

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

June 29, 2015

WELL WORK PERMIT Vertical Well

This permit, API Well Number: 47-4303488, 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: EDNA MAY 229

Farm Name: COY, RANDALL & PATRICIA

API Well Number: 47-4303488

Permit Type: Vertical Well Date Issued: 06/29/2015

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 with 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. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

Ck# 2993

470 4303488

WW - 2B (Rev. 8/10)

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

1) Well Opera	tor: HG E	Energy, L	LC	494497948	Lincoln	Duval	Griffithsville 7.5'
				Operator ID	County	District	Quadrangle
2) Operator's \	Well Num	ber:Edna	a J May 229		3) Elevation:	960'	
4) Well Type:	(a) Oil <u>X</u>	or G	as				
((b) If Gas:	Produ	uction / Un	derground Sto	rage		
		Dee	p/ :	Shallow X			
5) Proposed T 6) Proposed T 7) Approximate 8) Approximate	otal Depth e fresh wa	n: <u>2605' T\</u> iter strata	a depths: 340'	Formation at I	Proposed Ta Proposed Tot	rget Depth: Be	2605' TVD rea
9) Approximate	e coal sea	m depth	s: <u>390'</u>				
10) Approxima	te void de	pths,(co	al, Karst, other)	: <u>NA</u>			
11) Does land	contain co	oal seam	s tributary to ac	tive mine? N	IA		
			nd fracturing metl I in the Big Injun				
13) TYPE 5	SPECIFIC		ASING AND TU	BING PROGR FOOTAGE	<u>am</u> Intervals	S CEME	-NT
	Size	Grade		For Drilling	Left in Well		1.00-2.00
Conductor							201.4
Fresh Water	7"	LS	17#	490'	490'	CT	S .123
Coal							S 04 23
Intermediate							
Production	4 1/2"	J-55	10.5	2575'	2575'	150 s	sks
Tubing						Recei	ved
Liners					(office of O	
Packers: Kind	d:					APR 29	2015
Size							
Dep	ths Set						01/03/2013



WW-2A (Rev. 6-14)

1). Date:	April 10, 2015	

2.) Operator's Well Number

Edna J May 229

State County

Permit

3.) API Well No .:

Vell No.: 47- <u>Lincoln</u>

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

4)	Surface Own	ner(s) to be served:	5) (a) Coal Ope	erator	
7)	(a) Name	Randall & Patricia Cov	Name	NA	
	Address	1 First American Way	Address	IVA	
	/ ladi coo	Westlake, TX 76262	_ /\ddicoo	N-	
	(b) Name	HG Energy, LLC	(b) Coal O	wner(s) with Declaration	
	Address	5260 Dupont Road	Name	NA	
	Addiess	Parkersburg, WV 26101	Address	INA	
		Tarkersburg, VVV 20101	_ /\ddicss	()	
	(c) Name	Dwight & Debra Lovejoy	Name	2	
	Address	5 Bethel Drive	Address		
	riddiooo	Yawkey, WV 25573	_ /\ddicoo	9	
6) [nspector	Tawkey, VVV 25575	(c) Coal Le	essee with Declaration	-
	Address	*	Name	NA	
	, iddi coo	\ <u>\</u>	Address	INA	
	Telephone		_ Address		
	reiepriorie	TO THE PERSONS NAM	TED ABOVE T	AKE NOTICE THAT:	
	Included is th	e lease or leases or other continuing of			tract oil and gas
OR		c lease of leases of other continuing t	contract or contra	actorby which i field the fight to ex	that on and gas
		e information required by Chapter 22,	Article 6, Section	n 8(d) of the Code of West Virgini	a (see page 2)
		nat as required under Chapter 22-6 of			
app		ation plat, and accompanying docume		ugh on the above named par	ties by:
		Personal Service (Affidavit attacl			
	1	Certified Mail (Postmarked posta		d)	
	I have ree	Publication (Notice of Publication		Lagranta the terms and conditi	and of any normit
iceı	led under this	ad and understand Chapter 22-6 and	35 CSR 4, and	r agree to the terms and conditi	ons of any permit
1330		nder penalty of law that I have perso	nally examined	and am familiar with the informa	tion submitted on
this	application fo	rm and all attachments, and that bas	sed on my inquir	y of those individuals immediate	
obta	aining the infor	mation, I believe that the information	is true, accurate	and complete.	
		re that there are significant penalties	for submitting fal	se information, including the pos	sibility of fine and
Hub	risonment		UC Energy I	1.0	
13	TWEST DIA		HG Energy, L Diane White	Diane White	
134	ST	FATE OF WEST VIRGINIA	Agent	Liare with	Dani
12/0			5260 Dupont	Road	Received
Pa	Park	ersburg, West Virginia 26101	Parkersburg,	WV 26101	ffice of Oil & Gas
-	My Co	ommission Expires Oct. 4, 2016 Telephone:	304-420-1119	9	
		Email:	dwhite@hger	ergyllc.com	APR 2 9 2015
Sub	scribed and si	worn before me this 10th day of	April	, 2015	
	X	- La Cotrolas	11-	Materia Political	
Mv	Commission E	expires OCT 4 2016	7	Notary Public	
0.73	nd Gas Privacy N				
On a	ina das i livacy i	iolico			

