

## 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: 47-5101607, 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

Cmet

Operator's Well No: FORK RIDGE MSH 3H

Farm Name: CONSOLIDATION COAL COMPA

API Well Number: 47-5101607

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. <u>Failure to adhere to the specified permit conditions may result in enforcement action.</u>

#### **CONDITIONS**

- 1. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-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 57<sup>th</sup> 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.



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

C. Richard Wilson, Esq. Serving WV & OH

www.wilsonlawoffices.com



515 Jefferson Avenue Moundsville, WV 26041 (304) 843-2300 Fax: (304) 843-2301

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

OFFICE OF OIL & GAS
2012 P 20 7 1: 14
ENVIRONHENTAL PROTECTION

# STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS W.VA. CODE §22-6A - WELL WORK PERMIT APPLICATION

	W. VA. C	ODE SEE-C	A- WELL	WORKTERM	1 million	11011	2
					51	01	370
1) Well Operator:	Chesapeake A	ppalachia, LLC		494477557	51-Marshall	1-Cameron	370-Glen Easton
	-			Operator ID	County	District	Quadrangle
2) Operator's Well	Number:	Fork Ridge MS	SH 3H	V	Vell Pad Nam	e: Fork Ridge MS	H Pad
3 Elevation, curren	nt ground:	1391'	Ele	vation, proposed p	post-construc	tion:	1391'
4) Well Type: (a) (	Gas Other		Oil				
(b) I		hallow Iorizontal	-	Deep			
5) Existing Pad? Yo	es or No:	Yes					DMH 9-21-12
6) Proposed Target  Target formation-Marcello		( ) , 1	, ,	ed Thicknesses an		3 6	
7) Proposed Total V 8) Formation at Total V 9) Proposed Total V 10) Approximate F	tal Vertical Measured D	Depth:	Marcellus 13,800'	41			
11) Method to Dete	ermine Fres	h Water De	100	ita was gathered from e-log	gs, drillers logs and	from wells within a 2	2500' radius
12) Approximate S		-	1047'				
13) Approximate C			961'	1 4 4 5	702 50 5		
14) Approximate D	-				None that we a	re aware of.	
15) Does land cont			y or adjacen	t to, active infine?	yes		
16) Describe proposed well work:  Drill and stimulate any potential zones between and including the Benson to the Marcellus. **If we should encounter a void, place basket above and below							
				Run casing not less than 20			
				casing 50' below and cts)			
the wellbore until the ent	the target formation ire lateral has been	and stimulated with a	a slurry of water, sand, n the target formati	and chemical additives at a high on. All stage plugs are then uction units, vertical separat	drilled out and the w	vell is flowed back to	
18) Total area to be	e disturbed,	including r	oads, stockp	pile area, pits, etc,	(acres):	10.6	RECEIV
19) Area to be distr	urbed for w	ell pad only	, less access	s road (acres):	5.5	ס	800 800
						===	GAS

## 20)

## CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	J-55	94#	100'	100'	CTS
Fresh Water	13 3/8"	New	J-55	54.5#	761'	761'	700 SX/CTS
Coal	9 5/8"	New	J-55	40#	2460'	2460'	920 SX/CTS
Intermediate	7"	New	P-110	20#	If Needed	If Needed	If Needed/As Needed
Production	5 1/2"	New	P-110	20#	13,800'	13,800'	Lead 1,050 sx Tail 1,280 sx/100' inside intermediate
Tubing	2 3/8"	New	N-80	4.7#	Approx. 7,117'	Approx. 7,117'	
Liners							

DWH 6-91-19

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	30"	0.25"	2120	15.6 ppg 🖌	1.19/50% Excess
Fresh Water	13 3/8"	17.5"	0.380	2740	15.6 ppg /	1.19/50% Excess
Coal	9 5/8"	12 1/4"	0.395	3950	15.6 ppg 🗸	1.19/50% Excess
Intermediate	7"	8 3/4"	.0317	4360	15.6 ppg 🖌	1.20/15% Excess
Production	5 1/2"	8 3/4"	0.361	12360	15.6 ppg /	1.20/15% Excess
Tubing	2 3/8"	4.778"	0.190			
Liners						

