

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

June 05, 2015

WELL WORK PERMIT

Re-Work

This permit, API Well Number: 47-8702765, issued to HG ENERGY, LLC, 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.

Operator's Well No: 2

Farm Name: McGRAW, C. H.

API Well Number: 47-8702765 Permit Type: Re-Work

Date Issued: 06/05/2015

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 with 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. 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.
- 9. API Well # 47-087-02765W must have protection placed around the wellhead to prevent surface water or well effluent from draining down the wellbore behind the surface casing. The design must meet with the inspector's approval.

WW - 2B (Rev. 8/10)

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

1) Well Operato	r: HG E	nergy, L	LC	494497948	Roane	Smithfield	Looneyville 7.5
				Operator ID	County	District	Quadrangle
2) Operator's W	ell Numb	oer: Char	rles McGraw 2		3) Elevation:	1085'	
4) Well Type: (a) Oil_X	or Ga	ns				
d)) If Gas:	Produ	iction / Und	derground Sto	rage	_	
		Deep	o/ S	Shallow X	_		
5) Proposed Tar 6) Proposed Tot 7) Approximate 8) Approximate	fresh wa	ter strata		Formation at F	Proposed Tar Proposed Tota	get Depth: _Bi	2115' g Injun
) Approximate	coal sea	m depths	s: NA				-
0) Approximate	e void de	oths.(co	al, Karst, other):	NA			
					No.		
1) Does land c	ontain co	oal seam	s tributary to act	tive mine?	VO		
			nd fracturing meth				
			sing Runnew	4 1/2" casing a	and cement.	Stimulate w	ith small
lume (less that	n 600 BE	3L) trac to	5b.	10			
	1/1		3/25		3.7	-	
Type /6	DIZETELO	ATIONS	ASING AND TUI	FOOTAGE	The second secon	S CEME	INT
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Calvatar	Size	Grade	vveignt per it	I of Drining	Left III vveii	1 III - Up (CC	<u>1. i (.)</u>
Conductor							
Fresh Water Coal							
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Production	4 1/2"	J-55	10.5#	2065'	2065'	50 sa	cks
Tubing							
Liners						Office of	oil & Gas
Packers: Kind:							3 0 2015
Sizes						MARK	
Dept	hs Set						06/05/201

8702765W Farm. E H M Graw District Farm. County. ∡t by drilled by Contractor. ≥gan drilling 190 Completed 190 ROCK FORMATION TOP BOTTOM REMARKS Mater 1487 1997 2066 2115 -1036 2115 Abor 11-30-34-46 gt @ 2/05'-2111 CASING RECORD CHARGED TO WELL

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Produc	tion)	- A				<u> </u>		1						

signed John & Food sup. First #4 Hours } 2 @ Bbls. Production | Bbls.

> Received Office of Oil & Gas MAR 30 2015

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Production

First 24 Hours j _____ Bbls.

06/05/2015

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Received
Office of Oil 2 Gas
MAR 30 2015

WW-2A (Rev. 6-14)



1). Date:	March 19, 2015	

2.) Operator's Well Number

Charles McGraw 2

State

County

Permit

3.) API Well No .:

