



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
Vertical Well

This permit, API Well Number: 47-3305807, 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: J.M. FULTZ NO. 248
Farm Name: MYER, EDGAR LEE JR.

API Well Number: 47-3305807

Permit Type: Vertical Well

Date Issued: 02/04/2014

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.

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: J. M. Fultz No. 248 3) Elevation 1281'
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: 3175' TMD ft.
7) Approximate fresh water strata depths: 200'
8) Approximate salt water depths: 1380'
9) Approximate coal seam depths: 620'
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 S 34° E 180'

CASING AND TUBING PROGRAM

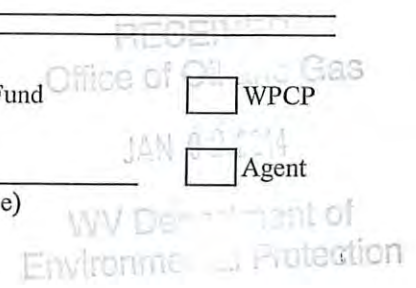
SDW
12/23/2013
MAG

Table with columns: TYPE, SPECIFICATIONS (Size, Grade, Weight Per Ft.), FOOTAGE INTERVALS (For Drilling, Left in Well), CEMENT (Fill-up (Cu. Ft.)). Rows include Conductor, Fresh Water, Coal, Intermediate, Production, Tubing, Liners.

Packers: Kind Sizes Depths set

For Office of Oil and Gas Use Only

Checkboxes for Fee(s) Paid, Well Work Permit, Reclamation Fund, WPCP, Plat, WW-9, WW-2B, Bond, Agent.



3305807

1) Date: November 21, 2013
2) Operator's Well Number
J. M. Fultz No. 248
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

ck 24600
65000

NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:
(a) Name Mr. & Mrs. Edgar Lee Myer ✓
Address RR 4, Box 532
Salem, WV 26426
(b) Name
Address
(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
 Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

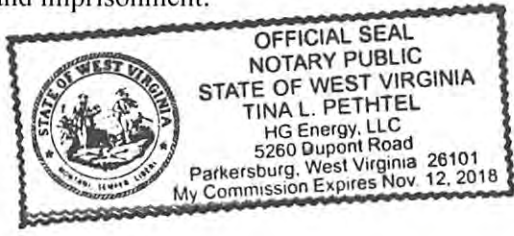
I certify that as required under Chapter 22 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through 4 on the above-named parties, by:

Personal Service (Affidavit attached)
 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
Its: Accountant
Address 5260 Dupont Road
Parkersburg, WV 26101
Telephone (304) 420-1119

Subscribed and sworn before me this 22 day of November 2013
Notary Public

My commission expires Nov. 12, 2018

02/07/2014

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
John M Fultz	South Penn Oil Company	1/8	92/47

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 Penzoil 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

Well Operator: HG Energy, LLC

By: Diane C. White *Diane C. White*
Its: Accountant

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.

There are no water wells or springs within 1000 feet of the proposed well site.

RECEIVED
Office of Oil and Gas
JAN 07 2014
WV Dept of Environmental Protection

3305807

Form WW-9
Rev. 10/10

Page 3 of 3
API Number 47- 033

Operator's Well No. J. M. Fultz No. 248

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 Ten Mile Creek Quadrangle Salem 7.5' 596
Elevation 1281' 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.? 20 Mil.

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12/23/2013
MAG

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 _____)

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 22 day of November 2013
[Signature] Notary Public

My commission expires NOV. 12, 2018
Form WW-9



02/07/2014

Legend

Property Boundary		Diversion	
Road		Spring	
Existing Fence		Wet Spot	
Planned Fence		Drain Pipe	
Stream		Waterway	
Open Ditch		Cross Drain	
Rock		Filter Strip	
North		Pit: Cut Walls	
Buildings		Pit: Compacted Fill Walls	
Water Wells		Area of Land Application of Pit Waste	
Drill Site			

Proposed Revegetation Treatment: Acres Disturbed Area I Approx. 1.0 Ac. Prevegetation pH _____
Area II Approx. 0.2 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	<u>40</u>
Ladino Clover	<u>5</u>

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

Received
 JAN - 2 2014

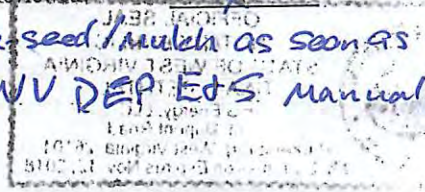
Attach:
 Drawing(s) of road, location, pit and proposed area for land application
 Photocopied section of involved 7.5' topographic sheet.