**PACKERS** 

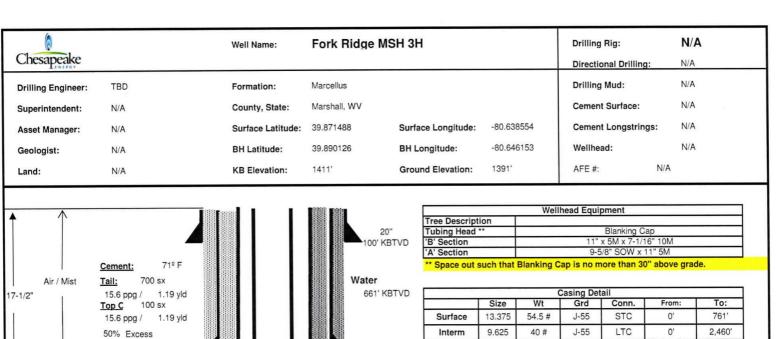
		2 7
Kind:	10K Arrowset AS1-X	NOV
Sizes:	5 1/2"	OF -2
Depths Set:	Approx. 6,197'	D OF THE
		- 20

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.
2) D
2) Describe all cement additives associated with each cement type.
**Please see attached sheets for Chemical Listing of Cement & Additives for Chesapeake Energy wells.
3) 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.
ata: Attach additional sheets as needed

July 31-15

0

13,617



13.375" Prod 5.5 20 # P-110 GBCD COAL 961' KBTVD Report any water or gas flows. Catch liquid sample if possible BIG INJUN 2,058' KBTVD

BASE BIG INJUN 2,308' KBTVD

4 hours

<u>Tail:</u> 920 sx 15.6 ppg / 1.19 yld

50% Excess
Pump-time: 4 hours
Top C 100 sx

85º F

1.19 yld

9.625

KOP

Geologic Target:

6.383

TOC 1,960'

Pump-time:

12-1/4" Air / Mist

8-3/4

8-1/2"

Curve

7-7/8" ateral SOBM

MW:

6,283' -

ES > 600 LGS <4

Vis 45 - 65 HTHP 6-8 (SOBM)

Drawn by: Date:

TBD

13,617 12 - 13

2,460' -Air Dust

Cement:

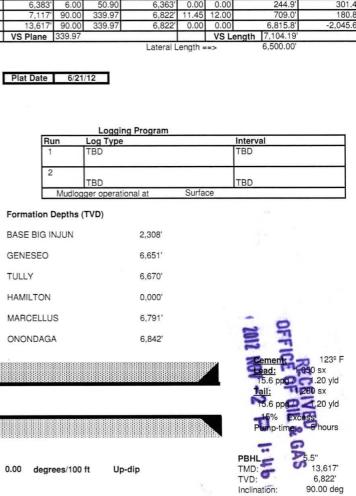
Top C 1 15.6 ppg /

6,283'

Casing Design						
	Size	ID	Coll	Burst	Tens	MU torq
Surface	13.375	12.615	1130	2740	514	5140
Interm	9.625	8.835	2570	3950	520	5200
Prod	5.5	4.778	12200	12360	641	8530

Surface Nudge for Anti-Collision purposes.

	Directional Drilling Details							
Section	TMD	Inc.	Azimuth	TVD	BUR	DLS	+N/-S	+E/-W
Surface	0.00'	0.00	0.00	0.00'	0.00	0.00	0.0'	0.0'
Surface	100'	0.00	0.00	100'	0.00	0.00	0.0'	0.0'
Surface	200'	0.00	0.00	200'	0.00	0.00	0.0'	0.0'
Surface	300'	0.00	0.00	300'	0.00	0.00	0.0'	0.0'
Surface	525'	0.00	0.00	525'	0.00	0.00	0.0'	0.0'
KOP1	2,518'	0.00	0.00	2,518'	0.00	0.00	0.0'	0.0'
Hold	2,817'	6.00	50.90	2,816'	2.01	2.01	9.9'	12.1'
KOP2	6,383'	6.00	50.90	6,363'	0.00	0.00	244.9'	301.4'
Landing Pt	7,117	90.00	339.97	6,822'	11.45	12.00	709.0'	180.8'
TD	13,617'	90.00	339.97	6,822'	0.00	0.00	6,815.8'	-2,045.6'
	VS Plane	339.97				VS L	ength 7,104.19'	



