



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

July 01, 2014

WELL WORK PERMIT
Vertical Well

This permit, API Well Number: 47-8704738, issued to HILDRETH, ROY G & SON INC, 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: POTTS #2
Farm Name: POTTS, GENE
API Well Number: 47-8704738
Permit Type: Vertical Well
Date Issued: 07/01/2014

Promoting a healthy environment.

07/04/2014

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.

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: Roy G. Hildreth & Son, Inc. 307492 Roane Spencer Arnoldsburg
Operator ID County District Quadrangle

2) Operator's Well Number: Potts #2 3) Elevation: 1034

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

5) Proposed Target Formation(s): Injun Proposed Target Depth: 2160
 6) Proposed Total Depth: 2350 Feet Formation at Proposed Total Depth: Injun
 7) Approximate fresh water strata depths: 110'
 8) Approximate salt water depths: 1735 - 1925

9) Approximate coal seam depths: None Reported

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

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

12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed)

Drill new Injun well. Stimulate with foam/sand or x-link/sand

13) **CASING AND TUBING PROGRAM**

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	9 5/8	LS	32#	30	Pulled	
Fresh Water	7"	LS	17#	300'	300'	CTS - 30%EXCESS
Coal						
Intermediate						
Production	4 1/2	J-55	11.6#	2300	2300	100cu' ABOVE SALT SAND
Tubing						
Liners						

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Office of Oil and Gas

Packers: Kind: _____
 Sizes: _____
 Depths Set _____

MAY 27 2014

WV Department of
Environmental Protection

WW-2A Surface Waiver

SURFACE OWNER WAIVER

County Roane

Operator
Operator well number

Roy G. Hildreth & Son, Inc.
POTTS #2

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION:

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

Time Limits and methods for filing comments. The law requires these materials to be served on or before the date the operator files his Application. You have **FIFTEEN (15) 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 a 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.

Comments must be in writing. Your comments must 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.

The Chief has the power to deny or condition a well work permit based on comments on the following grounds:

- 1) The proposed well work will constitute a hazard to the safety of persons.
- 2) The soil erosion and sediment control plan is not adequate or effective;
- 3) Damage would occur to publicly owned lands or resources;
- 4) The proposed well work fails to protect fresh water sources or supplies;
- 5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation...".

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through ___ including a work order on Form WW2-B, a survey plat, and a soil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

Gene E Potts
Signature

Date 5-7-14

Company Name
By
Its

MAY 27 2014
Date

Gene E Potts

Print Name

WV Department of Environmental Protection
Signature

Signature

Date

Date

WW-2A1
(Rev. 1/11)

Operator's Well Number POTTS #2

**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
Gene Potts	Boggs Natural Gas, FLP	1/2	LB 217-482
Boggs Natural Gas, FLP	Kimco	1/2	LB-218-695
Kimco	Roy G. Hildreth & Son, Inc.		By Agreement

**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:
By: Its:

Roy G. Hildreth & Son, Inc.
Jon E. Hildreth
Secretary

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MAY 27 2014
WV Department of
Environmental Protection

AGREEMENT

THIS AGREEMENT made this 2nd day of April, 2014, by and between KIMCO, a partnership, consisting of Karen Gregg, Melinda H. Sampson, and Jon R. Hildreth, as Lessor and Roy G. Hildreth & Son, Inc., a West Virginia Corporation, as Lessee, in which the KIMCO hereby states that they are giving Roy G. Hildreth & Son, Inc. right to drill and operate on their said Potts Lease of 110 Acres, on the waters of Laurel Run of Henry Fork, Spencer District, Roane County, West Virginia.

WITNESS the following signatures and seals:

KIMCO

By: Jon R. Hildreth
Jon R. Hildreth, Partner

Roy G. Hildreth and Son, Inc.