Office of Oil and Gas
 WV Dept. of Environmental Protection

Plan approved by: S. J. D'Wain _____ Michael A. Laff _____
 Title: Oil Gas Inspector _____ Date: 12/28/2013 _____

Field Reviewed? Y Yes _____ No _____

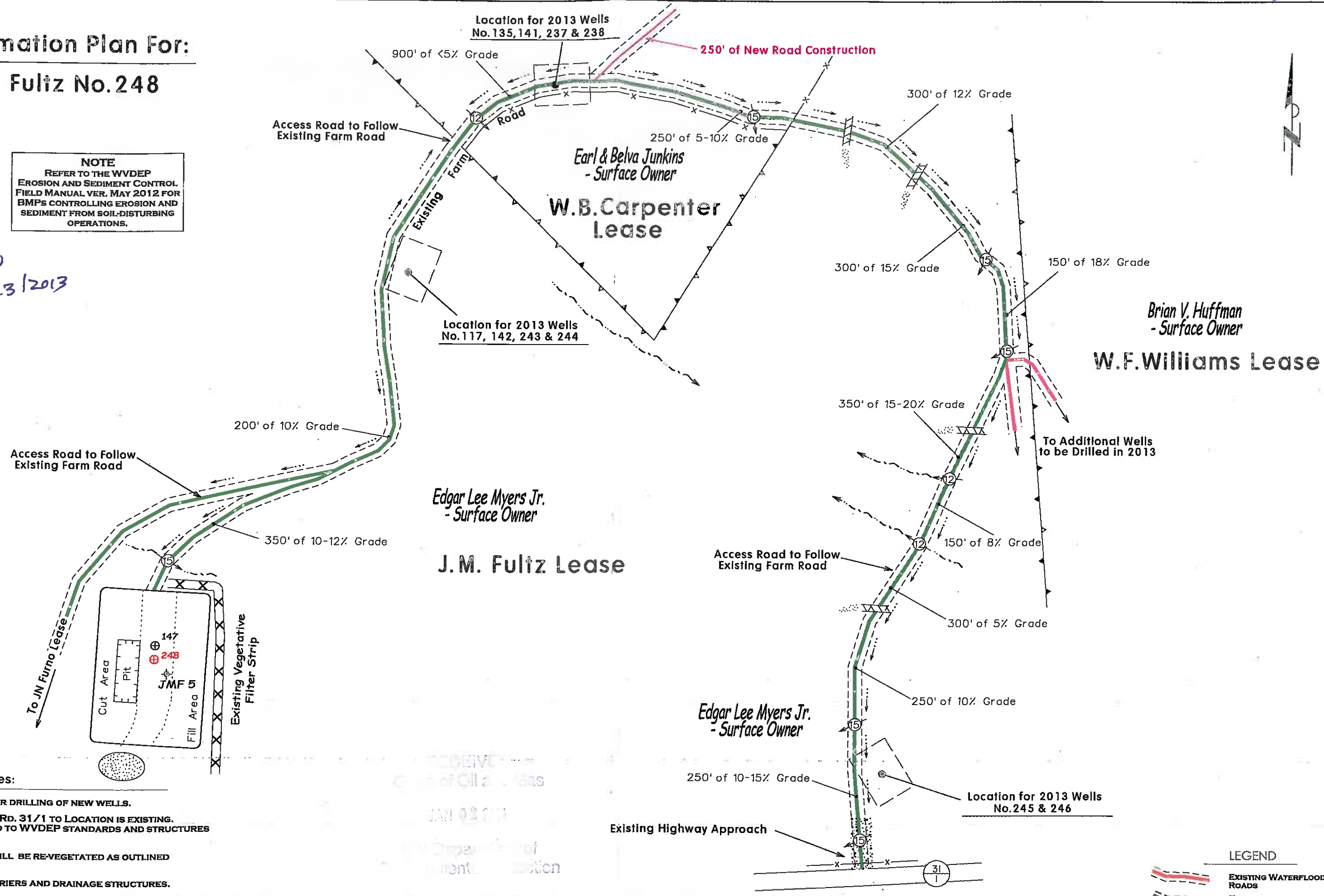
Pre seed/mulch as soon as reasonably possible per all disturbed areas per WV DEP ETS manual - Upgrade ETS as necessary



