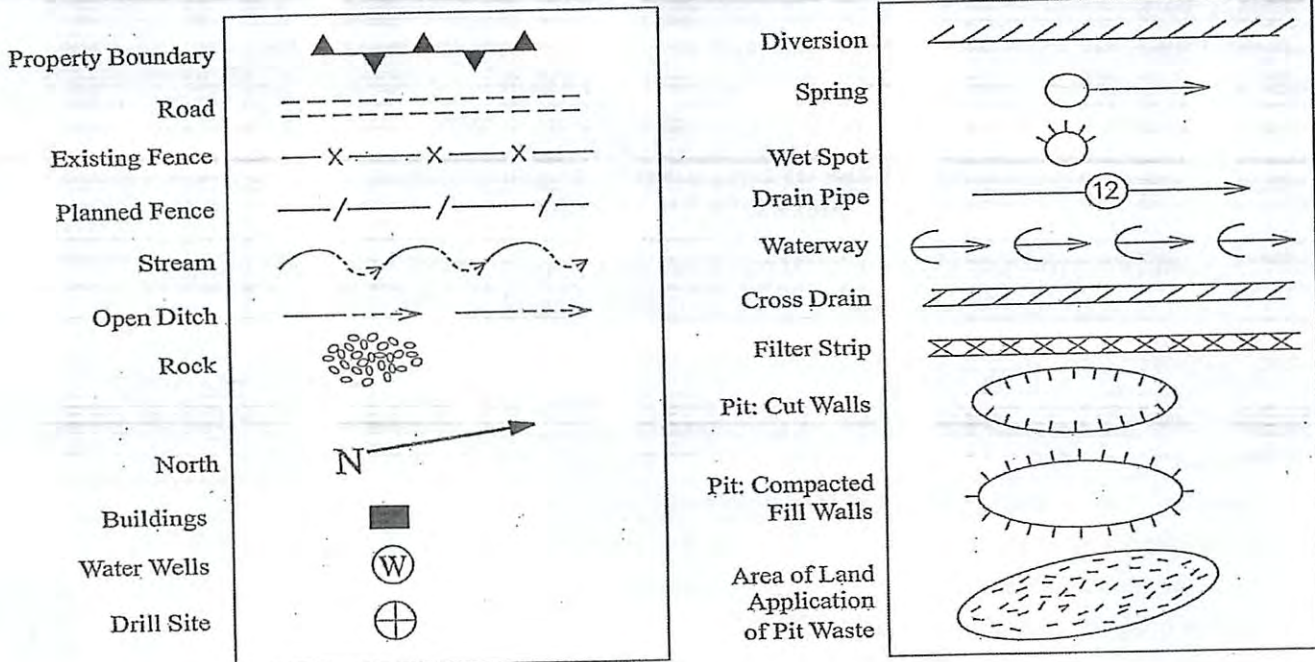
Stacy & Lori Bokey
Rt. 1, Box 299 - 46
Mt. Clare, WV 26408

Hilary Heights - Attn: Beth A Taylor
142 Valley Street
Salem, WV 26426

RECEIVED
Office of Oil and Gas
JAN 03 2011
West Virginia Department of
Environmental Protection

02/07/2014

Legend



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

Area II Approx. 1.0 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>	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

Received
 JAN - 2 2014
 WY Dept. of Oil and Gas
 Office of Environmental Protection

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

Plan approved by: S. D. Warrick Michael A. Gaff

Comments: Pre-seed/mulch all disturbed areas Per WU DEP ETS manual

Upgrade ETS as necessary

Title: Oil & Gas Inspector Date: 12/23/2013

Field Reviewed? () Yes () No



WOLF SUMMIT WATERFLOOD

Harrison County, W.Va.

