

#### 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 19, 2012

#### WELL WORK PERMIT

#### Horizontal 6A Well

This permit, API Well Number: 47-5101606, issued to CHESAPEAKE APPALACHIA, L.L.C., 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 of completion of drilling, 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: FORK RIDGE MSH 201H

Farm Name: CONSOLIDATION COAL COMPA

API Well Number: 47-5101606

Permit Type: Horizontal 6A Well

Date Issued: 12/19/2012

Promoting a healthy environment.

#### 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. 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 § 22-6A-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.
- 2. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the fill material shall be within plus or minus 2% of the optimum moisture content as determined by the standard proctor density test, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort. Each lift must meet 95 % compaction of the optimum density based on results from the standard proctor density test of the actual soils used in specific engineered fill sites. 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.
- 3. 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.
- 4. 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.
- 5. 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.



#### west virginia department of environmental protection

WVDEP Office of Oil and Gas 601 57th Street Southeast; Charleston, WV (304) 926-0450

Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary dep.wv.gov

December 19, 2012

Mr. Daniel French 1162 Hinerman Hill Road Glen Easton, WV 26309

Re: Permit for Chesapeake Energy, Fork Ridge MSH 3H, 201H, & 206H API numbers: 51-01607, 51-01606, & 51-01608

Mr. French:

The Office of Oil and Gas (OOG) has reviewed your comments concerning Chesapeake's permits for the above referenced well. The comment was sent to the operator for their response. The operator has responded and the response is enclosed for your records.

After considering your comments, the applicant's response, and the inspector's findings, the OOG has determined that the permits meet the requirements set forth in Article 6, Chapter 22 of the West Virginia Code and Legislative Rule Title 35, Series 4 in the statute and legislative rule. Consequently, the OOG is lifting the suspensions today. For your information and convenience, I am including with this letter a copy of the permit as issued.

As you may know, surface owners are entitled to compensation for damages to their property resulting from oil and gas drilling activity. Absent an agreement by the parties, such damage compensation may be addressed pursuant to Article 7, Chapter 22 of the West Virginia Code. Please contact Gene Smith at (304) 926-0499, extension 1652 if you have any questions.

Sincerely

Laura K. Cooper Permitting Section

Enclosure

Cc: Wilson Law Offices

Chesapeake Energy representative Danielle Southall

Derek Haught, OOG Inspector

Promoting a healthy environment.

C. Richard Wilson, Esq. Serving WV & OH

www.wilsonlawoffices.com



November 28, 2012



Chief, Office of Oil and Gas Department of Environmental Protection 601 57<sup>th</sup> St. SE Charleston, WV 25304

Re: Chesapeake Energy Well Permit Applications
Fork Ridge MSH 3H, 201H and 206H
Cameron District, Marshall County, West Virginia

Dear Sir or Ms.:

I represent Daniel French of 1162 Hinerman Hill Road, Glen Easton, WV 26039, who has requested that I submit written comments on his behalf in objection to the issuance of Marcellus gas well permits for the above referenced well. Mr. Hinerman has received notice as a Water Purveyor, as defined in West Virginia Code §22-6A-10(b) of the permit process.

Mr. French has a well which services a home on his property, as well as several wells and springs which water livestock which he runs on his property and adjoining leased property.

He is concerned about the effects which this drilling work may have on the future safety and utility of his water sources. He does not wish to sign a "Statement of No Objection" with respect to these wells. He wishes to know what steps are being taken to protect his water and what will be done if the drilling work negatively impacts his water sources.

At the present time his water is satisfactory and safe for residential and domestic animal uses and he wishes to ensure that it remains that way.

Pursuant to the notice he wishes to receive a copy of the permit, as issued, notice of the issuance of any permit, or any other action thereon and a list of persons qualified to test his water sources.

Thank you for your consideration of these comments.

Very truly yours,

C. Richard Wilson

·SC

cc: Mr. Dan French

· emailed comment to

1) Chesapeako 2) D. Haught

12-3-12



Danielle Southall Regulatory Technician I

December 4, 2012

Chief James Martin Office of Oil & Gas 601 57<sup>th</sup> Street Charleston, WV 25304

Re:

Response to Water Purveyor Objections for Proposed New Wells, Fork Ridge

MSH 3H, 201H, and 206H

Cameron District, Marshall County, West Virginia

Dear Chief Martin:

Please allow this correspondence to serve as Chesapeake Appalachia, L.L.C.'s ("Chesapeake") written response to Daniel French's correspondence dated November 28, 2012 (copy attached), wherein Mr. French objects to the Well Work Permit Application which was filed by Chesapeake with the Office of Oil and Gas on November 2, 2012 (the "Application"), as it relates to the above referenced well.

Mr. French's objections set forth in his November 28, 2012 correspondence and Chesapeake's corresponding responses are set forth below

#### **OBJECTIONS AND RESPONSES**

1. **Objection**: He is concerned about the effects which this drilling work may have on the future safety and utility of his water sources. He does not wish to sign a "Statement of No Objection" with respect to these wells. He wishes to know what steps are being taken to protect his water and what will be done if the drilling work negatively impacts his water sources.

Response: The WW-6B shows Chesapeake's casing program, which complies with the WV DEP's rules and regulations for protecting fresh water. Wetland and stream delineations are performed prior to any road or pad design to ensure no areas are impacted. It is not a requirement to provide this information with the permit application. The erosion and sediment control plan also address sediment control and the WW-6A explains the surface owners' rights to have water well or springs to be sampled. On 2/4/2012, SAIC tested three springs and one stream, and sampled a well on 2/17/2012.

Chief James Martin December 4, 2012 Page 2

Chesapeake believes its response adequately addresses Mr. French's concerns and, accordingly, respectfully requests that you kindly approve the Application.

Sincerely,

Chesapeake Appalachia, LLC

Dee Southall

## Map from a Flex Viewer application

Powered by ArcGIS



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drilling close to underground mine

LKC

Describe centralizer placement for each casing string.
All casing strings will be ran with a centralizer at a minimum of 1 per every 3 joints of casing.
Describe all cement additives associated with each cement type.
**Please see attached sheets for Chemical Listing of Cement & Additives for Chesapeake Energy wells.
Proposed borehole conditioning procedures.
All boreholes will be conditioned with circulation and rotation for a minimum of one bottoms up and continuing until
operator is satisfied with borehole conditions.

\*Note: Attach additional sheets as needed.

DMH 10-24-12 10-24-12

#### SLB Cement Additives

	Product Nam	ne <u>Product Use</u>	Chemical Name Fuller's earth (attapulgite)	CAS Number 8031-18-3	<u>% Concentration Used</u> 0.2% BWOC
	D046	antifoam		25322-69-4	0.270 0000
	5400		Polypropylene glycol	25038-59-9	0.125 lb/sk
	D130	polyester flake - lcm	polyethylene terephthalate		
	S001	calcium chloride	calcium chloride	10043-52-4	2% BWOC
ę	SPACER				
50	D130	polyester flake - lcm	polyethylene terephthalate	25038-59-9	1 lb/bbl
3	D020	bentonite extender	bentonite	1302-78-9	20 lb/bbl
		antifoam	Fuller's earth (attapulgite)	8031-18-3	0.2% BWOC
	D046	antioan	Polypropylene glycol	25322-69-4	0.270 81100
	D130	polyester flake - lcm	polyethylene terephthalate	25038-59-9	0.125 lb/sk
	D044	granulated salt	sodium chloride	7647-14-5	10% BWOW
<u>₽</u>	D153	Anti-Settling Agent	chrystalline silica	14808-60-7	0.15% BWOC
memediate	SPACER				
<u> </u>	D020	bentonite extender	bentonite	1302-78-9	20 lb/bbl
<u> </u>	D130	polyester flake - lcm	polyethylene terephthalate	25038-59-9	1 lb/bbi
	D080	cement liquid dispersant	product classified as non-hazardous.		0.05 gal/sk
	D801	mid-temp retarder	product classified as non-hazardous		0.01 gal/sk
	D047	antifoam agent	polypropylene glycol	25322-69-4	0.02 gal/sk
	SPACER			inter-	4 15 15 5
	B389 D206	MUDPUSH* Express	Carbohydrate Silica Organic Polymer	proprietary	1 lb/bbl 0.1 gal/bbl
	D031	Antifoaming Agent barite	barium sulfate	7727-43-7	310 lb/bbl
Kick Off Plug	D031	Danie	fatty acid amine	proprietary	0.0 10/001
Ħ	İ		ethoxylated aicohol	proprietary	
Š	1		glycerol	56-81-5	"
중	B220	surfactant	2.2'-Iminodiethanol	111-42-2	1 gal/bbl
	5407	Linus Act o			0.050/ 014/00
	D167 D154	UNIFLAC* S	aliphatic amide polymer	proprietary 7631-86-9	0.35% BWOC 6% BWOC
	D400	low-temperature extender	non-crystalline silica	10043-35-3	0.8% BWOC
g g		EasyBLOK	boric acid   Fuller's earth (attapulgite)	8031-18-3	0.0% BVVCC
Production - Lead	D046	antifoam	Polypropylene glycol	25322-69-4	0.2% BWOC
Ė			chrystalline silica	14808-60-7	
÷ĕ	D201	basic cements enabler	metal oxide	proprietary	0.2% BWOC
즂	0000	1 4	sulphonated synthetic polymer	proprietary	
<u>.</u>	D202	low-temperature solid dispersant	formaldehyde (impurity)	50-00-0	0.3% BWOC
	D046	antifoam	Fuller's earth (attapulgite)	8031-18-3	
			Polypropylene glycoi	25322-69-4	0.2% BWOC
	D167	UNIFLAC* S	aliphatic amide polymer	proprietary	0.35% BWOC
	D065	TIC* Dispersant	Sodium Polynaphthalene Sulfonate Sodium Sulfate	9008-63-3 7757-82-6	0.25% BWOC
		<u> </u>	chrystalline silica	14808-60-7	0.2570 D440C
	D201	basic cements enabler	metal oxide	proprietary	0.2% BWOC
	D153	Anti-Settling Agent	chrystalline silica	14808-60-7	0.2% BWOC
	SPACER				<del></del>
	B389	MUDPUSH* Express	Carbohydrate	proprietary	proprietary
	D206	Antifoaming Agent	Silica Organic Polymer	proprietary	proprietary
	D031	barite	barium sulfate	7727-43-7	7727-43-7
			fatty acid amine	proprietary	proprietary
	1		ethoxylated alcohol	proprietary	proprietary
			glycerol	56-81-5	56-81-5
	B220	surfactant	2.2'-Iminodiethanol	111-42-2	111-42-2