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 a 07/03/2015 depprivacyofficer@wv.gov

OFFICIAL SEAL
NOTARY PUBLIC
SAFE OF WEST VIRGINIA
SIANNE DULANEY
1250 Dupont Road
Patherbaurg Wast Virgina 20101
Wy Committee On Expires Oct. 4, 2016

WW-2A1 (Rev. 1/11)

Operator's Well Number Edna J May 229

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:

Grantar	Lessor, etc.	C
Giantoi,	Lessoi, etc.	Gra

Grantee, Lessee, etc.

Royalty

Book/Page

See Attached Sheet

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

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:

HG Energy, LLC

Diane White

5260 Dupont Road

Parkersburg, WV 26101

Received
Office of Oil & Gas

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

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Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Edna J May	Pennzoil Company	1/8	35/154

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 drillingerations 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
APR 2 9 2015

Well Operator:	HG Energy, LLC	
Ву:	Diane C. White	Diane White
Its:	Agent	

WW-2B1 (5-12) Well No. Edna J. May 229

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 Laboratory Name
Sampling Contractor
Sturm Environmental Lab
Sturm Environmental Lab

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 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.

- See Attached Sheet -

Received
Office of Oil & Gas

WW-2B1
Page 2 - Continued

Well No.

Edna J May 229

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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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.

Surface Owners Identified With Water Sources to be Sampled and Tested:

- Jonathan Johnson
 Bethel Drive
 Yawkey, WV 25573
- Dwight Lovejoy
 5 Bethel Drive
 Yawkey, WV 25573
- Randall Coy
 1 First American Way
 Westlake, TX 76262
- * Michael Saul PO Box 272 Griffithsville, WV 25521
- * Lester Smith 82 Bear Fork Road Yawkey, WV 25573
- Herbert Morgan
 72 Bear Fork Road
 Yawkey, WV 25573
- Monnie Woodrum
 64 Bear Fork Road
 Yawkey, WV 25573

- John Chandler
 62 Bear Fork Road
 Yawkey, WV 25573
- Gregory Brisendine
 50 Bear Fork Road
 Yawkey, WV 25573
- * David Lawson
 1 First American Way
 Westlake, TX 76262
- Linda Owsley
 P. O. Box 246
 Griffithsville, WV 25521
- Venita Gail Hager 38 Bear Fork Road Yawkey, WV 25573

Received
Office of Oil & Gas

WW-9 (5/13)

	Page c	of
API Number 47	<u> </u>	
Operator's V	Vell No. Edna J May 229	Trans.