By: Roy G. Hildreth
Roy G. Hildreth, President

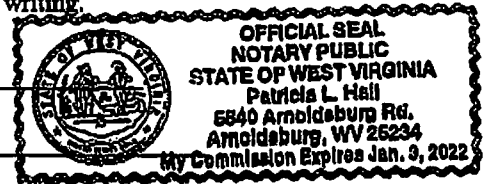
STATE OF WEST VIRGINIA,
COUNTY OF ROANE, to-wit:

I, Patricia L. Hall, a notary public within and for said county and state aforesaid, do hereby certify that Jon R. Hildreth, whose name is signed to the foregoing writing, bearing the 2nd day of April, 2014, on behalf of KIMCO, as its Partner has this day, in my said county, before me, acknowledged said writing.

Given under my hand this 2nd day of April, 2014.

My commission expires: Jan 3, 2022

Patricia L. Hall
NOTARY PUBLIC



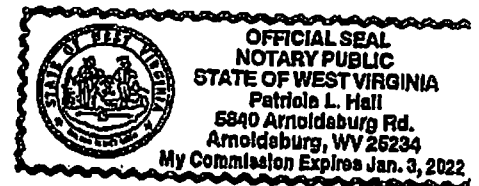
STATE OF WEST VIRGINIA,
COUNTY OF ROANE, to-wit:

I, Patricia L. Hall, a notary public within and for said county and state aforesaid, do hereby certify that Roy G. Hildreth, whose name is signed to the foregoing writing, bearing the 2nd day of April, 2014, on behalf of Roy G. Hildreth and Son, Inc., as its President has this day, in my said county, before me, acknowledged said writing to be the act and deed of said corporation.

Given under my hand this 2nd day of April, 2014.

My commission expires: January 3, 2022

Patricia L. Hall
NOTARY PUBLIC



07/04/2014

WW-2B1
(5-12)

Well No. Potts #2

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 REIC Laboratory Po Box 286, Beaver, WV 25813
Sampling Contractor Roy G. Hildreth & Son, Inc.

Well Operator Roy G. Hildreth & Son, Inc.
Address Po Box 1007
Spencer, WV 25276
Telephone 304-927-2130

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.

There are no water wells within 2000 feet!

