

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

August 28, 2015

WELL WORK PERMIT

Secondary Recovery Well

This permit, API Well Number: 47-4303524, 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

Operator's Well No: AUSTIN GRIFFITH 160

Farm Name: HG ENERGY, LLC

API Well Number: 47-4303524

Permit Type: Secondary Recovery Well

Date Issued: 08/28/2015

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.

FORM WW-3 (B) 1/12



1) Date:	07/07/20	15						
2) Operat	tor's Well 1	No.	Aus	stin Griffith 16	0			
3) API W	ell No.:	47	-	Lincoln	-	s		
		State		County			Permit	
4) UIC P	ermit No.	UIC2	R043	301AP				

STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

	PECTOI	Duval	Road			tershed: Strainty Lincoln 8) DESIGNA	aight Fork		gle Griffithsville 7.5
7) WELL OPERAT Addre 9) OIL & GAS INS Name Ralph Tri	OR: HG	Energy, L 60 Dupont	Road		Col				510
Addre 9) OIL & GAS INS Name Ralph Tri	PECTOI	60 Dupont	Road				TED AGEN	IT Diane W	hite
9) OIL & GAS INS Name Ralph Tri	Pa PECTOI					8) DESIGNA	Address		pont Road
Name Ralph Tri	PECTO	rkersburg,	111/2610	1			riddiess		urg, WV 26101
Name Ralph Tri		TODE				10) DRILLIN	G CONTR	-	ang) tri mara
	-1-11	CIUBE	NOTIFI	ED					oval of Permit
Address 5539 Mc	-			_	_	Address	De Determine	а оронт фр.	oval of Comm
Branchla	nd, WV 2					Address			
11) PROPOSED W. 12) GEOLOGIC TA 13) Estimated Depth 14) Approximate w. 15) Approximate co	ARGET In the ARGET	FORMA' apleted War depths:	TION Be	hysical o rea	change in v	/ Perfo vell (specify) Depth		Feet (top) Feet	/ Stimulate / Convert I Convert I Convert I Convert I Convert Conver
16) Is coal being mi			Yes		No				
17) Virgin reservoir				on 1250	psig	Source	Estimated		
18) Estimated reser									psig (BHFP)
19) MAXIMUM PR					IONS: V	olume per hou	ır 25 bbl's	Bottom h	ole pressure 2400 psi
20) DETAILED ID	ENTIFIC	CATION	OF MAT	CERIAL.					S Fresh water, produced
water, bactericides	and othe	r chemical	ls as need	ed to mai	ntain water o	uality and improv	ve oil recoven	y.	
21) FILTERS (IF A									
22) SPECIFICATION	ONS FO	R CATH	ODIC PR	OTECT	TON AND	OTHER COR	ROSION C	ONTROL	
23) CASING AND TO	UBING P	ROGRAN	M						
CASING OR		SP	ECIFICATI	ONS		FOOTAGE IN	TERVALS	CEMENT	PACKERS
TUBING TYPE	Size	Grade	Weight per ft.	New	Used	For Drilling	Left In Well	FILL -UP OR SACKS (CU. FT.)	ROTHIS ONLY
Conductor									Kinds
Fresh Water	7"	LS	17#	X		330	330	CTS	
Coal									Sizes
Intermediate						B	ECEIVE	D	2.375" x 4.5"
	4 1/2"	J-55	10.5#	X			of effar		Depths set
		J-55	4.6#	X		2567'	2567'		2450'
Production	2 3/8"		.,				UL 2 7 20	15	Perforations
Production Tubing	2 3/8"					1	DE DIE	13	TD 40
Production Tubing	2 3/8"								Top Bottom
Production Tubing	2 3/8"						Departm	ent of	Top Bottom
Production Tubing Liners		TING	IGUTO	Hora ca-	uirad fram	WV I)epartm		
Production Tubing	S OPERA			vere acq		WV I	pepartm pepartm pepartm 1 -00/00/490	rotection	

CXX 3087. 3 43035245

FORM WW-3 (A) 1/12



1) Date:	07/07/201	15				
2) Operato	or's Well	No.	Austin	Griffith 16	0	
3) API We	ell No.:	47	-		-	
26.00.30		State		County		Permit
4) UIC Per	mit No.	UIC2	R04301	AP		

STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OF WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS,

