

## 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

April 02, 2014

### WELL WORK PERMIT

#### Vertical Well

This permit, API Well Number: 47-4105688, issued to DIVERSIFIED RESOURCES, INC., 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. SIMMONS 3

Farm Name: TYLER, JOHN E.

API Well Number: 47-4105688

Permit Type: Vertical Well Date Issued: 04/02/2014

# **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. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACOE). Through this permit, you are hereby being advised to consult with the USACOE regarding this proposed activity.

WW - 2B (Rev. 8/10)

#### STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION 1) Well Operator: Diversified Resources Inc. *freemans* 305996 The Lewis Operator ID County District Quadrangle 2) Operator's Well Number: Simmons #3 (D-190) 3) Elevation: 1310 4) Well Type: (a) Oil x or Gas x Production × / Underground Storage (b) If Gas: Deep / Shallow x 5) Proposed Target Formation(s): See Below Proposed Target Depth: 3850' 6) Proposed Total Depth: 3850 Feet Formation at Proposed Total Depth: 7) Approximate fresh water strata depths: 70' 8) Approximate salt water depths: 1200' 9) Approximate coal seam depths: 90' and 120' 10) Approximate void depths, (coal, Karst, other): No 11) Does land contain coal seams tributary to active mine? No 12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed) Drill, Stimulate, and Produce 13) CASING AND TUBING PROGRAM TYPE **SPECIFICATIONS FOOTAGE INTERVALS** CEMENT Grade Weight per ft For Drilling Left in Well Fill -up (Cu. Ft.) Size 13-3/8" **ERW** 42 33 33 sanded in Conductor 9-5/8" **ERW** 29 165 165 CTS Fresh Water Coal Intermediate 7" J-55 17 1350 1350 CTS 4-1/2" J-55 10.5 3850 3850 200 CTS CBL POZ Production Tubing Liners Packers: Kind: Sizes: Depths Set

B.S. 2-25-14

MAR 1 2 2014

Received

ck# 146200

WW-	2A
(Rev.	6-07)

1). Date: February 6, 2014

2.) Operator's Well Number Simmons D-190

State County Permit

3.) API Well No.: 47- 041 -

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Ow	ner(s) to be served	<b>j</b> :	5) (a) Coal Operator
(a) Name	John E. Tyler	W	Name n/a
Address	414 Elk Avenue		Address
	Clarksburg, WV 26301		
(b) Name			(b) Coal Owner(s) with Declaration
Address			Name
()10,511			Address
2-2-21			News Teachers
(c) Name	-		Name
Address			Address
6) Inspector	Barry Stollings		(c) Coal Lessee with Declaration
Address	28 Conifer Drive Bridgepo	ort WV 26330	Name
			Address
Telephone	304-552-4194		
C. A. C. A. L.	TO THE	PERSONS NA	AMED ABOVE TAKE NOTICE THAT:
Included is the			g contract or contracts by which I hold the right to extract oil and gas
I have re issued under this application f	ation plat, and according Personal Service Certified Mail (Publication (Notation and understand Capplication.  under penalty of law orm and all attachmormation, I believe the capplication are that there are significant in the capplication and all attachmormation are that there are significant in the capplication and all attachmormation are that there are significant in the capplication are that the capplication is not capplicated and capplication are the capplication and capplication are the capplication and capplication are capplicated as a capplication and capplication are capplicated as a capplication and capplication are capplication are capplication are capplication and capplication are capplication are capplication are capplication are capplication and capplication are capplication are capplication are capplication are capplication and capplication are capplication are capplication are capplication are capplication are capplication and capplication are ca	npanying docume ce (Affidavit attac Postmarked post otice of Publication Chapter 22-6 and that I have pers	stal receipt attached) ion attached) id 35 CSR 4, and I agree to the terms and conditions of any permit sonally examined and am familiar with the information submitted on lased on my inquiry of those individuals immediately responsible for in is true, accurate and complete. Is for submitting false information, including the possibility of fine and
MAIL 12	2014	Address	100 Corporate Ridge, Suite 100
	od Gas	a markets	Birmingham, AL 35242
Office of Off a	ental Protection sworn before me this	Telephone	205-408-0909
ws observed and	sworn before me this	_3_ day of	of March , 2014
	Over N. C.	gidwell	Notary Public
My Commission	Expires	1 Dril 4, 20	015
Oil and Gas Privacy	Notice	1	20 -10

