

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

July 23, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-4303513, 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: AUSTIN GRIFFITH 217

Farm Name: WADE, JERRY & SHARON

API Well Number: 47-4303513 Permit Type: Vertical Well

Date Issued: 07/23/2015

4303513

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 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.

07/24/2015

WW - 2B (Rev. 8/10)

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

		: <u>2</u>	VLLL VVOINT I	LIXIVIII AFFLI	SATION		· ·	
1) Well Opera	tor: HG E	Energy, L	LC	494497948	Lincoln	Duval	31 Griffithsv	ille 7.5'
	-	37,		Operator ID		District	Quadra	
2) Operator's	Well Num	ber:_ ^{Aust}	in Griffith 217		3) Elevation:			910
4) Well Type:							.*1	
4	(b) If Gas:	Produ	uction / Un	derground Sto	rage		•1	
			p/ \$					
5) Proposed T 6) Proposed T 7) Approximat 8) Approximat	otal Depth e fresh wa	n: ^{2919'} iter strata	Feet a depths: 280'	Formation at I	Proposed Tai Proposed Total			
9) Approximat	e coal sea	m depth	s: <u>330'</u>					
10) Approxima	nte void de	pths,(co	al, Karst, other):	NA				
11) Does land	contain co	oal seam	s tributary to ac	tive mine? N	Α			
			nd fracturing meth Berea. Stimulatio				eded)	:>
13)		C	ASING AND TUI	PINC PROCE	A B #			
	SPECIFIC			FOOTAGE	<u>awi</u> Intervals	CEMEN	VT	
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu.	Ft.)	
Conductor								ROT
Fresh Water	7"	LS	17#	430'	430'	Cement to S	Surface	ROT 06/08/15
Coal								0-1
Intermediate					9 8 9			
Production	4 1/2"	J-55	10.5#	2889'	2889'	150 sl	SECEIV	/ED
Tubing						Office	e of Oil	and Gas
Liners								7015
Packers: Kind	-					1.63	Donar	tment of
Size					16	Enviro	nmenia	A Protect
Dep	ths Set					EHVITO	07/04	/201E

CK 705/03

WW-2A (Rev. 6-14)

1). Date:	June 02, 2015	
150		

2.) Operator's Well Number Austin Griffith 217

State Cour

County Permit

3.) API Well No .:

47-

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

	ner(s) to be served:		5) (a) Coal Ope	erator		
(a) Name	Jerry & Sharon Wa	de 🖊	Name	NA		
Address	36 Wade Road		Address			•2
	Yawkey, WV 25573		 :			-
(b) Name		2	(b) Coal O	wner(s) with Declaration	n	•
Address	· 		Name	NA		
7 1441 000			Address	INA		€
			_ Address			
(a) Nama			Name			=:
(c) Name Address						-
Address			Address	,————		-
						-3
6) Inspector	Ralph Triplett			ssee with Declaration		
Address	5539 McClellan Hw	V	Name	NA		_
	Branchland, WV 25	506	Address			
Telephone	304-389-0350					5 0
		SONS NAM	MED ABOVE T	AKE NOTICE THAT:		
Included is th	ne lease or leases or othe				aht to extract oil and gas	
OR					3 3	
	ne information required by	Chapter 22	Article 6, Section	n 8(d) of the Code of Wes	st Virginia (see page 2)	
					copies of this notice and	
application, a loca	ation plat, and accompan			igh on the above nar	ned parties by:	
	Personal Service (A					
_	X Certified Mail (Posti			d)		
_	Publication (Notice					
		er 22-6 and	35 CSR 4, and	agree to the terms and	d conditions of any permit	
issued under this						
l certify ι	inder penalty of law that	I have perso	onally examined	and am familiar with the	information submitted on	
this application for	orm and all attachments,	and that bas	sed on my inquir	y of those individuals im	mediately responsible for	
	rmation, I believe that the				4b	
imprisonment.		nt penalties	for submitting fai	se information, including	the possibility of fine and	
The state of the s	OFFICIAL SEAL NOTARY PUBLIC W	bll Operator	HG Energy, L	I C		
SI SI	ATE OF WEST VIRGINIA		Diane White	Diane White		
	S. DIANNE DULANEY		Agent	Danke Myrace	RECEIVED	5
Park	5260 Dupont Road ersburg, West Virginia 26101		5260 Dupont	Road	Office of Oil and	<u> </u>
	ommission Expires Oct. 4, 2016	, Address.	Parkersburg.		omee of Oil and	Gas
*********	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT	Telephone:	304-420-1119		11 11 1 0 000	- 01
			dwhite@haer		JUN 1 8 2015	
Subscribed and s	worn before me this0;	2 day of		, 2015	A TOWNSON ON	* ?:
	1		30,10	, 2010	VVV Departmen	t of
	Desenvater	long	-	Notary Public	Environmental Prof	tootic
My Commission I	xpires 04.4	. DOK) ************************************	7011011101	CCHO
Oil and Gas Privacy	Notice	, - 0-			<u> </u>	501

