

#### 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

September 30, 2014

#### WELL WORK PERMIT

#### Horizontal Well

This permit, API Well Number: 47-8704743, issued to HARD ROCK EXPLORATION, 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.

Chief

James Martin

Operator's Well No: HR-503A

Farm Name: JARVIS, DAVID

API Well Number: 47-8704743

Permit Type: Horizontal Well Date Issued: 09/30/2014

### **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 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. This permit is being conditioned to address the possibility of flooding in the area of this well. Any tanks stored on this location must be securely anchored in cement to prevent the loss of tanks should a flood occur. In addition, cages must be placed around the well head to prevent debris from damaging the well head.

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

1) Well Operator:	Hard Rock Exploration, Inc.	494464205	Roane	Reedy	Reedy, WV 7.5'
		Operator ID	County	District	Quadrangle
2) Operator's Well	Number: HR-503		3) Elevation:	981'	-
4) Well Type: (a) C	Oil or Gas X				
(b) It	f Gas: Production X / Und	lerground Sto	rage		
	Deep/ S	hallow X	_		
<ul><li>6) Proposed Total</li><li>7) Approximate free</li></ul>	et Formation(s): Lower Huron  Depth: 7563' Feet F esh water strata depths: Pittsburgh alt water depths: 1950'-2200'	Formation at F	Proposed Tot	rget Depth: al Depth: <u>Lo</u>	4623' wer Huron
9) Approximate co	pal seam depths: None noted in	offset wells			+
10) Approximate v	void depths,(coal, Karst, other):	None			
11) Does land con	ntain coal seams tributary to acti	ive mine? N	lo		
12) Describe propos	sed well work and fracturing metho	ods in detail (a	ttach addition	al sheets if ne	eeded)
Drill 12 3/8" hole on ai	r/ Freshwater foam; Drill 8 3/4" hole o	on Air/Freshwate	er foam/Fluid; D	rill Bottom hole	e on Air.
KOP-4023' Land curv	e-4973'MD/ 4623'TVD , 3200'VS, 75	63' TMD			
Run 4.5" casing with open	hole packer completion (Depths noted at be	ottom) -Set nacker	s, cement above to	op packer. Fracti	ire with Nitrogen gas

Run 4.5" casing with open hole packer completion (Depths noted at bottom) -Set packers, cement above top packer, Fracture with Nitrogen ga

### CASING AND TUBING PROGRAM

TYPE 9	SPECIFIC	ATIONS		FOOTAGE	INTERVALS	S CEMENT
	Size	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	13 3/8"	LS	37	30'	30'	NA
Fresh Water	9 5/8"	LS	26	870'	870'	430cuft Cts
Coal						
Intermediate	7"	MC50	19	2330'	2330'	505cuft Cts
Production	4 1/2"	M80	11.6	7563'	7563'	130cuft
Tubing						received
Liners		)				AUG 2 9 2014

Packers: Kind: Hydraulic set open hole packers

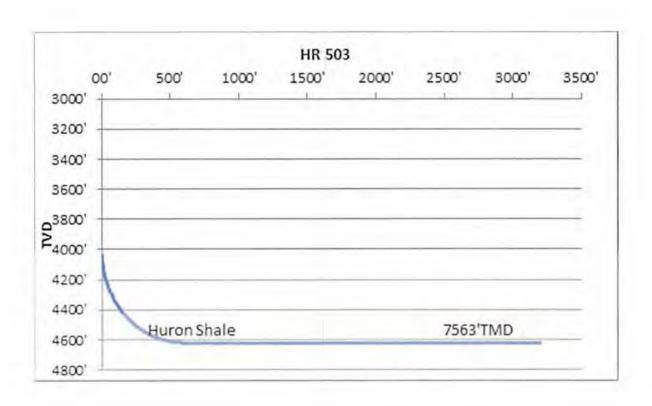
Sizes: 4.5" X 6 5/8" 10k diff Seal

WV Dept. of Environmental Prote

Depths Set Place 12 stg open hole packer system from 4973'MD- 7563' (215' spacing per stg), 13th packer at 2650' Dump 130cum cmt