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 normal 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 <a href="mailto:depprivacyofficer@wv.gov">depprivacyofficer@wv.gov</a>

#### **WW-2A Surface Waiver**

	SUF	RFACE OWNER WAIVE	R	
County	Lewis	Operator	Div	versified Resources, Inc.
•		Operator well nu	ımber <u> </u>	Simmons D-190
	INSTRUCTIONS TO SUI	RFACE OWNERS NAN	IED ON PAGE	: WW2-A
<b>T</b> haa				
If the surface tr appeared on the be the only ow permits are vali	ract is owned by more than three per Sheriff's tax ticket on the land or ner who will actually receive thes d for 24 months. If you do not own ediately if you know who it is. Also	persons, then these ma because you actually of the materials.) Side Cha n any interest in the sur of please notify the well of DT REQUIRED TO FILE	terials were se ccupy the surfa pter 22 of the face tract, plea operator and the ANY COMMI	ENT.
Chief, Office of	Oil and Gas			
	Environmental Protection			
Charleston, WV	/ 25304			
operator files his be filed in person be sure of the handling. If you the planned wo Common well operator's from the applica The Ch 1) The 2) The	id methods for filling comments. is Application. You have FIFTEEN on or received in the mail by the Cladate. Check with your postmas a have been contacted by the well of the kents must be in writing. Your contains and well number and the application. You may add other document is the power to deny or condition to the proposed well work will constitute a soil erosion and sediment control	(15) DAYS after the filine hief's office by the time ter to ensure a dequate operator and you have sometiments must include the proximate location of the hits, such as sketches, mind a well work permit be a hazard to the safety oplan is not adequate or	ng date to file stated above. et delivery time signed a "volulued at any time your name, ade proposed we laps or photog ased on commof persons.	Idress and telephone number, the ell site including district and county raphs to support your comments.
	mage would occur to publicly owne e proposed well work fails to protec		supplies;	
5) The		antial violation of a pre	vious permit o	or a substantial violation of one or
If you	want a copy of the permit as it			
	r from the Chief. <u>Water Testing Laboratories.</u> The	e Office maintains a list	of water testir	ng laboratories which you can hire
	er to establish water quality prior to		act the Chief to	
Application for a	y state that I have read the instruct a Well Work Permit on Form WW2 WW2-B, a s urvey plat, and a s oi	tions to surface owners -A, and attachments co	and that I hav	re received copies of a Notice and les 1 through including a work well work on my surface land as
I furthe		ne planned work describ	ed in these ma	aterials, and I have no objection to
FOR EXECUTION	ON BY A NATURAL PERSON	FC	OR EXECUTIO	ON BY A CORPORATION, ETC.
John !	Date of	2-27-14 Company Name	·	
John E. Tyler	ynature)	2-27-/4 Company Name By Leceived		Date
	nt Name			

MAR 1 2 2014

Signature

Date

Operator's Well Number Simmons D-190

# 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
Lone Pine Operating Co.	R&K Oil and Gas Inc.	12.5%	1350/1187
R&K Oil and Gas Inc.	Diversified Resources, Inc.	12.5%	Unrecorded

## 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 he reby a cknowledges 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
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

Received

MAR 1 2 2014

Office of Oil and Gas
WV Dept. of Environmental Protection

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appr opriate aut hority before the affected activity is initiated.

Well Operator: By:Its:

President

Diversified Resources

# **FARMOUT AGREEMENT**

THIS AGREEMENT made this 10<sup>th</sup> Day of February, 2014 by and between R&K Oil and Gas Inc., hereinafter referred to as "R&K", a West Virginia Corporation, and Diversified Resources, Inc, a West Virginia Corporation, hereinafter referred to as "Operator".