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 depprivacyofficer@wv.gov

PS Form 3811, July 2013 Domestic Return Receipt		2. Article Number	Yawkey, WV 25573	Jerry & Sharan Wade	item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	Complete items 1, 2, and 3. Also complete	SENDED COLOR
ırn Receipt	9002 H204 0000 0T50 HT02	3. Service Type I Certified Mail* Priority Mail Express** Registered I Return Receipt for Merchandise Collect on Delivery 4. Restricted Delivery? (Extra Fee)		D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: No	X	COMPLETE THIS SECTION ON DELIVERY	RECEIV Office of Oil a JUN 1 8 7

/ED and Gas

20:5

WV Department of Environmental Protects

07/24/2015

WW.	-2A1
(Rev.	1/11)

Operator's Well Number	r Austin Griffith 217
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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, I	Lessor.	etc.
------------	---------	------

Grantee, Lessee, etc.

Royalty

Book/Page

- See Attached Form -

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

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Office of Oil and Gas

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WV Department of

The applicant further acknowledges that any Office of Oil and Gas permit in no way over the sign of the permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the affected activity is initiated.

	Diane White	
Well Operator:	HG Energy, LLC	
By:Its:	Agent, Diane White	

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

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

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- (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
Austin Griffith, et ux	South Penn Oil Company	1/8	39/333

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 and Gas

JUN 18 2015

WV Department of Environmental Protection

Well Operator:	HG Energy, LLC		
Ву:	Diane C. White	Diane White	— 07/24/2015
Its:	Agent	-	

WW	-2B1
(5-1	2)

Well No.	Austin Griffith 217	
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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	
		Sturm Environmental	
Well Operator	HG Energy, LLC	·	
Address	dress 5260 Dupont Road		
	Parkersburg, W	/ 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 -

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Page 2 - Continued

Austin Griffith 217

Well No.

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:

- * Charles Harless
 P. O. Box 10211
 Van Nuys, CA 91410
- * Steven Wilson 75 Wade Road Yawkey, WV

* Jerry Wade 36 Wade Road Yawkey, WV 25573

- Larry Sutphin
 4956 Midway Road
 Yawkey, WV 25573
- Roger McCallister
 4930 Midway Road
 Yawkey, WV 25573
- * Judy Miller Smith 25 Pond Gap Road Yawkey, WV 25573

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WW-9)
(5/13)	