RECLAMATION PLAN SHOWING ROAD SYSTEMS TO BE USED FOR 2013-14 DRILLING PROGRAM

NOVEMBER 14, 2013

0 800
SCALE 1" = 800'

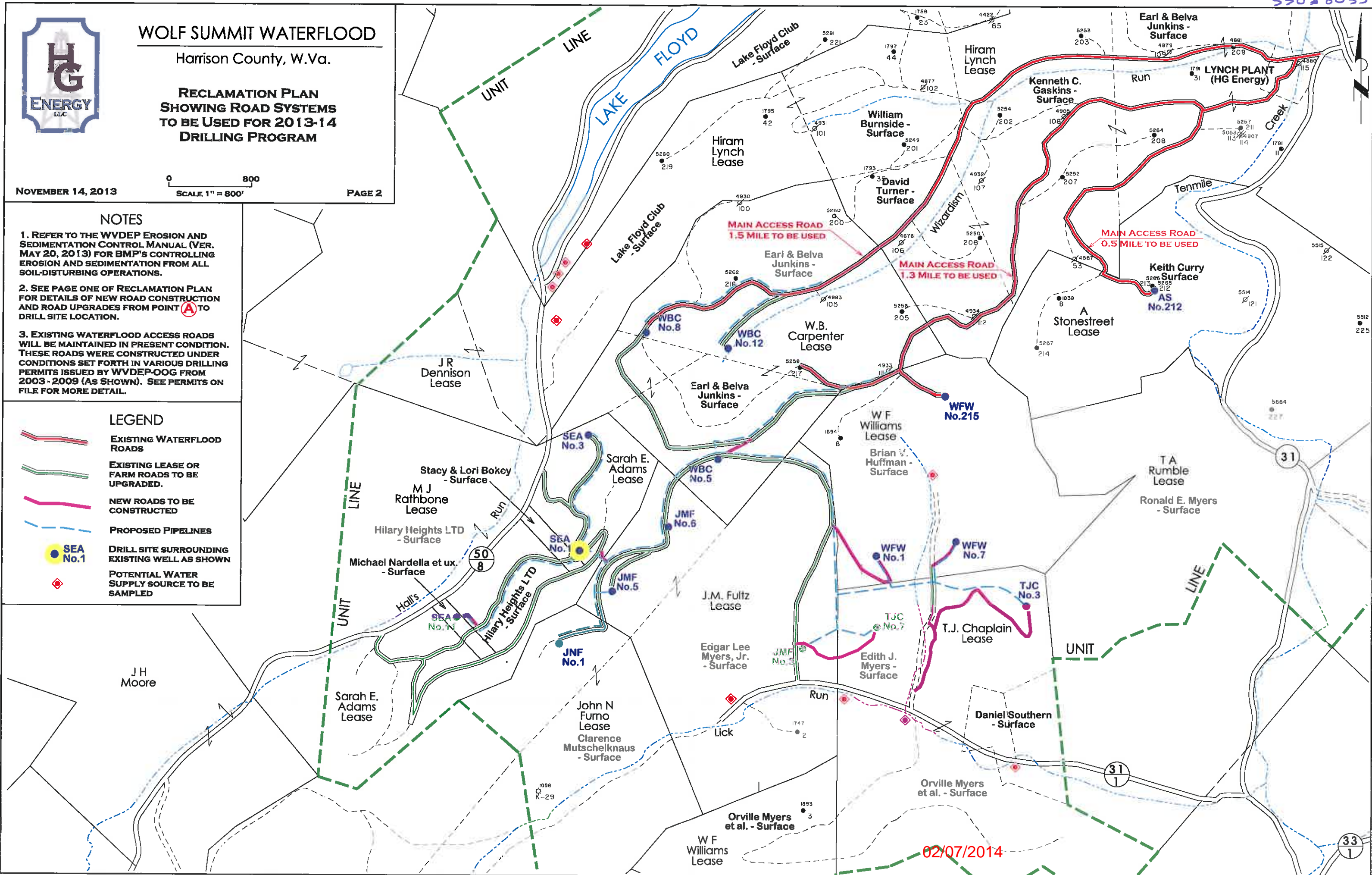
PAGE 2

NOTES

1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING EROSION AND SEDIMENTATION FROM ALL SOIL-DISTURBING OPERATIONS.
2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT (A) TO DRILL SITE LOCATION.
3. EXISTING WATERFLOOD ACCESS ROADS WILL BE MAINTAINED IN PRESENT CONDITION. THESE ROADS WERE CONSTRUCTED UNDER CONDITIONS SET FORTH IN VARIOUS DRILLING PERMITS ISSUED BY WVDEP-OOG FROM 2003 - 2009 (AS SHOWN). SEE PERMITS ON FILE FOR MORE DETAIL.

