

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

December 28, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-4303560, 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.

Operator's Well No: E. G. GRIFFITH 259

Farm Name: MCCLURE, JAMES R.

API Well Number: 47-4303560
Permit Type: Vertical Well
Date Issued: 12/28/2015

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, drilling ceased, completion of any other permitted well work and completion of the well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

01/01/2016

WW - 2B (Rev. 8/10)

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

1) Well Operato	or: HGE	nergy, L	LC	494497948	Lincoln	Duval	Griffithsville 7.5'
				Operator ID	County	District	Quadrangle
2) Operator's W	Vell Numb	oer: <u>EG</u>	Griffith 259		3) Elevation:	1075'	
4) Well Type: (a	a) Oil <u>X</u>	or Ga	as				
(t) If Gas:	Produ	uction/ Und	derground Sto	rage		
		Dee	p/ S	hallow X			
	tal Depth fresh wa	i:_ ^{3298'} iter strata	Feet I a depths: _ ^{455'}	Formation at F	Proposed Tai Proposed Total	get Depth: 30	062' e
9) Approximate	coal sea	m depth	s: 505'				
10) Approximate	e void de	pths,(co	al, Karst, other):	None			
11) Does land o	contain co	oal seam	s tributary to acti	ive mine? N	0		
•	•	well in the	nd fracturing methors Berea. Stimulation	n will be small hy	draulic fracture.		ded)
•	PECIFIC			FOOTAGE		CEMEN	<u>IT</u>
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu.	Ft.)
Conductor							
Fresh Water	7"	LS	17#	605'	605'	Cement to S	urface
Coal						of Oil and G	
Intermediate						C 0 4 2015	
Production	4 1/2"	J-55	10.5#	3268'	3268'	150 sk	
Tubing					1 11	epartment (-1:-
Liners							
Packers: Kind Sizes					49		

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

Date: November 9, 2015
 Operator's Well Number <u>E G Griffith 259</u>
 State 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

	wner(s) to be served:	5) (a) Coal Operator
(a) Name	James R. McClure	Name NA
Address	4505 Midwav Road	Address
	Yawkey, WV 25573	<u> </u>
(b) Name	Stephen & Shirley Eand	or (b) Coal Owner(s) with Declaration
Address	4540 Straight Fork Roa	d Name NA
	Yawkev. WV 25573	Address
(c) Name		Name
Address	-	Address
, (44, 555		
6) Inspector	Jeremy James	(c) Coal Lessee with Declaration
Address	P. O. Box 36	Name NA
	Clendenin, WV 25045	Address
Telephone	304-951-2596	
		NS NAMED ABOVE TAKE NOTICE THAT:
Included is t	the lease or leases or other con	tinuing contract or contracts by which I hold the right to extract oil and gas
OR		
		pter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
		er 22-6 of the West Virginia Code I have served copies of this notice and
application, a lo		documents pages 1 through on the above named parties by:
	Personal Service (Affida	
_		ed postal receipt attached)
	Publication (Notice of Pu	
		2-6 and 35 CSR 4, and I agree to the terms and conditions of any permit
issued under thi		
		ve personally examined and am familiar with the information submitted on
		that based on my inquiry of those individuals immediately responsible for
		rmation is true, accurate and complete. enalties for submitting false information, including the possibility of fine and
imprisonment.	are that there are significant pe	enames for submitting false information, including the possibility of fine and
imprisoriment.	Well Or	perator HG Energy, LLC
yananananan	philippinessessessessessessessessessessessessess	By: Diane White Diane white
WEST	OFFICIAL SEAL	Its: Agent RECOIL and Gas Idress: 5260 Dupont Road Recoil and Gas Parkersburg, WV 28101 phone: 304-420-1119
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	NOTARY PUBLIC STATE OF WEST VIRGINIA	dress: 5260 Dupont Road
1日 1	TIMOTHY P. ROUSH	Parkersburg WV 28101
	P. O. Box 5519 Tele	phone: 304-420-1119 DEC 0 4 2015
Maria truets distributed May C	Vienna West Virginia 26105 Commission Expires Apr. 26, 2020	Email: dwhite@hgenergyllc.com
Subscribed and	sworn before me this 9th	day of November 2015tment of
2.3 de 0.32 30 20 30 10 10 10 10 10 10 10 10 10 10 10 10 10	LA OAO	WV Departing Protection
4	entite,,	day of November WV Department of WV Departmental Protection
My Commission	Expires 4/26/2	UZ-S ENVIRONMENT
Oil and Gas Privacy	y Notice /	