Reclamation Plan For: J.M. Fultz No.248

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

SDW
12/23/2013
MAG

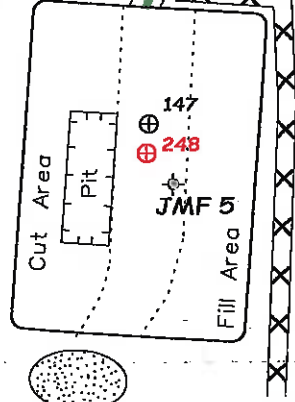


Access Road to Follow Existing Farm Road

200' of 10% Grade

350' of 10-12% Grade

To JN Furno Lease



Existing Vegetative Filter Strip

Edgar Lee Myers Jr.
- Surface Owner

J.M. Fultz Lease

Earl & Belva Junkins
- Surface Owner

W.B. Carpenter
Lease

Location for 2013 Wells
No. 117, 142, 243 & 244

Location for 2013 Wells
No. 135, 141, 237 & 238

Edgar Lee Myers Jr.
- Surface Owner

250' of 10-15% Grade

Existing Highway Approach

Access Road to Follow Existing Farm Road

300' of 5% Grade

150' of 8% Grade

350' of 15-20% Grade

300' of 15% Grade

300' of 12% Grade

To Additional Wells
to be Drilled in 2013

150' of 18% Grade

Brian V. Huffman
- Surface Owner
W.F. Williams Lease

Location for 2013 Wells
No. 245 & 246

LEGEND

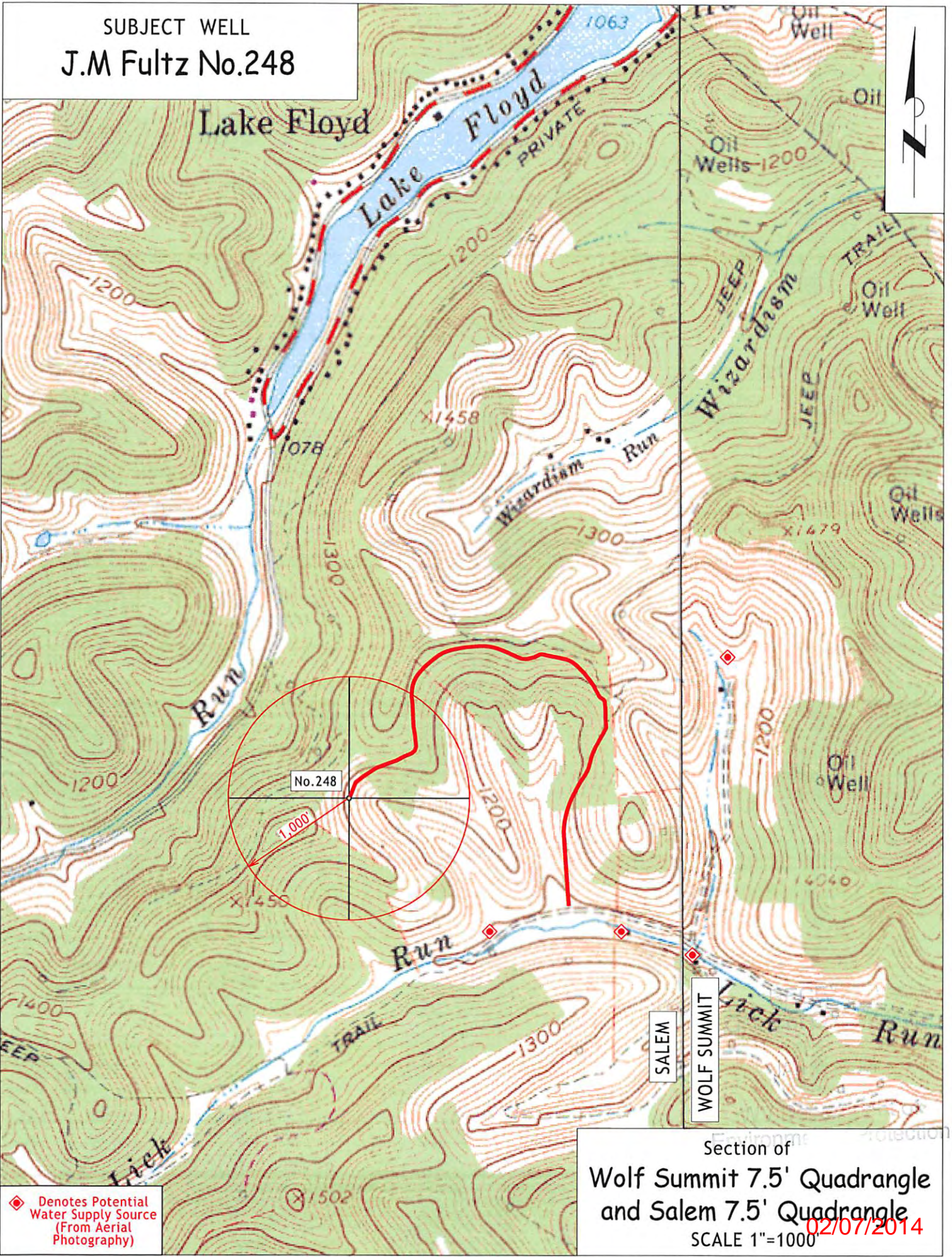
- EXISTING WATERFLOOD ROADS
- EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
- NEW ROADS TO BE CONSTRUCTED