PRODUCT NAME

## CHEMICAL LISTING OF CEMENT & ADDITIVES FOR CHESAPEAKE ENERGY CORP. WELLS

CHEMICAL NAME

CAS#

PRODUCT USE

	THODOCTHANIL	11100001002	01121111011211111111			
			Portland Cement	65997-15-1		
SURFACE STRING (13-3/8")	Type   Cement	Cementing	Gypsum	7778-18-9		
TRIN			Crystalline Silica (Quartz)	14808-60-7		
CE S 3-3/8	Calcuim Chloride	Salt	Calcuim Chloride	010043-52-4		
RFA (13	Cello Flake	Lost Circulation Additive	N.A.	N.A.		
SU	Dantanita	Conside Compant Addition	Bentonite	1302-78-9		
	Bentonite	Special: Cement Additive	Crystalline Silica	14808-60-7		
ш	Type I Cement	Cementing	Portland Cement (Gypsum)	65997-15-1		
G G")	Calcuim Chloride	Salt	Calcuim Chloride	010043-52-4		
ERMEDIA STRING (9-5/8")	Cello Flake	Lost Circulation Additive	N.A.	N.A.		
INTERMEDIATE STRING (9-5/8")			Bentonite	1302-78-9		
≥	Bentonite	Special: Cement Additive	Crystalline Silica	14808-60-7		
	Class H Cement	Cementing	Portland Cement (Gypsum)	65997-15-1		
			Alumina	1344-28-1		
	51 . 1 /5 .	0.47	Calcium Oxide	1305-78-8		
	Fly Ash (Poz)	CMT extender	Iron Oxide	1309-37-1		
			Silica (quartz)	14808-60-7		
	FL-62	Fluid loss - cement	Trade Secret	Trade Secret		
	CD-32 Cement dispersant		ment dispersant Sodium lauryl ether sulphate			
	ASA-301	Special additive	Crystalline silica quartz	014808-60-7		
•	SMS	CMT extender	Sodium Silicate	6834-92-0		
-5/8	R-3	Retarder	No hazardous ingredients	N.A.		
LONG STRING (9-5/8")	SS-2	Proprietary surfactant mixture	No hazardous ingredients	N.A.		
G STR	SealBond	Special Cement Spacer Additive	Crystalline Silica	14808-60-7		
LON			Glutaraldehyde	000111-30-8		
			Quaternary ammonium chloride	007173-51-5		
	Alpha 1427	Biocide	Alkyl dimethyl benzyl ammonium chloride	068424-85-1		
			Ethanol	000064-17-5		
	Barite	Cement Additive	Barium Sulfate	7727-43-7		
	Dante	Cement Additive	Crystalline Silica (Quartz)	14808-60-7		
			Quaternary Ammonium Comp	Trade Secret		
	Techni-Hib 377	Corrosion Inhibitor	Methanol	67-56-1		
			Ehanol	64-17-5		

#### **Halliburton Cement Additives**

#### Surface Casing

Standard Cement
Poly-E-Flake – Lost Circulation Material

#### **Intermediate Casing**

Standard Cement Poly-E-Flake – Lost Circulation Material Sodium Chloride – Salt

#### Production

Standard Cement

**Pozmix** 

Latex - Gas Migration Control/Low Fluid Loss

HR-5 - Retarder

CFR-3 - Friction Reducer

D-Air - Defoamer

WG-17 - Suspension Agent

Halad-322 - Fluid Loss Control

15 :1 C C - AUN 2112

Surface

D130 D020

polyester flake - lcm bentonite extender

bentonite

polyethylene terephthalate

25322-69-4 25038-59-9

1302-78-9

8031-18-3

CAS Number 117 NOV -2 P 1: 36

D046

antifoam

Fuller's earth (attapulgite)
Polypropylene glycol

Chemical Name

Product Name

Product Use

# **SLB Cement Additives**

9
-11
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22
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6
AS

	Kick Off Plug													In	ter	me	dia	te					
	DZZO	B 3 3 0		D031	70107	D182	SPACER		D047	D801	D081	D080	D130	D020	SPACER	DZOZ	D202	DZOT	D201	D044	D130	7040	7016
	Sullactalit	1		barite	Micor Coll II apacer	MIISPIISH* II Spacer			antifoam agend	mid-temp retarder	liquid retarder	cement liquid dispersant	polyester flake - lcm	bentonite extender			low-temperature solid dispersant		basic cements enabler	granulated salt	polyester flake - lcm		antifoam
2.2'-Iminodiethanol	glycerol	ethoxylated alcohol	fatty acid amine	barium sulfate	glucoside polymer	sulfonated organic polymer			polypropylene glycol	product classified as non-hazardous	product classified as non-hazardous.	product classified as non-hazardous.	polyethylene terephthalate	bentonite		formaldehyde (impurity)	sulphonated synthetic polymer	metal oxide	chrystalline silica	sodium chloride	polyethylene terephthalate	Polypropylene glycol	Fuller's earth (attapulgite)
111-42-2	56-81-5	proprietary	proprietary	7727-43-7	proprietary	proprietary			25322-69-4				25038-59-9	1302-78-9		50-00-0	proprietary	proprietary	14808-60-7	7647-14-5	25038-59-9	25322-69-4	8031-18-3

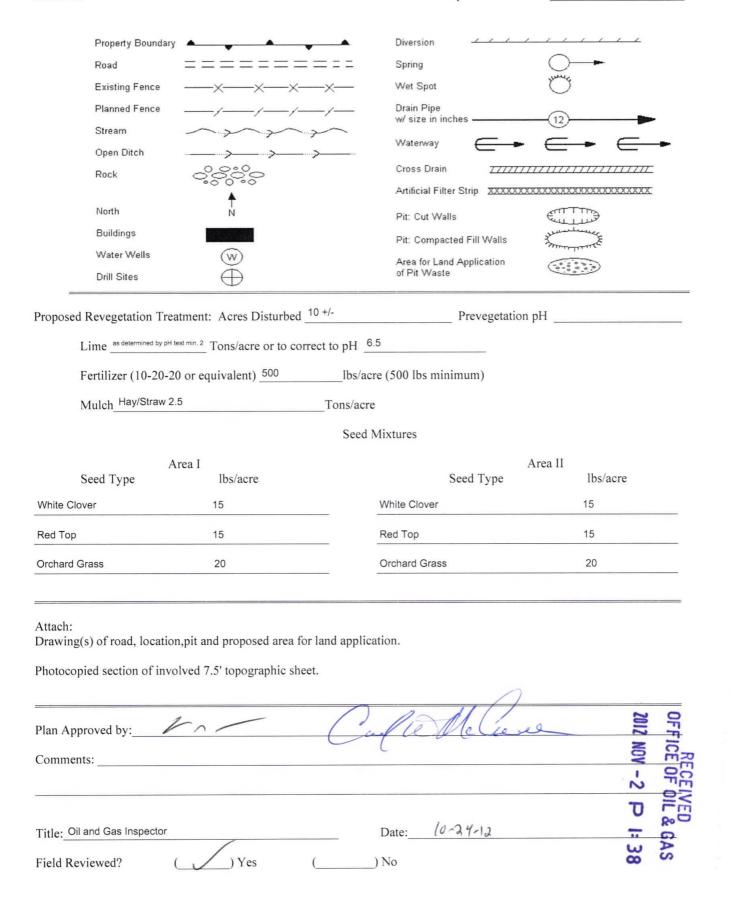
D167         UNIFLAC* S         aliphatic amide polymer         proprietary           D154         low-temperature extender         non-crystalline silica         7631-86-9 of 1043-35-3           D400         EasyBLOK         boric acid         10043-35-3           D046         antifoam         Fuller's earth (attapulgite)         8031-18-3 of 1043-35-3           D201         basic cements enabler         chrystalline silica         14808-60-7           D202         low-temperature solid dispersant         sulphonated synthetic polymer         proprietary           D153         anti-settling agent         crystalline silica         proprietary           D182         MUSPUSH* II Spacer         sulfonated organic polymer         proprietary           D031         barite         sulfonated organic polymer         proprietary           barium sulfate         proprietary           proprietary         proprietary <t< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th>Pro</th><th>du</th><th>tio</th><th>n C</th><th>em</th><th>ent</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></t<>								Pro	du	tio	n C	em	ent							
aliphatic amide polymer non-crystalline silica boric acid Fuller's earth (attapulgite) Polypropylene glycol chrystalline silica metal oxide sulphonated synthetic polymer formaldehyde (impurity) polyglucoside derivative crystalline silica sulfonated organic polymer glucoside polymer barium sulfate fatty acid amine ethoxylated alcohol glycerol 2.2'-Iminodiethanol		BZZU	2		D031	70107	D183	SPACER		D153	D207	0202	202	DZUI	700	DU46	7000	D400	D154	D167
stalline silica id earth (attapulgite) pylene glycol line silica ated synthetic polymer ehyde (impurity) coside derivative ne silica ed organic polymer le polymer sulfate d amine ated alcohol ated alcohol		Sullactalit	0		barite	MICOL COLL III Opacei	MIGDIGH* II Copper			anti-settling agent	general purpose FLAC	IOM-fellibel argie solid disbersalic	low topporature solid dispersant	pasic cellielles ellablei	hasic compate onables	allliodili	optiform	EasyBLOK	low-temperature extender	UNIFLAC* S
proprietary 7631-86-9 10043-35-3 8031-18-3 25322-69-4 14808-60-7 proprietary proprietary proprietary 14808-60-7 14808-60-7 proprietary 14808-60-7 14808-60-7	2.2'-Iminodiethanol	glycerol	ethoxylated alcohol	fatty acid amine	barium sulfate	glucoside polymer	sulfonated organic polymer			crystalline silica	polyglucoside derivative	formaldehyde (impurity)	sulphonated synthetic polymer	metal oxide	chrystalline silica	Polypropylene glycol	Fuller's earth (attapulgite)	boric acid	non-crystalline silica	aliphatic amide polymer
	111-42-2	56-81-5	proprietary	proprietary	7727-43-7	proprietary	proprietary			14808-60-7	proprietary	50-00-0	proprietary	proprietary	14808-60-7	25322-69-4	8031-18-3	10043-35-3	7631-86-9	proprietary