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

WW-2A1 (Rev. 1/11)

Operator's	Well	Number	ΕG	Griffith	259
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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 path 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 givered nullifies the need for other permits/approvale that nullifies the need for other permits/approvals that may be necessary and the 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:

Diane White HG Energy, LLC

Environmental Protection

Agent

Operator's Well No.	E G Griffith	259
Oberators well no.		4 JJ

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- (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
E. G. Griffith et al	South Penn Oil Company	1/8	39/462

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.

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The permit applicant for the proposed well work addressed in this application hereby acknowled to the possibility of the need for permits and/or approvals from local, state or federal entities in additional and 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 DEC 0 4 2015

WV Department of Environmental Protection

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

WW-2B	1
(5-12)	

Well No. EG Griffith:	259

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 Ro	pad
	Parkersburg, W	V 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.

DEC 0 4 2015

- See Attached Forman nonorment of

WW-2B1
Page 2 - Continued

Well No.

E G Griffith 259

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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

- Christopher & Bethany Dotson
 4701 Midway Road
 Yawkey, WV 25573
- * James & Carolyn McClure 4705 Midway Road Yawkey, WV 25573

RECEIVED
Office of Oil and Gas

DEC 0 4 2015

Mrv Department of Environments. Protection

WW-9	
(5/13)	

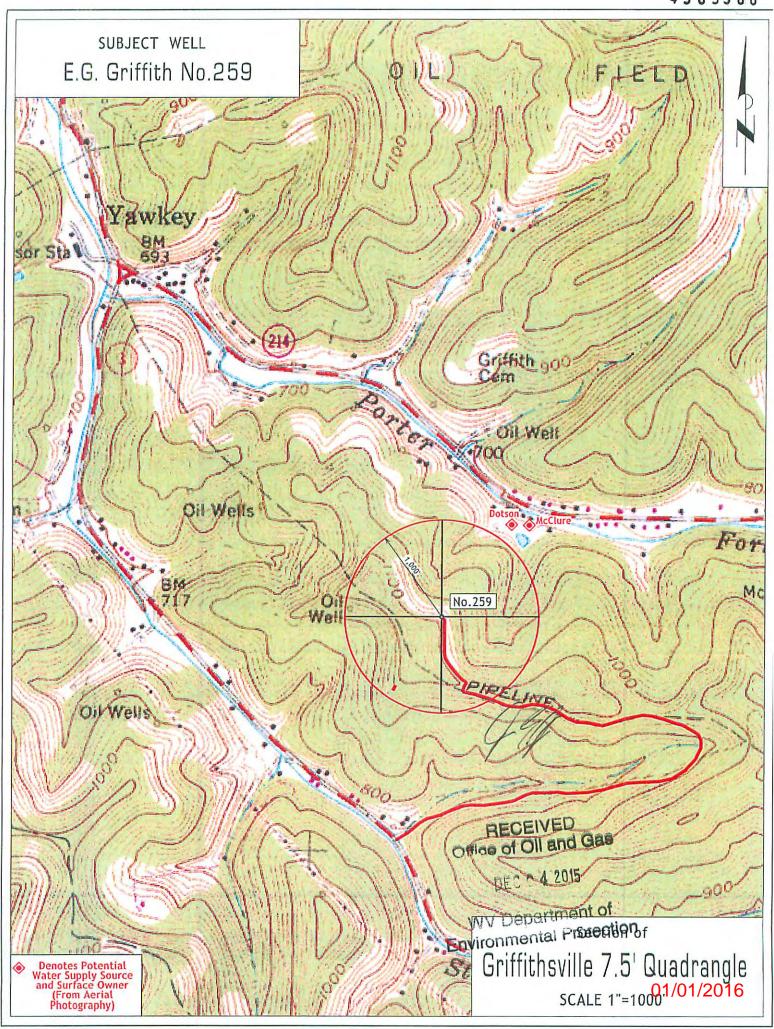
	Page of
API Number 47 -	
Operator's Well N	O. E G Griffith 259