02/07/2014

- Notes:**
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
 - ACCESS ROAD FROM Co. Rd. 31/1 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 <math><5\%</math> EXCEPT AS NOTED.
 - LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
 - DRAWING NOT TO SCALE.

RECEIVED
Office of Oil & Gas
JAN 08 2014
WV Department of Environmental Protection

SUBJECT WELL
J.M Fultz No.248



◆ Denotes Potential Water Supply Source (From Aerial Photography)

Section of
Wolf Summit 7.5' Quadrangle
and Salem 7.5' Quadrangle
SCALE 1"=1000
02/07/2014

(BOT. HL: LON:-80°30'33.6") LON:-80°30'34.8"

2740

SURVEY NOTES

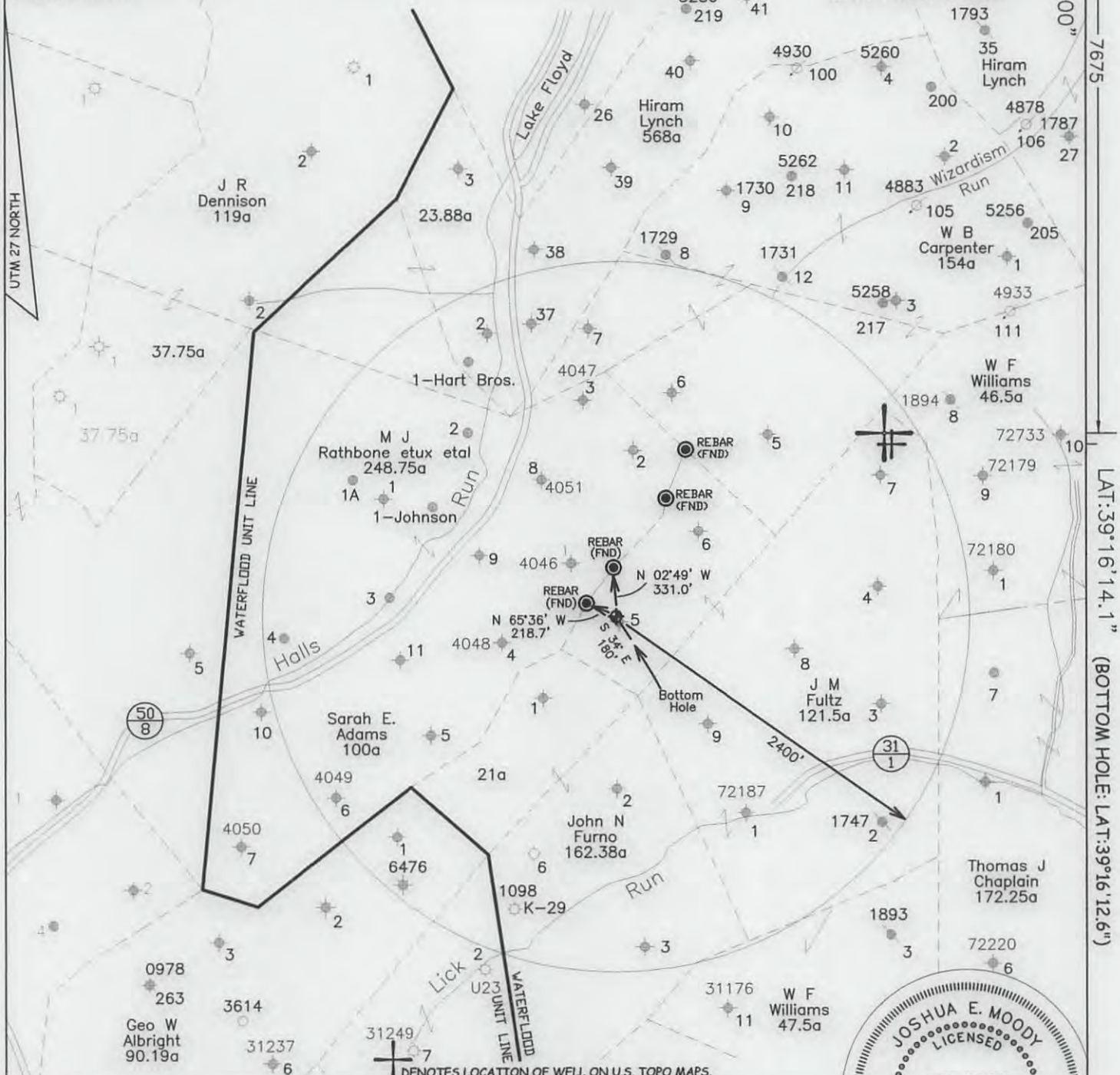
1 - Well ties and Latitude and Longitude were measured by Topcon Hiper GA survey grade GPS. Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).

2 - Surface owners, 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.

	UTM Coordinates (Zone 17N-NAD 1983)	LOCATION REFERENCES