#### NOTICE

#### WELLBORE GRAPH HARD ROCK EXPLORATION WELL NO. HR-503



HARD ROCK EXPLORATION, INC. 1244 MARTINS BRANCH ROAD CHARLESTON, WV 25312

8-7-14

Received

AUG 2 9 2014

Permit

WW-2	2A
(Rev.	6-14)

1). Date: August 5, 2014

2.) Operator's Well Number

State County

HR-503

3.) API Well No.: 47- 087

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

and the second s	wner(s) to be served:	/	5) (a) Coal Op		
(a) Name	Wavne Phipps		Name	None	
Address		7	Address	-	
(h) Nama	Raymond OH 4306		(h) Cool C	hunar(a) with Daclarati	ng.
(b) Name	David Jarvis	W	Name	Owner(s) with Declarati	OII
Address	1685 Ripley Road	70	- Address	Wayne Phipps	
	Spencer, WV 2527	76	Address	PO Box 56	1-/1
(a) Nama			Nama	Raymond OH 4	/
(c) Name Address			_ Name Address	David Jarvis	W
Address	-		Address	1685 Ripley Road	
C) Increase	Ed Octobr		- /a\ Caal I	Spencer, WV 252	
6) Inspector	Ed Gainer		Name	essee with Declaration	I.
Address	PO Box 821	70	-	None	
Talanhana	Spencer, WV 2527	76	Address	(	
Telephone	304-389-7582	DOONG NAS		AVE NOTICE THAT	
tanked and to				AKE NOTICE THAT:	right to extract oil and gas
OR	the lease of leases of other	or continuing t	John dot of John	doto by willort i flora tilo	right to extract on and gao
I certify application, a lo	cation plat, and accompar Personal Service (	nying docume Affidavit attacl	nts pages 1 thro hed)	ough on the above n	d copies of this notice and amed parties by:
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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 source on a information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at <a href="mailto:depprivacyofficer@wv.gov">depprivacyofficer@wv.gov</a>

#### **SURFACE OWNER WAIVER**

County	Roane	Operator	Hard Rock Exploration, Inc.
·		Operator well number	HR-503

#### **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 57<sup>th</sup> St. SE Charleston, WV 25304 (304) 926-0450

<u>Time Limits and methods for filing comments.</u> 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 dequate d elivery 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.

<u>Comments must be in writing.</u> 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.

<u>List of Water Testing Laboratories</u>. 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 F orm WW2-B, a s urvey plat, and a s oil 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.

- P				
FOR EXECUTION BY A NATURAL PERS	ON	FO	R EXECUTION BY A CORPORATION	, ETC.
May	Date \$\frac{\sqrt{35/14}}{\sqrt{35/14}}	Company Name	Received_	
David Planis	, .	By Its	AUG 2 9 2014	Date
Print Name			Signature Office of Oil and Gas WV Dept. of Environmental Protection	Date

### COAL OPERATOR, OWNER, OR LESSEE WAIVER

County Roane			110 500	
Operator Hard Rock Exploration, Inc.	Operato	r's Well Nu	mber HR-503	§ /
INSTRUCTIONS TO	COAL OPE	RATOR, O	WNER, OR LESS	EE
To the coal operator, owner, or land objection you wish to make or are rewith the Chief of the Office of Oil and Goby the Office. Mail objections to:	equired to m	ake by WV	/ Code 22-6-15, 16	6 or 17, must be filed
Chief, Office of Oil and Gas Department of Environmental Protection 601 57 <sup>th</sup> St. SE Charleston, WV 25304 (304) 926-0499 extension 1654				
	WAIN	'ER		
The undersigned coal operator _ location has examined this proposed we location, the well location has been add work proposed to be done at this location requirements of the West Virginia Code	ell location. ed to the mi on, provided,	If a mine m ne map.  T the well op	ap exists which co he undersigned ha perator has compli	overs the area of well as no objection to the
FOR EXECUTION BY A NATURAL PERSON		FOR	R EXECUTION BY A	CORPORATION, ETC.
Date	Shely	Company Name		
Signature	9-71	By Its		Date
		113		
			Signature	Date

