

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

May 29, 2014

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-5101743, 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 completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: CRAIG STROPE MSH 3H

Farm Name: STROPE, DOUGLAS, RUSSEL, &

API Well Number: 47-5101743

Permit Type: Horizontal 6A Well

Date Issued: 05/29/2014

API Number:

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</u> conditions may result in enforcement action.

CONDITIONS

- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE regarding this proposed activity.
- 2. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-5a (12), which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled Water Well Regulations, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.
- 9. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

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

1) Well Operato	or: Chesapeake	Appalachia, LLC	49447757	51-Marshall	9-Webster	453-Majorsville
A THE PARTY			Operator ID	County	District	Quadrangle
2) Operator's W	Vell Number: Cra	aig Strope MSH 3	H Well Pa	d Name: Craig	Strope MS	H Pad
3) Farm Name/	Surface Owner:	Douglas, Russell & Craic	Strope Public Roa	ad Access: Irish	Ridge Ro	ad
4) Elevation, cu	irrent ground:	1277' Ele	evation, proposed	post-construction	on: 1277'	
5) Well Type	(a) Gas	Oil	Und	erground Storag	ge	
		llow	Deep			mile
	Hor	rizontal =			Ju 2/	18/17
6) Existing Pad	: Yes or No No				MK2	18/14
The second secon	rget Formation(s n-Marcellus Target t), Depth(s), Antic top TVD- 6695' Ta	ipated Thickness a rget base TVD- 6747		Pressure(s)	ssociated Pressure- 4285
8) Proposed To	tal Vertical Dept	h: 6,730'				
9) Formation at	Total Vertical D	epth: Marcellus				
10) Proposed T	otal Measured D	epth: 16,000'				
11) Proposed H	lorizontal Leg Le	ength: 8,247'				
12) Approxima	te Fresh Water S	trata Depths:	527'			
	Determine Fresh te Saltwater Dep	., sart = -P.	Analysis from nearby	y surface water fe	atures	
	te Coal Seam De					
		ible Void (coal mi	ne, karst, other):	None that we are	aware of.	
		n contain coal sear an active mine?	ns Yes	No.	V	
(a) If Yes, pro	ovide Mine Info:	Name:				
		Depth:			·	ed .
		Seam:		-	ceiv	00

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18)

CASING AND TUBING PROGRAM

TYPE	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	J-55	94#	100'	100'	CTS
Fresh Water	13 3/8"	New	J-55	54.5#	857'	857' 🗸	790 sx/CTS
Coal	9 5/8"	New	J-55	40#	2,340'	2,340'	900 sx/CTS
Intermediate	7"	New	P-110	20#	If Needed	If Needed	If Needed/As Needed
Production	5 1/2"	New	P-110	20#	16,000'	16,000'	Lead 196ax 7 all 3.000 ke/1007 (navole in the
Tubing	2 3/8"	New	N-80	4.7#	Approx. 7,083'	Approx. 7,083'	
Liners							1 sud

HJK 2/18/14 ple 2/18/14

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	30"	0.25	2120	Class A	1.19/50% Excess
Fresh Water	13 3/8"	17.5"	0.380	2740	Class A	1.19/50% Excess
Coal	9 5/8"	12 1/4"	0.395	3950	Class A	1.19/50% Excess
Intermediate	7"	8 3/4"	0.317	4360	Class A	1.20/15% Excess
Production	5 1/2"	8 3/4"	0.361	12360	Class A	1.20/15% Excess
Tubing	2 3/8"	4.778"	0.190			
Liners						

PACKERS

Kind:	10K Arrowset AS1-X	
Sizes:	5 1/2"	
Depths Set:		bovice

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19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
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 void area - balance cement to bottom of void and grout from basket to surface. Run casing not less than 20' below void nor more than 50' below void. (*If freshwater is encountered deeper than anticipated it must be protected, set casing 50' below and cts)
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Well will be perforated within the target formation and stimulated with a slurry of water, sand, and chemical additives at a high rate. This will be performed in stages with the plug and perf method along the wellbore until the entire lateral has been stimulated within the target formation. All stage plugs are then drilled out and the well is flowed back to surface. The well is produced through surface facilities consisting of high pressure production units, vertical separation units, water and oil storage tanks. Max press and anticipated max rate-9000 lbs @ 80 barrells a minute.
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):
22) Area to be disturbed for well pad only, less access road (acres): 7.2
23) 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.
24) Describe all cement additives associated with each cement type:
25) 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.
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*Note: Attach additional sheets as needed.