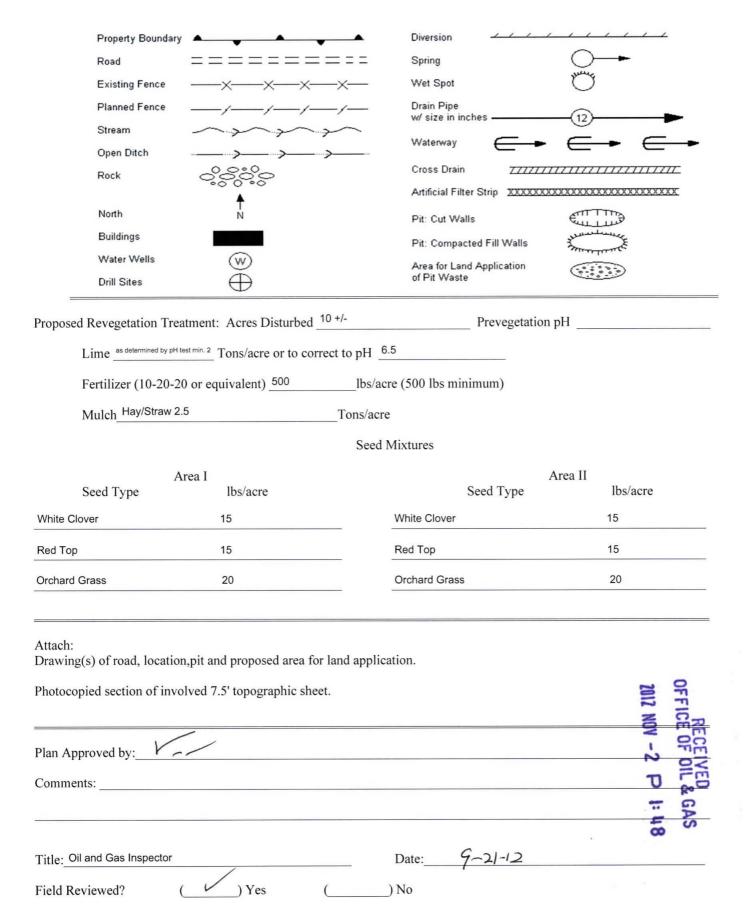
Gyro the 1st well on the pad at KOP. Ensure all Surveys are referenced to Grid North!!

6,822' TVD @ 0' VS w/

# 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 Appalachia, LLC	OP Code 4944	77557			
Watershed Middle Grave Creek	Quadrangle 370-Glen Easton				
Elevation 1391' County 51-Mar	shall District_1-Cameron				
Description of anticipated Pit Waste: Closed loop system in p	lace at this time - cuttings will be taken to a permitted lan	dfill.			
Do you anticipate using more than 5,000 bbls of water to co		No			
Will a synthetic liner be used in the pit?	If so, what mil.?				
Reuse (at API Number_at next ant Off Site Disposal (Supply form	rmit Number2D0072539/2D0413175/2D0610306/2D cipated well, API# will be included with the WR-34/DDMR &/or permit addent WW-9 for disposal location) put in steel tanks and reused or taken to a permitted disposal facility.	00610317 ) dum )			
Drilling medium anticipated for this well? Air, freshwater, -If oil based, what type? Synthetic, petroleum, etc Additives to be used? see attached sheets					
Will closed loop system be used ? yes					
Drill cuttings disposal method? Leave in pit, landfill, remo					
-If left in pit and plan to solidify what medium wil	be used? Cement, lime,	1005			
-Landfill or offsite name/permit number? Meadow					
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.  I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.  Company Official Signature					
Company Official (Typed Name) Danielle Southall		FFI 012			
Company Official Title Regulatory Tech I		RECEIV CE OF 0			
Subscribed and sworn before me this day o	E Diptember, 2012	7/ED & GA			
My commission expires 2/7/21	Notary Public	OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA LEA ANN BUTCHER 2. Box 237-0. Janel Law, WV 28278			