Received

AUG 2 9 2014

CERTIFIED (Domestic Mal) O	Service  D MAIL RECEIPT  Inly: No Insurance Coverage Provided)
For delivery Informa	otion visit our website at www.usps.com
01-1	ICIA LUE ESTANOE
Postage	\$ 2.30 878
Certifled Fee	3.30 51 1001
Return Receipt Fee (Endomsmont Required)	2.70 Posimariy
Restricted Delivery Fee (Endorsement Flequired)	SOS CHARLES
Total Postage & Fees	\$ 8,6097
1.18V. 257/100. 211-4-4	Box 56
	Postage  Certilled Fee  Reium Recapt Fee (Endorsement Required)  Restricted Delivery Fee (Endorsement Required)  Total Postage & Fees  Sent To  Street, Apt. No., or FO Box No. City State 7/Fed.

SENDER: COMPLETE THIS	SECTION	COMPLETE THIS SECTION ON DELIVERY		
☐ Complete items 1, 2, and 3 item 4 if Restricted Delivery ☐ Print your name and addreso that we can return the c ☐ Attach this card to the back or on the front if space per	/ is desired. ss on the reverse ard to you.	A. Signature  X El âcul Pur p  B. Received by (Printed Name)	Agent Addresse	
1. Article Addressed to:  Wayne Phipps PO Box 56		D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:  No		
Raymond, OH 430	067	☐ Insured Mail ☐ C.O.D.	Mail acelpt for Merchandise	
2. Article Number		4. Restricted Delivery? (Extra Fee)	☐ Yes	
(Transfer from service label)	2077 5000	0001 7717 5654		
PS Form 3811, February 2004	Domestic Ret	urn Receipt	102595-02-M-1540	

Received

SEP 2 2016

Office of Oll and Gas WV Dept. of Environmental Protection School

SEF 2 14

# 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
Roy B. and Jacquelene Gutherie	Reserve Oil and Gas, Inc.	% of 1/8	491/740
George M. Scott	Hard Rock Exploration, Inc.	% of 1/8	248/206
Wallace J. Board	Hard Rock Exploration, Inc.	% of 1/8	248/316
Nancy L. Wilson	Hard Rock Exploration, Inc.	% of 1/8	248/314
Emeline S. Guess	Hard Rock Exploration, Inc.	% of 1/8	248/85
James and Margaret Slingerland	Reserve Oil and Gas, Inc.	% of 1/8	247/671
Margaret Ellen Bates Platt	Reserve Oil and Gas, Inc.	% of 1/8	247/699
Richard R. Perrin	Reserve Oil and Gas, Inc.	% of 1/8	247/692
Robert II and Anna E Bates Flint	Reserve Oil and Gas, Inc.	% of 1/8	247/702
(See Attached)	(See Attached)	(See Attached)	(See Attached)

#### 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

Received

AUG 2 9 2014

Office of Oil and Gas WV Dept. of Environmental Protection

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 nec essary and further affirms that all needed permits/approvals should be ac quired from the appr opriate aut hority before the affected activity is initiated.

Well Operator:

By:Its:

Executive Vice President

Hard Rock Exploration, Jac

WW-2A1 (continued)

Operator's Well Number HR-503

Grantor, lessor, etc.	Grantee, lessee, etc.	Royalty	Book/Page
Reserve Oil and Gas, Inc.	J & M Resources	Assignment	504/459
J & M Resources	Hard Rock Exploration, Inc.	Assignment	252/85

Received

AUG 2 9 2014

WW-2B1 (5-12)

Well No. HR-503		

## 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 Standard Labs or Sturm Lab
Sampling Contractor Standard Labs or Sturm Lab

Well Operator
Address
Hard Rock Exploration, Inc.
1244 Martins Branch Road

Charleston, WV 25312

Telephone 304-984-9004

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.

