

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

October 09, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-4303532, 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.

Chier

Operator's Well No: AUSTIN GRIFITH 241

Farm Name: SAUL, DANNY & JUDY

API Well Number: 47-4303532

Permit Type: Vertical Well Date Issued: 10/09/2015

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. 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.
- 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.

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

1) Well Operato	r: HG E	nergy, I	LLC	494497948	Lincoln	Duval	Griffithsville
				Operator ID	County	District	Quadrang
2) Operator's W	ell Numbe	er:_Aust	tin Griffith 241		3) Elevation:	1050'	_
l) Well Type: (a	ı) Oil <u>x</u>	_ or Ga	s				
(b) If Gas:	Produ	ction/ Und	erground Sto	rage	_	
			/ S				
5) Proposed Ta 6) Proposed To 7) Approximate 8) Approximate	fresh wat	er strata		Formation at I	Proposed Tar Proposed Tota	get Depth:	SHALE
) Approximate	coal sear	n depths	s: <u>480'</u>				_
I0) Approximat	e void de	oths,(coa	al, Karst, other):	NA			
			s tributary to act	*	IA .		
13) TYPE S	SPECIFIC	C	ASING AND TUI	BING PROGE		S CEM	ENT
	Size	Grade	Partier at a land of	For Drilling	Left in Well	Fill -up (C	Cu. Ft.)
Conductor							
Fresh Water	7"	LS	17#	580'	580'		to Surface
Coal					1	R	07/08/15
Intermediate							
Production	4 1/2"	J-55	10.5#	2665'	2665'	150	sks
Tubing						RECEI	VED and Gas
Liners						SEP 17	,
Packers: Kind	d:					SEP 1	(2010
							traent of 10/09/201

WW-2	2A
(Rev.	6-14)

1). Date: September 4, 2015

2.) Operator's Well Number

Austin Griffith 241

State

County

Permit

3.) API Well No.:

47-Lincoln

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 Op	erator		
(a) N	Name	Crever Saul Estate V	Name	NA		
Add	ress	2229 Chestnut Street	Address			
		Charleston, WV 25309				
(b) N	Vame	Danny & Judy Saul	(b) Coal C	Owner(s) with D	eclaration	
Add	ress	25 Pond Gap Fork	Name	NA		
		Yawkey, WV 25573	Address			
(c) N	Name	Kenneth Egnor	Name	-		
Add	ress	533 Laurel Fork V	Address			
		Sumerco, WV 25567				
6) Inspe	ctor	Ralph Triplett	(c) Coal L	essee with De	claration	
Addr	ess	5539 McClellan Highway	Name	NA		
		Branchland, WV 25506	Address			
Teler	phone	304-389-0350		1		
2,000		TO THE PERSONS NAM	VIED ABOVE T	AKE NOTICE	THAT:	
Inclu	ided is th	ne lease or leases or other continuing				ct oil and gas
OR		•				3
Inclu	ided is th	ne information required by Chapter 22.	Article 6, Section	on 8(d) of the Co	de of West Virginia (s	see page 2)
- 1	certify t	that as required under Chapter 22-6	of the West Virg	inia Code I hav	e served copies of t	his notice and
		ation plat, and accompanying docume	nts pages 1 thro			
	_	Personal Service (Affidavit attac				
		X Certified Mail (Postmarked posta		ed)		
	_	Publication (Notice of Publicatio				
		ad and understand Chapter 22-6 and	35 CSR 4, and	I agree to the	terms and conditions	of any permit
		application.	COLDER MANAGEMENT			
 	certify t	under penalty of law that I have person	onally examined	and am familia	r with the information	submitted on
chtaining	the infe	orm and all attachments, and that barration, I believe that the information	sed on my inqui	ry of those indiv	riduals immediately r	esponsible for
UDIAITIII IS	am-au	re that being as a significant penalties	for submitting fa	lee information	including the possibi	lity of fine and
imprison	ment	OFFICIAL SEAL GITTING ATT PETIATIES	ioi submitting la	iise iriioirrialiori,	including the possible	illy of lifte and
S. S.	The same of the sa	NOTARY PUBLIC STATE OF WEST VIRGINIWell Operator	HG Energy, I	LC		
1 3 4	3	S DIANNE DULANEY BY	Diane White	Diane Whi	Ł	
1/6			Agent			
1 1/10	Tone Call		5260 Dupont	Road		
		was a substitute of the substi	Parkersburg,			t les les
		Telephone:			REGER	10
		Email:	dwhite@hger		Omce at Lin	and Gas
Subscribe	ed and s	sworn before me this 4th day of	September		, 2015	
	25	Diann Duling	_	Notary		2015
My Comr	mission I	Expires 12t 42014	/		MAY Dansey	mantof
Oil and Gas	s Privacy	Notice			Environmental	
The Office	of Oil and	Gas processes your personal information,	such as name add	ross and phone nu		

