



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

November 13, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8510077, issued to STALNAKER ENERGY CORPORATION, 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: WILSON S-542-8

Farm Name: CONRAD, G. W.

API Well Number: 47-8510077

Permit Type: Vertical Well

Date Issued: 11/13/2013

Promoting a healthy environment.

PERMIT CONDITIONS

West Virginia Code § 22-6-11 allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. Failure to adhere to the specified permit conditions may result in enforcement action.

CONDITIONS

1. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6-20, which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
2. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
7. Well work activities shall not constitute a hazard to the safety of persons.
8. If well work related activities require the use of water obtained by withdrawals from waters of this state in amounts that exceed two hundred ten thousand gallons during any thirty day period, the operator is required to consult, and adhere to, the guidance provided by DEP's Water Withdrawal Guidance Tool prior to any water withdrawals.

WW - 2B
(Rev. 8/10)

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

1) Well Operator Stalnak Energy Corporation

306862	Ritchie	Murphy	Burnt House
Operator ID	County	District	Quadrangle

2) Operator's Well Number: Wilson S-542-8 3) Elevation: 1,059 Feet

4) Well Type: (a) Oil _____ or Gas X
(b) If Gas: Production X / Underground Storage _____
Deep _____ / Shallow X

5395 TVA

5) Proposed Target Formation(s): Devonian Shale Proposed Target Depth: 5200 Feet

6) Proposed Total Depth: 7850 MD Feet Formation at Proposed Total Depth: Alexander

7) Approximate fresh water strata depths: 50 Feet, 170 Feet

8) Approximate salt water depths: None

9) Approximate coal seam depths: None

10) Approximate void depths,(coal, Karst, other): None

11) Does land contain coal seams tributary to active mine? No

12) Describe proposed well work in detail _____

Drill and stimulate new oil and gas well that is deviated at 10 degrees per 100 feet, starting at 2600 feet, and continuing for 600 feet to build a 60 degree angle. Continue drilling at that angle to a total depth of 7850 feet.

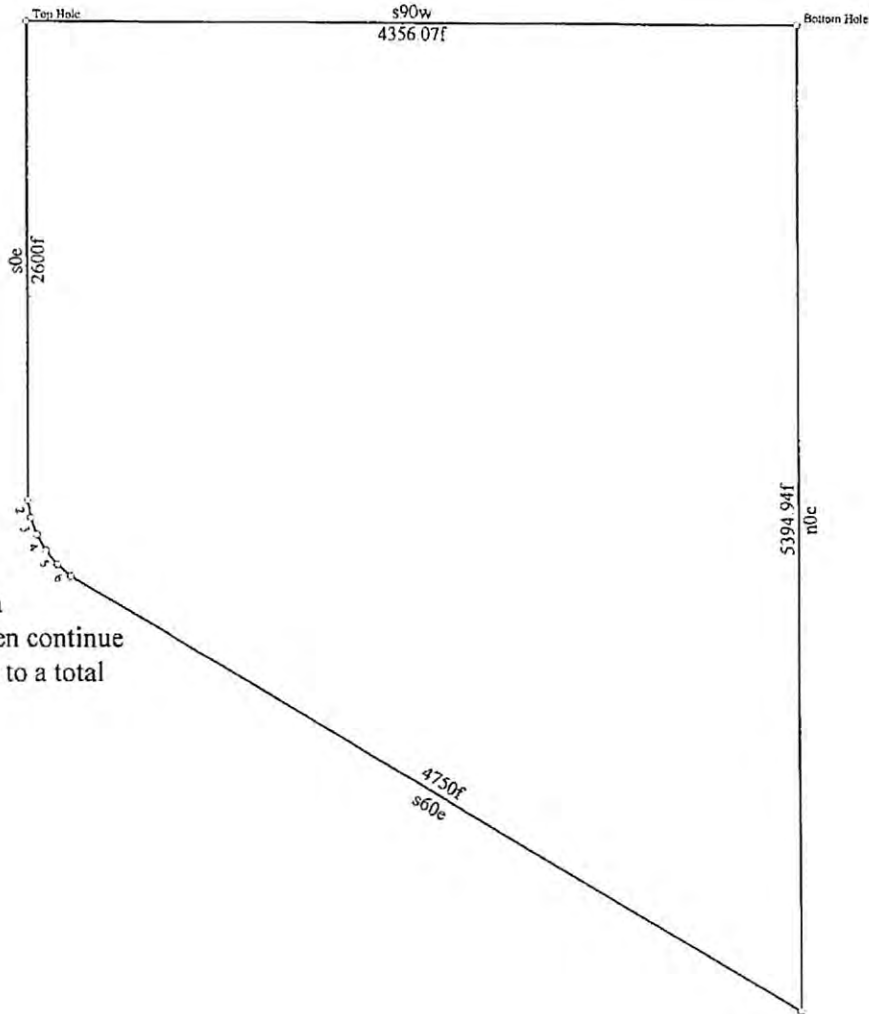
13) CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	
Conductor	16"		65#	32'	0'	Sand In
Fresh Water	11 3/4"		32#	300'	300'	CTS
Coal						
Intermediate	8 3/4"		24#	2550'	2550'	CTS
Production	4 1/2"	S-80	11.6#	7850'	7850'	630 Cu. Ft.
Tubing				RECEIVED		
Liners				Office of Oil and Gas		