# WITNESSETH:

WHEREAS, R&K owns certain oil and gas leasehold estates covering and embracing certain lands in Lewis, Harrison and Doddridge Counties, and shown in exhibit A

WHEREAS, Operator desires to acquire the right to drill a well(s) on a certain tract of land covered and embraced by a lease owned by R&K and thereby acquire title to oil and gas produced from a well, subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth to be kept and performed, it is hereby agreed by and between the parties hereto as follows:

## 1. RIGHTS GRANTED:

M

R&K hereby grants to Operator, without warranty of title, the limited right to drill a well to a depth sufficient to test the Alexander formation and all formations above the Alexander, together with the right to produce and market the oil and gas therefrom, and such concurrent surface rights of ingress and egress and servitude that are contained in the lease, covering and embracing said land necessary to the drilling, operations, and maintenance of said well, subject to the terms of said lease and my other existing agreements of encumbrances on the land thereunder, and further subject to the covenants, terms and conditions herein contained.

#### 2. LOCATION FEE:

Upon execution of this Farmout Agreement, Operator shall pay to R&K a location fee of five hundred dollars (\$500.00).

# 3. ROYALTIES AND OVERRIDING ROYALTIES:

Operator shall pay a royalty and/or overriding royalty for all gas or oil produced, saved and marketed from the lease subject to the original lease Agreement.

### 4. OTHER CONDITIONS:

In its operations hereunder, Operator shall be acting independently of R&K Oil and Gas Inc. and not as its partner, agent, employee, or joint venturer.

Received

MAR 1 2 2014

## 5. ENTIRE AGREEMENT:

1 يز

The terms of this Agreement constitute the entire contract of the parties and there are no agreements, undertakings, obligations, promises, assurances, or conditions, whether precedent or otherwise, except those specifically set forth.

IN TESTIMONY WHEREOF, the parties hereto have executed this agreement in multiple originals as of the day and year first above written.

SEAL:	R&K Off and God in a
	Robert R. Hutson Jr., President
SEAL:	Diversiting Resources, Inc.  By:  Robert Hutson, President

The foregoing instrument was acknowledged before me this by day of February, 2014, by Hutson Jr., President, R&K Oil and Gas Inc. Robert R. Hutson Jr., President, R&K Oil and Gas Inc.

My commission expires: 3/3/15

The foregoing instrument was acknowledged before me this

Robert R. Hutson Jr., President, Diversified Resources, Inc.

My commission expires:

Document Prepared by:

Robert R. Hutson Jr. President, R&K Oil and Gas Inc.

Received

MAR 1 2 2014

# "EXHIBIT A"

# Leases/Wells:

- 1) Simmons D-189
- 2) Simmons D-190
- 3) Lingle D-191
- 4) Lingle D-192

WW-2B1 (5-12) Well No. Simmons D-190

# 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.

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

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Labor Sampling Cont	The second secon	Sturm Environmental	
Well Operator	Diversified Reso	ources, Inc	
Address	100 Corporate I	Ridge, Suite 100	
	Birmingham, AL	L 35242	
Telephone	205-408-0909		

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 underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

Received

MAR 1 2 2014

Office of Oil and Gas
WV Dept. of Environmental Protection

## LAND SURVEYING SERVICES

Stephen D. Losh, PS & J. Michael Evans, PS 21 Cedar Lane, Bridgeport, WV 26330

Phone: 304-842-2018 or 304-842-5762 Fax: 304-842-2018 or 304-842-5762

Email: sdlosh@frontier.com or jmichaelevans900@gmail.com

January 15, 2014

DIVERSIFIED RESOURCES, INC. P. O. Box 381087 Birmingham, AL 35238-1087

#### WATER WELL REPORT

PROJECT: S. Simmons 3 D-190

**DISTRICT: Freemans Creek** 

COUNTY: Lewis

STATE: West Virginia

The following parties may have water wells or springs within 1,000 feet of this proposed oil and gas site:

