

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

January 28, 2014

WELL WORK PERMIT Secondary Recovery Well

This permit, API Well Number: 47-3305805, 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. 151

Farm Name: NARDELLA, MICHAEL & MARIA

API Well Number: 47-3305805

Permit Type: Secondary Recovery Well

Date Issued: 01/28/2014

Promoting a healthy environment.

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. 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.

WW-3B 10/07



1) Date		December 15, 2013						
2) Operator's Well	No. S. E. Adams No. 151							
3) API Well No.	47	- 033 -						
	State		County		Permit			
4) UIC Permit No.		U	IC2R0330	1AP				

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 TYP	E:	Liqui	d Injection	n X		Gas Inject	tion (not s	torage)	Waste	Disposa	al	
6) LOCATION	V:	Elevation	1176	3'		- 7	Vatershed	Ten N	file Creek			
	District	t	Tenmile	0	Cou		arrison	33	Quadrangle		Salem 7.5'	596
7) WELL OPE	ERATOR:	HG Ene	rgy, LLC		4944979	948 8)	DESIGNA	ATED AGENT	r: Mi	ke Kirs	sch	
			pont Road								ont Road	
		Parkers	burg, WV	26101					Pa	rkersbu	ırg, WV 2610	1
) OIL & GAS				ED:		10) DRILLII	NG CONTRA	CTOR:			
		Sam Wa						Nam				
	Address		nnon, WV	26201		_		Addres	s			
1) PROPOSET	AMENT IN										150	
1) PROPOSEI) WELL WO	JRK:	Dril		old Format	Drill Deep		Redril		imulate	Convert	
						in Well (speci		ate New Port	macion		_Convert	
2) Geological t	arget forma	ation		Fifth			pth	2,932	Ft. (Top) to		2,945 Ft.	(Bottom)
B) Estimated d	lepth of con	apleted w	ell (or acti	al dep	th of existi	ng well)	3100'	TMD	Ft.			SDW
4) Approximat	e water str	ata depth	s:	Fresh		170	Ft.		Salt	1,2	90 Ft.	12/23/2
5) Approximat	e coal seam	depths:			585		Ft.				7.0	MAG
) Is coal being	g mined in t	he area?			Ye	s	_	X No				MAG
) Virgin reser	voir pressu	re in targ	et formati	on:			1,250	psig.	Source		Estimated	
) Estimated r	eservoir fra	cture pre	ssure:		-		2,650	psig.			Dominated	
) MAXIMUM				ER ATIO	ONG. I	Volume per ho			Detter Hale D		0.400	2 - e
							-		Bottom Hole P			
						d improve oil		ADDITIVES	Fresh water	r, produ	ced water, ba	ctericides
) FILTERS (II			7 7 70			l bed filters						
		CATHOL				HER CORRC	SION CO	NTROI.				_
		01112102		10110	111111111111111111111111111111111111111	TIBIL COLLIC	pion éo	TVIIIOD				
CASING AN	D TUBINO	PROGR.	AM									
ASING OR		SPECII	FICATION	JS		FOOTAGE	INTERV	ALS	CEMENT FII	LIID	PACK	EDC.
JBING TYPE	Size	Grade	Weight	New	Used	For Drilling		ft in Well	OR SACKS (C			CINS
nductor									(3	1	Kinds	1000
esh Water	7"	L.S.	17#	X		660'	1 19	660'	Cement to Sur	face	Tension	THE CAN
al				1.74	1		1			dillo.	Sizes	
ermediate											2.375" x 4.5"	2017
oduction	4 1/2"	J-55	10.5#	X		3100'		3100'	150 sacks		Depths Set	
bing	2 3/8"	J-55	4.6#	X		2900'		2900'			2800'	ment of
iers										100	Perforations	PROTOC
									-	200	Top Bott	om
									1	THEFT		
				-			-					
ADDI TO ANT	ODED 47	INO DIO	TIMO		10		1.73.11					
APPLICANT by Deed		TING RIG	HTS were	315	ed from her Contra		ah E. Ada Dated	ms July 26			of record in t	

WW-3A 10/07



1) Date:		December	15, 2013	3	
2) Operator's We	11 No.	S. E. Adar	ns No. 1	51	
3) API Well No.	47	033			
	State	County		Permit	
4) IIIC Permit N	0	LIIC2R033	ROTAP		