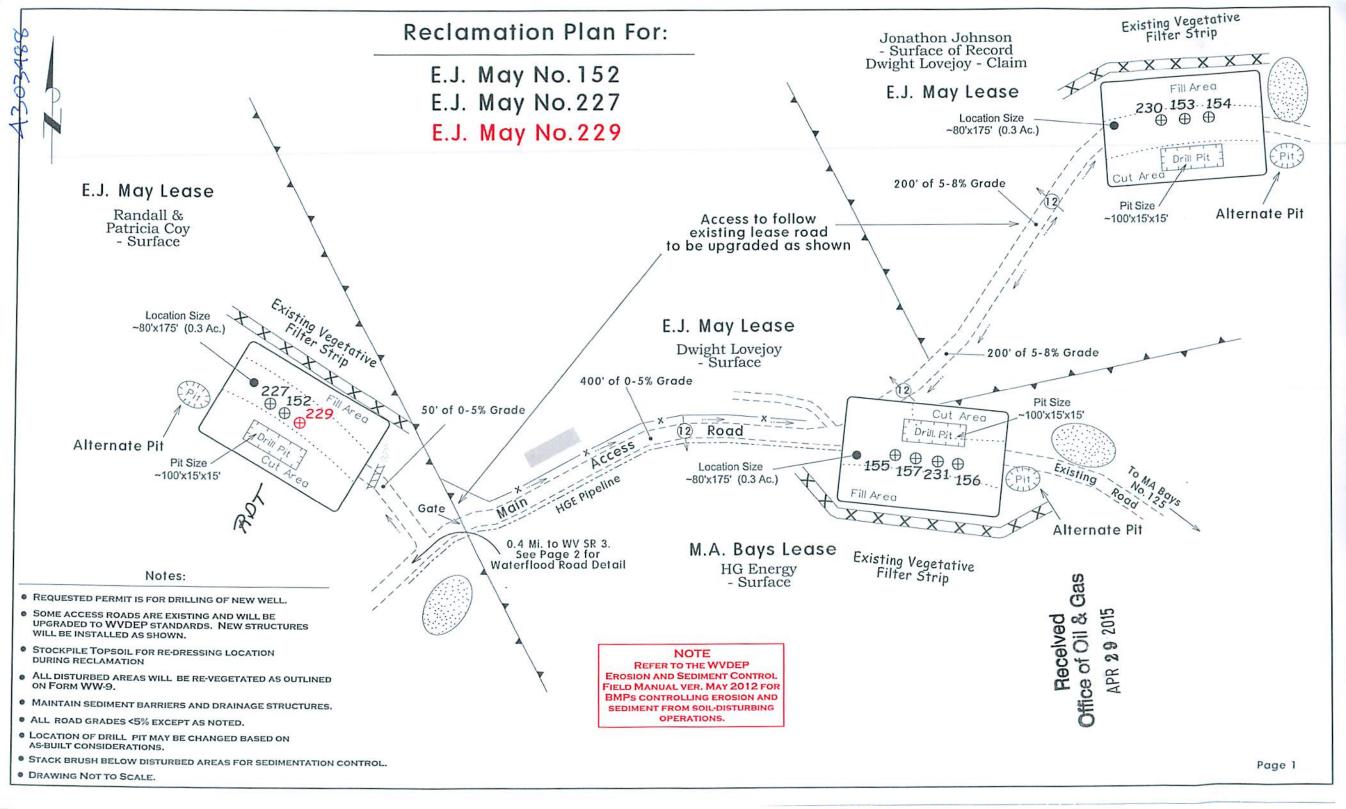
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