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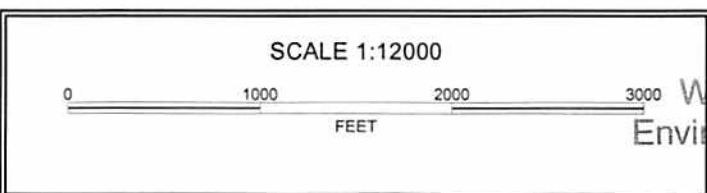
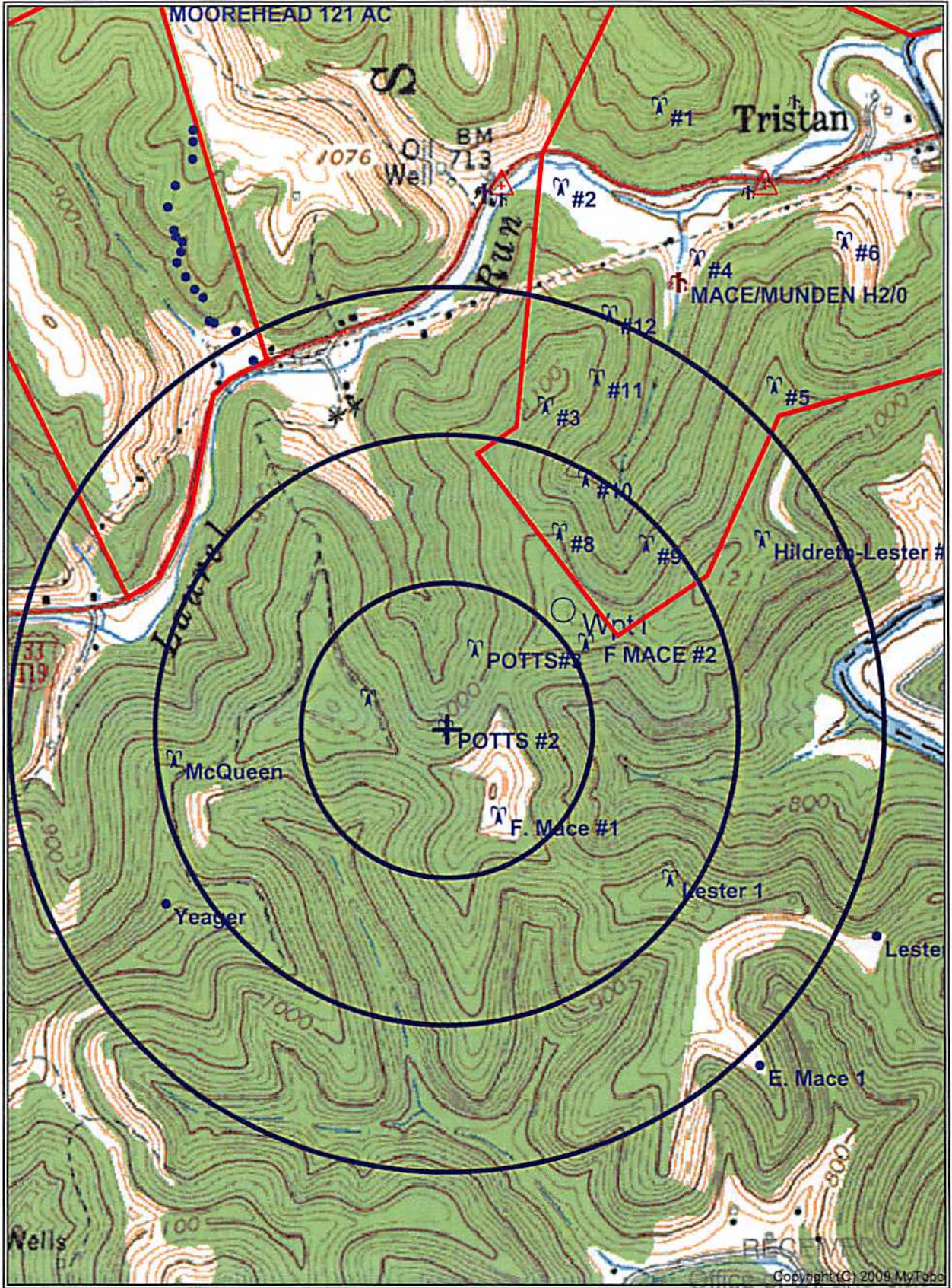
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Environmental Protection

07/04/2014

Water Well

8704738



MAY 27 2014

WV Department of Environmental Protection

07/04/2014

WW-9
(5/13)

Page _____ of _____
API Number 47 - 087 - _____
Operator's Well No. Potts #2 _____

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Roy G. Hildreth & Son, Inc OP Code _____

Watershed (HUC 10) Laurel Run of Henry Fork Quadrangle Arnoldsburg

Elevation 1034 County Roane District Spencer

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: Gell Water, Drill Cuttings, Freshwater

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

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? Clay Sta, KCL, Soap

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) Dirt and cement

-Landfill or offsite name/permit number? _____

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 Jon R. Hildreth

Company Official (Typed Name) Jon R. Hildreth, Secretary

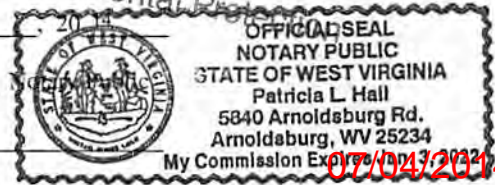
Company Official Title Roy G. Hildreth & Son, Inc.