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) Surfa	ace Owner	(s) To Be Served MIRIAM	7 (a)	Coal Operator	C
(a)	Name _	Michael & Lori Nardella		Name	NA
4	Address _	309 John Street		Address	
	-	Clarksburg, WV 26301		S	and the second second
(b)	Name_		7 (b)		With Declaration Of Record
1	Address _			Name	NA
	-			Address	to the second se
0.00	Name _			A	
14	Address_			Name	
	-			Address	
6) Ir	spector	Sam Ward	7(c)	Coal Lessee W	ith Declaration Of Record
	Address	P. O. Box 2327			Wolf Run Mining Co.
	_	Buckhannon, WV 26201		-	2708 Cranberry Square
Te	lephone	389-7583		,	Morgantown, WV 26505
mo mitt	DEDG	ON(S) NAMED ABOVE: You should have	20010	1.11.0	rm and the following documents:
The date	propose	out the plan for erosion and sediment control a ed for the first injection or waste disposal is	To b	e determine	d
WHICH A	ARE SUM	U RECEIVED THESE DOCUMENTS IS THAT YO IMARIZED IN THE "INSTRUCTIONS" ON FORM RED TO TAKE ANY ACTION AT ALL.			
Take notice	e that und	er Chapter 22-6 of the West Virginia Code, the undersigne	d well o	perator propose	s to file or has filed this Notice and
		mpanying documents for a Well Work Permit with the Chi			
		ection, with respect to a well at the location described on the			이어지 그녀에 걸어가면 가는 동안 하는데 그게 되었다면서 가지 않는데
		Notice, the Application, the plat, and the Construction and			
		vered by hand to the person(s) named above (or by publicat			
mailing or	delivery to	the Chief.			
		The person signing this document shall make the	followi	ng certificatio	on:
"I cortife	ndar nara	lty of law that I have personally examined and am	Wall	Operator	HG Energy, LLC
		ormation submitted in this document and all attachments	Add		5260 Dupont Road
		y inquiry of those individuals immediately responsible		-3-8	Parkersburg, WV 26101
		ormation, I believe that the information is true, accurate			A4-201012
and comple	ete. I am a	ware that there are significant penalties for submitting	By:		Diane C. White
false inform		1 P 1 9 1 9 1 P 1 1 1 1 1 1 1 1 1 1 1 1	Tto		
	nation, inc	cluding the possibility of fine and imprisonment."	Its:		Accountant

Oil and Gas Privacy Notice

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at:

depprivacyofficer@wv.gov

Signature

U.S. Postal Service™ CERTIFIED MAIL, RECEIPT 7559 (Domestic Mail Only; No Insurance Coverage Provided) 9028 Postage 11 \$3.10 Certified Fee 1000 Postmark \$2,55 Return Receipt Fee (Endorsement Required) Here Restricted Delivery Fee (Endorsement Required) \$0.00 2630 12/26/2013 \$7.17 Total Postage & Fees \$ 5EA 151 7013 Sent To Wolf Run Mining Company Street, Apt. No.; 2708 Cranberry Square or PO Box No. City, State, ZIP+4 Morgantown WV 26505 See Reverse for Instructions

U.S. Postal Service™ CERTIFIED MAIL RECEIPT 7545 (Domestic Mail Only; No Insurance Coverage Provided) 9028 Postage \$3.10 11 Certified Fee 0001 Postmark Return Receipt Fee (Endorsement Required) \$2,55 Here Restricted Delivery Fee (Endorsement Required) \$0.00 2630 12/26/2013 \$7.17 Total Postage & Fees \$ 5EA 151 MIRINA Sent To 7013 Michael & Lori Nardella Street, Apt. No.; 309 John Street or PO Box No. City, State, ZIP+4 Clarksburg, WV 26301 See Reverse for Instructions WW-2B1

Well No.	S.	E.	Adams	No.	151

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:

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 indicate such.