LEGEND

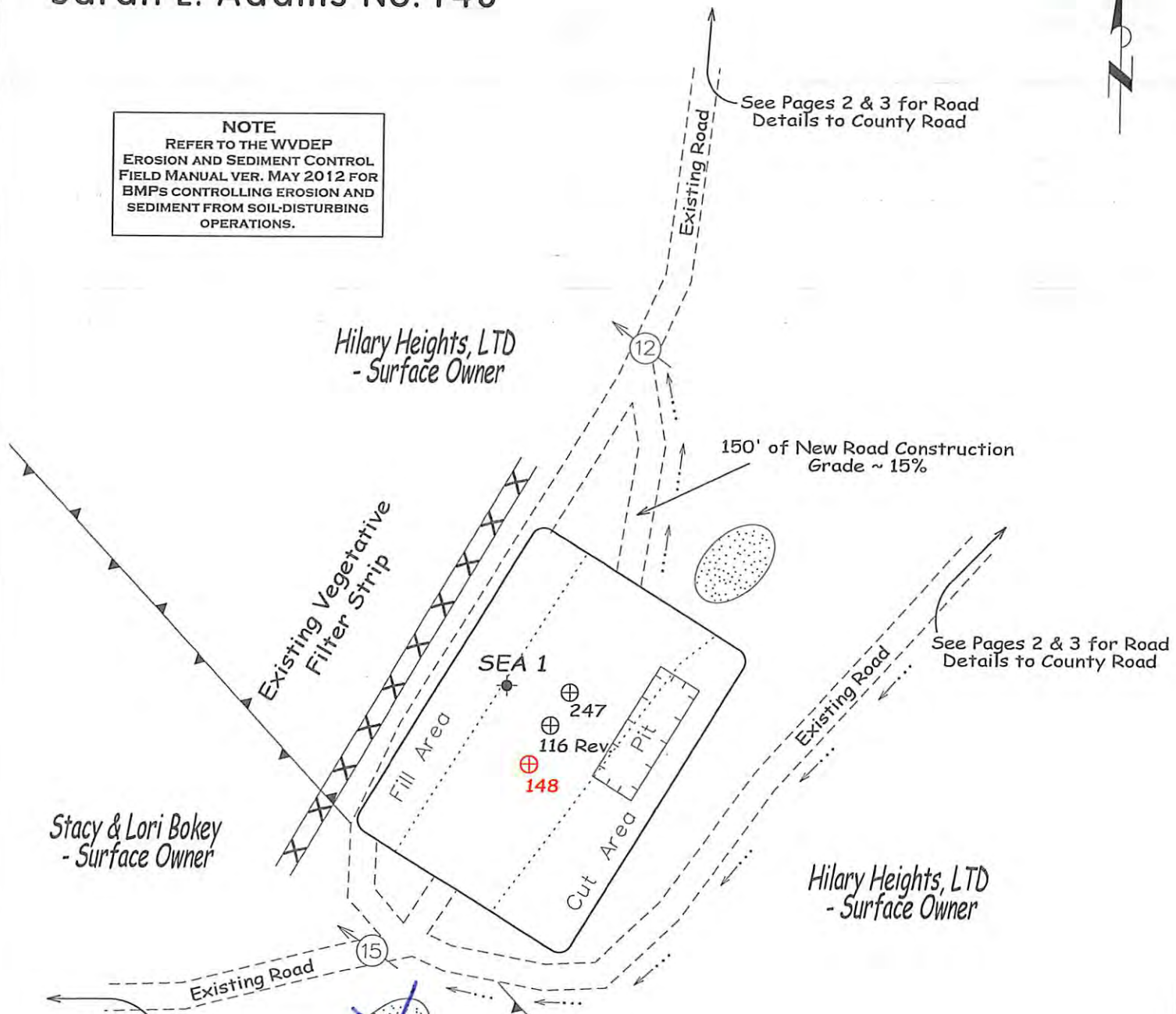
- EXISTING WATERFLOOD ROADS
- EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
- NEW ROADS TO BE CONSTRUCTED
- PROPOSED PIPELINES
- SEA No.1
DRILL SITE SURROUNDING EXISTING WELL AS SHOWN
- POTENTIAL WATER SUPPLY SOURCE TO BE SAMPLED