### 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 WASTE DISCHARGE

Operator Name_Chesapeake Appal	achia, LLC	OP Code	494477557
Watershed Middle Grave Creek	Quadr	angle 370-Glen Easton	
Elevation 1391'	County_51-Marshall	District 1-	Cameron
Description of anticipated Pit Wa	ste: Closed loop system in place at this time	- cuttings will be taken to a	a permitted landfill.
Do you anticipate using more tha	n 5,000 bbls of water to complete the pr	oposed well work? Ye	es xx No
Will a synthetic liner be used in t	he pit? If so, what	mil.?	
Proposed Disposal Method For T Land A Under	Application ground Injection ( UIC Permit Number	2D0072539/ 2D0413175/	2D0610306/ 2D0610317
	(at API Number at next anticipated well, API# wi		R &/or permit addendum
Off Sit	te Disposal (Supply form WW-9 for dis (ExplainFlow back fluids will be put in steel tanks an	posal location) d reused or taken to a permitted dis	posal facility.
-If oil based, what type?	his well? Air, freshwater, oil based, etc. Synthetic, petroleum, etc. Synthetic Oil	Air and salt saturate mud	
Additives to be used?see attach			/6 ~
Will closed loop system be used		Landfill	
	Leave in pit, landfill, removed offsite, et solidify what medium will be used? Co		Cline
-If left in pit and plan to	e/permit number? Meadowfill SWF-1032, S	S Grading SWF-4902, Nor	thwestern SWF-1025
	n Landfill 100172, Carbon Limestone 28726/CID 28726, Ame		
on August 1, 2005, by the Office provisions of the permit are enfo or regulation can lead to enforcer  I certify under penalty application form and all attachmenthe information, I believe that the	and and agree to the terms and condition of Oil and Gas of the West Virginia D receable by law. Violations of any term ment action.  of law that I have personally examinents thereto and that, based on my inquible information is true, accurate, and colliding the possibility of fine or imprisor	epartment of Environment or condition of the general ed and am familiar with the general ed and am familiar with the second edge of those individuals omplete. I am aware the second edge of the second edg	ental Protection. I understand that the eral permit and/or other applicable law th the information submitted on this immediately responsible for obtaining
Company Official (Typed Name)	Danielle Southall		PICE RE
Company Official Title Regulator	y Tech I		OF O
Subscribed and sworn before me  My commission expires	this 12th day of Octo Butcher 2/7/21		Public  FICIAL SEAL TARY PUBLIC OF WEST VIRGINIA LLE AND BUTCHER  Pt 2 Box 237.0 Janua Law, WV 28378