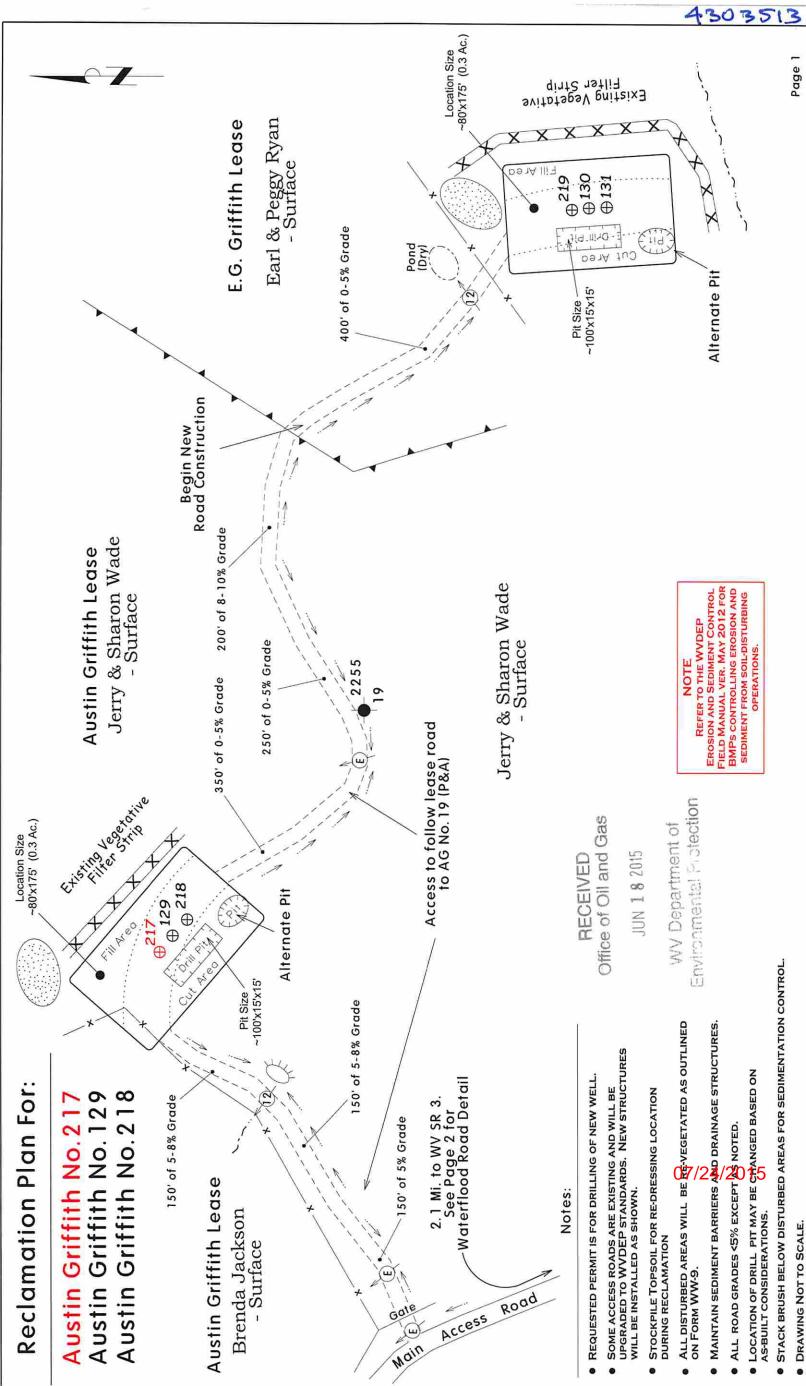
	Page	of
API Number 47 -	-	
Operator's	Well No. Austin Griffith 217	

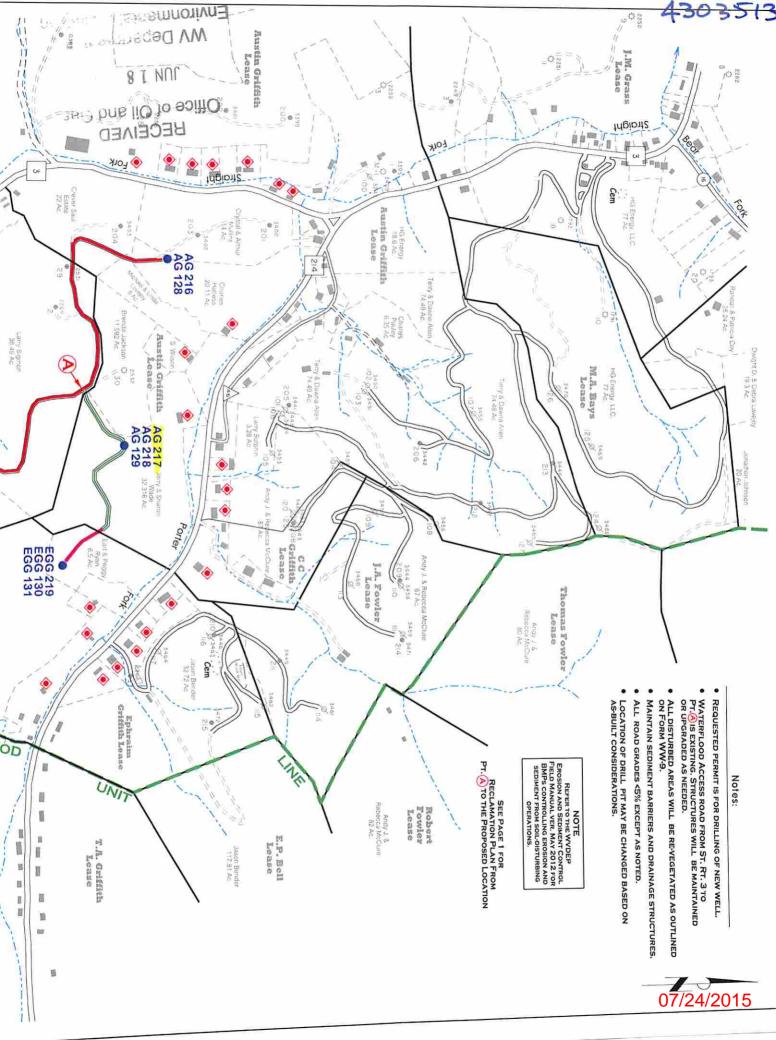
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