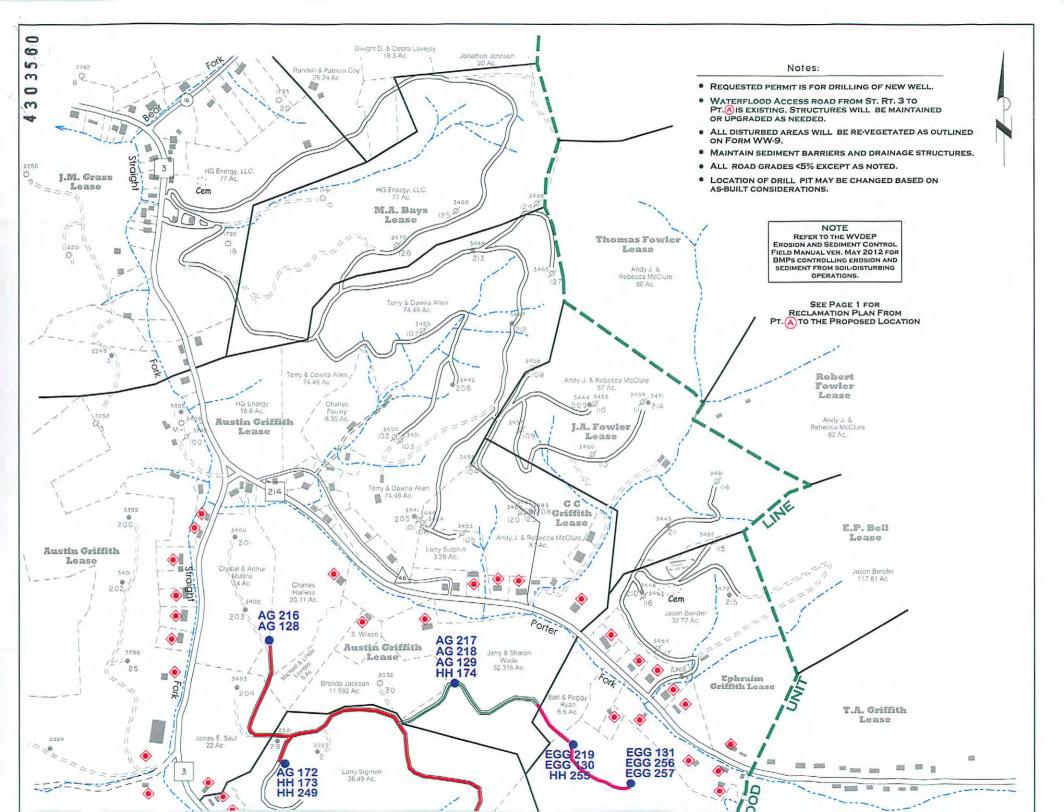
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

