

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

February 09, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-4902365, issued to TRANS ENERGY, INC., 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: BAKER 2H

Farm Name: GOLL, GARY G. & LARRY A.

API Well Number: 47-4902365

Permit Type: Horizontal 6A Well

Date Issued: 02/09/2015

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) 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. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE regarding this proposed activity.
- 2. 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 § 22-6A-5a (12), 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.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled *Water Well Regulations*, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.
- 9. 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 Operator:	Trans Ene	rgy Inc		494481575	Marion	Mannington	Glover Gap
				Operator ID	County	District	Quadrangle
2) Operator's Wel	l Number: <u>Bal</u>	ker 2H		Well Pad	Name: Baker		
3) Farm Name/Su	rface Owner:	Gary G Goll &	& Larry A	Goll Public Road	d Access: Co I	Rd 4/3	,
4) Elevation, curre	ent ground:	1572'	Ele	vation, proposed p	oost-construction	on: 1540'	
5) Well Type (a) Gas	(Oil	Unde	rground Storag	e	
O	ther						
(b)If Gas Shal	llow _		Deep			
	Hor	izontal _					
6) Existing Pad: Y	es or No No)					
7) Proposed Targe Marcellus Shale	• • •		Antici	pated Thickness ar	nd Associated I	Pressure(s):	
8) Proposed Total	Vertical Depth	n: 7200'					
9) Formation at To	otal Vertical D	epth: Mar	cellus S	hale			
10) Proposed Tota	l Measured De	epth: 10,1	100'				
11) Proposed Hori	zontal Leg Ler	ngth: 2900	0'				
12) Approximate l	Fresh Water St	rata Depths	s:	50' 150'			
13) Method to Det	ermine Fresh	Water Dept	ths: W	ater Wells drilled in	the County, info	rmation prov	vided by Health Dept.
14) Approximate S	Saltwater Dept	hs: 1525	·				
15) Approximate (Coal Seam Dep	oths: 900'					
16) Approximate I	Depth to Possil	ole Void (c	oal mir	ne, karst, other):	ocation located in a solid bk	ock of coal between	long wall panels.
17) Does Proposed directly overlying				rs Yes	No		
(a) If Yes, provide	le Mine Info:	Name:	Marion	County Mine			
, , , , , , , , , , , , , , , , , , ,		Depth:	900'			-	-
		Seam:	Pittsbur	gh			
Received		Owner:	Murray				
Office of Oil 8 i	Gas						
JAN 2 0 2015							

18)

CASING AND TUBING PROGRAM

TYPE	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20	new	J-55	94	110'	110'	CTS
Fresh Water	13-3/8	new	J-55	54.5	1000'	1000' 🗸	CTS
Coal							r
Intermediate	9-5/8	new	J-55	36	3000'	3000'	CTS
Production	5-1/2	new	P-110	20	10,100'	10,100' 🗸	CTS
Tubing							
Liners							

WRH 10-9-14

TYPE	Size	Wellbore	Wall	Burst Pressure	Cement Type	Cement Yield
		<u>Diameter</u>	Thickness			(cu. ft./k)
Conductor	20	26	0.438	1530	Type 1	13 cu ft/sk
Fresh Water	13-3/8	17-1/2	.38	2730	Type 1	1.25 cu ft/sk
Coal				,		=====
Intermediate	9-5/8	12-1/2	.352	3520	Type 1	1.26 cu ft/sk
Production	5-1/2	8-3/4	.361	12360	Poz H Class H	1.18 cu ft/sk
Tubing						
Liners						

PACKERS

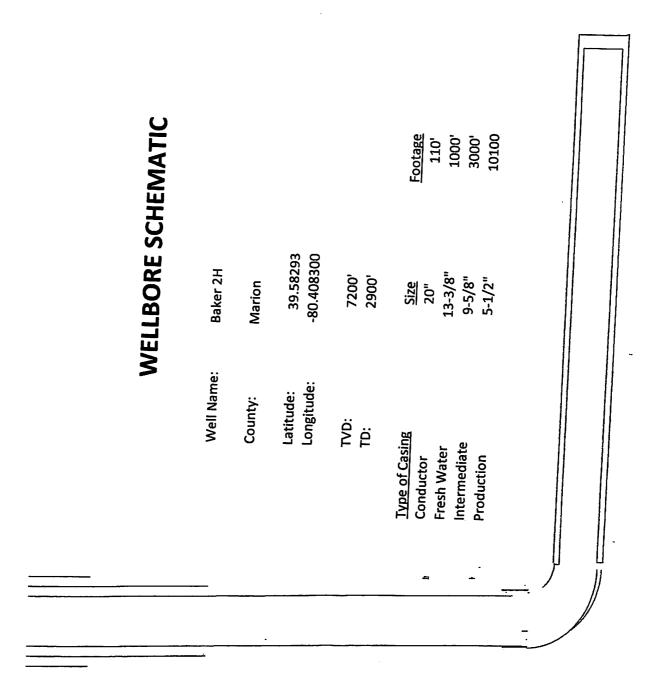
Kind:	1		
Sizes:			
Depths Set:			