DI AME FIRETON FIRETON AND TO 

#### Marcellus Well Drilling Procedures And Site Safety Plan

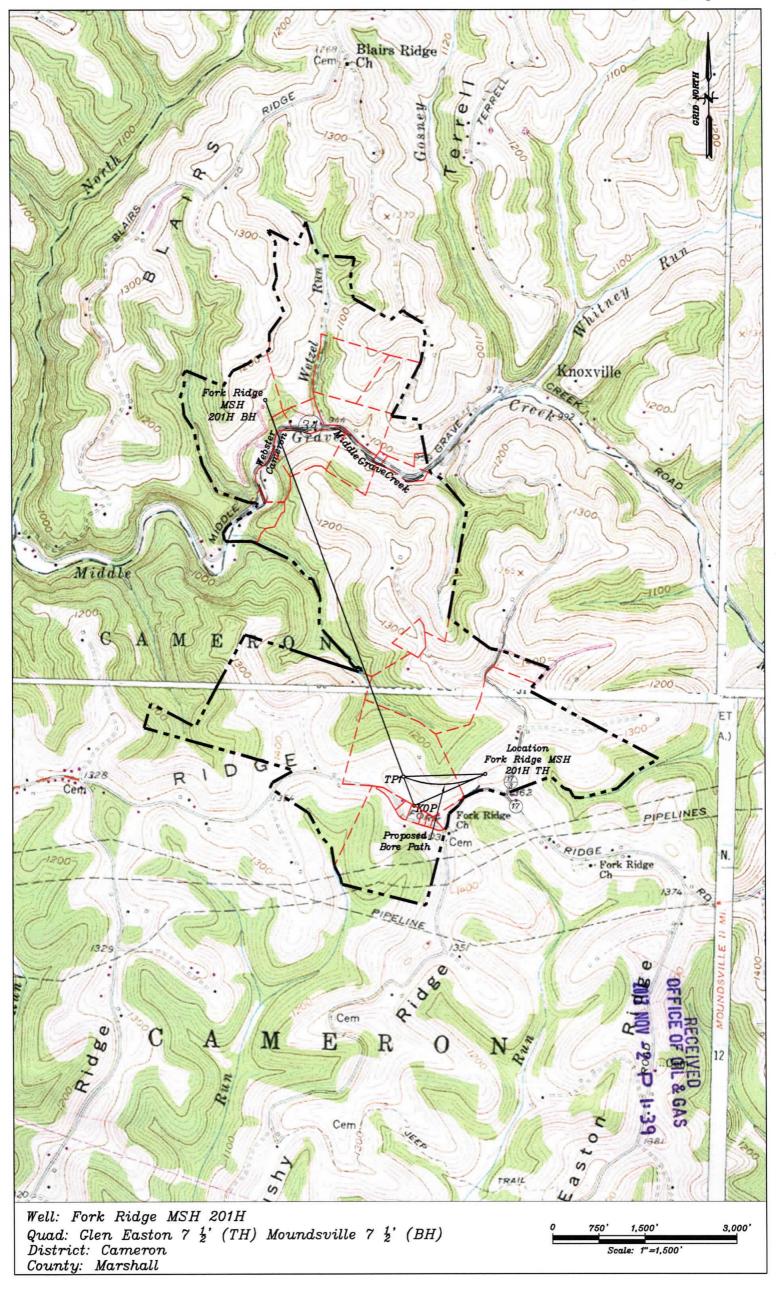
Chesapeake Appalachia, LLC

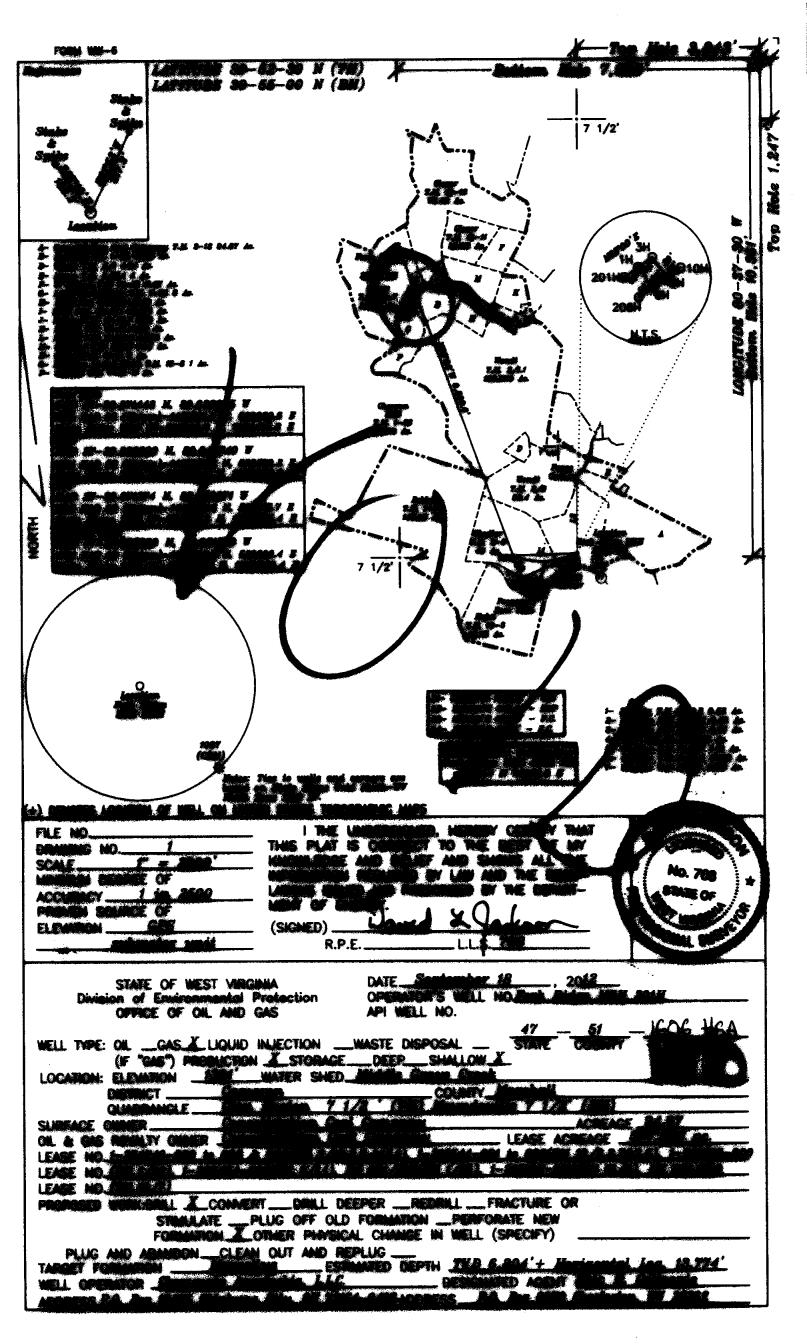
47 - 51

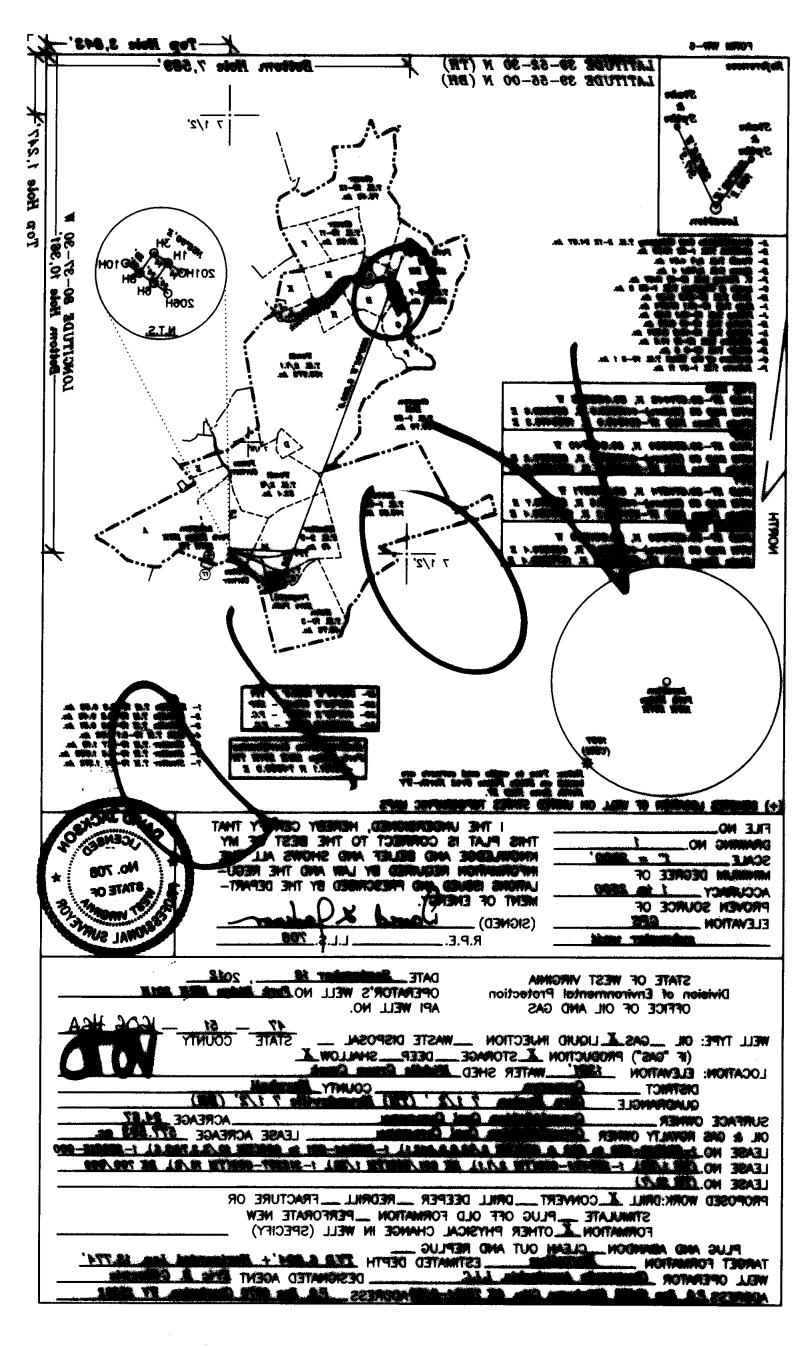
Well name Fork Ridge MSH 201H Glen Easton, Quad Cameron, District Marshall County, West Virginia

Submitted by: Danielle Southall	Date:	9/19/2012
Title Regulatory Tech I	Chesapeake	Appalachia, LLC
Approved by:		
Var	Date:	10-24-12
Title: Oil + Ger Inspector		
Approved by:		
	Date:	
Title:		
Chesapeake Appalachia, L.L.C. – Confidenti	al	

DETICE OF ON & GAS







# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE CERTIFICATION

Date of Notic	e Certification:			V 51-Marshall - Well No. Fork Ridge MSH 201H
				Name: Fork Ridge MSH Pad
	e provisions in West Virginia Code § 22-6A, th	e Operator has pro		
below for the	tract of land as follows:			/
State:	West Virginia	UTM NAD 83	Easting:	530920.6
County:	51-Marshall	UTWINAD 63	Northing:	4413559.9
District:	1-Cameron	Public Road Ac	cess:	Fork Ridge Road
Quadrangle:	370-Glen Easton	Generally used	farm name:	Fork Ridge
Watershed:	Middle Grave Creek			
prescribed by	West Virginia Code § 22-6A-7(b), every perr the secretary, shall be verified and shall contained the owners of the surface described in sub-	n the following in	formation: (14	4) A certification from the operator that (i)

Pursuant to West Virginia Code § 22-6A-7(b), every permit application filed under this section shall be on a form as may be prescribed by the secretary, shall be verified and shall contain the following information: (14) A certification from the operator that (i) it has provided the owners of the surface described in subdivisions (1), (2) and (4), subsection (b), section ten of this article, the information required by subsections (b) and (c), section sixteen of this article; (ii) that the requirement was deemed satisfied as a result of giving the surface owner notice of entry to survey pursuant to subsection (a), section ten of this article six-a; or (iii) the notice requirements of subsection (b), section sixteen of this article were waived in writing by the surface owner; and Pursuant to West Virginia Code § 22-6A-11(b), the applicant shall tender proof of and certify to the secretary that the notice requirements of section ten of this article have been completed by the applicant.

Pursuant to West Virginia Code § 22-6A, the Operator has attached proof to this Notice Certification that the Operator has properly served the required parties with the following:	OOG OFFICE VSF
*PLEASE CHECK ALL THAT APPLY	OOG OFFICE USE ONLY
☐ 1. NOTICE OF SEISMIC ACTIVITY or ■ NOTICE NOT REQUIRED BECAUSE NO SEISMIC ACTIVITY WAS CONDUCTED	RECEIVED/ NOT REQUIRED
☐ 2. NOTICE OF ENTRY FOR PLAT SURVEY or ■ NO PLAT SURVEY WAS CONDUCTED	☐ RECEIVED
■ 3. NOTICE OF INTENT TO DRILL or NOTICE NOT REQUIRED BECAUSE NOTICE OF ENTRY FOR PLAT SURVEY WAS CONDUCTED or	RECEIVED/ NOT REQUIRED
WRITTEN WAIVER BY SURFACE OWNER (PLEASE ATTACH)	
■ 4. NOTICE OF PLANNED OPERATION	☑ RECEIVED
■ 5. PUBLIC NOTICE	RECEIVED
■ 6. NOTICE OF APPLICATION	RECEIVED

Required Attachments:

The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to the required parties and/or any associated written waivers. For the Public Notice, the operator shall attach a copy of the Class II Legal Advertisement with publication date verification or the associated Affidavit of Publication. The attached Notice Forms and Certifications of Notice shall serve as proof that the required parties have been noticed as required under West Virginia Code § 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made by affidavit of personal service, the return receipt card or other postal receipt for certified mailing.