John E. Tyler 414 Elk Avenue Clarksburg, WV 26301

# Received

MAR 1 2 2014

Office of Oil and Gas
WV Dept. of Environmental Protection

API Number 47 -	041	-	
Operator's	Well No.	S.SIMMONS NO. 3	D-190

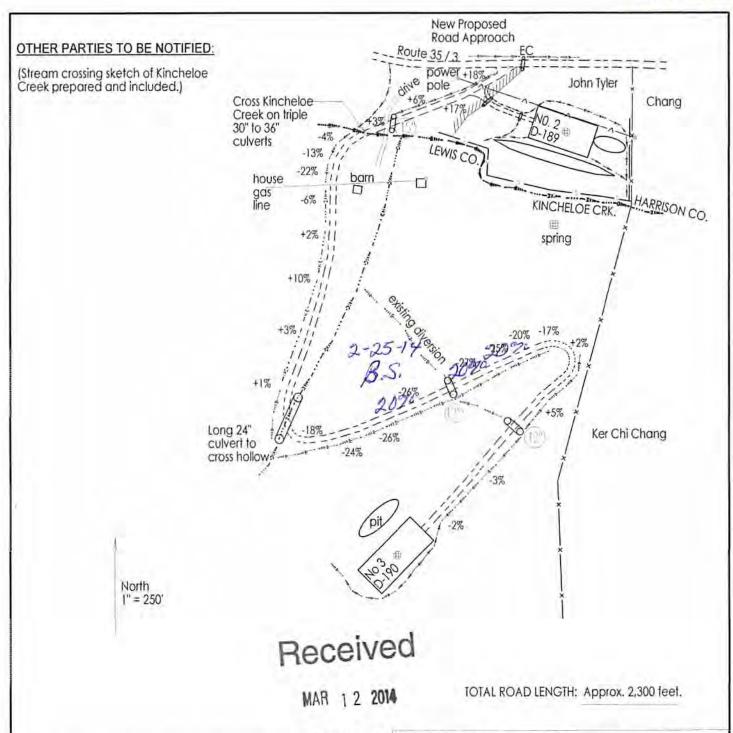
# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

# FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name	DIVER	SIFIED RESOURCES	, INC.		P Code		
Watershed (HUC 10)	KIN	ICHELOE CREEK	Q	uadrangle	В	IG ISAAC 7.5'	
Elevation	1,310'	County	LEWIS		District	FREEMAN	S CREEK
	Yes 🗸	No		proposed well	work? Yes	N	o_ <b>V</b>
		ipated pit waste: _		77 D 1920	5	Crown	
		ed in the pit? Yes		If so,	what ml.?	30 ML	_
		I For Treated Pit W	astes;				
	Reuse (a	plication ound Injection ( UI at API Number Disposal (Supply f Explain	orm WW-9 for o	disposal location	on)		)
Will closed loop syste	m be used? I	f so, describe:	U	0			
Drilling medium antic	ipated for this	well (vertical and	horizontal)? Ai	r, freshwater, o	oil based, etc.	_	
-If oil based,	what type? S	ynthetic, petroleum	, etc.				
Additives to be used i							
Drill cuttings disposal							
		lidify what mediun					
		ermit number?					
I certify that on August 1, 2005, by provisions of the perr law or regulation can I certify und application form and obtaining the informa penalties for submittin Company Official Sig	the Office of nit are enforce lead to enforce ler penalty of all attachmentation, I believe ng false information	Oil and Gas of the eable by law. Violement action. I law that I have pents thereto and the that the information.	West Virginia I ations of any te ersonally exami at, based on m tion is true, ac	Department of erm or condition or condition in the condition of the condit	Environments on of the gene amiliar with the those and id implete.	al Protection. eral permit and the informat track inmed a aware that	nd/or other applicable on submitted on thi ately responsible fo
Company Official (T	yped Name)	~	RUSTYHUTS				
Company Official Tit		Presiden			flice of Oll and of Environment		
Subscribed and sworn	before me th	Cardwe	ll	arch	. 20_ Notary P		04/04/2014
My commission expir	es //	4001 4, 20	10				0 1/0 1/2011