Packers: Kind _____
Sizes _____
Depths Set _____

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WV Department of
Environmental Protection

Dub
11-4-13



Beginning at 2,600'
 deviate 10 degrees
 per 100 feet to reach
 a 60 degree angle, then continue
 drilling at 60 degrees to a total
 depth of 7,850 feet.

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Dwt

WW-2A1
(Rev. 1/11)

Operator's Well Number Wilson S-542-8

**INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)**

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
V.M. Wilson	The Carter Oil Company	1/8	13/165
L.B. Wilson	The Carter Oil Company	1/8	16/382
V.M. Wilson, et al	The Carter Oil Company	1/8	16/385
The Carter Oil Company	Hope Construction and Refining Company	1/8	52/194
Hope Natural Gas Company	Consolidated Gas Supply Corporation	1/8	151/436
Consolidated Gas Supply Corporation	Consolidated Gas Transmission Corporation	1/8	169/756
Dominion Transmission, Inc.	Stalnaker Energy Corporation	1/8	231/671

**Acknowledgement of Possible Permitting/Approval
In Addition to the Office of Oil and Gas**

The permit applicant for the proposed well work addressed in this application hereby acknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator: Stalnaker Energy Corporation
By: [Signature]
Its: President

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Office of Oil and Gas
OCT 25 2015
WV Department of
Environmental Protection

WW-2B1
(5-12)

Well No. S-542-8

West Virginia Department of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

Be advised, you have the right to sample and analyze any water supply at your own expense.

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Laboratory Name Reliance Labs
Sampling Contractor Smith Land Surveying, Inc. - Environmental Division

Well Operator Stalnaker Energy Corporation
Address P.O. Box 178
Glennville, WV 26351
Telephone 304-462-5701

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

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OCT 25 2013

NOTE: There appears to be 0 potable water sources within 1,000', therefore no tests will be required.

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WW-9
(5/13)

Page _____ of _____
API Number 47 - _____ - _____
Operator's Well No. S-542-8

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Stalnaker Energy Corporation OP Code 306862

Watershed (HUC 10) Straight Fork of Spruce Creek Quadrangle Burnt House 7.5'

Elevation 1,059' County Ritchie District Murphy

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

Will a pit be used for drill cuttings? Yes X No _____

If so, please describe anticipated pit waste: Drill Cuttings, Fluid

Will a synthetic liner be used in the pit? Yes X No _____ If so, what ml.? 40 20 MIL

Proposed Disposal Method For Treated Pit Wastes:

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

Will closed loop system be used? NO

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air

-If oil based, what type? Synthetic, petroleum, etc. N/A

Additives to be used in drilling medium? Soap on Top Hole

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

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

-Landfill or offsite name/permit number? N/A

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 [Signature]