02/07/2014

Reclamation Plan For: Sarah E. Adams No. 148

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



Stacy & Lori Bokey
- Surface Owner

Hilary Heights, LTD
- Surface Owner

Hilary Heights, LTD
- Surface Owner

See Pages 2 & 3 for Road
Details to County Road

See Pages 2 & 3 for Road
Details to County Road

See Pages 2 & 3 for Road
Details to County Road

Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- ACCESS ROADS FROM COUNTY ROAD TO LOCATION ARE EXISTING. ROADS 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.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

gmm

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12/23/2013

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Office of Oil and Gas



JAN 03 2014

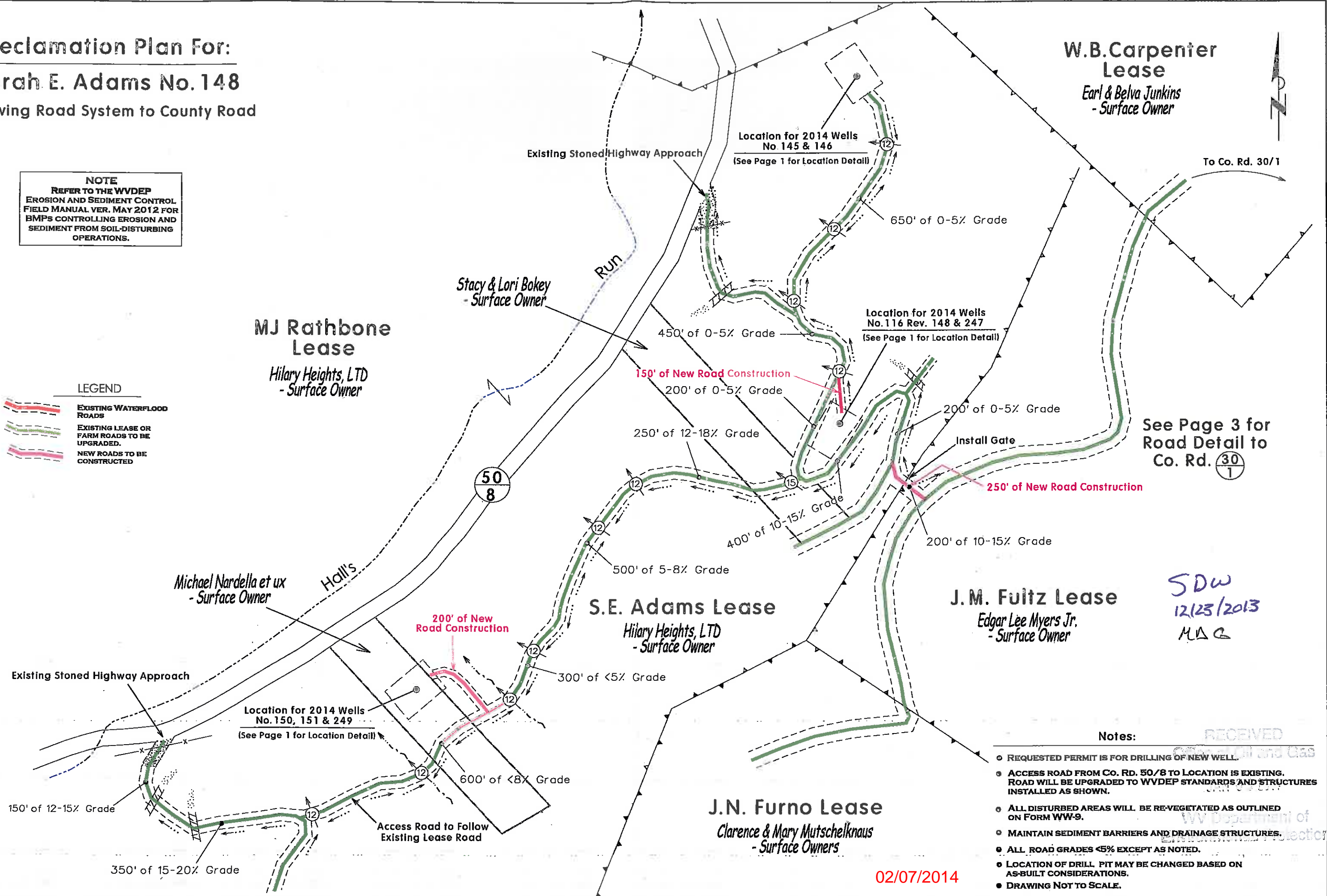
WV Department of
Environmental Protection