47-

Roane - 2765

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

4) Surface Ov	vner(s) to be served:	5) (a) Coal Op	erator	
(a) Name	Richard Fisher et al	Name	NA	
Address	4513 Clay Road	Address		
	Spencer, WV 25276			
(b) Name		(b) Coal C	Owner(s) with Dec	claration
Address		Name	NA	
		Address		
(c) Name		Name		5 MA
Address		Address	-	Received
71001000			-	Office of Oil & Gas
6) Inspector	Ed Gainer	(c) Coal I	essee with Decla	
Address	P. O. Box 821	Name	NA	MAR 3 0 2015
Addicas	Spencer, WV 25276	Address	INA	
Telephone	304-389-7582	Audiess	-	
relephone	TO THE PERSONS NA	MED ABOVE T	AVE NOTICE TO	JAT.
Included in t	the lease or leases or other continuing			
	ne lease or leases or other continuing	g contract or conti	racts by which i no	d the right to extract on and gas
OR Included in t	he information required by Chapter 2	2 Article & Section	on 9/d) of the Code	of Mest Virginia (see page 2)
Included is t	that as required under Chapter 22-6	2, Article 6, Section	ginia Code I have	sonud copies of this notice and
r certify	cation plat, and accompanying docum	on the <u>vvest viit</u>	ugh on the ab	ave named parties by:
application, a loc	Personal Service (Affidavit atta	ienis pages i inic	ough on the ab	ove named parties by.
-	Certified Mail (Postmarked pos		ad)	
_	Publication (Notice of Publicati		eu)	
I hove r	ead and understand Chapter 22-6 an		I harne to the ter	ms and conditions of any permit
issued under this		iu 35 CSK 4, and	i i agree to the ter	ms and conditions of any permit
	under penalty of law that I have per	sonally evamined	and am familiar v	with the information submitted on
	form and all attachments, and that b			
obtaining the infe	ormation, I believe that the informatio	n is true, accurate	and complete.	date immediately recpensions to
I am aw	are that there are significant penaltie	s for submitting fa	alse information, in	cluding the possibility of fine and
imprisonment.	***************************************	- 101 - 000 111111111111111111111111111		,
AVISTA	OFFICIAL SEAL Well Operator	r HG Energy.	LLC	
30 x 2 E	NOTARY PUBLIC DV	: Diane White	Diane	White
日创建工工厂	S. DIANNE DULANEY	: Agent		
	5260 Dupont Road Address	5260 Dupon	t Road	
	arkersburg West Virginia again	Parkersburg.		
My	Commission Expires Oct. 4, 2016 Telephone	304-420-111	9	
	Email	: dwhite@hge	nergyllc.com	
Subscribed and	sworn before me this 19th day of	of March		2015
	1			
2	survey elong	/	Notary P	ublic
My Commission	Expires (04.4, 3016)			
Oil and Gas Privacy	Notice			

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

SENDER: COMPLETE THIS S	ECTION	COMPLETE THIS SECTION ON DELIVERY		
 Complete items 1, 2, and 3. A item 4 if Restricted Delivery is Print your name and address so that we can return the care Attach this card to the back or on the front if space permit 	desired. on the reverse to you. f the mailpiece,	A. Signature A. Signature Agent Addressee B. Received by (Printed Name) C. Date of Delivery		
1. Article Addressed to: Richard Fish 4513 Clay Ri	bod	D. Is delivery address different from item 1? □ Yes If YES, enter delivery address below: □ No		
Spencer WV	25276	3. Service Type ☐ Certified Mail® ☐ Priority Mail Express™ ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery		
	CM2	4. Restricted Delivery? (Extra Fee)		
Article Number (Transfer from service label) —	7012 3	050 0002 3568 6161		
PS Form 3811, July 2013	Domestic I	Return Receipt		

WW.	-2A1
(Rev.	1/11)

Operator's	Well	Number	Charles McGra	W

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_
C. H. and Mary McGraw	South Penn Oil Company	1/8	17/570

"See attached sheet for additional information"

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 he reby a cknowledges 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 ac quired from the appropriate aut hority before the affected activity is initiated.

	Diane White	
Well Operator:	HG Energy, LLC	
By:Its:	Diane White, Agent	

06/05/2015

Form	WW-2A(1)
(10/10))

Operator's Well No.	Charles McGraw 2
ODEIMULS WELLING.	

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Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
CH and Mary McGraw	South Penn Oil Company	1/8	17/570

Merger and Conveyance dated July 3, 1963, from South Penn Oil Company to Penzoil Company, Kanawha County, Book 153, Page 35,

Assignment, Conveyance and Bill of Sale dated December 28, 1998, from Pennzoil Company to Pennz Energy Exploration and Production, Wetzel County, Book 12, Page 177.

Certificate of Merger filed with the WV Secretary of State, December 31, 1999, whereby Pennz Energy Exploration and Production, successor in interest to; to Penzoil Company, merged with Devon Energy Production Company, LP, Wetzel County, Book 12, Page 278.

Deed, Assignment and Bill of Sale dated June 1, 2000, from Devon Energy Production Company, LP to East Resources, Inc., recorded in Wetzel County, Book 370, Page 580.

Assignment, Conveyance and Bill of Sale, dated January 1, 2011, from East Resources, Inc., to HG Energy, LLC, Wetzel County, Book 118A, Page 253.

