



west virginia department of environmental protection

Office of Oil and Gas
601 57th Street, S.E.
Charleston, WV 25304
(304) 926-0450
fax: (304) 926-0452

Austin Caperton, Cabinet Secretary
www.dep.wv.gov

Tuesday, August 21, 2018
WELL WORK PERMIT
Vertical / New Drill - Secondary Recovery

HG ENERGY, LLC
5260 DUPONT ROAD

PARKERSBURG, WV 26101

Re: Permit approval for AUSTIN GRIFFITH 164
47-043-03585-00-00

This well work permit 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 any additional specific 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 of 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.

Per 35 CSR 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- 0450.

James A. Martin
Chief

A handwritten signature in blue ink, appearing to read 'James A. Martin', is written over the printed name and title.

Operator's Well Number: AUSTIN GRIFFITH 164
Farm Name: HG ENERGY LLC
U.S. WELL NUMBER: 47-043-03585-00-00
Vertical New Drill - Secondary Recovery
Date Issued: 8/21/2018

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.

FORM WW-3 (A)
1/12



1) Date: July 19, 2018
2) Operator's Well No. Austin Griffith No. 164
3) API Well No.: 47 - 043 - 035855
State County Permit
4) UIC Permit No. UIC2R04302AP

**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 Owner(S) To Be Served | 7) (a) Coal Operator |
| (a) Name <u>HG Energy, LLC</u> | Name <u>NA</u> |
| Address <u>5260 Dupont Road</u> | Address _____ |
| <u>Parkersburg, WV 26101</u> | _____ |
| (b) Name _____ | 7) (b) Coal Owner(S) With Declaration Of Record |
| Address _____ | Name <u>NA</u> |
| _____ | Address _____ |
| (c) Name _____ | Name _____ |
| Address _____ | Address _____ |
| 6) Inspector <u>Jeffery L. Smith</u> | 7) (c) Coal Lessee with Declaration Of Record |
| Address <u>5369 Big Tyler Road</u> | Name <u>NA</u> |
| <u>Cross Lanes, WV 25313</u> | Address _____ |
| Telephone <u>681-313-6743</u> | _____ |

TO THE PERSONS NAMED ABOVE: You should have received this form and the following documents

- (1) The Application For A Liquid Injection or Waste Disposal Well Work Permit on Form WW-3(B), which sets out the parties involved in the drilling or other work;
- (2) The plat (surveyor's map) showing the well location on Form WW-6; and
- (3) The Construction and Reclamation Plan on Form WW-9 (unless the well work is only to plug a well), which sets out the plan for erosion and sediment control and for reclamation for the site and access road.

The date proposed for the first injection or waste disposal is _____ 20 18 .

THE REASON YOU HAVE RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON THE REVERSE SIDE OF THE COPY OF THE APPLICATION [(FORM WW-3(B))] DESIGNATED TO YOU. HOWEVER YOU ARE NOT REQUIRED TO TAKE ACTION AT ALL.

Take notice that under Chapter 22-6 of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a Well Work Permit with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental Protection, with respect to a well at the location described on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, the Application, the plat, and the Construction and Reclamation Plan have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of the mailing or delivery to the Chief.

The person signing this document shall make the following certification:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator HG Energy, LLC
Address 5260 Dupont Road
Parkersburg, WV 26101
By: Diane White
Its: Agent
Signature: Diane White

WW-2A / 3A Surface Waiver

SURFACE OWNER WAIVER

County Lincoln Operator HG Energy, LLC
Operator well number Austin Griffith 164

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A / 3A

The well operator named on page WW-2A / 3A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT. WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION:

Chief, Office of Oil and Gas
Department of Environmental Protection
601 57th St. SE
Charleston, WV 25304
(304) 926-0450

Time Limits and methods for filing comments. The law requires these materials to be served on or before the date the operator files his Application. You have FIFTEEN (15) DAYS after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Comments must be in writing. Your comments must include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

The Chief has the power to deny or condition a well work permit based on comments on the following grounds:

- 1) The proposed well work will constitute a hazard to the safety of persons.
2) The soil erosion and sediment control plan is not adequate or effective;
3) Damage would occur to publicly owned lands or resources;
4) The proposed well work fails to protect fresh water sources or supplies;
5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation...