Company Official (Typed Name) Ron Stalnaker

Company Official Title Designated Agent

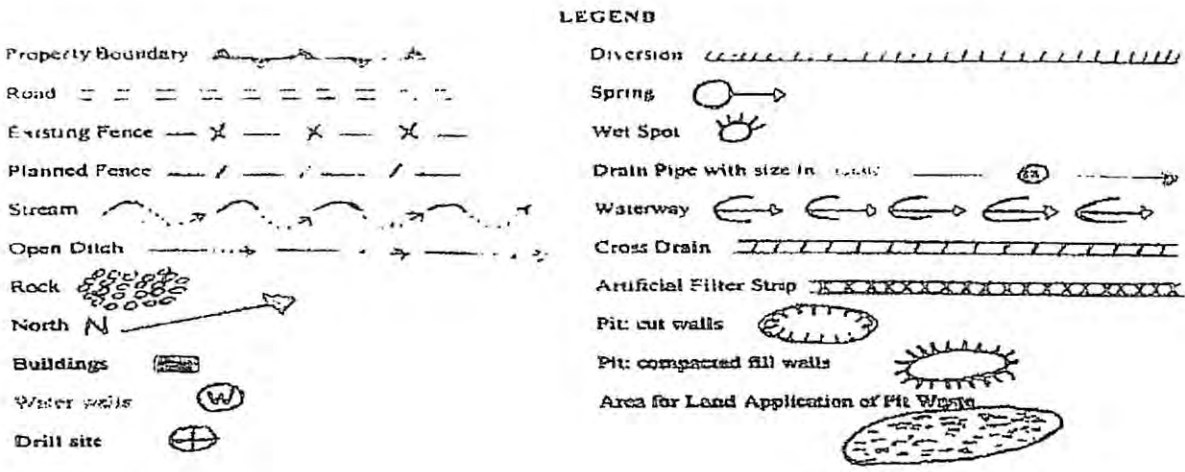
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Subscribed and sworn before me this 18th day of OCTOBER, 2013

[Signature] Notary Public

My commission expires FEBRUARY 16, 2016





Proposed Revegetation Treatment: Acres Disturbed 1.9 +/- Prevegetation pH 6.0

Lime 3 Tons/acre or to correct to pH 6.5

Fertilizer (10-20-20 or equivalent) 1/3 TON lbs/acre (500 lbs minimum)

Mulch HAY 2 Tons/acre

Seed Mixtures

Seed Type	Area I	lbs/acre	Seed Type	Area II	lbs/acre
<u>KY-31</u>		<u>40</u>	<u>ORCHARD GRASS</u>		<u>15</u>
<u>ALSIKE CLOVER</u>		<u>5</u>	<u>ALSIKE CLOVER</u>		<u>5</u>
<u>ANNUAL RYE</u>		<u>15</u>			

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Attach:
Drawing(s) of road, location, pit and proposed area for land application.

Photocopied section of involved 7 1/2' topographic sheet.