OFFICE OF OIL & GAS

NIX NOV - 2 P I: 37

By:

#### Certification of Notice is hereby given:

THEREFORE, I Danielle Southall , have read and understand the notice requirements within West Virginia Code § 22-6A. I certify that as required under West Virginia Code § 22-6A, I have served the attached copies of the Notice Forms, identified above, to the required parties through personal service, by registered mail or by any method of delivery that requires a receipt or signature confirmation. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this Notice Certification 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: Chesapeake Appalachia,

Danielle Southall

Its: Regulatory Tech I

Telephone: 304-517-1416

Address: PO Box 1300

Jane Lew, WV 26378

Facsimile: 304-471-2497

Email: danielle.southall@chk.com

NOTARY OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LEA ANN BUTCHER
Rt. 2, Box 237-0, Jane Lew, WV 26378
My commission expires February 7, 2021

Subscribed and sworn before me this

Notary Public

My Commission Expires

#### Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.



API NO. 47- 51-Marshall - 0/60 C

OPERATOR WELL NO. Fork Ridge MSH 201H

Well Pad Name: Fork Ridge MSH Pad

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Date of Notice: Date Permit Application Filed:		
Notice of:		
■ PERMIT FOR ANY	PROVAL FOR THE AN IMPOUNDMENT OR PIT	
Delivery method pursuant to West Virginia Code § 22-6A-10	0(b)	
	OD OF DELIVERY THAT REQUIRES A IPT OR SIGNATURE CONFIRMATION	
for a certificate of approval for the construction of an impound or by registered mail or by any method of delivery that require erosion and sediment control plan required by section seven of owners of record of the surface of the tract on which the well is tract or tracts overlying the oil and gas leasehold being develope or other land disturbance as described in the erosion and sedime this article; (3) The coal owner, operator or lessee, in the even [sic] is known to be underlain by one or more coal seams; (4) T gas leasehold being developed by the proposed well work, enlargement, alteration, repair, removal or abandonment of any surface owner or water purveyor who is known to the applicant thousand five hundred feet of the center of the well pad which animals; and (6) The operator of any natural gas storage field was more than three tenants in common or other co-owners of intellands, the applicant may serve the documents required upon maintained pursuant to section eight, article one, chapter eleven contrary, notice to a lien holder is not notice to a landowner, unl	res a receipt or signature confirmation, copies of the app this article, and the well plat to each of the following person so or is proposed to be located; (2) The owners of record of the deby the proposed well work, if the surface tract is to be use ent control plan submitted pursuant to subsection (c), secting the tract of land on which the well proposed to be drilled. The owners of record of the surface tract or tracts overlying if the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract is to be used for the placement, continuously in the surface tract of this action to the proposed well work activity is to take placement and the person described in the records of the sheriff required of this code. (2) Notwithstanding any provision of this action that the person described in the records of the sheriff required that the person described in the records of the sheriff required that the proposed well work activity is to take placement.	lication, the ons: (1) The fithe surface ed for roads ion seven of ed is located g the oil and construction, cle; (5) Any d within one or domestic ace. (c)(1) If erests in the juired to be
■ SURFACE OWNER(s)	■ COAL OWNER OR LESSEE	
Name: Consolidation Coal Company	Name: Consolidation Coal Company	
Address: 1000 Consol Energy Drive	Address: 1000 Consol Energy Drive	
Canonsburg, PA 15317-6506	Canonsburg, PA 15317-6506	
Name:		0
Address:	☐ COAL OPERATOR	7
	Name:	5_
☐ SURFACE OWNER(s) (Road and/or Other Disturbance)	Address:	m <sub>m</sub>
		육유
Name:	■ WATER PURVEYOR(s)	22
Address:	Names Paniel French	
Name:	Name: Daniel French Address: 1162 Hinerman Hill Road	Ko
Address:	Glen Easton, WV 26039	© GAS
SURFACE OWNER(s) (Impoundments/Pits) Name: Address:	OPERATOR OF ANY NATURAL GAS STORAGE FIELD Name: Address:	
	*Please attach additional forms if necessary	

API NO. 47-51 - 0/6 6 6
OPERATOR WELL NO. Fork Ridge MSH 201H
Well Pad Name: Fork Ridge MSH Pad

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS $\frac{\text{NOTICE OF APPLICATION}}{\text{NOTICE OF APPLICATION}}$

Notice Time Requirement: notice shall be provided no later the Date of Notice: Date Permit Application Filed:								
Notice of:								
PERMIT FOR ANY WELL WORK  CERTIFICATE OF APPROVAL FOR THE CONSTRUCTION OF AN IMPOUNDMENT OR PIT								
Delivery method pursuant to West Virginia Code § 22-6A-10	e(b)							
	OD OF DELIVERY THAT REQUIRES A IPT OR SIGNATURE CONFIRMATION							
for a certificate of approval for the construction of an impoundr or by registered mail or by any method of delivery that require erosion and sediment control plan required by section seven of owners of record of the surface of the tract on which the well is tract or tracts overlying the oil and gas leasehold being develope or other land disturbance as described in the erosion and sedime this article; (3) The coal owner, operator or lessee, in the event [sic] is known to be underlain by one or more coal seams; (4) T gas leasehold being developed by the proposed well work, enlargement, alteration, repair, removal or abandonment of any surface owner or water purveyor who is known to the applicant thousand five hundred feet of the center of the well pad whice animals; and (6) The operator of any natural gas storage field water than three tenants in common or other co-owners of intellands, the applicant may serve the documents required upon	date of the application, the applicant for a permit for any well work or ment or pit as required by this article shall deliver, by personal service res a receipt or signature confirmation, copies of the application, the this article, and the well plat to each of the following persons: (1) The sor is proposed to be located; (2) The owners of record of the surface of the proposed well work, if the surface tract is to be used for roads ent control plan submitted pursuant to subsection (c), section seven of the tract of land on which the well proposed to be drilled is located the owners of record of the surface tract or tracts overlying the oil and if the surface tract is to be used for the placement, construction, impoundment or pit as described in section nine of this article; (5) Any to have a water well, spring or water supply source located within one this used to provide water for consumption by humans or domestic within which the proposed well work activity is to take place. (c)(1) If the person described in the records of the sheriff required to be the a of this code. (2) Notwithstanding any provision of this article to the described is the landowner.							
Notice is hereby provided to:								
☐ SURFACE OWNER(s)	☐ COAL OWNER OR LESSEE							
Name:	Name:							
Address:	Address:							
Name: Address:	☐ COAL OPERATOR							
_	Name: Address:							
SURFACE OWNER(s) (Road and/or Other Disturbance)	7 F							
Name:	■ WATER PURVEYOR(s)							
Address:	Name: Ryan Adams							
Name:	Address: 8990 Fork Ridge Rd							
Address:	Glen Easton, WV 26039							
SURFACE OWNER(s) (Impoundments/Pits) Name: Address:	OPERATOR OF ANY NATURAL GAS STORAGE FIELD Name: Address:							
	*Please attach additional forms if necessary							

OFFICE OF CIL & CAS

API NO. 47- 51-Marshall - OIGOG

OPERATOR WELL NO. Fork Ridge MSH 201H

Well Pad Name: Fork Ridge MSH Pad

#### Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for well work or for a certificate of approval for the construction of an impoundment or pit.

#### This Notice Shall Include:

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control plan required by section seven of this article; and (3) the well plat.

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall also include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3)the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57<sup>th</sup> Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting <a href="www.dep.wv.gov/oil-and-gas/pages/default.aspx">www.dep.wv.gov/oil-and-gas/pages/default.aspx</a>.

#### Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well.

#### Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments.

#### **Well Location Restrictions**

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the weithead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted areas referenced in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple well pad if at least one of the wells was permitted prior to the effective date of this article (t) The secretary shall, by December 31, 2012, report to the Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells as they relate to the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the items examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

OPERATOR WELL NO. Fork Ridge MSH 201H

Well Pad Name: Fork Ridge MSH Pad

#### Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

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

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

#### Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have **THIRTY (30) 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.

Pursuant to West Virginia Code § 22-6A-11(c)(2), Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

#### **Comment Requirements**

Your comments must be in writing and 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.

#### **Permit Denial or Condition**

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director determines that:

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, isoluting the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

WW-6A (1-12)

API NO. 47-51-Marshall - 01606

OPERATOR WELL NO. Fork Ridge MSH 201H

Well Pad Name: Fork Ridge MSH Pad

Notice is hereby given by:

Well Operator:	Chesapeake Appalachia, LLC	Address:	PO Box 1300	
Telephone:	304-517-1416		Jane Lew, WV 26378	
Email:	danielle.southall@chk.com	Facsimile:	304-471-2497	

#### Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or your personal information, please contact DEP's Chief Privacy Officer at <a href="mailto:deprivacyofficer@wv.gov">deprivacyofficer@wv.gov</a>.