No known Water Supply Sources are located within 2000' of proposed well but many water sources have been tested in conjunction with this Wolf Summit drilling program

Form WW-9		Page	3	of .	3
Rev. 10/94	API Numbe	er 47-	033	-	
	Operator's Well NoS	. E. A	dams N	o. 151	

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

CONSTR	UCTION AND RECL GENERAL PI		AN AND SITE REGI L AND GAS PIT WA		ATION I	FORM ·	
Operator	HG Energ				P Code	494497948	
Watershed	Ten Mile (Quadrangle	-	lem 7.5'	
Elevation	1176'	County	Harrison	Quadrangle District			- .
	nticipated Pit Waste:		ntered in drilling sh		10	enmile	
	te more than 5,000 bbls				No	X	
	liner be used in pit?	Yes	If so, what mil.?	20 Mil.			Spw
-	sal Method For Treated			20 2722.		•	12/23/
	X Land Applic						MAG
-	Undergroun	d Injection (UIC)	Permit Number			•)
· -	Reuse (at Al						<u>)</u>
-	Off Site Disp	osal (Supply For (Explain	m WW-9 for disposal l	ocation)			
Duilling modium		· ·		11. The 1 are 4			<u>)</u>
	anticipated for this well oilbased, what type? S		·	Air, Fresh Water			-
Additives to be 1						······	_
Drill cuttings dis	sposal method? Leave in	ı pit, landfill, ren	loved offsite, etc.				
- If	left in pit and plan to s	olidify, what med	ium will be used? Cen	ient, lime, sawdust N	ative soil	l, cement, lime	
- L	andfill or offsite name/p	ermit number?					_
that the provision applicable law or I ce I c	: 1, 2005, by the Office of the permit are enformed are enformed and the control of the control	orceable by law. Venforcement action with the transfer of the state of the transfer of the the information of the information	Violations of any term n. rsonally examined and t, based on my inquiry on is true, accurate an	or condition of the general am familiar with the in of those individuals im d complete. I am aware	ral permi normation mediately	t and/or other n submitted on v responsible	·
Company Offici	al Signature	1	Diane C Whi	to,			
	al (Typed Name)		Diane C. White				-) -,
Company Offici	al Title		Accountant	· · · · · · · · · · · · · · · · · · ·	(***)		
				•			•
Subscribed and	sworn before me this	16 True L	day of De		<u>ات</u> tary Pub		
Ay commission 'orm WW-9	expires	NOU_	12. 2018		ST.	OFFICIAL SEAL NOTARY PUBLIC ATE OF WEST VIR TINA L. PETHTEL HG Energy, LLC 5260 Dupont Road resburg, West Virginia nnussion Expires Nov.	GINIA 8

Property Boundary

Legend

Diversion

Road	=========	Spring	· >
Existing Fence	xxx	- Wet Spot	7
Planned Fence	///_	_ Drain Pipe	(12)>
		Waterway	\hookrightarrow \hookrightarrow \hookrightarrow
Stream		Cross Drain	
Open Ditch	>>		
Rock	9000 000 000 000 000 000 000 000 000 00	Filter Strip	XXXXXXXXX
		Pit: Cut Walls	Culling
North	N	575.1	
Buildings		Pit: Compacted Fill Walls	\(\frac{1}{2}\)
Water Wells	<u></u>		
Drill Site	\oplus	Area of Land Application of Pit Waste	
		Offit Waste	
1.			
		Area I	
Proposed Revegetation Treatme	nt: Acres Disturbed Apr		vegetation pH
	Δnr	Area II prox. 1.0 Ac.	
		510A. 1.0 AC.	
Lime _	2 Tons/Acre	e or Correct to pH 6.5	<u></u>
Fertilizer	r (10-20-20 or Equivalent)	500 Lbs./Acre (500 l	bs. Minimum)
Mulch _	Straw 2 To	ons/Acre	
	SEEL	MIXTURES	
*			
The state of the s	(Location)		Area II (Road)
Seed Type	Lbs/Ac.	Seed Type	Lbs/Ac.
Tall Fescue	40 5	Tall Fescue	40
Ladino Clover	3	Ladino Clover	:160
-		-	CENTO
			260
			5 700
Attach: Drawing(s) of road location nitrogen	and proposed area for land appli	cation	JAN Gas rection
Photocopied section of involved		Cation	Oil and Chal Protes
P	1 0 1		Office of wironme.
Plan approved by:	of DWarsette	P	hahmely Posible per
Comments: Pre-se	/	wheel areas assoon	as reasonably fosible por
WUDEP FA		le Ets as necess	
04	Cas Inspector		Date: 12/23/2013
10 11 11 11 11 11	TIS TAIS HOLE!		151631643
Field Reviewed?	(X) Yes	()	No
Tales or two	Con But		