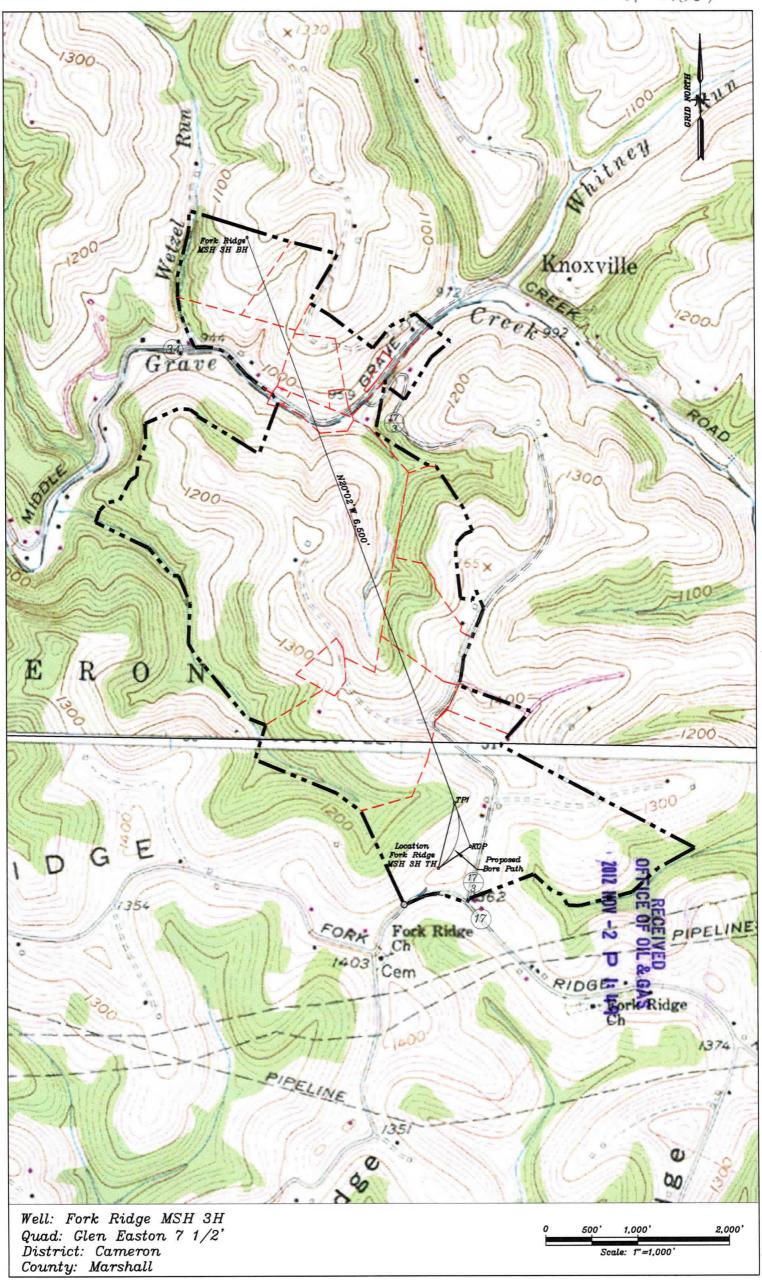
### Marcellus Well Drilling Procedures And Site Safety Plan