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF PLANNED OPERATION

Date of	Time F Notice	Requirement: notice shall be provided no late:    10/11/2012   Date Permit Applie	er than the filing cation Filed:	date of permit	application.		
Deliver	y meth	od pursuant to West Virginia Code § 22-6.	A-16(c)	1 1			
			ND LIVERY				
the plar required drilling damage	of a horal notices	Va. Code § 22-6A-16(c), no later than the equested or hand delivery, give the surface operation. The notice required by this subsection (b), section ten of this prizontal well; and (3) A proposed surface usurface affected by oil and gas operations to required by this section shall be given to the	wher whose land ction shall inclust article to a surface and compen- the extent the de-	d will be used for ide: (1) A copy face owner whos sation agreemen	or the drilling of this code see land will be at containing a	of a horizontal well notice of section; (2) The information used in conjunction with the offer of compensation for continuous hands in the continuous	of on ne or
(at the a Name: Address	iddress Consolidat	by provided to the SURFACE OWNER(s) listed in the records of the sheriff at the time ion Coal Company onsol Energy Drive	,	s:			
Pursuan operatio State:	t to We	by given: est Virginia Code § 22-6A-16(c), notice is her the surface owner's land for the purpose of dri West Virginia	reby given that the lling a horizonta UTM NAD 8	al well on the trac	well operator h ct of land as fo 530920.6	nas developed a planned bllows:	
County:	_	Marshall		Northing:	4413559.9	Y	
District:	_	Cameron	Public Road		Fork Ridge Rd.		
Quadrar Watersh	-	Glen Easton	Generally use				
watersn	iea: _	Middle Grave Creek					
Pursuan to be pr horizont surface informat	t to We rovided tal well affected tion rel arters, le	all Include: st Virginia Code § 22-6A-16(c), this notice s by W. Va. Code § 22-6A-10(b) to a surface and (3) A proposed surface use and compet by oil and gas operations to the extent the ated to horizontal drilling may be obtained becated at 601 57th Street, SE, Charleston ult.aspx.	ce owner whose nsation agreeme damages are co	e land will be unt containing an ompensable under the WV	offer of comper article six-b	action with the drilling of pensation for damages to the pof this chapter. Additional	a e il
Well Op	erator:	Chesapeake Appalachia LLC	Address:	PO Box 1300, 179 C	hesaneake Drive		
Telepho	ne:	304-517-1416	-	Jane Lew, WV 26378			_
Email:		Danielle.Southall@chk.com	Facsimile:	304-471-2497		~ 0	_
The Offi duties. Y needed appropri	ice of C Your pe to com ately se	rivacy Notice: Dil and Gas processes your personal information resonal information may be disclosed to oth apply with statutory or regulatory requirement of the your personal information. If you have ivacy Officer at depprivacyofficer@wv.gov.	ion, such as nam er State agencie ents, including	e, address and te	es in the norm	nal course of business or a	S



#### WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

### Division of Highways

Office of the District Engineer/Manager
District Six
1 DOT Drive · Moundsville, West Virginia 26041-2353 · (304) 843-4000

May 19, 2011

Mr. Nathan Smarr, RPL Chesapeake Energy 179 Chesapeake Drive Jane Lew, WV 26378

Dear Mr. Smarr:

Pursuant to our recent telephone conversation, all road maintenance agreements entered into between the West Virginia Department of Transportation, Division of Highways, District 6 and Chesapeake Energy are hereby extended until gas well development at their particular sites is completed. The roads will be released from agreement once repairs, acceptable to the Division, are completed and will be removed from any bonding instrument.

I believe this action should eliminate the necessity to continually issue permits that have reached their expiration date. The Division will maintain open lines of communication with Chesapeake and Rettew in regards to roadway issues and agreements.

At the conclusion of well development activity, Chesapeake should promptly notify the Division to perform a formal review to release those particular roadways from bond coverage.

I hope this is satisfactory for your immediate needs and if you require additional information or have questions regarding content, please do not hesitate to contact me at 304/843-4037 or 304/780-4983. Thank you in advance for your consideration pertaining to this matter.

Respectfully,

James L. McCune
District 6 – Oil & Gas Coordinator

E.E.O./AFFIRMATIVE ACTION EMPLOYER

THIS AGREEMENT, executed in duplicate, made and entered into this 19th day of May, 2011, by and between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, hereinafter called "DEPARTMENT," and CHESAPEAKE APPALACHIA LLC, hereinafter called "COMPANY."

#### WITNESSETH:

WHEREAS, Company has horizontal gas well drilling operations in certain areas of West Virginia; and

WHEREAS, the Department believes that the frequent and repetitive use of certain sections of highways in the State by Company, its contractors, agents, independent contractors or suppliers of drilling materials or drilling equipment, and employees contributes to increased wear and tear to public roads in the state road system in the State, including local roads ("State Owned Roads"); and,

WHEREAS, the Department and Company have entered into this Agreement to satisfy the requirements of the Department's policy entitled "Oil & Gas Road Policy" dated February 1, 2011, as issued by Paul A. Mattox, Jr., Secretary of Transportation / Commissioner of Highways, and any subsequent related policies, hereinafter called "Policy", a copy of which is made a part of this Bonding Agreement and is identified as Attachment 1.

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter set forth, the parties agree as follows:

- I. For purposes of this Bonding Agreement, "Project Transportation Usage" of the Company shall be understood to mean use of one or more State Owned Roads for the delivery and removal of drilling materials and drilling equipment at the site or location of one or more of Company's horizontal gas well pad locations. To the extent reasonably practical, prior to commencing use of a State Owned Road for Project Transportation Usage after January 1, 2011, the Company shall submit to the Department a section or sections of current official WVDOH County Highway maps identifying the exact location of the proposed project and the State Owned Roads that the Company will utilize for the Project Transportation Usage.
- II. Company and Department shall within 14 days of the Company's submittal, agree to a list of these sections of State Owned Roads, hereinafter called "Project Roads List", to be utilized for each of Company's projects, identified by route number and milepost; at a time to be mutually agreed to by the parties prior to initial commencement of Project Transportation Usage of a particular State Owned Road on a Project Roads List, the Company and Department will jointly review the condition of the roads and bridges on the Project Roads List. The Department will document the road type and surface condition and general right-of-way width of each section of road on the Project Road List. Either party may supplement this documentation with photographs, video or other evidence of the present condition of the road surface, shoulders, ditches, culverts, bridges or other structures or appurtenances of roads on the Project Road List, as well as approaches to the roads, utility facilities located within or along the right-of-way, or any other condition, including third-party activities, that may affect the duties and responsibilities of the parties under this Agreement. A copy of any such documentation must be made and provided to the other party within ten business days after the joint review of the roads on the Project Roads List.
- III. Department shall issue a Project Agreement or Project Permit, as appropriate, to Company to use State Owned Roads and may include any minor or major improvements required of Company prior to, during or after Project with the assignment of responsibilities of both parties prior to, during and after the operator has completed well fracturing..

- V. For the duration of Company's Project Transportation Usage of the Stated Owned Roads on the Project Roads List, whether by the Company, its contractors (while working on behalf of Company), agents, independent contractors or suppliers of drilling materials or drilling equipment, or employees, the Company agrees to pay for all reasonable maintenance and repair costs incurred by the Department to repair areas of the State Owned Roads included in the Project Roads List that were directly damaged by Company's Project Transportation Usage, as determined to be reasonably necessary and appropriate by the Department. The Department shall keep a record of all labor performed by Department employees and contractors for such maintenance and repairs and shall send an invoice for the same to Company.
- VI. Company shall be responsible for the cost of all maintenance and repairs reasonably necessary to put the existing roadways, bridges and appurtenances on the Project Roads List utilized for the Project Transportation Usage in the condition that existed immediately prior to the Project Transportation Usage. Company shall not be required to pay for maintenance or repairs to put any areas of such roadways, bridges and appurtenances on the Project Roads List in a condition better than the condition that existed immediately prior to the Project Transportation Usage. Company shall also not be required to pay for maintenance or repairs to any areas of these roadways, bridges or appurtenances on the Project Roads List that are not actually utilized for the Project Transportation Usage or for damage not caused by Project Transportation Usage.
- Company shall notify the Department in writing of Company's final completion of Project Transportation Usage for particular roadways, bridges and appurtenances on the Project Roads List. Within fourteen days after its receipt of written notification of the completion of the Project Transportation Usage for all roads on a Project Roads List, the Department will review the condition of the roadways, bridges and appurtenances on the Project Roads List actually utilized for the Project Transportation Usage and advise Company of any final repairs reasonably necessary to leave these roads, bridges and appurtenances in a condition reasonably deemed by Department to be equal to their condition prior to commencement of Project Transportation Usage; and, upon completion of all such final repairs by or on behalf of Company and acceptance by Department, the Company shall be released from all further liability for maintenance or repairs to roads, bridges, or appurtenances on said Project Roads List. Any maintenance or repair work under the Project Agreement/Project Permit for roads, bridges or appurtenances on the Project Roads List may be performed by a contractor directly chosen by the Company as approved by the Department, the Department's workforce, or a private contractor hired by the Department through the public bid process in accordance with state law, all of which work shall be subject to the standards and specifications of the Department.
- VIII. In order to ensure performance of Company's performance and payment obligations under this Bonding Agreement, the Company shall post a corporate surety bond, hereinafter called "Master Bond", with the Department named as the beneficiary, which form of bond shall be subject to the consent of the Department, not to be unreasonably withheld. The amount and form of the bond shall be in accordance with the Policy as set forth above. However, the amount of the Master Bond does not limit the amount of claims that may be made by the Department against the Company under this Bonding Agreement. The Company shall provide the Master Bond to the Department within one (1) month after the execution of this Bonding Agreement. The Master Bond shall secure the good faith performance of all payment obligations of Company under the terms of this Bonding Agreement respecting the roads, bridges and appurtenances on the Project Roads List for each Project Transportation Usage undertaken by the Company, and shall remain in effect until termination of this Agreement. Company shall not be obligated to provide any other bonds, sureties, or other guarantees of performance to the Department for Company's use of State Owned Roads, except as required in this Agreement.