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A / 3A, and attachments consisting of pages 1 through ___ including a work order on Form WW-2B / 3A, a survey plat, and a soil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

Signature Date

Company Name HG Energy, LLC
By Diane White
Its Date

Print Name

Agent
Diane White
Signature Date

Digitally signed by Diane White
Date: 2018.07.20 14:48:31 -0400

WW-2B1
(5-12)

Well No. Austin Griffith No. 164

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
Sampling Contractor Sturm Environmental

Well Operator HG Energy, LLC
Address 5260 Dupont Road
Parkersburg, WV
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

AUG 20 2018

WV Department of
Environmental Protection

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:

- | | |
|--|--|
| * Lyle & Shirley Atkins 1035 Garden Heights Drive S Charleston, WV 25309 | * Merri & Bernie Mallory 9 Independent Drive Yawkey, WV 25573 |
| * Dannie Cooper 4851 Straight Fork Road Yawkey, WV 25573 | * Mark & Jeanie Salmons 20 Breezy Lane Yawkey, WV 25573 |
| * Kenneth Egnor 533 Laurel Fork Sumerco, WV 25567 | * Timothy & Loretta Thaxton 1866 Straight Fork Road Yawkey, WV 25573 |
| * Harold & Billie Farley 21 Breezy Lane Yawkey, WV 25573 | |
| * HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 | |
| * John & Debra Hubbard 21 Independent Drive Yawkey, WV 25573 | |

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WV Department of
Environmental Protection

WW-9
(2/15)

API Number 47 - _____ - _____
Operator's Well No. Austin Griffith No. 164

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 UIC2R04302AP
Watershed (HUC 10) Straight Fork Quadrangle Griffithville 7.5'

Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No

Will a pit be used? Yes No

If so, please describe anticipated pit waste: Fluids encountered while drilling

Will a synthetic liner be used in the pit? Yes No If so, what ml.? 20 ML

Proposed Disposal Method For Treated Pit Wastes:

- Land Application
- Underground Injection (UIC Permit Number _____)
- Reuse (at API Number _____)
- Off Site Disposal (Supply form WW-9 for disposal location)
- Other (Explain _____)

Will closed loop system be used? If so, describe: No

Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Air, Fresh Water

-If oil based, what type? Synthetic, petroleum, etc. NA

Additives to be used in drilling medium? Water, Soap, KCl

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Remove offsite

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) NA

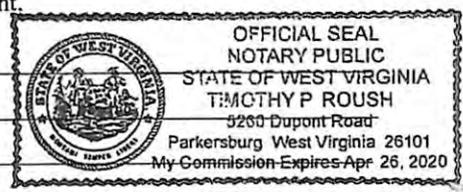
-Landfill or offsite name/permit number? _____

Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associated waste rejected at any West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the permittee shall also disclose where it was properly disposed.

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

Company Official Signature Diane White
Company Official (Typed Name) Diane White
Company Official Title Agent



Subscribed and sworn before me this 19th day of July, 2018
[Signature] Notary Public

My commission expires 4/26/2020

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AUG 20 2018

WV Department of Environmental Protection
08/24/2018

HG Energy, LLC

Proposed Revegetation Treatment: Acres Disturbed 1.25 Prevegetation pH _____

Lime 3 Tons/acre or to correct to pH 6.5

Fertilizer type 10-20-20

Fertilizer amount 500 lbs/acre

Mulch Straw 2 Tons/acre

Seed Mixtures

| Temporary | | Permanent | |
|---------------|----------|---------------|----------|
| Seed Type | lbs/acre | Seed Type | lbs/acre |
| Tall Fescue | 40 | Tall Fescue | 40 |
| Ladino Clover | 5 | Ladino Clover | 5 |