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 with statutory or regulatory requirements, including Freedom of Information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

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

** 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 appropriate aut hority before the affected activity is as initiated.

Well Operator: By:Its:

Diane White SEP 1.7 2015

HG Energy, LLC

Diane White, Agent

Environment - Projection 10/09/2015

Operator's Well No.	Austin Griffith 241	
Operators well No.	Ausun Ommul 241	

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.	Grantce, Lessee, etc.	Royalty	Book/Page
Austin and Elizabeth Griffith	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

REDEIVED
Office of Offiand Gas

SEP 1 7 2015

Well Operator:	HG Energy, LLC		Lineman ont of
Ву:	Diane C. White	Diane White	10/09/2015
lts:	Accountant		10/03/2013

WW-2B1 (5-12)

Well No.	Austin	Griffith	241
----------	--------	----------	-----

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 Labs

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 -

© F. 1. 1. 1 and **Gas** SEP 1.**7** 2015



Page 2 - Continued

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:

Danny & Judy Saul
 25 Pond Gap Fork
 Yawkey, WV 25573

REDEIVED Chara a Trained Gas

SEP 1 7 2015

in the second of section 10/09/2015

My commission expires

	Pageof
API Number 47 -	
Operator's Well N	IO. Austin Griffith 241

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy, LLC	OP Code 494497948
Watershed (HUC 10) Straight Fork	Quadrangle Griffithsville 7.5'
Elevation 1050' County Lincoln	District_ Duval
Do you anticipate using more than 5,000 bbls of water to con	nplete the proposed well work? Yes No X
Will a pit be used for drill cuttings? Yes X No	
If so, please describe anticipated pit waste: Fluids	encountered while drilling subject well
Will a synthetic liner be used in the pit? Yes _ x	No If so, what ml.? 20 mil
Proposed Disposal Method For Treated Pit Wastes:	
Land Application Underground Injection (UIC Pen Reuse (at API Number Off Site Disposal (Supply form W Other (Explain	
Will closed loop system be used? No	
Drilling medium anticipated for this well? Air, freshwater, o	il based, etc. Air, Fresh Water
-If oil based, what type? Synthetic, petroleum, etc. I	NA
Additives to be used in drilling medium? Water, soap, KCI	
Drill cuttings disposal method? Leave in pit, landfill, remove	ed 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?	
on August 1, 2005, by the Office of Oil and Gas of the West provisions of the permit are enforceable by law. Violations law or regulation can lead to enforcement action. I certify under penalty of law that I have persona application form and all attachments thereto and that, ba	ally examined and am familiar with the information submitted on this sed on my inquiry of those individuals immediately responsible for s true, accurate, and complete. I am aware that there are significant
Company Official Signature Diane White	
Company Official (Typed Name) Diane White	WEJEIVEL
Company Official Title_ Agent	September OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA S DIAKNE DULANEY
2 1 Denning Pullar	My Commission Expires Oct. 4, 2016
- Monte de la constante de la	10/09/201

Form WW-9		Oper	ator's Well No.	Austin Griffith 241
Proposed Revegetation Treatment:	Acres Disturbed 1.4 i	ACTES Preveget	ation pH	
Lime 3			•	
Fertilizer (10-20-20 or equi	500	bs/acre (500 lbs minimum)		
Mulch Straw	2	s/acre		
	Se	eed Mixtures		
Area I			Area II	
	bs/acre	Seed Type		lbs/acre 40
Tall Fescue	40	Tall Fescue		
Ladino Clover	5	Ladino Clover		5
** Sediment Control She Attach: Drawing(s) of road, location,pit and Photocopied section of involved 7.5' Plan Approved by: Comments:	proposed area for land ap			
Title: District Suspector Field Reviewed?) Yes (Date: Soptomber) No	SEI	SIVED Chand Cas 1.7 285 Ement of Emericaction