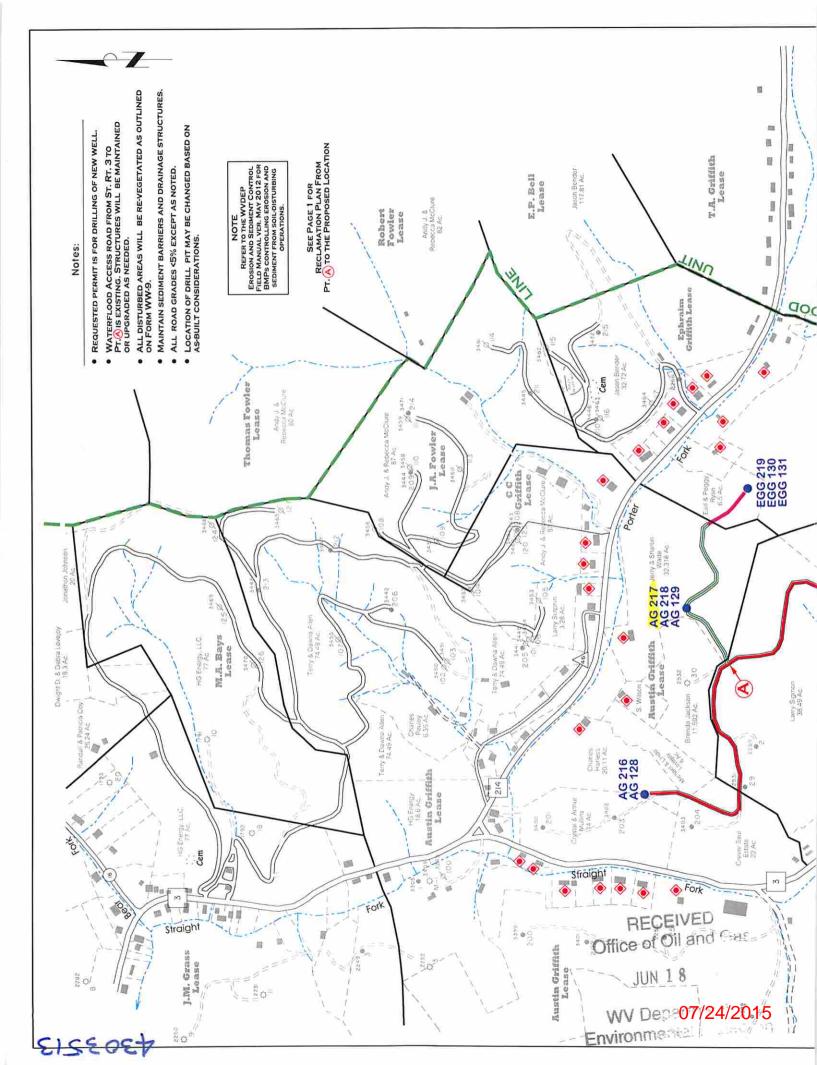
FLUIDS/CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy,	тс	OP Code
Watershed (HUC 10) Porter	Fork	Quadrangle Griffithsville 7.5
Elevation 895'	County	District Duval
Do you anticipate using more	e than 5,000 bbls of water to comp	elete the proposed well work? Yes No _ X
Will a pit be used for drill cu	ttings? Yes X No	<u> </u>
If so, please describ	e anticipated pit waste: Fluids en	countered while drilling the production well
Will a synthetic line	r be used in the pit? Yes X	No If so, what ml.? 20 mil
Proposed Disposal I	Method For Treated Pit Wastes:	
U: Ro O:	euse (at API Number	
Will closed loop system be u	sed? No	
Drilling medium anticipated	for this well? Air, freshwater, oil	based, etc. Air, Fresh Water
-If oil based, what t	pe? Synthetic, petroleum, etc. NA	
Additives to be used in drilling	ng medium?_Water, Soap, KCI	
Drill cuttings disposal metho	d? Leave in pit, landfill, removed	offsite, etc. Leave in pit
-If left in pit and pla	n to solidify what medium will be	used? (cement, lime, sawdust) Native soil, cement. lime
on August 1, 2005, by the Ori provisions of the permit are law or regulation can lead to I certify under pen- application form and all at obtaining the information, I	fice of Oil and Gas of the West Vi enforceable by law. Violations o enforcement action. alty of law that I have personally tachments thereto and that, base	•
Company Official Signature	Diane White	WV Department of
Company Official (Typed N	ame) Diane Whitte	Fricial Seal
Company Official Title Age		NOTARY PUBLIC STATE OF WEST VIRGINIA S. DIANNE DULANEY S260 DUPONT ROSG
Subscribed and sworn-before	me this 6th day of Ju	Perkersburg West Virginia 28181
My commission expires	DH.4, 3016)	07/24/2015