Received

AUG 2 9 2014

### WATER NOTICE FOR HARD ROCK EXPLORATION, INC. WELL HR-503A

#### No water sources found

IF ANY WATER SOURCES ARE FOUND WITHIN 2000 FROM THE WELLBORE, SAMPLES MUST BE TAKEN BEFORE WELL CAN BE SPUDDED. OWNERS OF WATER SOURCE MUST BE SENT A COPY OF THE RESULTS, ALONG WITH WYDER, OFFICE OF OIL & GAS WITHIN 30 DAYS OF YOU REZEIVING THE RESULTS.

Received

AUG 2 9 2014

Office of Oil and Gas WV Dept. of Environmental Protection

True Line Surveying, Inc. 7/22/14

	Page of
API Number 47 - 087	
Operator's Well	No. HR-503

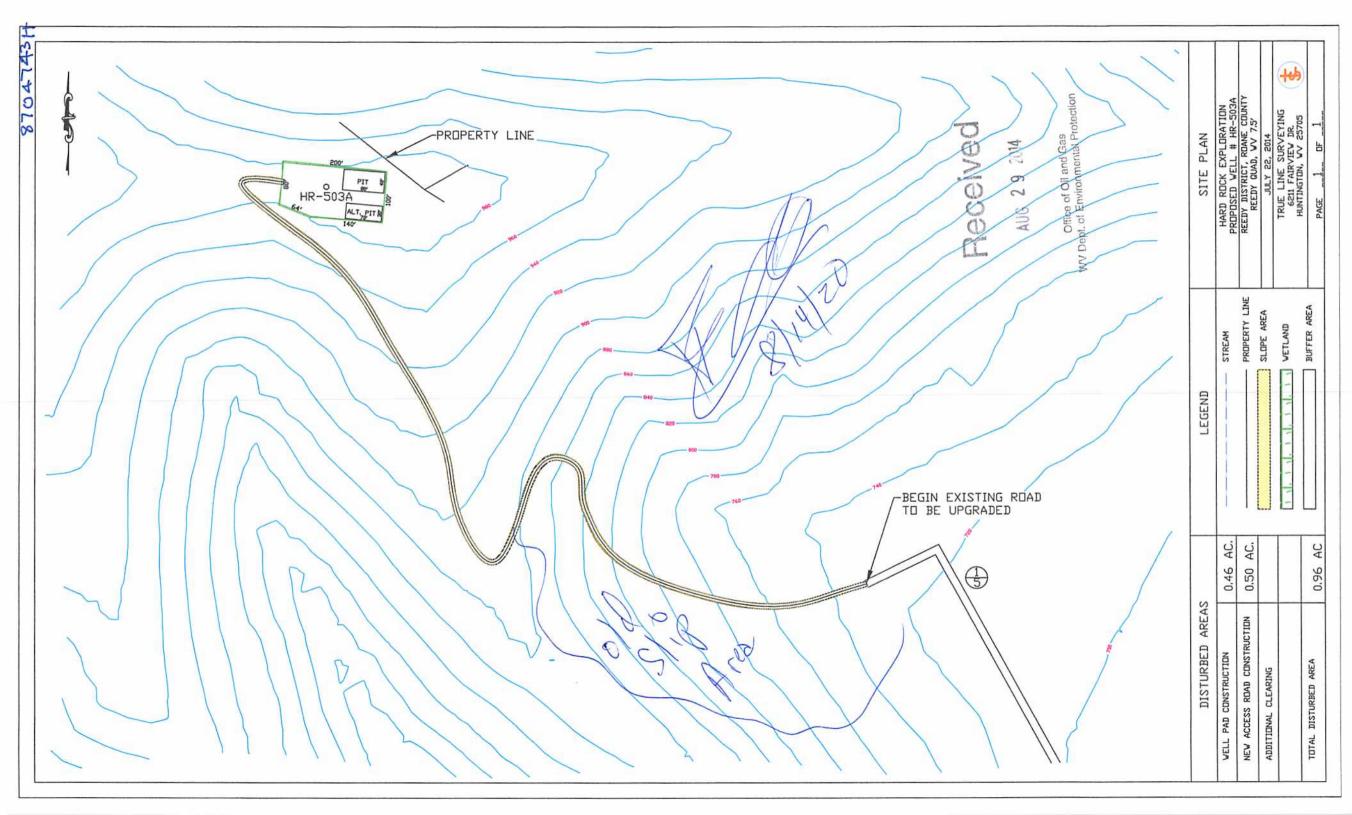
## STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