Plan Approved by: *David Wilson*

Comments: *Preserved & mulch all at area - maintain all*
CRS

Title: *oil & gas inspector*

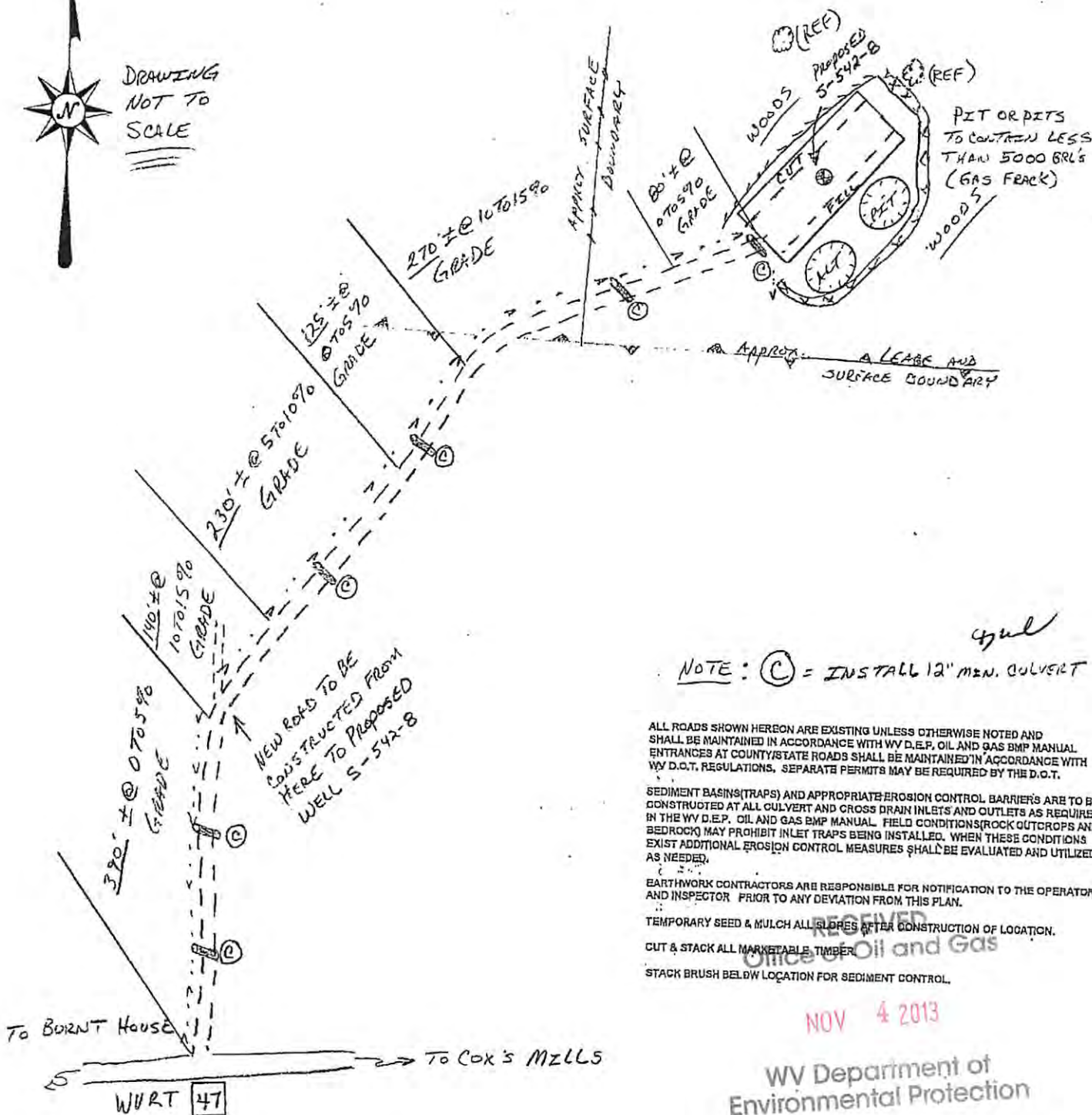
Date: *11-4-13*

Field Reviewed? () Yes () No

WILSON LEASE WELL NO. S-542-8



DRAWING
NOT TO
SCALE



NOTE: (C) = INSTALL 12" M.E.N. CULVERT

ALL ROADS SHOWN HEREON ARE EXISTING UNLESS OTHERWISE NOTED AND SHALL BE MAINTAINED IN ACCORDANCE WITH WV D.E.P. OIL AND GAS BMP MANUAL ENTRANCES AT COUNTY/STATE ROADS SHALL BE MAINTAINED IN ACCORDANCE WITH WV D.O.T. REGULATIONS. SEPARATE PERMITS MAY BE REQUIRED BY THE D.O.T.

SEDIMENT BASINS (TRAPS) AND APPROPRIATE EROSION CONTROL BARRIERS ARE TO BE CONSTRUCTED AT ALL CULVERT AND CROSS DRAIN INLETS AND OUTLETS AS REQUIRED IN THE WV D.E.P. OIL AND GAS BMP MANUAL. FIELD CONDITIONS (ROCK OUTCROPS AND BEDROCK) MAY PROHIBIT INLET TRAPS BEING INSTALLED. WHEN THESE CONDITIONS EXIST ADDITIONAL EROSION CONTROL MEASURES SHALL BE EVALUATED AND UTILIZED AS NEEDED.

EARTHWORK CONTRACTORS ARE RESPONSIBLE FOR NOTIFICATION TO THE OPERATOR AND INSPECTOR PRIOR TO ANY DEVIATION FROM THIS PLAN.

TEMPORARY SEED & MULCH ALL SLOPES AFTER CONSTRUCTION OF LOCATION.

CUT & STACK ALL MARKETABLE TIMBER

STACK BRUSH BELOW LOCATION FOR SEDIMENT CONTROL.