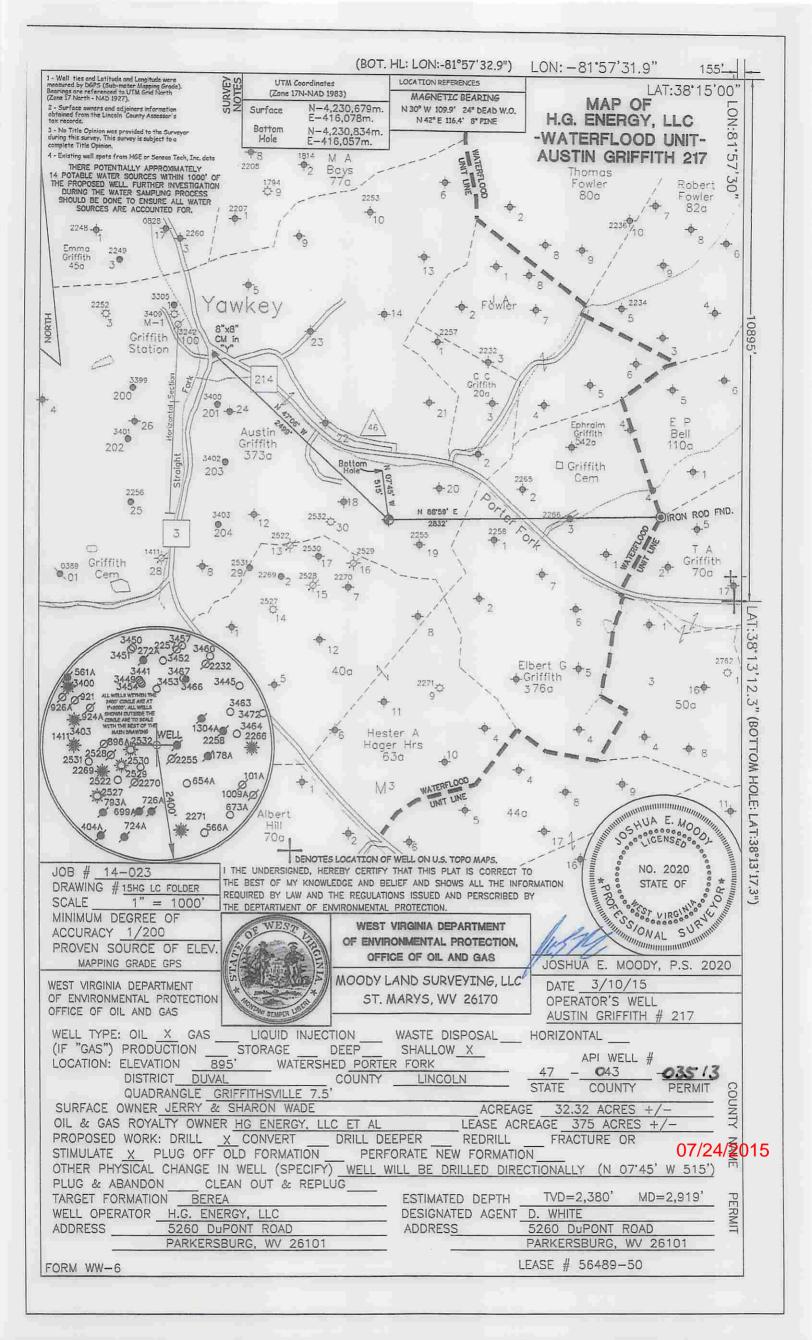
Form WW-9		Ope	rator's Well No. Austin Griffith
Proposed Revegetation Treatment: Acre			tation pH
Lime 3 Tons/a		0.5	
Fertilizer (10-20-20 or equivale	nt) 500 lbs/a	acre (500 lbs minimum)	
Mulch Straw 2	Tons/ac	re	
	Seed	Mixtures	
Area I Seed Type lbs/a Fall Fescue 40		Seed Type Tall Fescue	Area II : lbs/acre 40
_adino Clover	5	Ladino Clovee	
notocopied section of involved 7.5' topo			
omments:			
		·	RECEIVED Office of Oil and Oils
			JUN 1 8 2855
itle: District Inspector)	Date: June 8,	WV Department of Environmental multipolitical AOIS
eld Reviewed? () Ye		$\int_{1N_0} O$	