****Sediment Control Will Be Maintained At All Times****

Attach:

Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided)

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: Jeffrey Smith

Comments: All sediment control to be removed prior to release

Title: Oil & Gas Inspector Date: 7-24-18

Field Reviewed? Yes No

Reclamation Plan For:

Austin Griffith No. 164



NOTE
 REFER TO THE WVDEP
 EROSION AND SEDIMENT CONTROL
 FIELD MANUAL VER. MAY 2012 FOR
 BMPs CONTROLLING EROSION AND
 SEDIMENT FROM SOIL-DISTURBING
 OPERATIONS.



Notes:

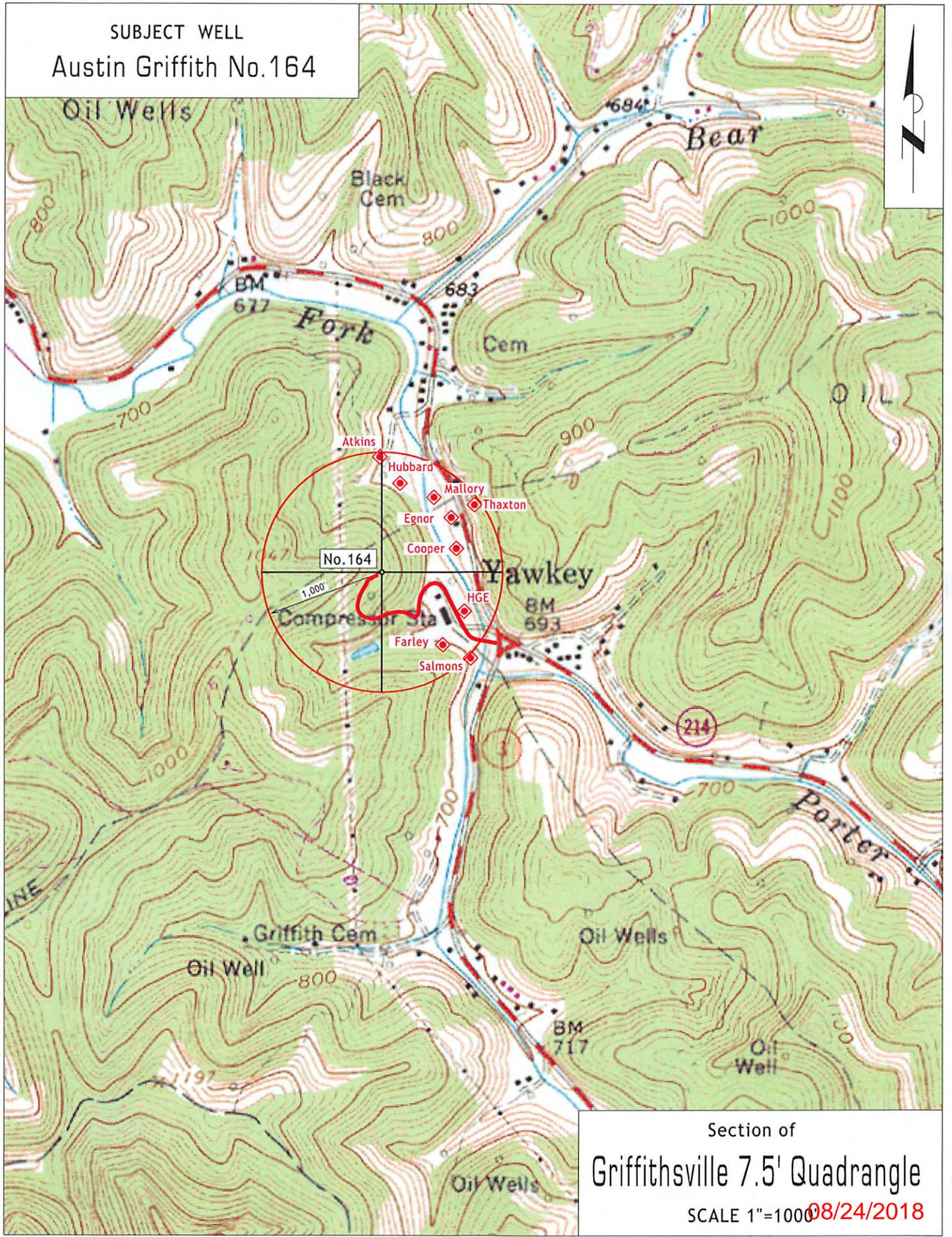
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- ACCESS ROADS ARE EXISTING AND WILL BE MAINTAINED TO WVDEP STANDARDS.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.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