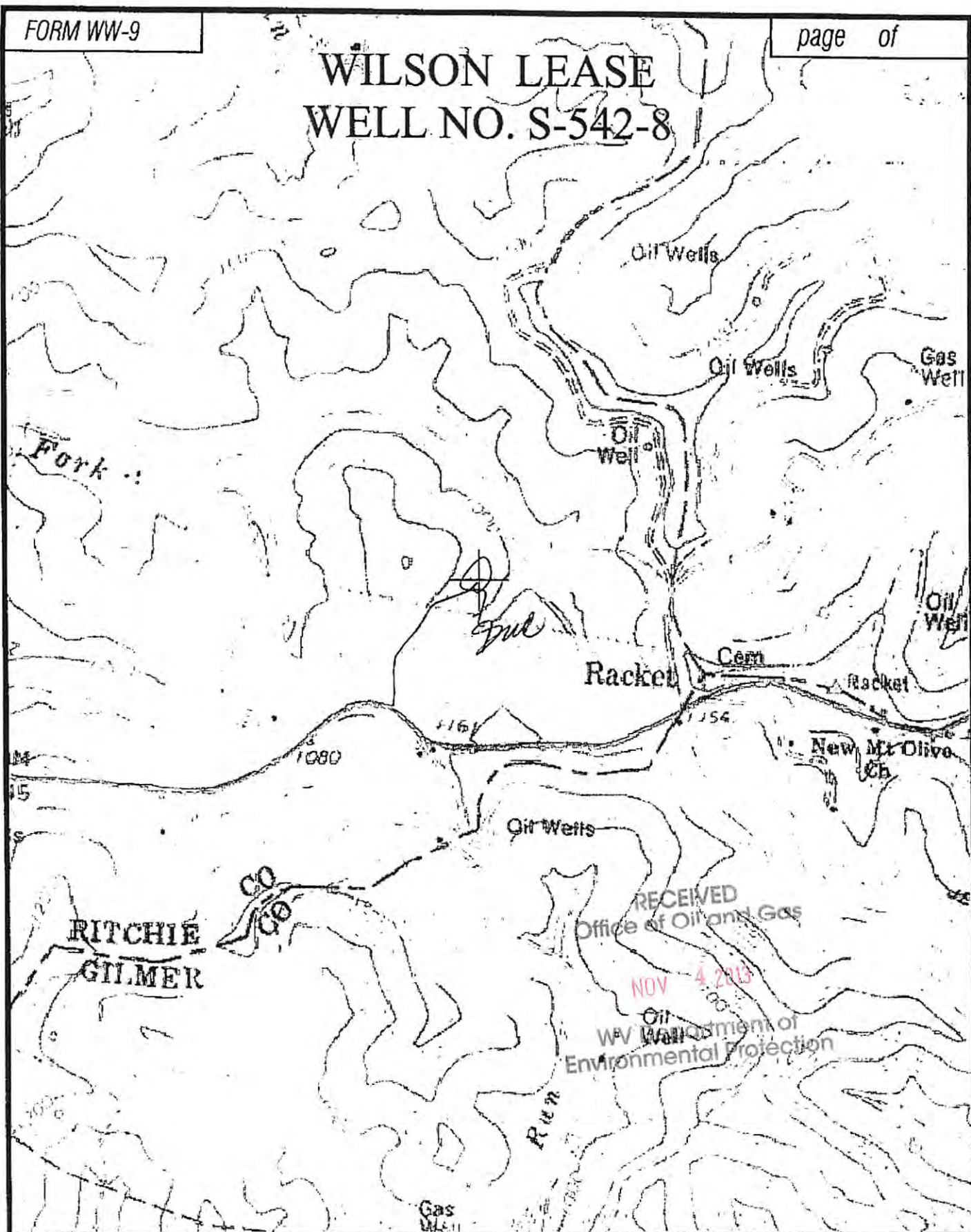
NOV 4 2013

WV Department of Environmental Protection

SLS SMITH LAND SURVEYING, INC.
P.O. BOX 150 GLENVILLE, WV. 26351

Phone: (304) 462-5634 Fax: 462-5656 email: sls@slssurveys.com
DRAWN BY JAS DATE 10/15/13 FILE NO. 8098