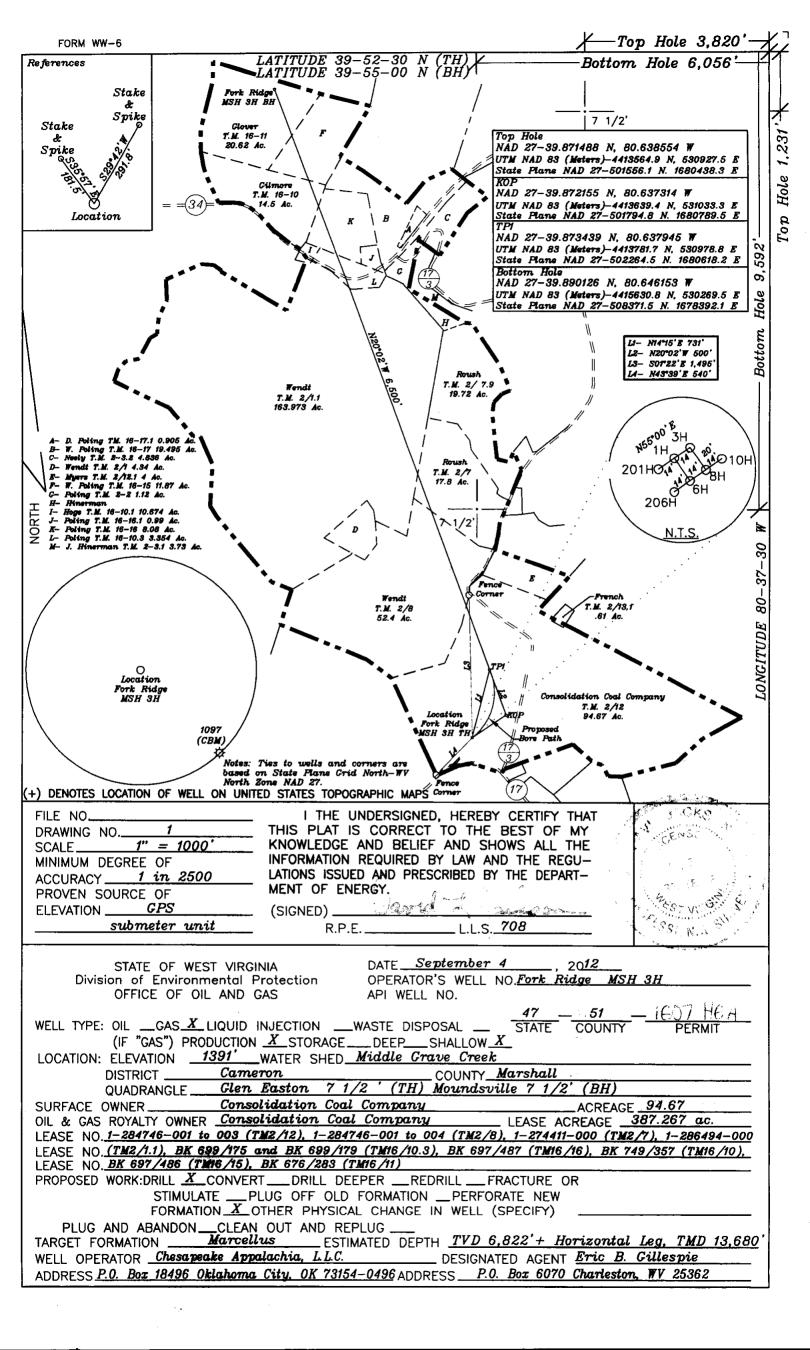
Chesapeake Appalachia, LLC

47 - 51 Well name Fork Ridge MSH 3H
Glen Easton, Quad
Cameron, District
Marshall County, West Virginia

Submitted by:  Danielle Southall  Title Regulatory Tech I	9/10/12 Date: Chesapeake Appalachia, LLC
Approved by:	
1/1	Date: <b>9</b> -21-12
Title: Oil + Gar Taspe cher	
Approved by:	
	Date:
Title:	
Chesapeake Appalachia, L.L.C Confidenti	al

FFICE OF OIL & GAS





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

Date of Notic	e Certification:			/ - 51-Marshall -	
			Operator's	Well No. Fork Ridge MSH 3H	
			Well Pad N	Name: Fork Ridge MSH Pad	
Notice has b					
Pursuant to th	e provisions in West Virginia Code § 22-6A, the	e Operator has pro	vided the red	quired parties with the Notice Forms listed	
below for the	tract of land as follows:				
State:	West Virginia	UTM NAD 83	Easting:	530927.5	
County:	51-Marshall	UTWINAD 83	Northing:	4413564.9	
District:	1-Cameron	Public Road Access:		Fork Ridge Road	
Quadrangle:	370-Glen Easton	Generally used farm name: Fork Ridge		Fork Ridge	
Watershed:	Middle Grave Creek				

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 USE
*PLEASE CHECK ALL THAT APPLY	ONLY
☐ 1. NOTICE OF SEISMIC ACTIVITY OF ■ 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	RECEINED

**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.

Its:

#### 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, LL By:

Danielle Southall

Regulatory Tech I

Telephone: 304-517-1416 Address: PO Box 1300

Jane Lew, WV 26378

Facsimile: 304-471-2497

Email: danielle.southall@chk.com

PUBLIC ST VIRGINIA LEA ANN BUTCHER Rt. 2, Box 237-0, Jane Lew, WV 26378

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 - 0/607 OPERATOR WELL NO. Fork Ridge MSH 3H Well Pad Name: Fork Ridge MSH Pad