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Office of Oil and Gas

AUG 20 2018

WV Department of
Environmental Protection

SUBJECT WELL
Austin Griffith No.164



Section of
Griffithsville 7.5' Quadrangle
SCALE 1"=1000' 08/24/2018

Longitude = 81°58' 07.83"

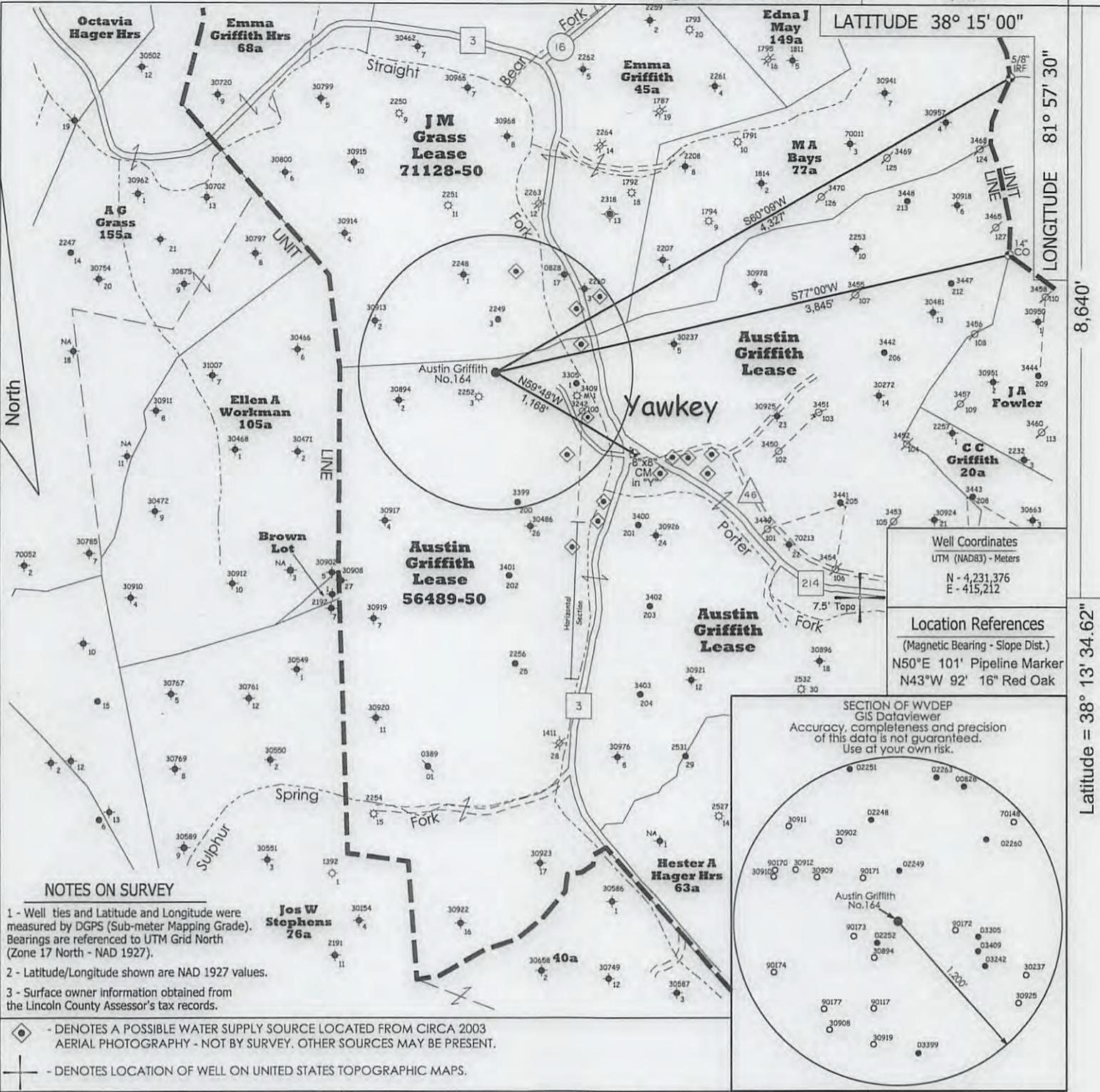
3,020'