WILSON LEASE WELL NO. S-542-8



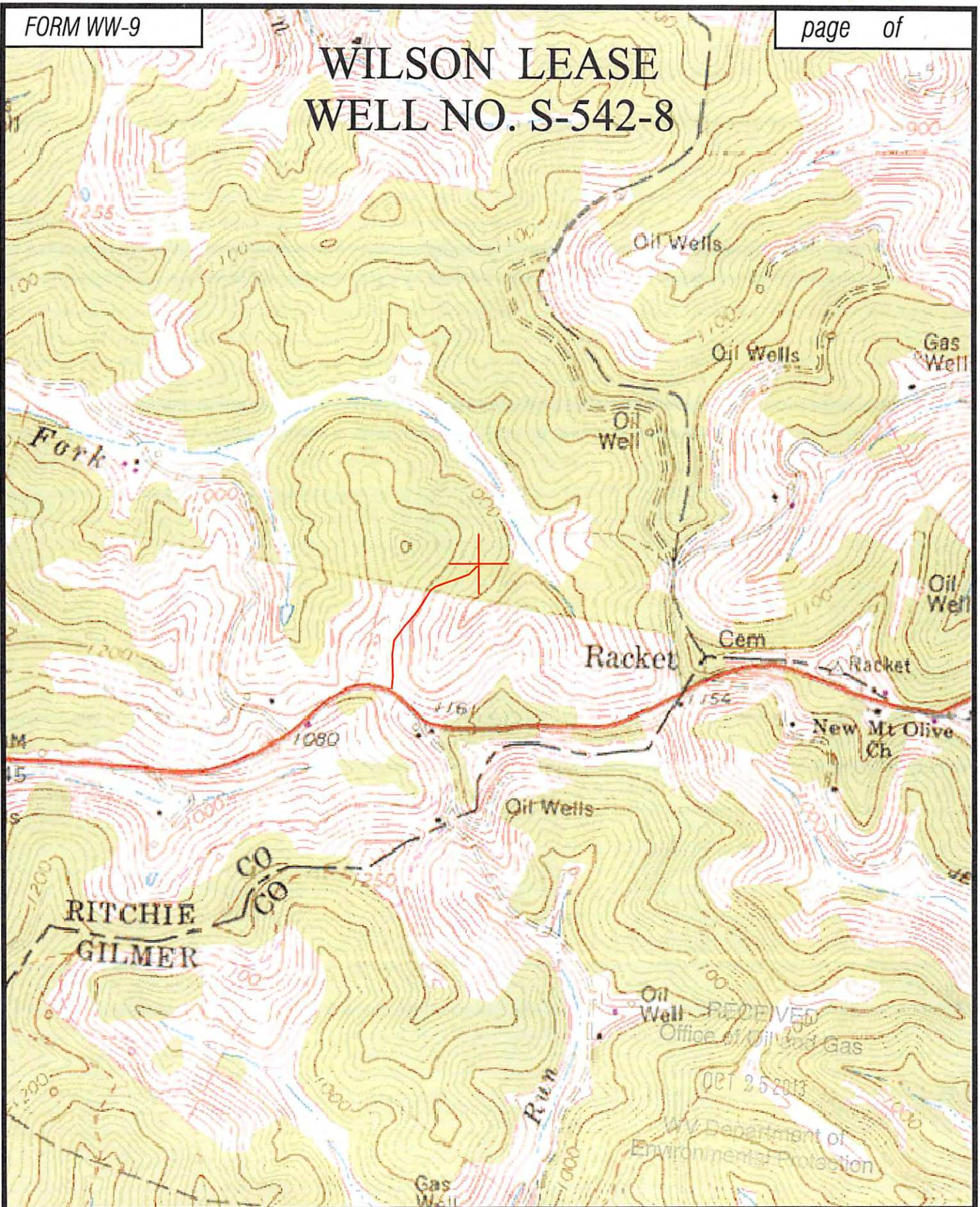
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TOPO SECTION OF: BURNT HOUSE 7.5'

FILE NO. 8098 DATE: 10/16/13 SCALE: 1"=1,000'

WILSON LEASE WELL NO. S-542-8



Professional Energy Consultants
A DIVISION OF SMITH LAND SURVEYING


 SURVEYORS
 PROJECT MANAGERS
 ENGINEERS
 ENVIRONMENTAL

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Integrity. Integrity. Quality.

TOPO SECTION OF: BURNT HOUSE 7.5'

FILE NO. 8098

DATE: 10/16/13

SCALE: 1"=1,000'