Upon information and belief, Operator's lease and/or other real property rights permit it to conduct drillingerations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

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

Well Operator:	HG Energy, LLC		
By:	Diane C. White	Diane	White
Its:	Agent		

WW-9 (5/13)

1	Page	of	
API Number 47 - 087	-2765		
Operator's Well No	Charles McGr	aw 2	

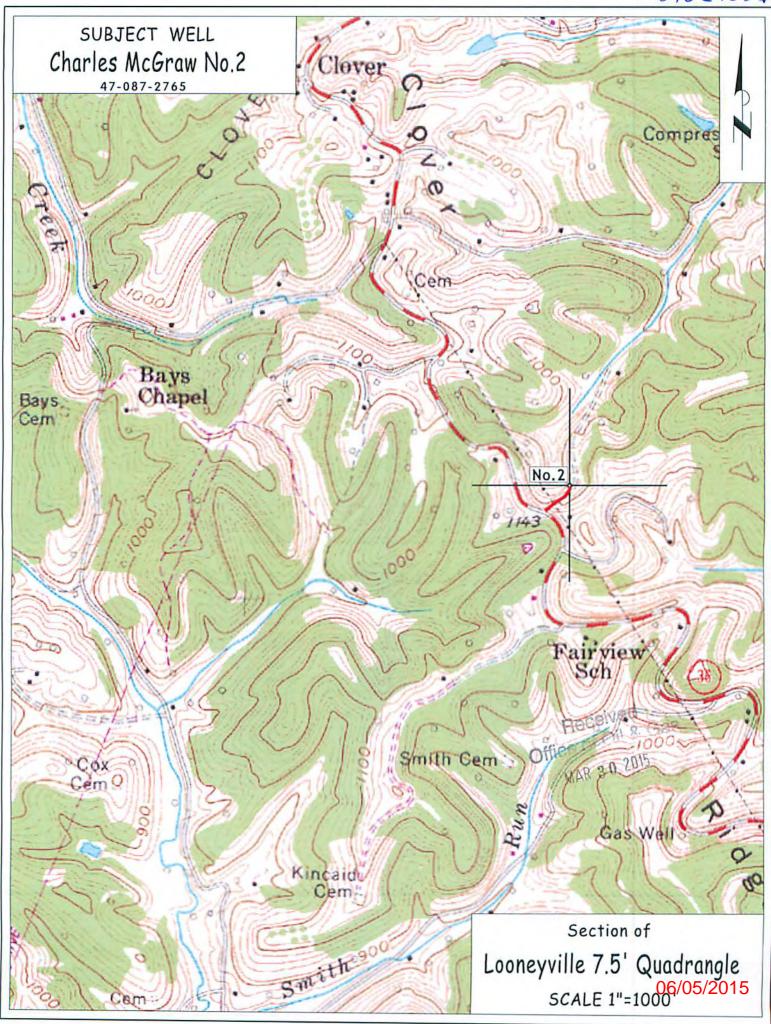
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

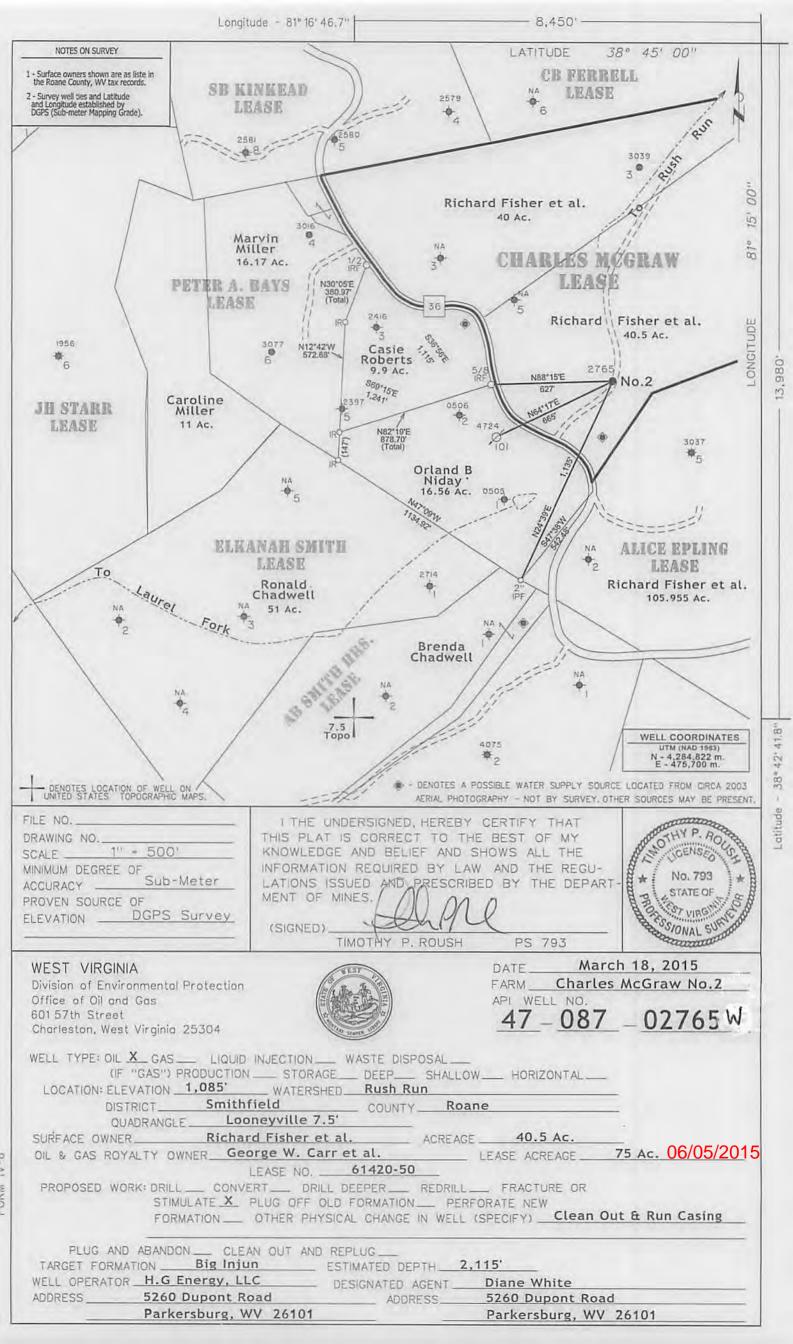
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