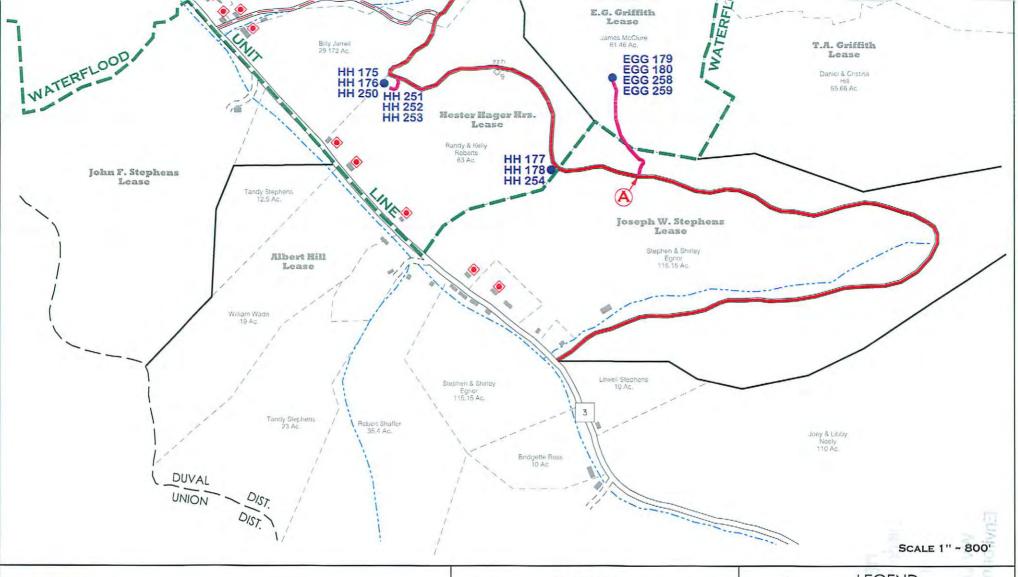
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy, LLC	OP Code 494497948
Watershed (HUC 10) Porter Fork	Quadrangle Griffithsville 7.5'
Elevation 1075' County_	District Duval
Do you anticipate using more than 5,000 bbls of water	r to complete 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 shallow well
Will a synthetic liner be used in the pit? Yes	x No If so, what ml.? 30 mil
Proposed Disposal Method For Treated Pit W	
Land Application	
	IC Permit Number)
	form WW-9 for disposal location)
	transported to offsite disposal - Vikings Permit # 2D03902210
Will closed loop system be used? No	
	vater, oil based, etc. Air, Fresh Water
	n, etc
	KCI
	removed offsite, etc. Leave in Pit
	m will be used? (cement, lime, sawdust) Native soil, cement, lime
-Landill or offsite name/permit number?	
on August 1, 2005, by the Office of Oil and Gas of the provisions of the permit are enforceable by law. Violaw or regulation can lead to enforcement action. I certify under penalty of law that I have papplication form and all attachments thereto and the obtaining the information. I believe that the information of the provisions of t	rms and conditions of the GENERAL WATER POLLUTION PERMIT issued a West Virginia Department of Environmental Protection. I understand that the plations of any term or condition of the general permit and/or other applicable personally examined and am familiar with the information submitted on this mat, based on my inquiry of those individuals immediately responsible for ation is true, accurate, and complete. I am aware that there are significant me possibility of fine or imprisonment RECEIVED
Company Official Signature Diane Whit	Office of Oil and Gas
Company Official (Typed Name) Diane White	DEC 0 4 2015
Company Official Title Agent	DL.O V X TO
All M	day of November Environment of Heial-SEAL Protection Public STATE OF WEST VIRGINIA TIMOTHY P. ROUSH P. O. Box 5519 Vienna, West Virginia 26105 My Commission Expires Apr. 26, 2020

Form WW-9		Oper	rator's Well No. EG Griffith 259
	as Districted 1.6 ac	res	
Proposed Revegetation Treatment: Acre	es Disturbed	Fieveget	ation pH
Lime Tons/	acre or to correct to pH		
Fertilizer (10-20-20 or equivale	, 	cre (500 lbs minimum)	
_{Mulch} Straw	2	re	
	Seed 1	Mixtures	
Area I		0 17	Area II
Seed Type lbs/z Tall Fescue 40		Seed Type Tall Fescue	lbs/acre 40
Ladino Clover 5		Ladino Clover	5
Laumo Ciovei 3		Laumo Ciovei	<u> </u>
*** 0 11 1 0 1 1 01	- I I D - I - DI	A. A.I. T' +#	
** Sediment Control Short	uld Be in Place.	At All Times ""	
Attach:			
Drawing(s) of road, location,pit and prop	-	cation.	
Photocopied section of involved 7.5' top	ographic sheet.		
-M			
Plan Approved by			·
Comments: 15eed +	Mulch Prior	to drilling	
w			
		1201	
Title: inspector 006	 	Date: //- 24100/81	CEIVED Oil and Gas
Field Reviewed?	es () No DEC	0 4 2015
		WV Do Environm	epartment of Jentai Protection









GRIIFTHSVILLE WATERFLOOD

Lincoln County, W.Va.

RECLAMATION PLAN SHOWING ROAD SYSTEMS TO BE USED FOR 2015-16 DRILLING PROGRAM (SOUTH)

NOTES

- 1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING **EROSION AND SEDIMENTATION FROM ALL** SOIL-DISTURBING OPERATIONS.
- 2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT A TO DRILL SITE LOCATION.
- 3. EXISTING WATERFLOOD ACCESS ROADS WILL BE MAINTAINED IN PRESENT CONDITION. THESE ROADS WERE CONSTRUCTED UNDER CONDITIONS SET FORTH IN VARIOUS DRILLING PERMITS ISSUED BY WVDEP-OOG PRIOR TO 2015 (AS SHOWN). SEE PERMITS ON FILE FOR MORE DETAIL.