- IX. Company shall maintain Commercial General Liability Insurance in the amount of two million dollars, with a minimum coverage of one million dollars per occurrence, for personal injury or death to persons, or for property damage, resulting from Company's Project Transportation Usage and shall present evidence of such insurance to Department upon request.
- X. Company's usage of State Owned Roads under the Project Agreement/Project Permit shall comply with all applicable Federal, State and local laws and regulations including, but not limited to, to the extent applicable, the National Environmental Policy Act, Section 404 of the Clean Water Act, Section 106 of the National Historic Preservation Act, Rare, Threatened and Endangered Species Act, Section 401 Water Quality Certification, and hazardous waste requirements. Further, upon reasonable written request of Department, Company shall furnish Department with acceptable documentation of such compliance which is in the possession of the Company.
- XI. Company shall defend, indemnify and hold Department harmless from and against any and all losses, damage, and liability, and from all claims for damages on account of or by reason of bodily injury, including death, which may be sustained, or claimed to be sustained, by any person or persons, including employees of Department, and from and against any and all claims, losses or liabilities for damages to property, arising out of the negligent or willful acts or omissions of Company, its agents, independent contractors and suppliers of drilling materials or drilling equipment, employees and contractors, in the performance of all Project Transportation Usage activities undertaken pursuant to this Agreement (collectively, "claims"). The Company shall not be responsible to indemnify, defend or hold harmless Department for any claims caused by the negligent or willful acts or omissions of the Department or its agents, employees and contractors or third parties not performing work at the direction of Company or delivering drilling equipment or drilling materials, including water, for use by or for company.
- XII. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.
- XIII. Department shall give Company a minimum of thirty days written notice of default under the terms of this Bonding Agreement and the opportunity to cure this default during such thirty-day period. If a default is not cured to the satisfaction of Department, or provision acceptable to Department is not made for a cure, Department may then elect to terminate this Bonding Agreement in whole or in part, and may in addition exercise its rights under the Master Bond or seek any other lawful relief available. Company may terminate this Bonding Agreement upon thirty days written notice to Department for any reason. In the event Company terminates this Agreement for any reason, it shall be liable for the repair and maintenance costs set forth above for prior Project Transportation Usage.
- XIV. Nothing herein shall be construed to mean that Company shall have any jurisdiction or control over any public roads in the state road system.
- XV. Company, its contractors, agents, employees and suppliers shall at all times be subject to applicable provisions of state and federal law, including without limitation laws requiring operation of vehicles in accordance with legal size and weight restrictions and posted weight limits. Oversize/overweight permits for vehicle or loads not otherwise conforming with law must be obtained in accordance with law; Department agrees to work in good faith with Company to review and grant (where authorized by law) such permits in a timely manner upon request by Company.
- XVI. This Bonding Agreement shall be construed and enforced in accordance with the laws of the State of West Virginia, as they may be amended.
- XVII. This Bonding Agreement shall be binding upon the successors and assigns of each party hereto.

RECEIVED OFFICE OF OIL & GA

be executed by their duly authorized officers effective as of the date first above written.

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS

Witness

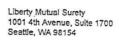
By: State Highway Engineer

Chesapeake Appalachia LLC, A limited liability company

By: Stacy & Robert

Title: Vice President - Risk Management

(To be executed in duplicate)





PERFORMANCE BOND				-		
	NOW ALL BY THESE PRESENTS, That we, Chesapeake Appalachia, L.L.C.					
KNOW ALL BI IMESE PR	ESEN1S, Inat we,	Chesapeake Appala	chia, L.L.C.			
-						
(hereinafter called the Princip	oal), as Principal, an				, a corporation	
duly organized under the law bound unto West Virginia D		Washington	(hereinafter ca	lled the Surety), as Sure	ty, are held and firmly	
voot viigilia b	epartment of Train	isportations, Division	of Highways			
				, (hereinaft	er called the Obligee),	
in the sum of One Million D	ollars And Zero Ce	ents			*	
to he		(\$ 1,000,000.00	) Dollars	s, for the payment of whi	ich sum well and truly	
to be made, we, the said Pri jointly and severally, firmly b	by these presents.			utors, administrators, su	accessors and assigns,	
Signed and sealed this	19th	day of	May	, 2011		
WHEREAS, said Principal ha	s entered into a writt	en Contract with said C	bligee, dated			
for use of State roadways	pursuant to Oil and	d Gas Road Statewic	le Bonding Agre	ement	· · · · · · · · · · · · · · · · · · ·	
					-	
in accordance with the terms herein:	and conditions of s	aid Contract, which is	hereby referred t	o and made a part here	of as if fully set forth	
	'OMDITION OF TE	IIS ORI ICATIONI IS				
NOW, THEREFORE, THE C	nd every, all and si	ngular, the matters an	d things in said of	contract set forth and an	spified to be be all	
rimcipal kept, done and per	formed, at the time	s and in the manner	in said contract s	necified or chall now	arrow meales as a d	
reimburse to the above named of said Principal so to do, then	i Obligee, all loss at	nd damage which said	Obligee may sust	ain by reason of failure	or default on the most	
NO SUIT, ACTION OR PRO	OCEEDING by the	Obligee to recover or	this bond shall l	he sustained unless the		
within two (2) years following	the date on which	Principal ceased work	on said Contract.	sustained unless the	same be commenced	
unin <sub>m</sub>	IIIII.					
HIMME AP	PALADIN		Channa	de Assalsatii I I O		
# 4 / COK.	SAN CE		Chesapea	ike Appalachia, L.L.C.	Principal	
SE SE	AT. 1		By	left	Principal	
15/		CO INSUL		70		
IIIII NOTO AHO	MA. Market	CORPORATE				
"I'IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	munning.	(SEAT	1	surance Company of A	America	
SECANOMINATION OF AHO	1.00	OEAL C	By A	any A. Rober	t	
		SEAL SEAL	21/1	L. Roberts	Attorney-in-Fact	



## POWER

Milli	เลเ		OF ATTORNE	ΞY		1001 4th Aveune Suite 1700 Seattle, WA 98154	
KNOW ALL BY THES	E PRES	ENTS:		No.	13359		
That SAFECO INSURA	NCE C	OMPANY OF AMERIC	CA, a Washington c	orporati	ion, does h	ereby appoint	
		****STACY L. ROB					********
and other documents o	t a simila ully as if	ar character issued in such instruments had	the course of its but been duly executed	siness,	and to bind regularly el	idelity and surety bonds is SAFECO INSURANCE ected officers at its home ttested these presents	COMPANY OF
	this	17th		day o	f April		2009
Dixter B. Lay			_	-		lajewski.	
Dexter R. Legg, Secr	etary		т	imothy	A. Mikola	jewski, Vice President	
			CERTIFICATE				
		ct from the By-Laws o					
individuals as attorneys bonds and other docume evidencing such appoint bond or undertaking o	ed for the in-fact of ents of softment, the co	nat purpose by the our under other appropriation of the signatures may be ampany, the seal, or	officer in charge of iate titles with author d by the company in e affixed by facsimile a facsimile thereof	surety ority to e n the co le. On a	operations execute on ourse of its any instrum	sident, the Secretary, are, shall each have auth behalf of the company fi business On any instruent conferring such auth seed or affixed or in an ch instrument or underte	nority to appoint delity and surety ument making or hority or on any
			Resolution of the B	oard of	Directors of	of	g.
(II) A copy of th	cuted by ns of Art e power- at said p	the Secretary or an asticle V, Section 13 of the of-attorney appointment of the cower-of-attorney appropriate the company and the cower-of-attorney appropriate the cower-of-attorney appropriate the cower-of-attorney appropriate the company and the cower-of-attorney appropriate the cower-of-attorney approximate	ssistant secretary of the By-Laws, and ent, executed pursua pointment is in full for	the Co	mpany set eto, and effect.	ling out,	
<ol> <li>Dexter R. Legg extracts of the By-Laws thereto, are true and co</li> </ol>	and of a	a Resolution of the Bo	ard of Directors of t	his com	poration ar	A, do hereby certify that to not of a Power of Attorney ttorney are still in full for	issue pursuent
N WITNESS WHEREC							
	this	10+1		_ day d	10/	lay	, 2011.
	OF C	Control					