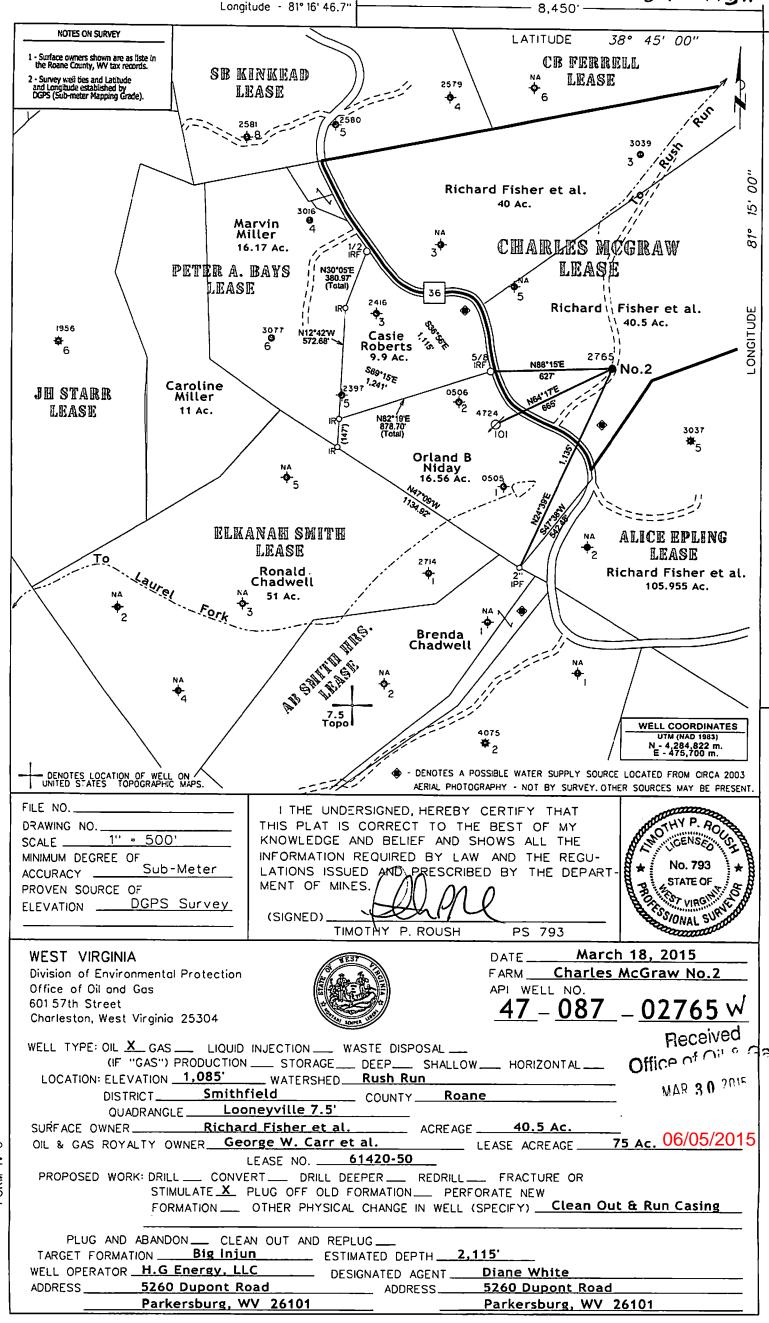
Operator Name HG Energy, LL	C	OP Code 494497948
Watershed (HUC 10) Rush Ru	n	Quadrangle Looneyville 7.5'
Elevation_1085	County_Roane	District Smithfield
Do you anticipate using more th	an 5,000 bbls of water to complete th	ne proposed well work? Yes No_×
	gs? Yes x No No	
The state of the s		ntered while stimulating subject well
Will a synthetic liner be	e used in the pit? Yes _x No	If so, what ml.?_20 mil
	hod For Treated Pit Wastes:	
Land	Application	
	rground Injection (UIC Permit Num	ber_ 25561)
	e (at API Number ite Disposal (Supply form WW-9 for	r disposal location)
	(Explain	- disposal retaining
Will closed loop system be used	? No	
	this well? Air, freshwater, oil based,	etc. Air. Fresh Water
	? Synthetic, petroleum, etc. NA	
Additives to be used in drilling i		Logue in oit
40 MAH	Leave in pit, landfill, removed offsite	
-If left in pit and plan to	solidify what medium will be used?	(cement, lime, sawdust) Native soil, cement, lime
-Landfill or offsite nam	ne/permit number?	
on August 1, 2005, by the Office provisions of the permit are enf law or regulation can lead to enf 1 certify under penalty application form and all attacl obtaining the information, 1 be	e of Oil and Gas of the West Virginia orceable by law. Violations of any orcement action. of law that I have personally example of the control of the contr	ions of the GENERAL WATER POLLUTION PERMIT issued Department of Environmental Protection. I understand that the term or condition of the general permit and/or other applicable mined and am familiar with the information submitted on this my inquiry of those individuals immediately responsible for accurate, and complete. I am aware that there are significant fine or imprisonment. MAR 3 0 2015
Company Official Signature	Diane White	
Company Official (Typed Nam	c) Diane White	
Company Official Title Agen	t	
Subscribed and sworn before me	this 19th day of March	OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINI S. DIANNE DULANEY 5260 Dupont Road
My commission expires O	4.4 206	Parkersburg, West Virginia 2610 My Commission Expires Oct. 4, 20