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SLB Cement Additives

	Product Name	Product Use
	D046	antifoam
	D130	polyester flake - lcm
	S001	calcium chloride
l g	SPACER	
Įą[D130	polyester flake - Icm
Surface	D020	bentonite extender
	D046	antifoam
	D046	
	D130	polyester flake - lcm
	D044	granulated salt
_@	D153	Anti-Settling Agent
Intermediate		
)ec	SPACER	
E	D020	bentonite extender
<u> <u> </u></u>	D130	polyester flake - lcm
	D080	cement liquid dispersant
	D801	mid-temp retarder
	D047	antifoam agent
	SPACER	
1	B389	MUDPUSH* Express
	D206	Antifoaming Agent
D D	D031	barite
Kick Off Plug	B220	surfactant
	D407	LINIEL ACT C
	D167	UNIFLAC* S
	D154 D400	low-temperature extender EasyBLOK
g	D400	EasybLOR
ļ -	D046	antifoam
Production - Lead	D201	basic cements enabler
Prodi	D202	low-temperature solid dispersant
	D046	antifoam
	D167	UNIFLAC* S
	D065	TIC* Dispersant
	1	

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Office of Oil and Gas
WV Dept. of http://doi.org/10.1007/10.10

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	D201	basic cements enabler
	D153	Anti-Settling Agent
ļ		
	SPACER	
	B389	MUDPUSH* Express
	D206	Antifoaming Agent
	D031	barite
	B220	surfactant

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4705101743

Chemical Name	CAS Number	% Concentration Used
Fuller's earth (attapulgite)	8031-18-3	0.2% BWOC
Polypropylene glycol	25322-69-4	
polyethylene terephthalate	25038-59-9	0.125 lb/sk
calcium chloride	10043-52-4	2% BWOC
polyethylene terephthalate	25038-59-9	1 lb/bbl
bentonite	1302-78-9	20 lb/bbl
bentonite	1302-76-9	
Fuller's earth (attapulgite)	8031-18-3	0.2% BWOC
Polypropylene glycol	25322-69-4	
polyethylene terephthalate	25038-59-9	0.125 lb/sk
sodium chloride	7647-14-5	10% BWOW
chrystalline silica	14808-60-7	0.15% BWOC
		
bentonite	1302-78-9	20 lb/bbl
polyethylene terephthalate	25038-59-9	1 lb/bbl
product classified as non-hazardous.		0.05 gal/sk
product classified as non-hazardous		0.01 gal/sk
polypropylene glycol	25322-69-4	0.02 gal/sk
Carbohydrate	proprietary	1 lb/bbl
Silica Organic Polymer	proprietary	0.1 gal/bbl
barium sulfate	7727-43-7	310 lb/bbl
fatty acid amine	proprietary	
ethoxylated alcohol	proprietary	
glycerol	56-81-5	
2.2'-Iminodiethanol	111-42-2	1 gal/bbl
aliphatic amide polymer	proprietary	0.35% BWOC
non-crystalline silica	7631-86-9	6% BWOC
boric acid	10043-35-3	0.8% BWOC
Fuller's earth (attapulgite)	8031-18-3	
Polypropylene glycol	25322-69-4	0.2% BWOC
chrystalline silica	14808-60-7	
metal oxide	proprietary	0.2% BWOC
sulphonated synthetic polymer	proprietary	
formaldehyde (impurity)	50-00-0	0.3% BWOC Paceived
Fuller's earth (attapulgite)	8031-18-3	
Polypropylene glycol	25322-69-4	0.2% BWOC
aliphatic amide polymer	proprietary	0.35% BWOC MAR - 4 2014
Sodium Polynaphthalene Sulfonate	9008-63-3	10.250/ DIA/OC
Sodium Sulfate	7757-82-6	0.25% BWOC