Reclamation Plan For: Sarah E. Adams No. 148 Showing Road System to County Road

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

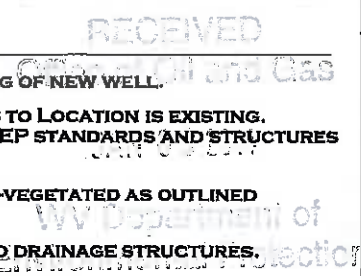
-  EXISTING WATERFLOOD ROADS
-  EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
-  NEW ROADS TO BE CONSTRUCTED



See Page 3 for Road Detail to Co. Rd. $\frac{30}{1}$

SDW
12/23/2013
MAG

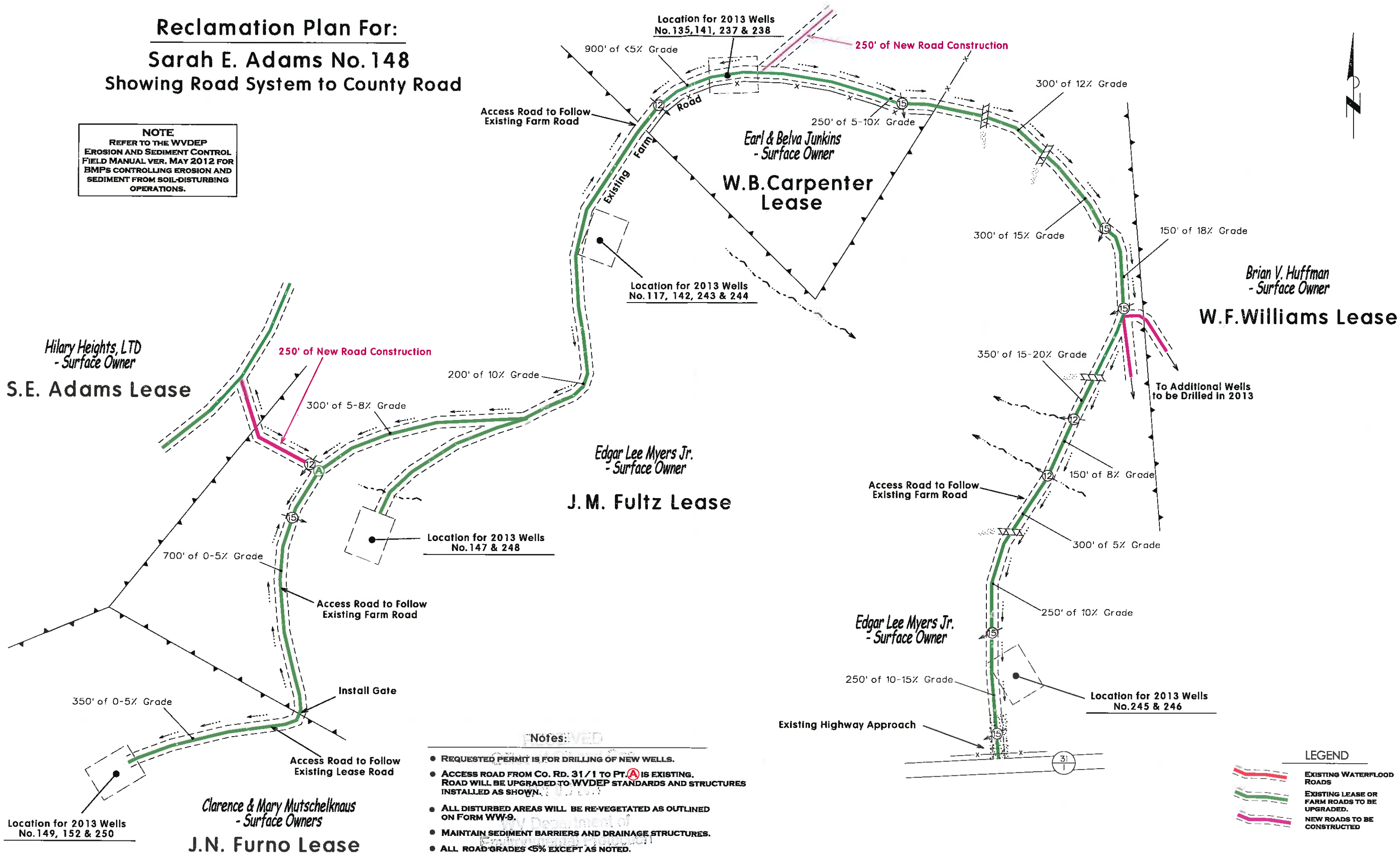
- Notes:**
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
 - ACCESS ROAD FROM Co. Rd. 50/8 TO LOCATION IS EXISTING. ROAD WILL BE UPGRADED TO WVDEP STANDARDS AND STRUCTURES INSTALLED AS SHOWN.
 - ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
 - MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
 - ALL ROAD GRADES <5% EXCEPT AS NOTED.
 - LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
 - DRAWING NOT TO SCALE.