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19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
Drill and complete horizontal well in the Marcellus Shale. Lateral to be approximately 2900' in length.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
A water fracture treatment is proposed a mixture of sand and water will be used to stimulate the Marcellus Shale.
Max Pressure 10,000 Max Rate 100 bbl/min
21) Tatal Associated distribution and administrative with the control of the cont
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):
22) Area to be disturbed for well pad only, less access road (acres): 8.2 acres
23) Describe centralizer placement for each casing string:
Fresh Water String - 1 centralizer every 160' Intermediate String - 1 centralizer every 100' from 3300' to 900' Production String - 1 centralizer every 80' from TD to above ROP (7000')
24) Describe all cement additives associated with each cement type:
Standard Type 1 cement - retarder and fluid loss (surface and interm) Type 1 = 2% CaCl ₂ + Y4# Flake - Surface Cement mixed @ 15.6 ppg CaCl ₂ , Flake (cellophane flake) Type 1 = 2% CaCl ₂ + Y4# Flake - Intermediate Cement mixed @ 15.6 ppg Class H in lateral - retarder and fluid loss and free water additive
25) Proposed borehole conditioning procedures:
Before cement casing mud will be thinned and all gas will be circulated out of the mud before cementing.
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*Note: Attach additional sheets as needed. OCT 2 9 2014

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_Trans Energy Inc OP Code 494481575
Watershed (HUC 10) State Road Fork of Pyles Fork Quadrangle Glover Gap
Elevation 1540' County Marion District Mannington
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No No Will a pit be used? Yes No No
If so, please describe anticipated pit waste: Will a synthetic liner be used in the pit? Yes No If so, what ml.? Proposed Disposed Method For Treated Pit Westers
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) Off Cite Disposal (Supply form WW-9 for disposal location) Other (Explain^All fact fluids will be flowed back into storage containers and Buckeye Walter Service Conçany will fluid to an approved water disposal facilities
Will closed loop system be used? If so, describe: _yes
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Freshwater and until reaching Marcallus then synthetic
-If oil based, what type? Synthetic, petroleum, etc. Synthetic
Additives to be used in drilling medium? See attached.
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. All cuttings will be hauled to approved landfill
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) No Pit
-Landfill or offsite name/permit number? Short Creek Landfill SWF - 1034
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 (Typed Name) Leslie Gearhart
Company Official Title VP-Operations JAN 2 0 2015
Company Official affice of Episonesis
Subscribed and sworn before me this 10 day of Jane C OFFICIAL SEAL Debra A Martin Alle A Mert My commission expires Mulle 29 2020 My Commission Expires Nov. 29, 2020

Form WW-9 Additives Attachment

SURFACE INTERVAL

- 1. Fresh Water
- 2. Soap -Foamer AC
- 3. Air

INTERMEDIATE INTERVAL

STIFF FOAM RECIPE:

- 1) 1 ppb Soda Ash / Sodium Carbonate-Alkalinity Control Agent
- 2) 1 ppb Conqor 404 (11.76 ppg) / Corrosion Inhibitor
- 3) 4 ppb KLA-Gard (9.17 ppg) / Amine Acid Complex-Shale Stabilizer
- 4) 1ppb Mil Pac R / Sodium Carboxymethylcellulose-Filtration Control Agent
- 5) 12 ppb KCL / Potassium Chloride-inorganic Salt
- 6) Fresh Water 80 bbls
- 7) Air