4303513 SUBJECT WELL Austin Griffith No.217 lawkey pressor Stal R.McCallister L. Sutphin Griffith 900 Cem J.Wade Oil Well No.217 Oil Wells Oil Wells Environ Section of Denotes Potential Water Supply Source and Surface Owner (From Aerial Photography) Griffithsville 7.5' Quadrangle SCALE 1"=10007/24/2015



Operator: HG ENERGY, LLC API: 4303513 WELL No: **AUSTIN GRIFFITH 217** Reviewed by: Q NV M Date: # 3056 15 Day End of Comment: CHECKLIST FOR FILING A PERMIT Vertical Well Inspector signature on WW-2B WW-2A (Notarized) Certified Mail Receipts, Waivers, or Affidavits of Personal Service Surface Owner Waiver M Coal Owner / Lessee /Operator Waiver WW-2A-1 (Signed) Showing Book/Page Number and Royalty Percentage WW-2B-1 (Names, addresses, and spot on topographical map listed as water testing) WW-9 (Page 1 & 2) (Notarized) More than 5,000 bbls Inspector Signature on WW-9 Reclamation plan Topographic Map of location of well



HG Energy, LLC 5260 Dupont Road

Parkersburg, WV 26101 (304) 420-1100 - Office

(304) 863-3172 - Fax

June 2, 2015

Mr. Jeff McLaughlin WVDEP Division of Oil & Gas 601 57th Street Charleston, West Virginia 25304

RE:

Austin Griffith No. 217

Duval District, Lincoln County

West Virginia

Dear Mr. McLaughlin:

Enclosed are the Forms WW-2A, WW-2A (1), WW-2B, WW-9, WW-2(B1), mylar of plat, reclamation plan, topo map and copy of the certified mailing receipt for a permit to drill the above-captioned shallow, producing well. Our check in the amount of \$650 is attached.

If you have any questions regarding this application, please call me at 304-420-1119.

Very truly yours,

Diane C White

Diane C. White

Enclosures

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Office of Oil and Gas

JUN 1 8 2015

cc:

Jerry & Sharon Wade - Certified Ralph Triplett - DEP Inspector

WV Department of Environmental Protection