LEGEND

EXISTING WATERFLOOD ROADS TO BE USED.

OTHER EXISTING MAIN WATERFLOOD ROADS (Possible Access).

EXISTING LEASE OR FARM ROADS TO BE UPGRADED.

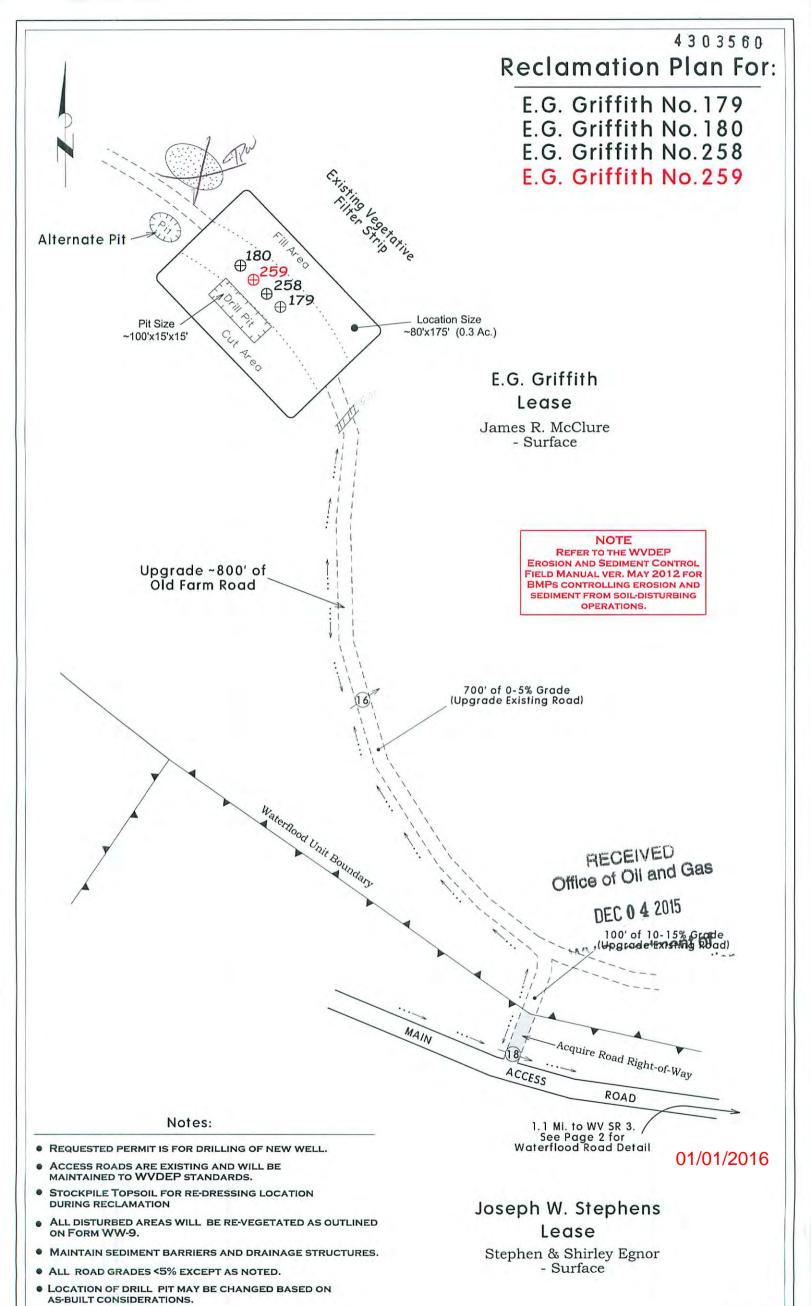
NEW ROADS TO BE CONSTRUCTED.

AG 172 LOCATION FOR PROPOSED WELLS

> POTENTIAL WATER SUPPLY SOURCE TO BE SAMPLED (LOC. APPROX.)

PAGE 2

SEPTEMBER 10, 2015



DRAWING NOT TO SCALE.

Page 1