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

Notice Time Requirement: notice shall be provided no later th 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-1	0(b)
	HOD OF DELIVERY THAT REQUIRES A EIPT OR SIGNATURE CONFIRMATION
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 developed or other land disturbance as described in the erosion and sedimenthis article; (3) The coal owner, operator or lessee, in the even [sic] is known to be underlain by one or more coal seams; (4) The gas leasehold being developed by the proposed well work, the enlargement, alteration, repair, removal or abandonment of any sturface 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	ires a receipt or signature confirmation, copies of the application, the this article, and the well plat to each of the following persons: (1) The is or is proposed to be located; (2) The owners of record of the surface ed by the proposed well work, if the surface tract is to be used for roads that control plan submitted pursuant to subsection (c), section seven of at 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 ch is 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 series described in subsection (b) of this section hold interests in the in the person described in the records of the sheriff required to be in-a of this code. (2) Notwithstanding any provision of this article to the less the lien holder is the landowner.
■ SURFACE OWNER(s)	■ COAL OWNER OR LESSEE
Name: Consolidation Coal Company	Name: Consolidation Coal Company
Address: 1000 Consol Energy Drive Canonsburg, PA 15317-6506	Address: 1000 Consol Energy Drive Canonsburg, PA 15317-6506
Name:	Paragraphic Visit and American Street
Address:	☐ COAL OPERATOR
	Name:
SURFACE OWNER(s) (Road and/or Other Disturbance)	Address:  WATER PURVEYOR(s)  Name: Daniel French
Name:	■ WATER PURVEYOR(s)
Address:	Name: Daniel French
Name:	Address: 1162 Hinerman Hill Road
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

WW-6A (1-12)

API NO. 47-51 - 01607

OPERATOR WELL NO. Fork Ridge MSH 3H

Well Pad Name: Fork Ridge MSH Pad

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

Notice Time Requirement: notice shall be provided no laten that Date of Notice: Date Permit Application Filed:	the filing date of permit application.
Notice of:	
PERMIT FOR ANY WELL WORK  CONSTRUCTION OF A	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
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 sedimenthis article; (3) The coal owner, operator or lessee, in the even [sic] is known to be underlain by one or more coal seams; (4) The 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 upor	ment or pit as required by this article shall deliver, by personal services 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 and by the proposed well work, if the surface tract is to be used for roads ent control plan submitted pursuant to subsection (c), section seven on 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 that is used to provide water for consumption by humans or domestic within which the proposed well work activity is to take place. (c)(1) I erests described in subsection (b) of this section hold interests in the nation that the person described in the records of the sheriff required to be a of this code. (2) Notwithstanding any provision of this article to the less the lien holder is the landowner.
☐ SURFACE OWNER(s)	☐ COAL OWNER OR LESSEE
Name:	
Address:	Name:Address:
Name:	
Address:	☐ COAL OPERATOR
	Name:
☐ SURFACE OWNER(s) (Road and/or Other Disturbance)	Address:
Name:	WATER NURVEYOR()
Address:	WATER PURVEYOR(s) 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
	Trease attach additional forms if necessary

WW-6A (1-12) API NO. 47- 51-Marshall - 0/607
OPERATOR WELL NO. Fork Ridge MSH 3H
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 wellhead 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. (e) 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.

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, including 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 - 0/607
OPERATOR WELL NO. Fork Ridge MSH 3H

Well Pad Name: Fork Ridge MSH Pad

Notice is hereby given by:

Well Operator: Chesapeake Appalachia, LLC

Address: PO Box 1300

Telephone:

Email:

304-517-1416

Jane Lew, WV 26378

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:depprivacyofficer@wv.gov">depprivacyofficer@wv.gov</a>.