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Subscribed and sworn before me this 17th day of March

Patricia L. Hall

My commission expires January 3, 2022



01/03/2022

Form WW-9

Operator's Well No. Potts #2

Proposed Revegetation Treatment: Acres Disturbed 1.5 Prevegetation pH 5.5

Lime 3 Tons/acre or to correct to pH 6.5

Fertilizer (10-20-20 or equivalent) 0.25 lbs/acre (500 lbs minimum)

Mulch Hay 2 Tons/acre

Seed Mixtures

Area I		Area II	
Seed Type	lbs/acre	Seed Type	lbs/acre
Orchard Grass	25	Ladino Clover	5
Red Top Clover	15	Ky 31	40
Annual RHY	15	Annual Rhy	15

Attach:
Drawing(s) of road, location, pit and proposed area for land application.
Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: 

Comments: -talked with landowner about location of road
where field reviewed

Title: Inspector

Date: 4/11/14

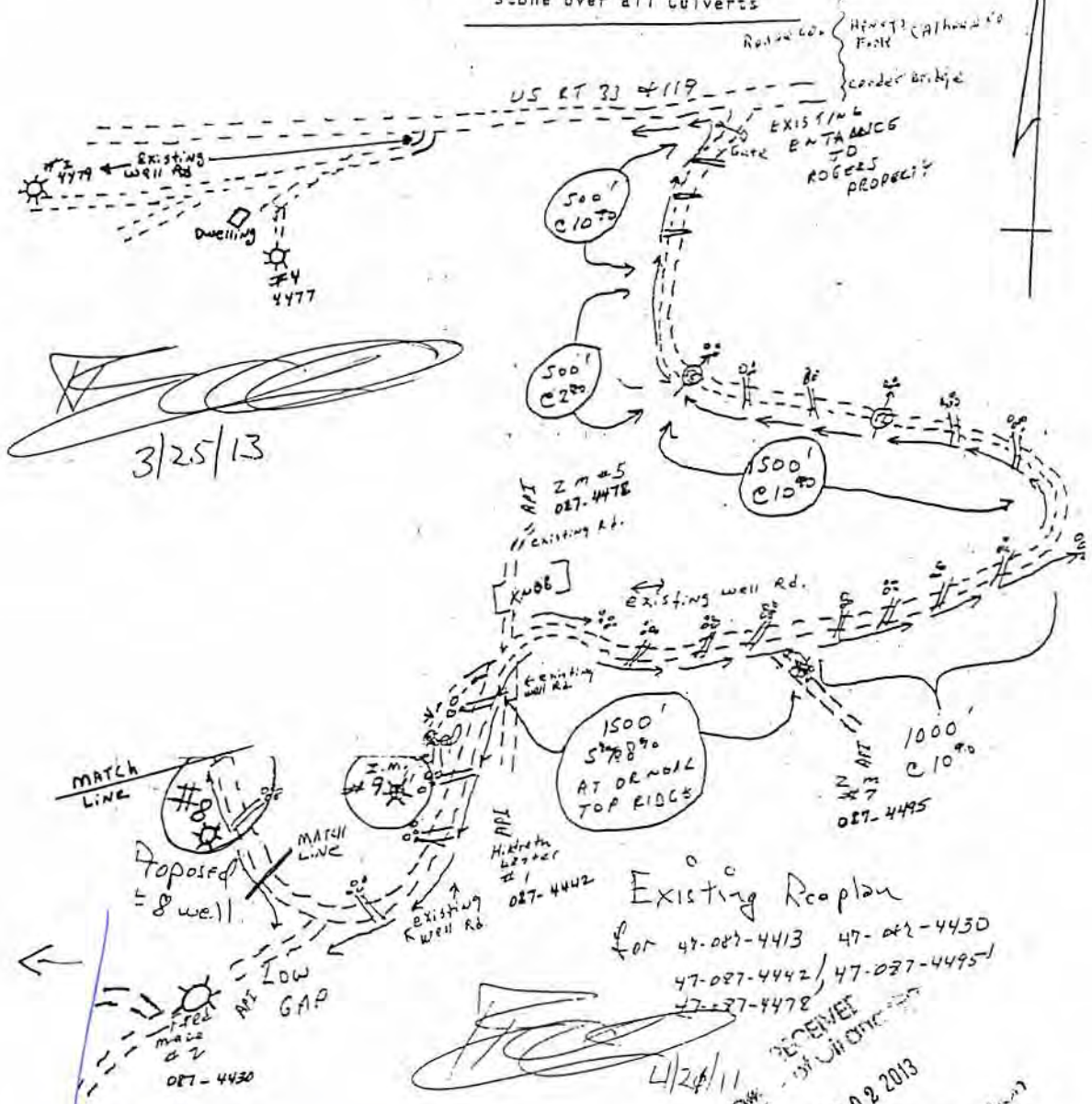
Field Reviewed? Yes No

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8704735

Z. MACE
12

Any Trees 6" or larger
in Diameter ~~will~~ be cut
and piled. ~~They~~ will be
used as ~~temporary~~ barriers.
Temporary ~~seed~~ and ~~soil~~ all
slopes upon construction.
Stone over all Culverts



3/25/13

MATCH LINE
#8
Proposed
= 8 well

To Potts
1, 2, 3

Match Line
to new Rec plan

4/11/14

Existing Rec plan
for 47-027-4413 47-027-4430
47-027-4442 47-027-4495
47-027-4478

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NOTE:

Any Trees 6" or larger in Diameter will be cut and piled. Brush will be used as Sediment Barriers. Temporary seed and mulch all slopes upon construction. Stone over all Culverts and entrance off existing roadway.