02/07/2014

Reclamation Plan For: Sarah E. Adams No. 148 Showing Road System to County Road

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

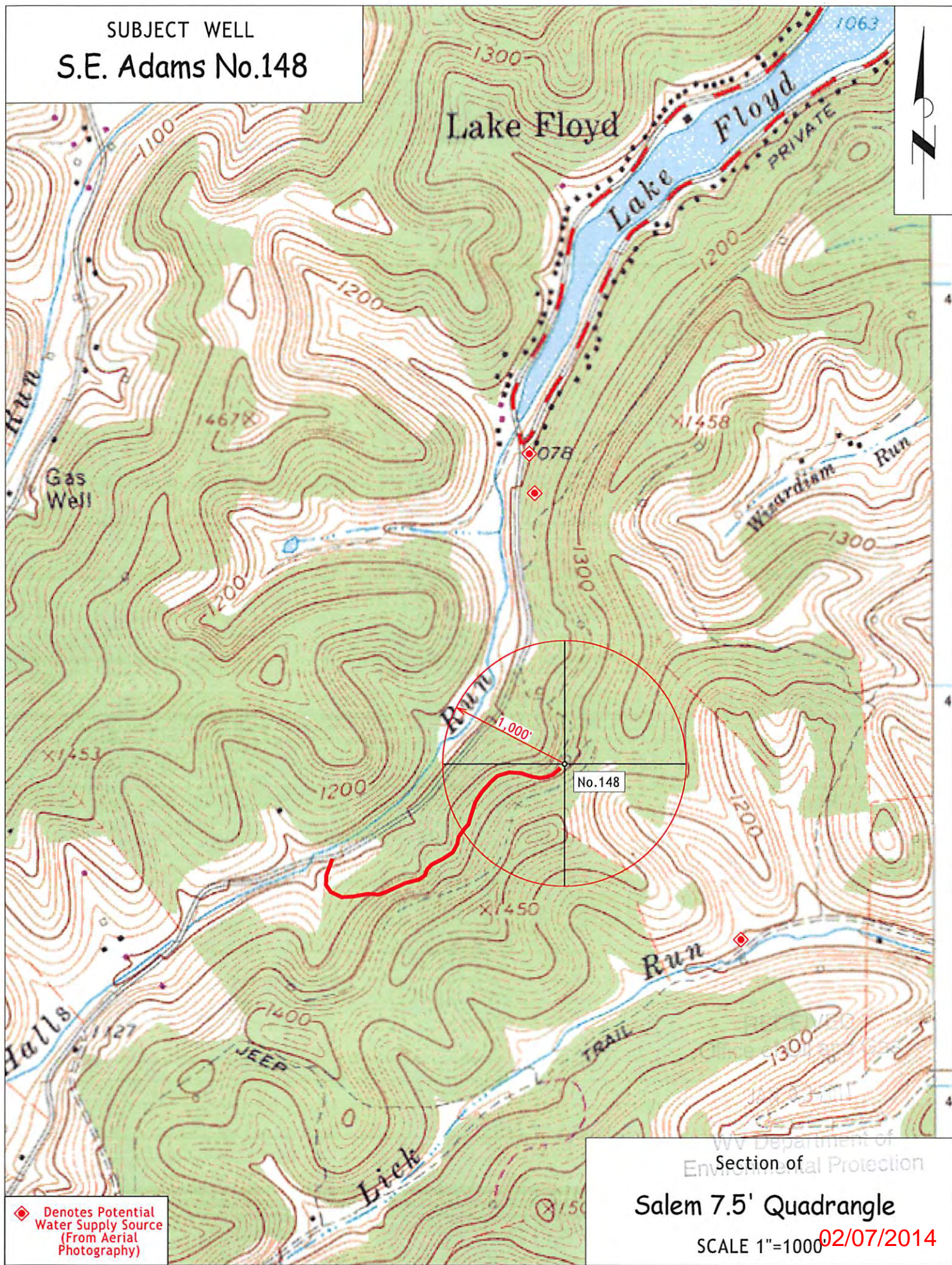


- Notes:**
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
 - ACCESS ROAD FROM Co. Rd. 31/1 TO PT. A IS EXISTING. ROAD WILL BE UPGRADED TO WVDEP STANDARDS AND STRUCTURES INSTALLED AS SHOWN.
 - ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
 - MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
 - ALL ROAD GRADES 5% EXCEPT AS NOTED.
 - LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
 - DRAWING NOT TO SCALE.



02/07/2014

SUBJECT WELL
S.E. Adams No.148



◆ Denotes Potential Water Supply Source (From Aerial Photography)

WV Department of Environmental Protection

Salem 7.5' Quadrangle

SCALE 1"=1000' 02/07/2014

(BOT. HL: LON:-80°30'49.9") LON:-80°30'38.7"