5) Surface Ow	ner(S) To Be Served	7) (a) Coal (Operator	
(a) Name	HG Energy, LLC	Name	NA	
Address	5260 Dupont Road	Address		
	Parkersburg, WV 26101		0 (0) W'd D	- Iti Of Decard
(b) Name		4 (4)		eclaration Of Record
Address		Name	NA	
		Address		
(c) Name		Name		
Address		Address	-	
6) Inspector	Ralph Triplett	7) (c) Coal	Lessee with Decla	aration Of Record
Address	5539 McClellan Hwy	Name	NA	
ridaress	Branchland, WV 25506	Address		
Telephone	304-389-0350			
The date	rosion and sediment control and for reclamate proposed for the first injection or wasted YOU HAVE RECEIVED THESE DON WHICH ARE SUMMARIZED IN THE ATION [(FORM WW-3(B)] DESIGNATE ALL.	c disposal is CUMENTS "INSTRUC"	IS THAT YOU TIONS" ON THI	20 15 . HAVE RIGHTS REGARDING THE E REVERSE SIDE OF THE COPY OF
Notice and Ap West Virginia Application an and Reclamation	at under Chapter 22-6 of the West Virginia plication and accompanying documents for Department of Environmental Protection d depicted on the attached Form WW-6. On Plan have been mailed by registered or in certain circumstances) on or before the design of the design o	or a Well Wo with respectopies of this certified mai	ork Permit with the ct to a well at the Soutice, the Appell or delivered by	ne Chief of the Office of Oil and Gas, the location described on the attached slication, the plat, and the Construction hand to the person(s) named above to
	The person signing this docum	ent shall ma	ake the followin	g certification: JUL 2 7 2015
16T and C 1-	r penalty of law that I have personally exam	ained and	Well Operator	HG Energy, LLC WV Department of
am familiar wi	th the information submitted in this docume	ent and all	Address	
	d that, based on my inquiry of those individ			Parkersburg, W 26101 Mental Protection
	esponsible for obtaining the information, I b		By:	Diane White
the information	is true, accurate and complete. I am aware	e that there	Its:	Agent
	penalties for submitting false information,	including		.1."
the possibility	of fine and imprisonment.		Signature:	Diane White

WW-2B1	
(5-12)	

Well No. Austin Griffith 160

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
Sturm Environmental
Sturm Environmental

Well Operator
Address
HG Energy, LLC
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 and Gas

JUL 2 7 2015

WV Department of Environmental Proteption 2015

WW-2B1 Page 2 - Continued

Well No.

Austin Griffith 160

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.

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:

- * Timothy Thaxton 4866 Straight Fork Road Yawkey, WV 25573
- Kenneth Egnor
 533 Laurel Fork
 Sumerco, WV 25567
- Debra Lynn Johnson
 P.O. Box 114
 Griffithsvile, WV
- Tommy and Lisa Adkins P. O. Box 254 Griffithsville, WV 25521
- Crystal & Arthur Mullins 4833 Straight Fork Yawkey, WV 25573
- Mark & Jeanie Salmons
 20 Breezy Lane
 Yawkey, WV 25573
- Yawkey Methodist Church Yawkey, WV 25573
- HG Energy, LLC 4908 Straight Fork Yawkey, WV 25573

- Daniel Cooper
 4851 Straight Fork Road
 Yawkey, WV 25573
- Yawkey Quick Mart PO Box 176
 Griffithsville, WV 25521
- * Angela & Rick Stump
 5172 Midway Road
 Yawkey, WV 25573
- * Yawkey Handy Wash PO Box 133 Griffithsville, WV 25521
- Leah Sowards
 4235 Straight Fork
 Yawkey, WV 25573
- Harold Farley
 21 Breezy Lane
 Yawkey, WV 25573
- * Tony Lewis 3 Breezy Lane Yawkey, WV

Office of AMERICAN

AUG 2 3 215

WV Dep.

WW-9 Rev. 5/10

Page 333 of
API Number 47
Operator's Well No. Austin Griffith 160

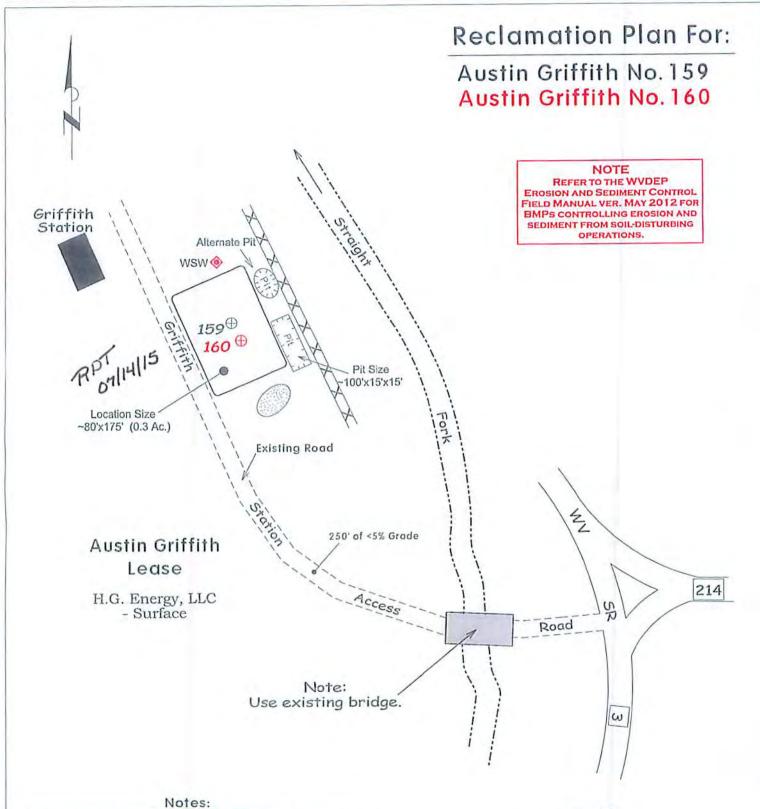
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM

GENERAL PERMIT	FOR OIL AND GAS PIT W.	ASTE DISCHARGE	
Operator Name HG Energy, LLC		OP Code 494497948	3
Watershed Straight Fork	Quadrangle G	riffithsville 7.5'	
Elevation 688' County	Lincoln	District_Duval	
Description of anticipated Pit Waste: Fluids encour			
Do you anticipate using more than 5,000 bbls of wat	ter to complete the proposed v	well work? Yes	No_X
Will a synthetic liner be used in the pit? Yes	If so, what mil.?_3	30 mil	
Proposed Disposal Method For Treated Pit Wastes:			
<u>×</u> Land Application Underground Injection (UIC Permit Number)
Reuse (at API Number			
Off Site Disposal (Suppl	y form WW-9 for disposal lo	cation)	
Other (Explain			
Drilling medium anticipated for this well? Air, fresl	hwater, oil based, etc. Air, Fre	esh Water	
-If oil based, what type? Synthetic, petrole	um, etc. NA		
· · · · · · · · · · · · · · · · · · ·			
Will closed loop system be used ? No Drill cuttings disposal method? Leave in pit, landfil If left in pit and plan to solidify what media	I. removed offsite, etc. Leave	e in pit	
-If left in pit and plan to solidify what medi	ium will be used? Cement, li	me, sawdust Native soil	, cement, lime
-Landfill or offsite name/permit number? _			
I certify that I understand and agree to the on August 1, 2005, by the Office of Oil and Gas of a provisions of the permit are enforceable by law. Velaw or regulation can lead to enforcement action. I certify under penalty of law that I have application form and all attachments thereto and obtaining the information, I believe that the information of th	the West Virginia Department iolations of any term or contemporary personally examined and a that, based on my inquiry mation is true, accurate, and	t of Environmental Prot dition of the general pe m familiar with the int of those individuals i d complete. I am awa	formation submitted on this mmediately responsible for that there are significant EECE 10 East Gas
			JUL 2 7 2015
Company Official (Typed Name) Diane White			WV Department of
Company Official Title Agent		Fn	vironmental Protection
		——————————————————————————————————————	
Subscribed and sworn before me this 7th	_ day of _July	20.15	***************************************
2 Diann Dulam	7²		OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA S. JIANNE DULANEY
My commission expires Oct 4, X	76		5260 Dupont Road Parkersburg Wess Virginia 28401 Parkersburg Wess Virginia 28401 Parkersburg Wess Virginia 28401

Operator's Well No. Austin Griffith 160

		LEGEND	
Property Boundary	-	Diversion Lealer	111111111111111111111111111111111111111
Rond = = = = = =	=====	Spring O	
Existing Fence — X -		Wet Spot 15	
Planned Fence / _		Drain Pipe with size in i	
		₩ Waterway ← €	$\rightarrow \leftarrow \rightarrow \leftarrow \rightarrow \leftarrow \rightarrow$
Open Ditch		Casas Denin 777	
Rock 835886	Name .	Artificial Filter Strip	XXXXXXXXXXXXXXXXX
North N		Pit; cut walls	3
Buildings		Pit: compacted fill walls	The state of the s
Water wells		Area for Land Applicati	on of Pit Waste
Drill site			Contract of the second
Proposed Revegetation Treati	ment: Acres Disturbed	1.0 Prevegeta	ation pH
	Tons/acre or to correct		
Lime			
Fertilizer (10-20-20	or equivalent)500	lbs/acre (500 lbs minimum)	
Mulch Straw	2	Tons/acre	
IVIUICII		-	
		Seed Mixtures	
Arc	ea I	5.00 mm	Area II
Seed Type	lbs/acre	Seed Type	
Tall Fescue	40	Tall Fescue	40
Ladino Clover	5	Ladino Clover	5
	SHACE	At All Timon**	
**Sediment Contro	Should-Be in Pla	ace At All Times	
Attach:		to the Banking	
Drawing(s) of road, location,	pit and proposed area for i	апа аррисацоп.	RECEIVED
Photocopied section of invol-	ved 7.5' topographic sheet.		Office of Oil and Gas
			JUL 2 7 2015
0	a O o Can		
Plan Approved by: Raly	B. Musical		WV Department of
Comments:	Environmental Protection		
2 3 1 4 2 1 4 2 1 4 3 1 5 3 7 8 3 1 4 3 7 8 3 1 4 3 7 8 3 1 4 3 7 8 3 1 4 3 7 8 3 7 8 3 1 4 3 7 8 3 7 8 3 7 8 3			
Do 0	Incode 4	Date: July 14,	2015
Title: District In	specier	Date. July 17	8015
Field Reviewed?	incoln Yes () No 0	09/29/201



- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- ACCESS ROADS ARE EXISTING AND WILL BE MAINTAINED TO WVDEP STANDARDS.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL, BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <5% EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- O DRAWING NOT TO SCALE.

RECEIVED
Office of Oil and Gas

JUL 2 7 2015

WV Department of Environmental Protection

08/28/2015