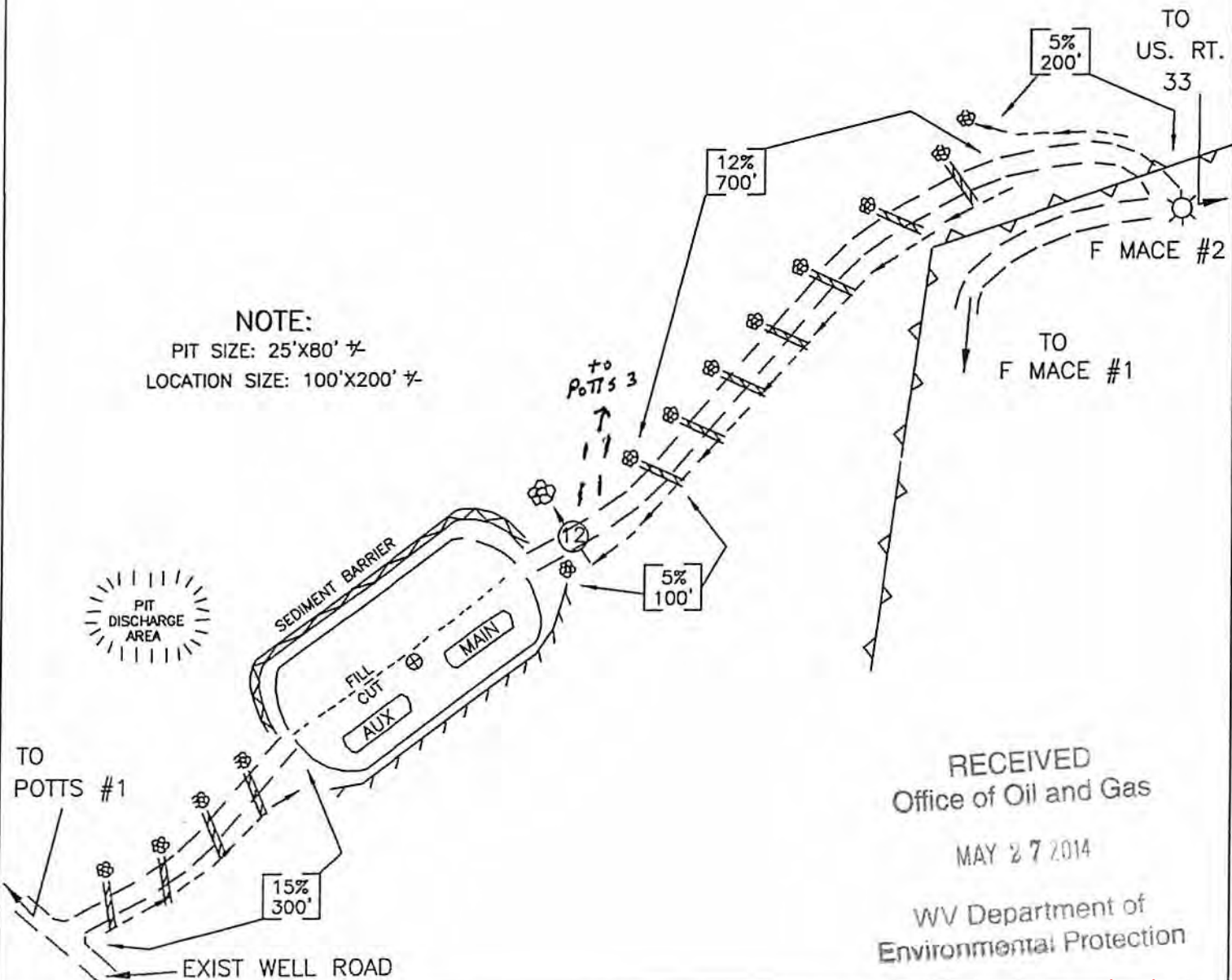
POTTS #2

Handwritten signature
4/11/14

Seed & mulch will be in place before rig moves to location.