Fertilizer (10-20-20 or equivalent) Mulch Straw Area I Seed Type Ibs/acre	or to correct to pH 6.5		
Fertilizer (10-20-20 or equivalent) Mulch Straw Area I Seed Type Ibs/acre	500 lbs/acre (500 lb	os minimum)	
Mulch Straw Area I Seed Type Ibs/acre	2 Tons/acre	s minimum)	
Area I Seed Type Ibs/acre	1 ons/acre		
Seed Type lbs/acre	Seed Mixtures		
Seed Type lbs/acre	Deca mintenes		
		Area	II
THE		Seed Type	lbs/acre
Tall Fescue 40	Tall F	escue	40
Ladino Clover 5	Ladin	o Clover	5
Plan Approved by: Comments:			
540	*		in .

8702765W







McLaughlin, Jeffrey W

From:

Roger L. Heldman < rheldman@hgenergyllc.com>

Sent:

Friday, May 29, 2015 12:07 PM

To:

McLaughlin, Jeffrey W

Subject:

FW: McGraw # 2

Attachments:

IMG_0137JPG; ATT00001.c; IMG_0136JPG; ATT00002.c; IMG_0135JPG; ATT00003.c

Jeff,

Please see attached pictures of McGraw 2. I don't know the purpose of the partial drum around the wellhead but you can see the clamps for the 5 1/2" casing resting on top of the 6 5/8" casing. As we discussed this morning we can figure out some sort of diverter for the wellhead to alleviate your concerns.

Roger

-----Original Message-----From: Dave Thomas

Sent: Friday, May 29, 2015 11:30 AM

To: Roger L. Heldman Subject: McGraw # 2