Form WW-9 Operator's Well No.\_ DIVERSIFIED RESOURCES, INC. 2 AC. +-Proposed Revegetation Treatment: Acres Disturbed Prevegetation pH \_\_\_\_ AS DETERMINED BY 0H TEST
Tons/acre or to correct to pH \_\_\_\_\_ 7.0 10/20/10 OR EQUILVALENT Fertilizer type 500 Fertilizer amount lbs/acre TWO Mulch Tons/acre **Seed Mixtures Temporary** Permanent Seed Type lbs/acre Seed Type lbs/acre Orchard Grass 25 **Orchard Grass** 25 **Birdsfoot Trefoil** 15 **Birdsfoot Trefoil** 15 **Ladino Clover** 10 Ladino Clover 10 Attach: Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided) Photocopied section of involved 7.5' topographic sheet. Plan Approved by: Comments: 0.19 2014 Date: 2-25-14

Field Reviewed?



This sketch represents new construction legying but, of Environmental Route 35/3 to parallel and then cross existing driveway.

Cross Kincheloe Creek, loop west of the barn and run out the bank to cross the run. Loop ground in bottom and climb east hillside on existing trail to reach the point near the property line (orange flagging). Run southwest out the bench to the site with pit on bench below.

"E. C." REPRESENTS AN EXISTING CULVERT