	Surface	N-4,346,930m. E-542,312m.
Bottom Hole	N-4,346,884m. E-542,343m.	Brg. Direction is prop. well to the ref.

LAT: 39°17'30"
MAP OF
H.G. ENERGY, LLC
-WATERFLOOD UNIT-
J.M. FULTZ 248



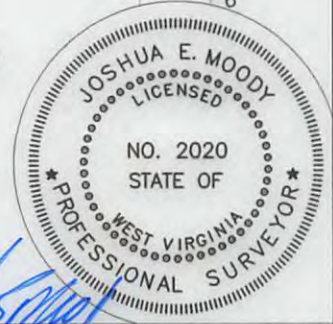
DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.

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 9/17/13
 OPERATOR'S WELL J.M. FULTZ # 248

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
 LOCATION: ELEVATION 1281' WATERSHED TEN MILE CREEK API WELL # 05807
 DISTRICT TEN MILE COUNTY HARRISON 47 - 033 STATE COUNTY PERMIT
 QUADRANGLE SALEM 7.5'

SURFACE OWNER EDGAR LEE MYER JR ACREAGE 25 ACRES +/-
 OIL & GAS ROYALTY OWNER WV BAPTIST ED. SOCIETY, et al LEASE ACREAGE 146 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 34° E 180')
 PLUG & ABANDON CLEAN OUT & REPLUG
 TARGET FORMATION 5TH SAND ESTIMATED DEPTH MD= 3,175'
 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

COUNTY NAME PERMIT