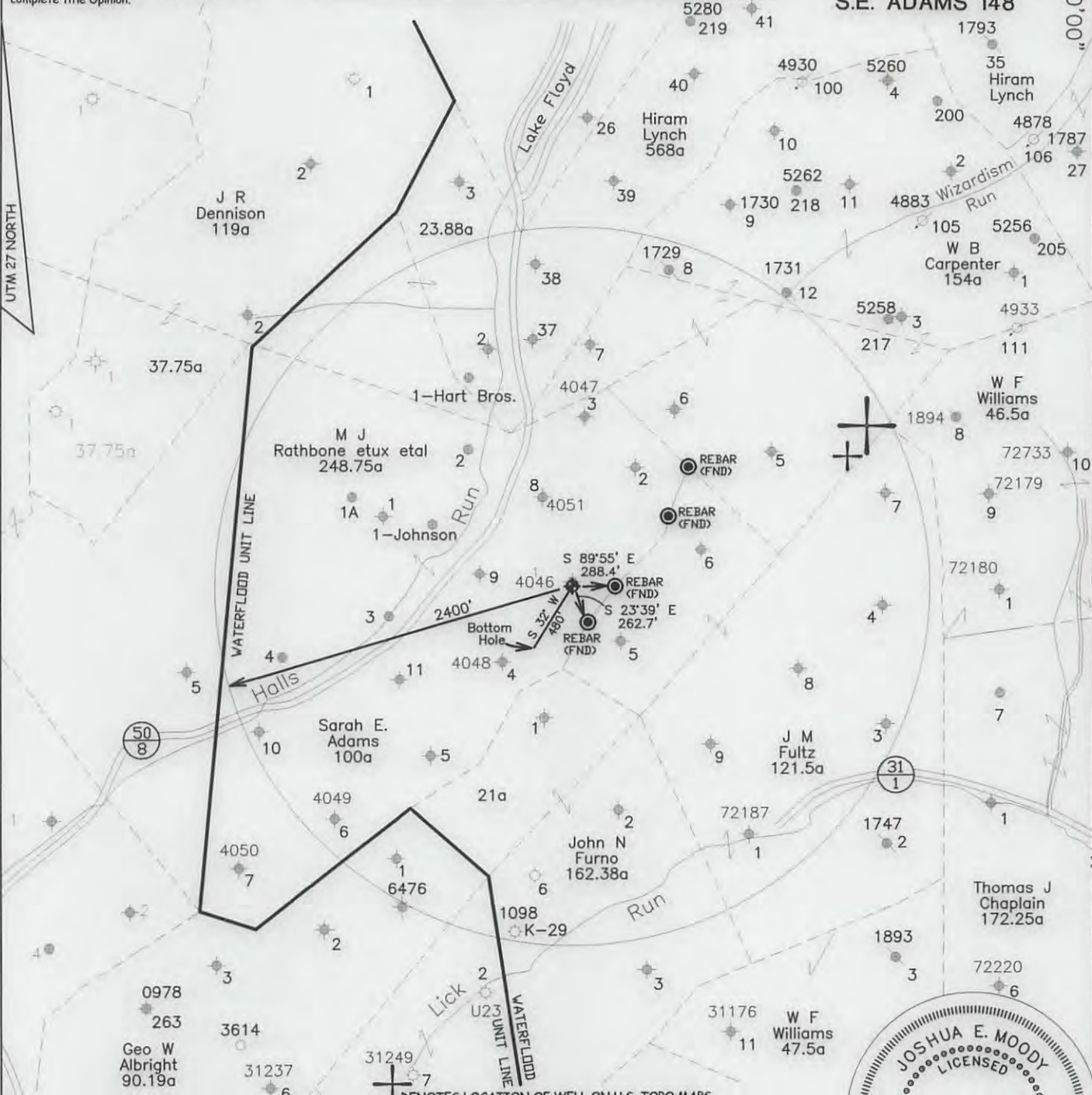
3040

LAT: 39°17'30"

MAP OF H.G. ENERGY, LLC -WATERFLOOD UNIT- S.E. ADAMS 148

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, adjoiners information, Lease names, & line mapping obtained from HGE GIS system.
3 - No Title Opinion was provided to the Surveyor during this survey. This survey is subject to a complete title Opinion.

SURVEY NOTES	UTM Coordinates (Zone 17N-NAD 1983)	LOCATION REFERENCES
	Surface	N-4,347,030m. E-542,219m.
Bottom Hole	N-4,346,906m. E-542,142m.	Brg. Direction is prop. well to the ref.



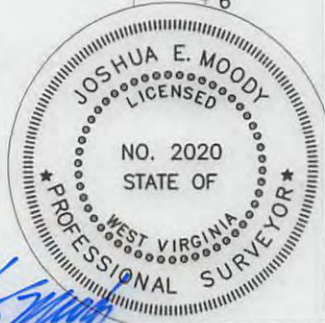
⊕ DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.

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
DATE 9/17/13
OPERATOR'S WELL S.E. ADAMS # 148

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
(IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
LOCATION: ELEVATION 1267' WATERSHED TEN MILE CREEK API WELL # 05803S
DISTRICT TEN MILE COUNTY HARRISON STATE COUNTY PERMIT

QUADRANGLE SALEM 7.5'
SURFACE OWNER HILARY HEIGHTS LTD ACREAGE 241.54 ACRES +/-
OIL & GAS ROYALTY OWNER HILARY HEIGHTS LTD., et al LEASE ACREAGE 100 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 32° W 480')
PLUG & ABANDON CLEAN OUT & REPLUG
TARGET FORMATION 5TH SAND ESTIMATED DEPTH MD= 3,230'
WELL OPERATOR H.G. ENERGY, LLC DESIGNATED AGENT MIKE KIRSCH
ADDRESS 5260 DuPONT ROAD ADDRESS 5260 DuPONT ROAD
PARKERSBURG, WV 26101 PARKERSBURG, WV 26101

02/07/2014