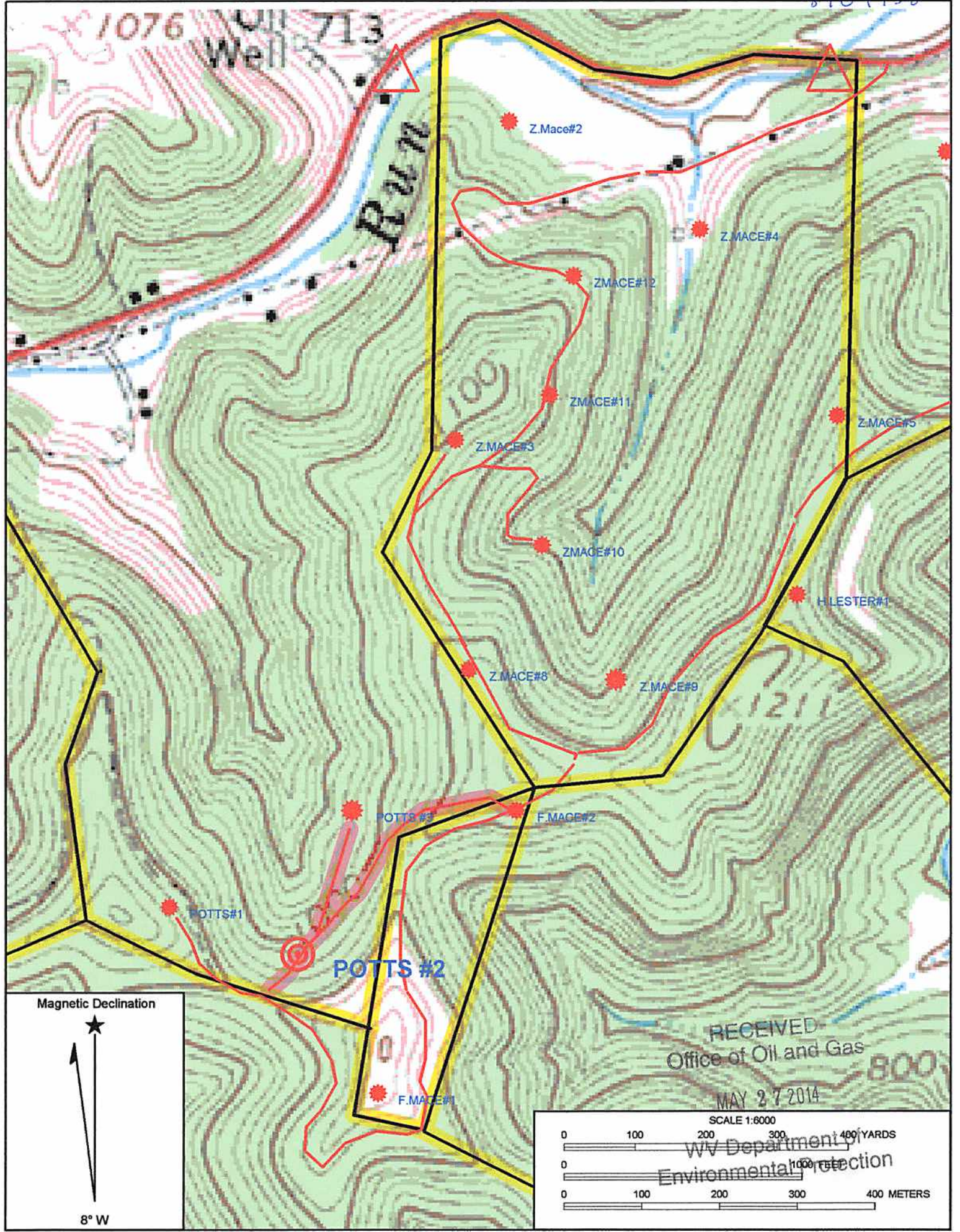


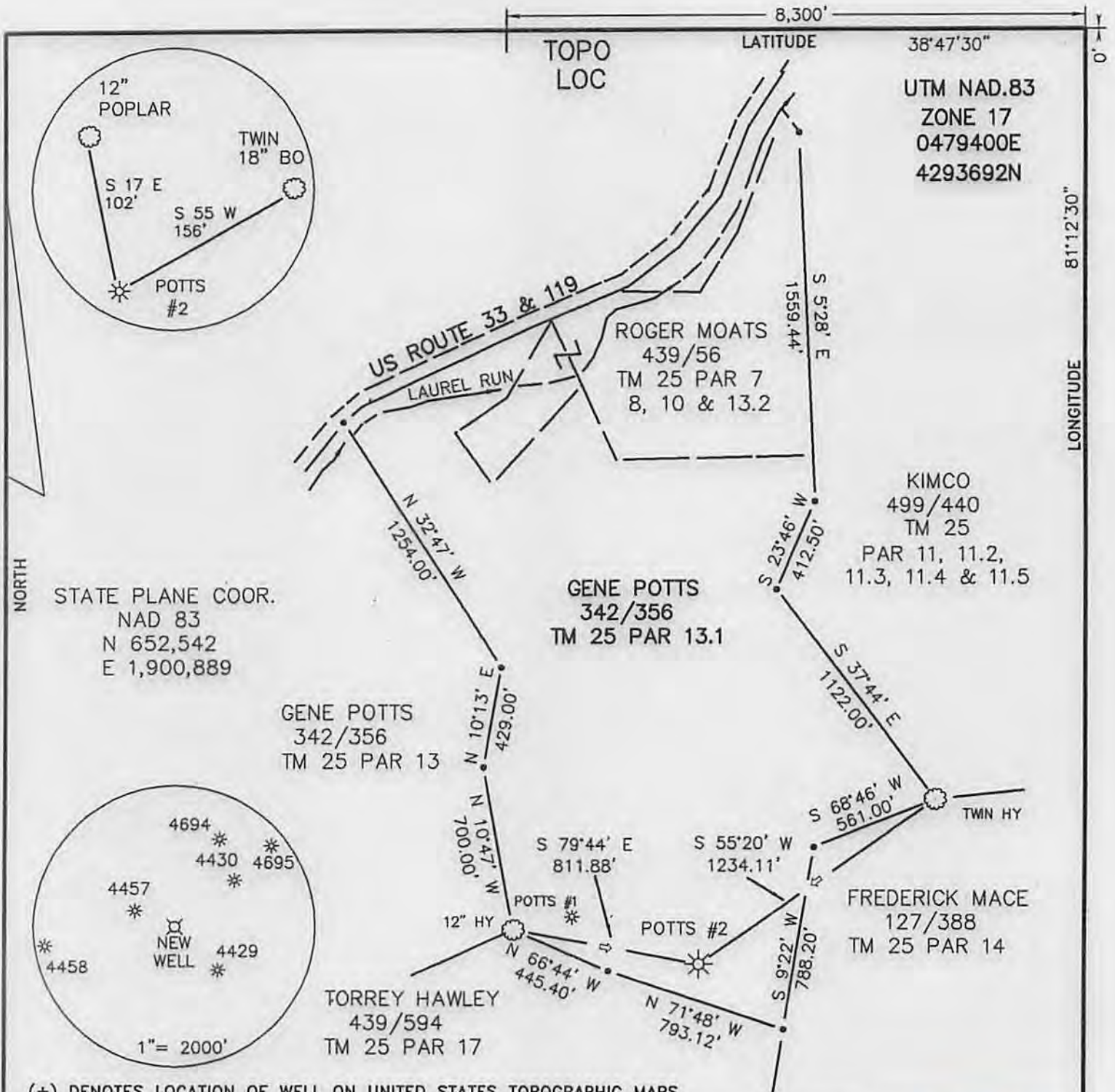
NOTE:
PIT SIZE: 25'X80' ±
LOCATION SIZE: 100'X200' ±