#### LAND SURVEYING SERVICES

Stephen D. Losh, PS 21 Cedar Lane Bridgeport, WV 26330 304-842-2018

J. Michael Evans, PS P. O. Box 1042 Bridgeport, WV 26330 304-842-5762

P. O. Box 381087

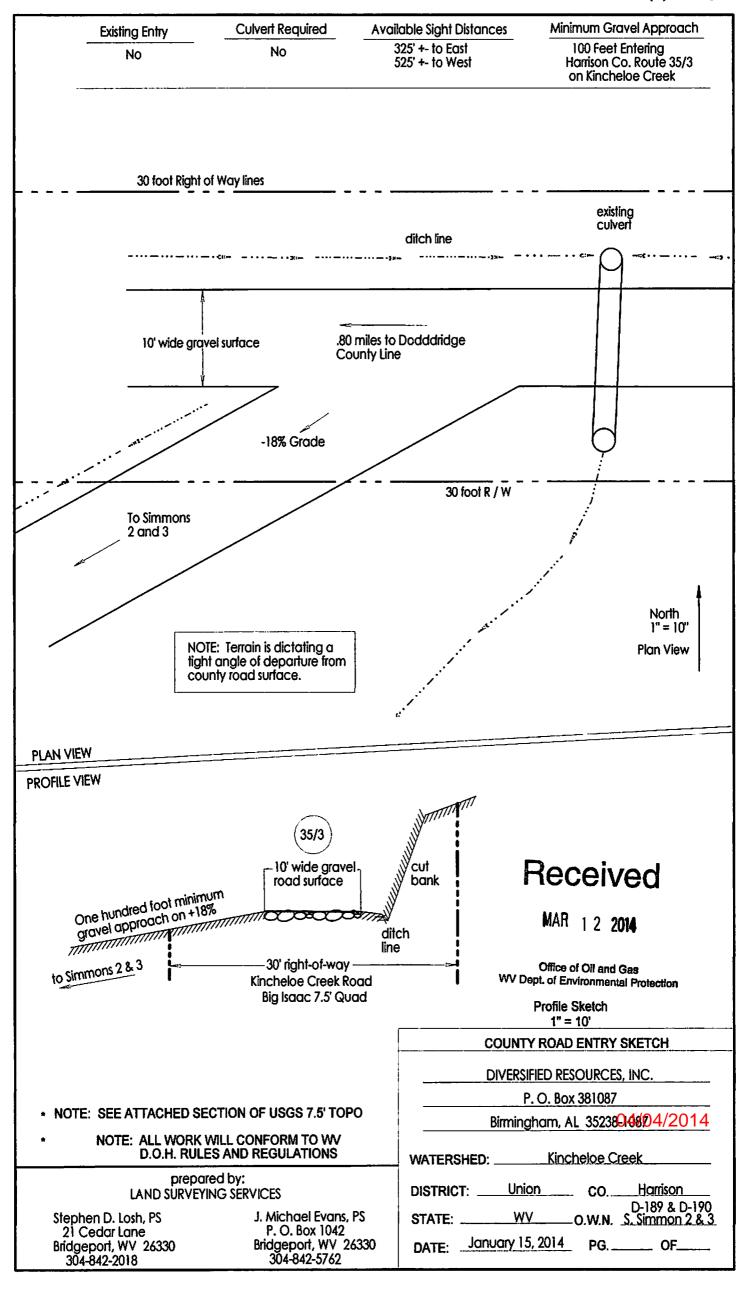
Birmingham, AL 35238-1087

KINCHELOE CREEK WATERSHED:

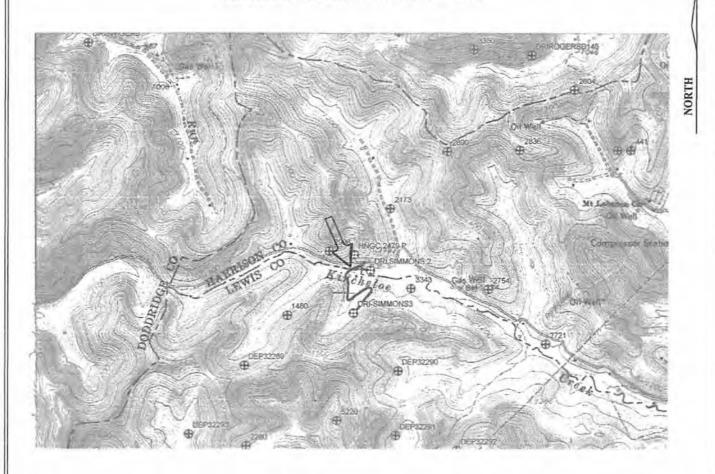
DISTRICT: Freemans Creek Lewis S. Simmons 3 WV D-190 STATE: O.W.N.

DATE: January 14, 2014 PG. OF 3

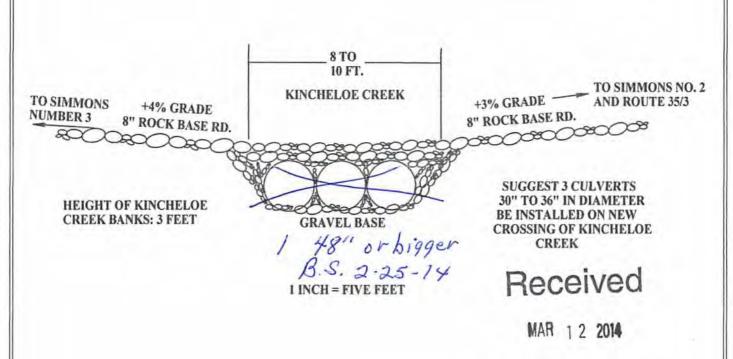
04/04/2014



# BIG ISAAC 7.5 MIN. TOPO - SCALE 1" = 2000'



# NOTE: THIS STREAM CROSSING IS 1.80 MILES ABOVE THE CONFLUENCE OF TANNER FORK.



Office of Oil and Gas WV Dept. of Environmental Protection

NOTE BANKS TO BE STABILIZED. SILTATION TO BE KEPT TO A MINIMUM.

Prepared by:

LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 304-842-5762 DIVERSIFIED RESOURCES, INC.
P. O. BOX 381087
Birmingham, Alabama 35238-04704/2014

#### PLAT SHOWING PROPOSED ACCESS ROAD CROSSING OF KINCHELOE CREEK

DISTRICT	COUNTY	STATE
Union / Freemans Crk.	Harrison / Lewis	WV
DATE	SCALE	DWG. NO.
January 15, 2014	AS SHOWN	Simmons 3 D-190

XMap® 7