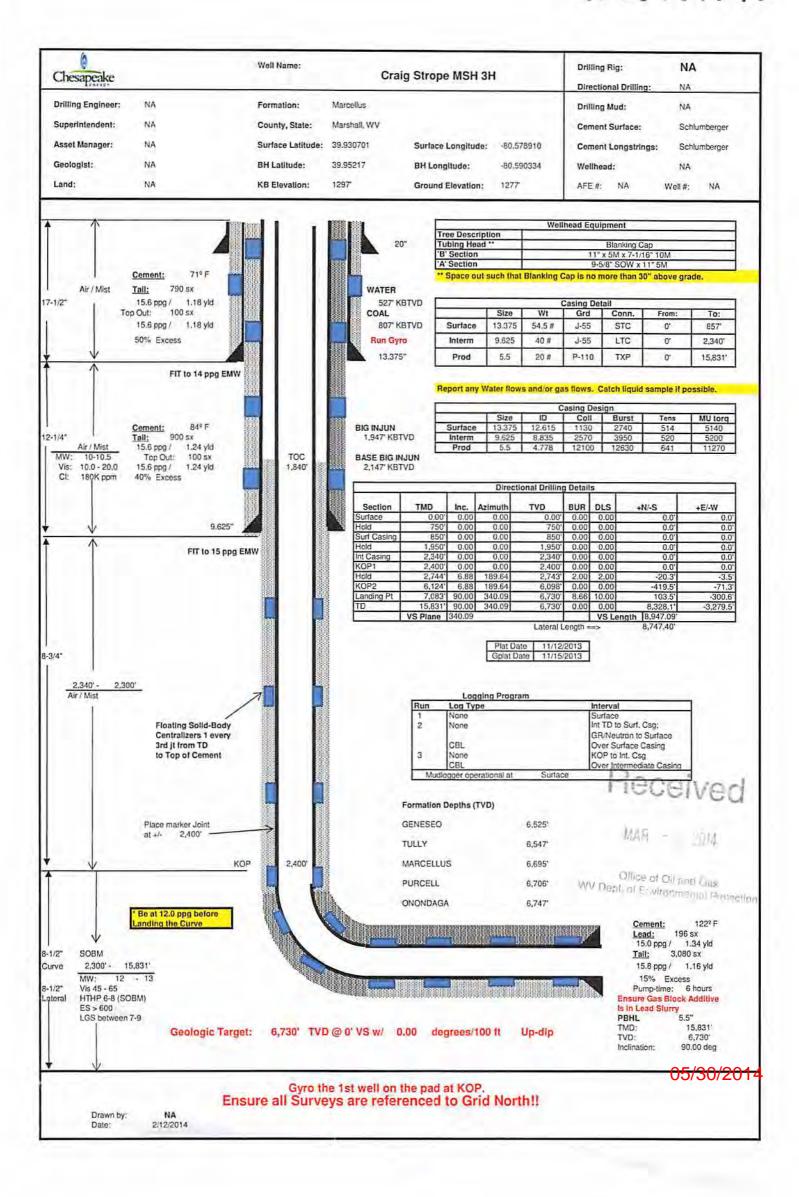
chrystalline silica	14808-60-7	
metal oxide	proprietary	0.2% BWOC
chrystalline silica	14808-60-7	0.2% BWOC
Carbohydrate	proprietary	proprietary
Silica Organic Polymer	proprietary	proprietary
barium sulfate	7727-43-7	7727-43-7
fatty acid amine	proprietary	proprietary
ethoxylated alcohol	proprietary	proprietary
glycerol	56-81-5	56-81-5
2.2'-Iminodiethanol	111-42-2	111-42-2

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API Number 47 -	51	E E C MINOR
Operator's	Well No.	Craig Strope MSH 3H