51-01607

# STATE OF WEST VIRGINIA

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

Notice Time R Date of Notice	equirement: notice shall be provided  1. 09/17/2012 Date Permit			date of permit	application.		
Delivery meth	od pursuant to West Virginia Code	§ 22-6A-16	(c)	. /			
	ED MAIL EN RECEIPT REQUESTED	HAND DELIVE	ERY				
return receipt re the planned op required to be published drilling of a ho damages to the	Va. Code § 22-6A-16(c), no later the equested or hand delivery, give the subsertion. The notice required by this provided by subsection (b), section tenderizontal well; and (3) A proposed subsurface affected by oil and gas operate required by this section shall be give	rface owner subsection of this articular arface use articular to the e	whose land shall include the to a surfand compension extent the da	will be used fo le: (1) A copy ace owner whose ation agreement mages are comp	r the drilling of of this code sec e land will be us t containing an pensable under a	a horizonta etion; (2) T sed in conju offer of co erticle six-b	al well notice of The information unction with the empensation for of this chapter.
(at the address Name: Consolid	by provided to the SURFACE OWN listed in the records of the sheriff at the ated Coal Company		Name:				
	Consol Energy Drive nsburg, PA 15317		Address	:			
State: County: District: Quadrangle:	ne surface owner's land for the purpos West Virginia 51-Marshall 1-Cameron 370-Glen Easton Middle Grave Creek	U	TM NAD 8	Easting: Northing:	to of land as foll 530924.1 4413562.4 Fork Ridge Road	~	
to be provided horizontal well surface affecte information re	est Virginia Code § 22-6A-16(c), this by <b>W. Va. Code § 22-6A-10(b)</b> to ; and (3) A proposed surface use and d by oil and gas operations to the exlated to horizontal drilling may be olocated at 601 57 <sup>th</sup> Street, SE, Ch	a surface or compensation tent the dan btained from	wner whose on agreement nages are contained the Secret	e land will be unt containing an ompensable und ary, at the WV	sed in conjunct offer of competer article six-b Department of	tion with to ensation for of this chan Environment	he drilling of a damages to the pter. Additional
Well Operator:	Chesapeake Appalachia, LLC		Address:	PO Box 1300			
Telephone:	304-517-1416			Jane Lew, WV 2	6378	40	
Email:	danielle.southall@chk.com		Facsimile:	304-471-2497		2	유
The Office of Oduties. Your peeded to corappropriately s	Privacy Notice: Oil and Gas processes your personal is ersonal information may be disclose apply with statutory or regulatory resecure your personal information. If your your personal information is given by the privacy of the priv	d to other S equirements, ou have any	tate agencies, including	es or third parti Freedom of Ir	es in the norman formation Act	al course o reque <u>sts</u> .	f business or as Our office will



### 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 0r 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

OFFICE OF OIL & GAS

# OIL AND GAS ROAD STATEWIDE BONDING AGREEMENT

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..

- IV. In the Project Agreement/Project Permit, the Department shall not require the use of State Owned Roads other than the roads proposed by Company unless the Department has safety concerns as to the Company's proposed roads. A failure to agree on roads that may otherwise be lawfully used for a particular Project Transportation Usage shall result in the designation of the State Owned Roads proposed by Company, with milepost determinations as designated by Department. This Agreement shall only cover portions of State Owned Roads designated on the Project Roads List.
- 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 payments obligations of Company under the terms of this Bonding Agreement respecting the roads, brages 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 be the Company of the Company 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

IN WITNESS WHEREOF, the parties hereto have caused this Bonding Agreement

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
$\mathcal{O}_{\mathbf{a}}$	Chesapeake Appalachia LLC, A limited liability company
Witness	By: Atacy & Robert  Title: Vice President - Risk Management

(To be executed in duplicate)



PERFORMANCE BOND			Bond 022033412
KNOW ALL BY THESE PRESE	NTS, That we, Chesapeake Appala	chia, L.L.C.	
	*		
(hereinafter called the Principal).	as Principal, and Safeco Insurance (	Company of America	
duly organized under the laws of t	the State of Washington	(hereinafter called the S	, a corporation Surety), as Surety, are held and firmly
bound unto West Virginia Depar	rtment of Transportations, Division	of Highways	
			, (hereinafter called the Obligee),
in the sum of One Million Dollars	s And Zero Cents		· .
	(\$ 1,000,000.00	) Dollars, for the	payment of which sum well and truly
jointly and severally, firmly by the			ministrators, successors and assigns,
Signed and sealed this	19th day of	May	,2011
WHEREAS, said Principal has ente	ered into a written Contract with said C		,
for use of State roadways purs	uant to Oil and Gas Road Statewic	de Bonding Agreement	
in accordance with the terms and herein:	conditions of said Contract, which is	hereby referred to and ma	ade a part hereof as if fully set forth
Principal kept, done and perform reimburse to the above named Ob of said Principal so to do, then this	DITION OF THIS OBLIGATION IS every, all and singular, the matters and the manner and in the manner ligee, all loss and damage which said sobligation shall be null and void; oth	nd things in said contract s in said contract specified, Obligee may sustain by re erwise shall remain in full	set forth and specified to be by said , or shall pay over, make good and cason of failure or default on the part force and effect.
NO SUIT, ACTION OR PROCE within two (2) years following the	EDING by the Obligee to recover or date on which Principal ceased work	n this bond shall be sustai on said Contract.	ned unless the same be commenced
SEA I	SEAL	Chesapeake Appa	Company of America  A. Robert
-0757/SA 10/99			NOV -