PRODUCTION INTERVAL

1. Alpha 1655

Salt Inhibitor

2. Mil-Carb

Calcium Carbonate

3. Cottonseed Hulls

Cellulose-Cottonseed Pellets - LCM

4. Mil-Seal

Vegetable, Cotton & Cellulose-Based Fiber Blend - LCM

5. Clay-Trol

Amine Acid Complex - Shale Stabilizer

6. Xan-Plex

Viscosifier For Water Based Muds

7. Mil-Pac (All Grades)

Sodium Carboxymethylcellulose - Filtration Control Agent

8. New Drill

Anionic Polyacrylamide Copolymer Emulsion – Shale Stabilizer

9. Caustic Soda

Sodium Hydroxide - Alkalinity Control

10. Mil-Lime

Calcium Hydroxide - Lime

11. LD-9

Polyether Polyol - Drilling Fluid Defoamer

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12. Mil Mica

Hydro-Biotite Mica – LCM

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13. Escaid 110

Drilling Fluild Solvent - Aliphatic Hydrocarbon

14. Ligco

Highly Oxidized Leonardite - Filteration Control Agent

15. Super Sweep

Polypropylene - Hole Cleaning Agent

16. Sulfatrol K

Drilling Fluid Additive - Sulfonated Asphalt Residuum

17. Sodium Chloride, Anhydrous

Inorganic Salt

18. D-D

Drilling Detergent - Surfactant

19. Terra-Rate

Organic Surfactant Blend

20. W.O. Defoam

Alcohol-Based Defoamer

21. Perma-Lose HT

Fluid Loss Reducer For Water-Based Muds

22. Xan-Plex D

Polysaccharide Polymer - Drilling Fluid Viscosifier

23. Walnut Shells

Ground Cellulosic Material - Ground Walnut Shells - LCM

24. Mil-Graphite

Natural Graphite - LCM

25. Mil Bar

Barite - Weighting Agent

26. X-Cide 102

Biocide

27. Soda Ash

Sodium Carbonate – Alkalinity Control Agent

28. Clay Trol

Amine Acid complex – Shale Stabilizer

29. Sulfatrol

Sulfonated Asphalt - Shale Control Additive

30. Xanvis

Viscosifier For Water-Based Muds

31. Milstarch

Starch - Fluid Loss Reducer For Water Based Muds

32. Mil-Lube

Drilling Fluid Lubricant

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Form WW-9

 $_{Operator's\;Well\;No.}\underline{Baker\;2H}$

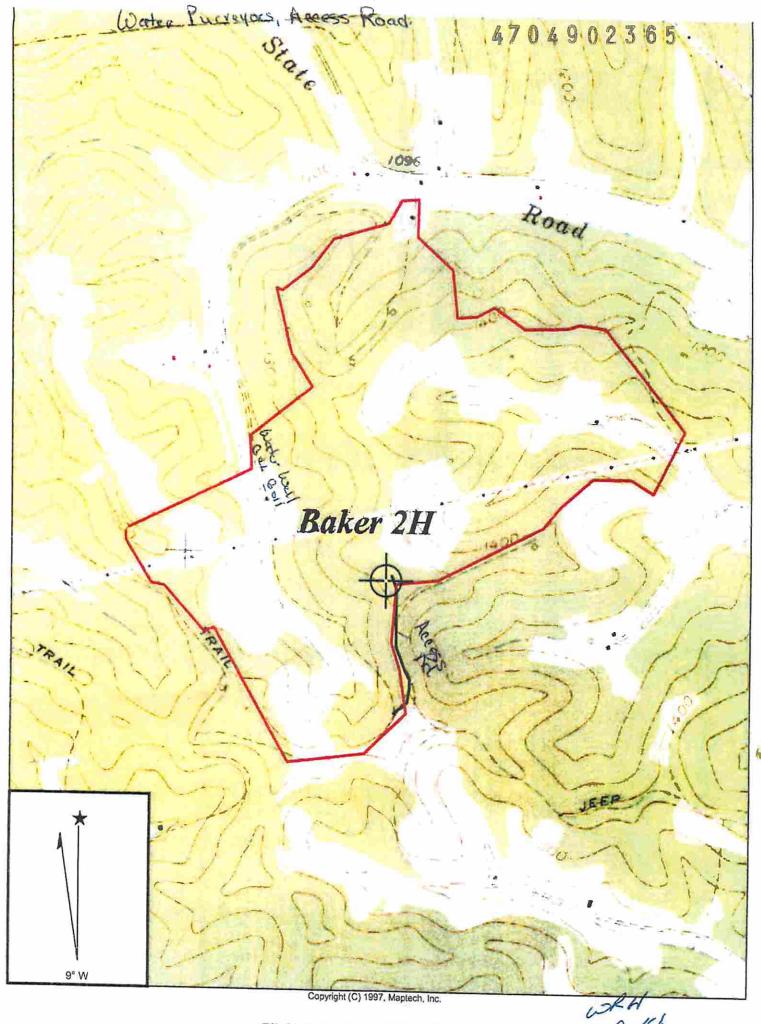
Trans Energy Inc		500	
		5.30 acres total 8.2 Well Prevegetation pl	Η
Lime Z	Tons/acre or to corre	ect to pH 65	
Fertilizer amount	500	lbs/acre	
Mulch 90 Bal	es	Tons/acre	
		Seed Mixtures	
r	emporary	Perma	anent
Seed Type	lbs/acre	Seed Type	lbs/acre
Meadow Mix	100	Meadow Mix	100
Oats or Rye	50	Oats or Rye	50
Plan Approved by:	Um Hackesh	of the second	
Comments:			
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Title: EN VITOMER	TOI INSPEC	Date: 10 - 9 - 14	Recei Office of C

WA 9-14

TRANS ENERGY, INC.

Well Site Safety Plan
Baker Pad

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GLOVER GAP QUADRANGLE

SCALE 1" = 1000'

TRANS ENERGY, INC.

WELL: BAKER 2H BAKER, ET AL +/- 288.54 ACRE UNIT 70-9-14 Received

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MANNINGTON DISTRICT

MARION COUNTY

WEST VIRGINATION Of Oil and Gas

WV Dept. of Environmental Protection