Dexter Q. Layy Dexter R. Legg, Secretary

S-1300/SAEF 3/09

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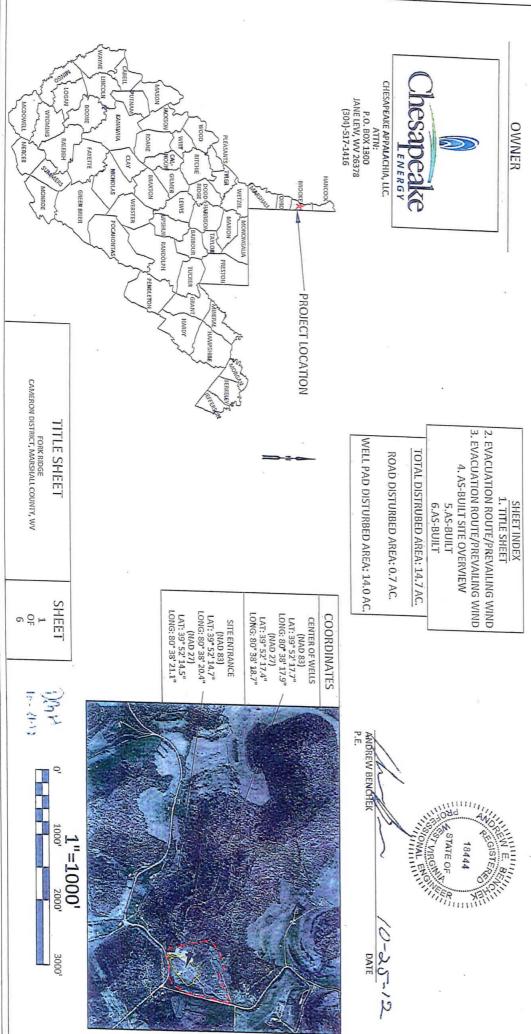


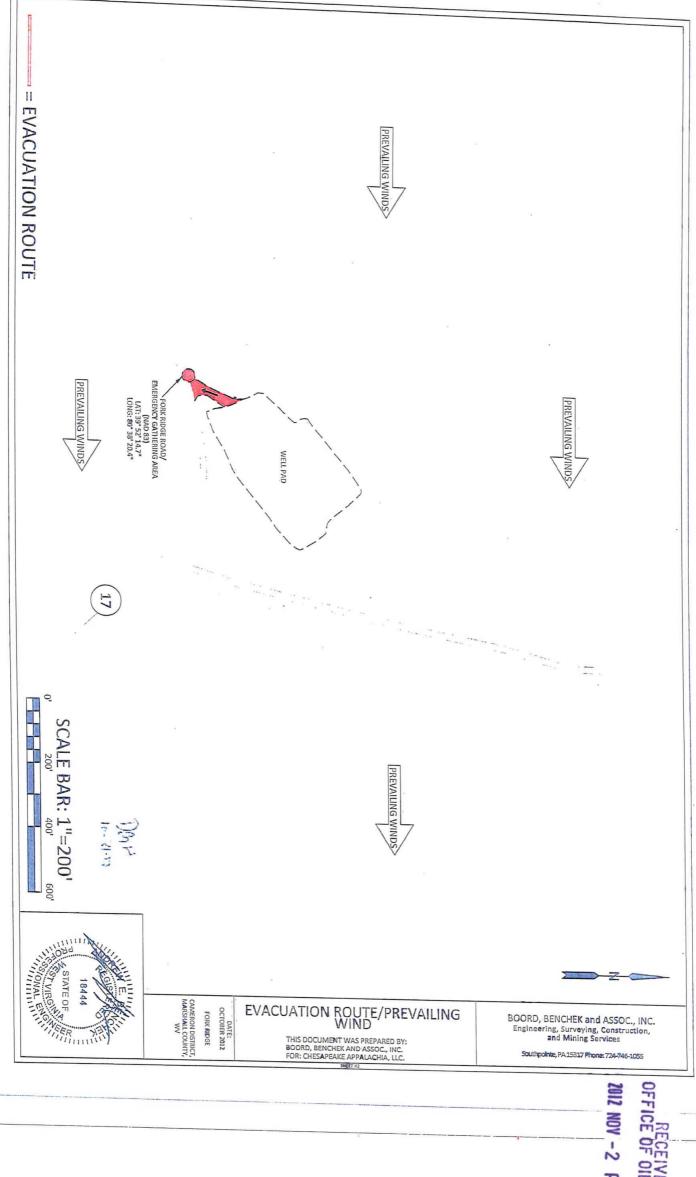
Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
		Biocide	Didecyl Dimethyl Ammonium Chloride	007173-51-1
			Ethanol	000064-17-5
	ALPHA 1427		Glutaraldehyde (Pentanediol)	000111-30-8
			Quaternary Ammonium Compound	068424-85-1
			Water	007732-18-5
	BF-7L	Buffer	Potassium Carbonate	000584-08-7
			Choline Chloride	000067-48-1
	ClayCare	Clay Stabilizer	Water	007732-18-5
BAKER HUGHES	Enzyme G-I	Breaker	No Hazardous Components	NONE
	ENZYME G-NE	Breaker	No Hazardous Components	NONE
	FRW-18	Friction Reducer	Petroleum Distillate Hydrotreated Light	064742-47-8
		Gel	Petroleum Distillate Blend	N/A-014
	GW-3LDF		Polysaccharide Blend	N/A-021
		Scale Inhibitor	Diethylene Glycol	000111-46-6
	SCALETROL 720		Ethylene Glycol	000107-21-1
			Boric Acid	010043-35-3
	XLW-32	Crosslinker	Methanol (Methyl Alcohol)	000067-56-1
	APB01 (AMMONIUM PERSUFATE BREAKER)	Breaker	Ammonium Persulfate	007727-54-0
	B05 (LOW PH BUFFER)	Buffer	Acetic acid	000064-19-7
	BXL03 Borate XL Delayed High Temp	Crosslinker	No Hazardous Components	NONE
FRAC TECH SERVICES	FRW-200	Friction Reducer	No Hazardous Components	NONE C
	HVG01 (TURQUOISE-1 BULK)	Gelling Agent	Petroleum Distillate Hydrotreated Light	£64742-47-8
	KCLS-4	Clay Stabilizer	No Hazardous Components	NONE POPE PC
	LTB-1	Breaker	Ammonium Persulfate	D PER

Supplier Name	Product Name Product Use Chemical N		Chemical Name	CAS Number
		Biocide	Ethanol	000064-17-5
NALCO	EC6110A		Glutaraldehyde (Pentanediol)	000111-30-8
ONESOURCE			Quaternary Ammonium Compounds	N/A-063
	EC6629A	Biocide	No Hazardous Components	NONE
	WBK-133 OXIDIZER	Breaker	Ammonium Persulfate	007727-54-0
			Ammonium Persulfate	007727-54-0
	WBK-134	Breaker	Crystalline Silica (Quartz Sand, Silicon Dioxide)	014808-60-7
	WCS-631LC	Clay Stabilizer	Proprietary Non Hazardous Salt	N/A-229
	WCS-631LC	Clay Stabilizer	Water	007732-18-5
	WFR-55LA	Friction Reducer	No Hazardous Components	NONE
	WGA-15L	Gel	Petroleum Distillate Hydrotreated Light	064742-47-8
WEATHERFORD			Potassium Carbonate	000584-08-7
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	WPB-584-L	Buffer	Potassium Hydroxide	001310-58-3
	WXL-101LE	Corsslinker	No Hazardous Components	NONE
	WXL-101LM	Crosslinker	Petroleum Distillate Hydrotreated Light	064742-47-8
		Crosslinker	Water	007732-18-5
			Ethylene Glycol	000107-21-1
	WXL-105L		Boric Acid	010043-35-3
			Ethanolamine	000141-43-5
	B244 Green-Cide 25G	Biocide	Glutaraldehyde	111-30-8
	L071 Temporary Clay Stabilizer	Clay Stabilizer	Cholinium Chloride	67-48-1
	Breaker J218		Diammonium Perevidia ulabete	7727-54-0
SCHLUMBERGER	EB-Clean* J475 Breaker	Breaker	Peroxidisulphate Diammonium Peroxidisulphate	7727-54-0
	Friction Reducer B315	Friction Reducer	Distillates (petroleum), Hydrotreated light Aliphatic Alcohol Glycol Ether	Proprietary
	Friction Reducer J609		Ammonium Sulfate	7783-20-2
				0 20

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
	Water Gelling Agent J580	Gel	Carbohydrate Polymer	Proprietary
	Scale Inhibitor B317	Scale Inhibitor	Trisodium ortho phosphate	7601-54-9
SCHLUMBERGER			Ethane-1, 2-diol	107-21-1
SCHLOWIDLINGLIN	Borate Crosslinker J532		Aliphatic polyol Sodium	Proprietary 1303-
	Borate Crossiliner 3332	Crosslinker	tetraborate decahydrate	96-4
	0	Ciossilikei	Aliphatic polyol Potassium	Proprietary 1310-
	Crosslinker J610		hydroxide	58-3







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