LATITUDE 38° 15' 00"

LONGITUDE 81° 57' 30"

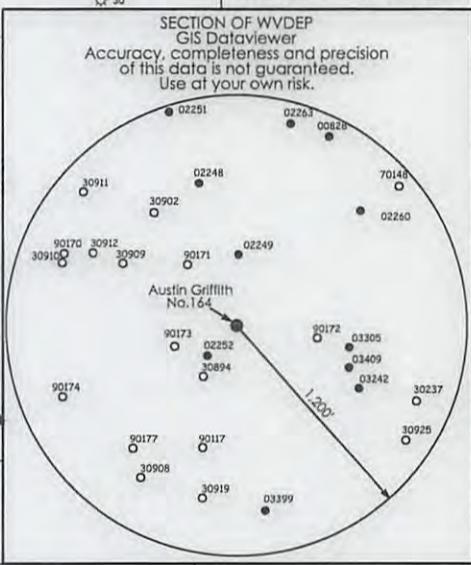
8,640'

Latitude = 38° 13' 34.62"



Well Coordinates
 UTM (NAD83) - Meters
 N - 4,231,376
 E - 415,212

Location References
 (Magnetic Bearing - Slope Dist.)
 N50°E 101' Pipeline Marker
 N43°W 92' 16" Red Oak



NOTES ON SURVEY

- 1 - Well ties and Latitude and Longitude were measured by DGPS (Sub-meter Mapping Grade). Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).
- 2 - Latitude/Longitude shown are NAD 1927 values.
- 3 - Surface owner information obtained from the Lincoln County Assessor's tax records.

- DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIRCA 2003 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.
- DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. 1168

SCALE 1" = 1000'

MINIMUM DEGREE OF ACCURACY Sub-Meter

PROVEN SOURCE OF ELEVATION DGPS Survey
(Sub-Meter Mapping Grade)

I, THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(SIGNED) 

TIMOTHY P. ROUSH PS 793



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25301



DATE July 19, 2018

FARM Austin Griffith No.164

API WELL NO. 47 - 043 - 035855

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW

LOCATION: ELEVATION 851' WATERSHED Straight Fork
 DISTRICT Duval COUNTY Lincoln
 QUADRANGLE Griffithsville 7.5'

SURFACE OWNER H.G. Energy, LLC ACREAGE 17.71 Ac.

OIL & GAS ROYALTY OWNER HG Energy, LLC., et al LEASE ACREAGE 100 Ac. LEASE NO. 71128-50

PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW FORMATION OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

PLUG AND ABANDON CLEAN OUT AND REPLUG

TARGET FORMATION Berea ESTIMATED DEPTH 2,500'

WELL OPERATOR HG Energy LLC. DESIGNATED AGENT Diane White
 ADDRESS 5260 DuPont Road ADDRESS 5260 DuPont Road
Parkersburg, WV 26101 Parkersburg, WV 26101

08/24/2018

FORM IV-6