#### POWER OF ATTORNEY

Safeco Insurance Companies of America 1001 4th Aveune Seattle, WA 98154

. \_2009 .

KNOW ALL BY THESE PRESENTS:

No. 13359

That SAFECO INSURANCE COMPANY OF AMERICA, a Washington corporation, does hereby appoint 

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind SAFECO INSURANCE COMPANY OF AMERICA thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office. IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA has executed and attested these presents

this 17th day of April

Dexter & fayy

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

#### CERTIFICATE

#### Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- The provisions of Article V, Section 13 of the By-Laws, and
   A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be facsimile thereof."

, Secretary of SAFECO INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issue pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

19th 2011 May this \_\_\_ day of \_\_\_



Dexter R. Legg, Secretary

Dexter & Lagy

S-1300/SAEF 3/09

WEB PDF



Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
			Didecyl Dimethyl	007173-51-1
			Ammonium Chloride	
	ALPHA 1427	Biocide	Ethanol	000064-17-5
			Glutaraldehyde (Pentanediol)	000111-30-8
			Quaternary Ammonium	068424-85-1
			Compound	
			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	Petroleum Distillate	064742-47-8
	FRVV-10	Reducer	Hydrotreated Light	
	GW-3LDF		Petroleum Distillate Blend	N/A-014
		Gel	Polysaccharide Blend	N/A-021
	SCALETROL 720	Scale Inhibitor	Diethylene Glycol	000111-46-6
			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
FRAC TECH SERVICES	BXL03 Borate XL Delayed High Temp	Crosslinker	No Hazardous Components	NONE
	FRW-200	Friction Reducer	No Hazardous Components	NONE
	HVG01 (TURQUOISE-1 BULK)	Gelling Agent	Petroleum Distillate Hydrotreated Light	064742-47-8
	KCLS-4	Clay Stabilizer	No Hazardous Components	NONE NONE
	LTB-1	Breaker	Ammonium Persulfate	RECE SOF W - 2

OIL & GAS

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
NALCO ONESOURCE			Ethanol	000064-17-5
	EC6110A	Biocide	Glutaraldehyde (Pentanediol)	000111-30-8
			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-031EC	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
			Water	007732-18-5
	WXL-105L	Crosslinker	Ethylene Glycol	000107-21-1
			Boric Acid	010043-35-3
			Ethanolamine	000141-43-5
SCHLUMBERGER	B244 Green-Cide 25G	Biocide	Glutaraldehyde	111-30-8
	L071 Temporary Clay Stabilizer	Clay Stabilizer	Cholinium Chloride	67-48-1
	Breaker J218		Diammonium Peroxidisulphate	72754-0
	EB-Clean* J475 Breaker	Breaker	Diammonium Peroxidisulphate	<b>2</b> 72754-0
	Friction Reducer B315	Friction Reducer	Distillates (petroleum), Hydrotreated light Aliphatic Alcohol Glycol Ether	Propiletary
	Friction Reducer J609	Neducei	Ammonium Sulfate	7783-20-2

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
SCHLUMBERGER	Water Gelling Agent J580	Gel	Carbohydrate Polymer	Proprietary
	Scale Inhibitor B317	Scale Inhibitor	Trisodium ortho phosphate	7601-54-9
		Scale Inhibitor	Ethane-1, 2-diol	107-21-1
	Borate Crosslinker J532	Crosslinker	Aliphatic polyol Sodium	Proprietary 1303-
			tetraborate decahydrate	96-4
	Crosslinker 1640		Aliphatic polyol Potassium	Proprietary 1310-
	Crosslinker J610		hydroxide	58-3