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8704738





(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. _____
DRAWING NO. 14-5
SCALE 1"=600'
MINIMUM DEGREE OF ACCURACY 1 IN 200
PROVEN SOURCE OF ELEVATION GPS

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENERGY.
(SIGNED) _____
R.P.E. _____ P.S. 851



PLACE SEAL HERE

STATE OF WEST VIRGINIA
Department of Environmental Protection
OFFICE OF OIL AND GAS

DATE 5/29, 2014

WELL TYPE: OIL GAS LIQUID INJECTION _____ WASTE DISPOSAL _____
(IF "GAS") PRODUCTION STORAGE _____ DEEP _____ SHALLOW

LOCATION: ELEVATION 1034 WATER SHED LAUREL RUN OF HENRY FORK
DISTRICT SPENCER COUNTY ROANE
QUADRANGLE ARNOLDSBURG

SURFACE OWNER GENE POTTS ACREAGE 90
OIL & GAS ROYALTY OWNER LOONEY HEIRS LEASE ACREAGE 110
LEASE NO. _____

PROPOSED WORK: DRILL CONVERT _____ DRILL DEEPER _____ REDRILL _____ FRACTURE OR STIMULATE PLUG OFF OLD FORMATION _____ PERFORATE NEW FORMATION _____ OTHER PHSYICAL CHANGE IN WELL (SPECIFY): _____

PLUG AND ABANDON _____ CLEAN OUT AND REPLUG _____

TARGET FORMATION BIG INJUN ESTIMATED DEPTH 2300
WELL OPERATOR ROY G. HILDRETH & SON DESIGNATED AGENT ROY G. HILDRETH JR.
ADDRESS PO BOX 1007 ADDRESS PO BOX 1007
SPENCER, WV 25276 SPENCER, WV 25276

OPERATOR'S WELL NO. POTTS #2
API WELL NO. 47 - 87 - 04738
STATE COUNTY PERMIT

07/04/2014



ROY G. HILDRETH AND SON, INC.
OIL & GAS OFFICE
LAND DEPARTMENT



758 Arnoldsburg Road • P.O. Box 1007 • Spencer, WV 25276
Phone: (304) 927-2130 • Fax: (304) 927-5933
www.royghildrethandsoninc.com • patty@royghildrethandsoninc.com

STATE OF WEST VIRGINIA
DIV OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS
601 57TH STREET
CHARLESTON, WV 25304

CK 31780
65000

May 22, 2014

Re: Potts #2 and #3

Attn: Kay Holtsclaw

Dear Ms. Holtsclaw:

Please find enclosed our "Notice and Application for a Well Work Permits" for Potts #2 and #3. I have also enclosed our check in the amount of \$1,300 for the permit fee. If you have any questions, please contact me at the above number.

Sincerely,

Roy G. Hildreth
President/Agent

RGH:plh
Enclosures

Cert Mail No. 7009-0820-0000-6448-6150

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