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_ Chesapeake Ap	opalachia, LLC	OP Code 49447757
Watershed (HUC 10)_Wheelin	ng Creek	Quadrangle 453-Majorsville
Elevation 1277	County_51-Marshall	District 9-Webster
Do you anticipate using more Will a pit be used? Yes	than 5,000 bbls of water to complete	
If so, please describe	anticipated pit waste.	system in place at this time-cuttings will be taken to a permitted landfill.
Will a synthetic liner	be used in the pit? Yes N	No ✓ If so, what ml.?
Proposed Disposal M	ethod For Treated Pit Wastes:	
Unc Reu	ise (at API Number at next anticipated	Number 2D0072539/ 2D0413175/ 2D0610306/ 2D0610317) well, API# will be included with the WR-34/DDMR &/or permit addendum.) Of or disposal location) out in steel tanks and reused or taken to a permitted disposal facility.
Will closed loop system be use		
		? Air, freshwater, oil based, etc. Air and salt saturate mud
the second property of the second of the second	pe? Synthetic, petroleum, etc.Synthet	
Additives to be used in drilling		1 - 400
Drill cuttings disposal method	? Leave in pit, landfill, removed off	fsite, etc. Landill
	to solidify what medium will be use	
Arden Landfill 100/2, A	American 02-12954, Countr	ring SV/F-490Z, Northwestern SWF-1025, Short Creek 1034/WV0100617/CID28726, Cartion Limestone 28726/CID 28726 TY VVIGE 3839U/CID 3839U, PINE Grove 1368& Inditions of the GENERAL WATER POLLUTION PERMIT issue
on August 1, 2005, by the Offi provisions of the permit are e law or regulation can lead to e I certify under penal application form and all atta obtaining the information, I	ice of Oil and Gas of the West Virginforceable by law. Violations of an inforcement action. Ity of law that I have personally exachments thereto and that, based of	inia Department of Environmental Protection. I understand that the my term or condition of the general permit and/or other applicable examined and am familiar with the information submitted on the on my inquiry of those individuals immediately responsible for accurate, and complete. I am aware that there are significant
Company Official (Typed Na	me) Danielle Southall	MAR - 2014
	ulatory Analyst	
7710		Office of Oil and Gas
	me this 19th day of	Overside 220 Pept. of Environmental Pro
Subscribed and sworn before the Suttany R U My commission expires	hady day of 1(1	Notary Public, State of West Notary Public, State of West BRITTANY R WOO 3302 Old Elkins Roa My commission Original Reports My commission Original Reports

Form WW-9

Operator's Well No. Craig Strope MSH 3H

	4	0.1	
Proposed Revegetation Treatr	ment: Acres Disturbed	0+/- Prevegetation	рН
Limeas determined by pH test	Tons/acre or to correct	ct to pH 6.5	
Fertilizer type 10-20	200		
Fertilizer amount_600		lbs/acre	
Mulch_ Hay/Stra	aw 2.5	_Tons/acre	
		Seed Mixtures	
Ter	mporary		manent
Seed Type lbs/acre		Seed Type	lbs/acre
White Clover	15	White Clover	15
Red Top	15	Red Top	15
Orchard Grass	20	Orchard Grass	20
Orawing(s) of road, location, provided)		land application (unless engineered plans	s including this info have be
Photocopied section of involve Plan Approved by:			including this info have be
Photocopied section of involved section of inv	Jamo Cuelolo peu recordo well to re	or Layn J roads placed:	on existing
Plan Approved by: Comments: The control of the co	pour telodo pour recordo well to re	cool processored of	on existing drill's
Plan Approved by: Comments: The control of the co	Jame Tuelol peur record well to re g processes I sire au	cool practions of cool of any to record	on existing drill's corder will a pressures.
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Photocopied section of involved by: Comments: Styles of road, location, provided) Photocopied section of involved by: Comments: Styles of Sty	Jame Tuelol peur record well to re g processes I sire au	cool practions of cool of any to record	on existing drill's corder alille pressures.
Plan Approved by: Comments: The sefficient of the content of the	Jamo Cuelola price records well to re g processes I size and	cool processed and re charle and re drawge to record ine an anove those 7	pressures. Rec
Photocopied section of involved by: Comments: Styles of road, location, provided) Photocopied section of involved by: Comments: Styles of Sty	Jamo Cuelola price records well to re g processes I size and	cool practions of cool of any to record	on existing drill's corder will a pressures.

Marcellus Well Drilling Procedures And Site Safety Plan

Chesapeake Appalachia, LLC

47 - 51 - 01743 Well name: Craig Strope MSH 3H Majorsville, Quad Webster, District Marshall County, West Virginia

Submitted by: Dee Southall	Date:
Title Regulatory Analyst	Chesapeake Appalachia, LLC
Approved by:	
	Date:
Title:	
Approved by:	
	Date:
Title:	

Chesapeake Appalachia, L.L.C. - Confidential

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