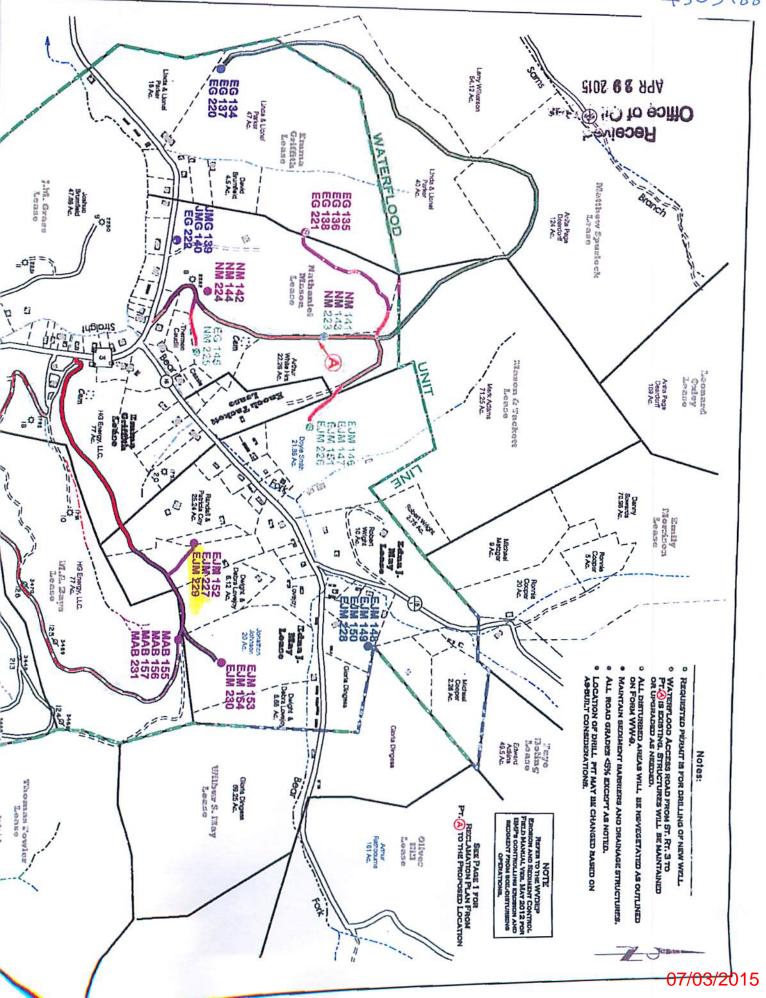
	FLUIDS/ CUTTINGS DISPOSA	AL & RECLA	MATION PL	LAN	
Operator Name_	HG Energy, LLC		_ OP Code	494497948	
Watershed (HUC	C 10) Bear Fork	Quadrangle	Griffithsville	e 7.5'	
Elevation 960'	County Lincoln		District	Duval	
Will a pit be use	te using more than 5,000 bbls of water to complete and for drill cuttings? Yes X No	3 (3)			
Will a s	synthetic liner be used in the pit? Yes X No	o If	so, what ml.	?_ 20 mil	
Propose	ed Disposal Method For Treated Pit Wastes:				
	Land Application Underground Injection (UIC Permit Nu Reuse (at API Number Off Site Disposal (Supply form WW-9 f Other (Explain	or disposal loc	cation))
Will closed loop	system be used? No			2 000	Ropping
Drilling medium	anticipated for this well? Air freehwater oil base	d ata Air Ero	ch Mater	(C)45F	00 -1 011 -
-If oil b	pased, what type? Synthetic, petroleum, etc. NA				APP OR DOOR
Additives to be u	used in drilling medium?_Water, Soap, KCl				2 2015
	sposal method? Leave in pit, landfill, removed offsi				
	in pit and plan to solidify what medium will be used				ne
	Il or offsite name/permit number?				
on August 1, 200 provisions of the law or regulation I certify application form obtaining the int	that I understand and agree to the terms and cond 05, by the Office of Oil and Gas of the West Virginia permit are enforceable by law. Violations of any a can lead to enforcement action. If you under penalty of law that I have personally example and all attachments thereto and that, based on formation, I believe that the information is true, mitting false information, including the possibility of	ia Department term or cond amined and ar my inquiry accurate, and	of Environm lition of the m familiar w of those ind complete.	nental Protection. I und general permit and/or with the information su lividuals immediately	derstand that the other applicable abmitted on this responsible for
Company Officia					
	al (Typed Name) Diane White		- Colli		AL SEAL
Company Officia	al Title Agent aworn before me this 10th day of April				ont Road t Virginia 26101
	Desire Sulones	-0	Nota	ary Public	manusconness.
My commission of	expires 00+. 4, 3016				07/03/2015

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SEAD DULANEY
PARMISDUS VIRGINIA SELOT
MY COMMISSION Expires Oct 4 2016

Proposed Revegetation Tre	atment: Acres Disturbed	1.0 acres	Prevegetation pl	-I
Lime	Tons/acre or to cor	rect to pH 6.5		
Fertilizer (10-20-2	0 or equivalent)_		ninimum)	
_{Mulch} Straw				
				
	_	Seed Mixtures		
A Seed Type	rea I lbs/acre		Are Seed Type	a II lbs/acre
Tall Fescue	40	Tall Fes		40
adino Clover	5	Ladino		
		Ladino	Clover	5
ttach: rawing(s) of road, location		r land application.		
ttach: rawing(s) of road, location hotocopied section of invo	n,pit and proposed area for	r land application. et.		
ttach: trawing(s) of road, location hotocopied section of invo	n,pit and proposed area for	r land application. et.		
ttach: rawing(s) of road, location hotocopied section of invo	n,pit and proposed area for	r land application. et.		
Attach: Drawing(s) of road, location hotocopied section of involved by:	n,pit and proposed area for	r land application. et.		
Attach: Drawing(s) of road, location thotocopied section of invo	n,pit and proposed area for	r land application. et.		•
Attach: Drawing(s) of road, location thotocopied section of invo	n,pit and proposed area for	r land application. et.		
attach: Prawing(s) of road, location hotocopied section of invo	n,pit and proposed area for	r land application. et.		
Attach: Drawing(s) of road, location thotocopied section of invo	n,pit and proposed area for	r land application. et.		
Attach: Drawing(s) of road, location thotocopied section of invo	n,pit and proposed area for	r land application.		

Received Office of Oil & Gas





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03/2015