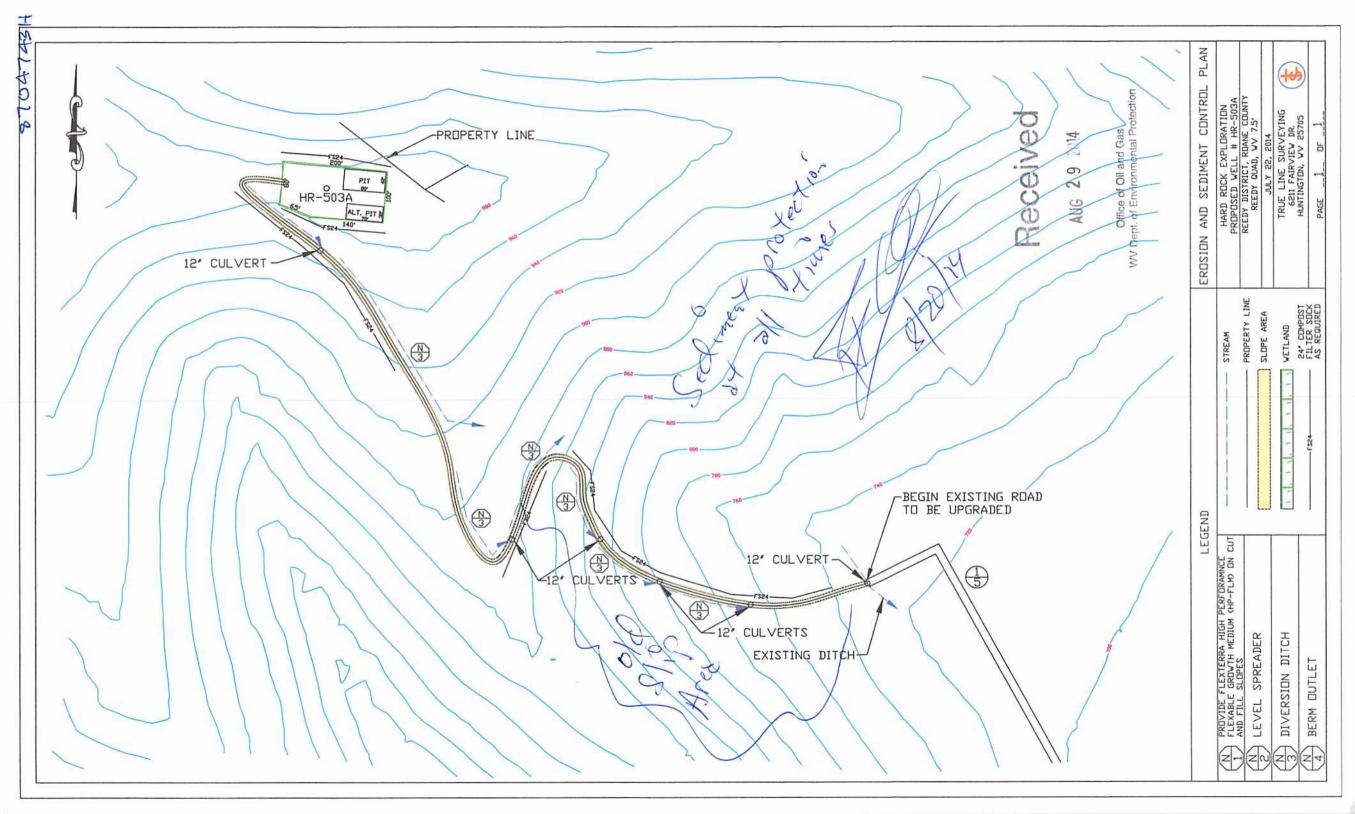
#### FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

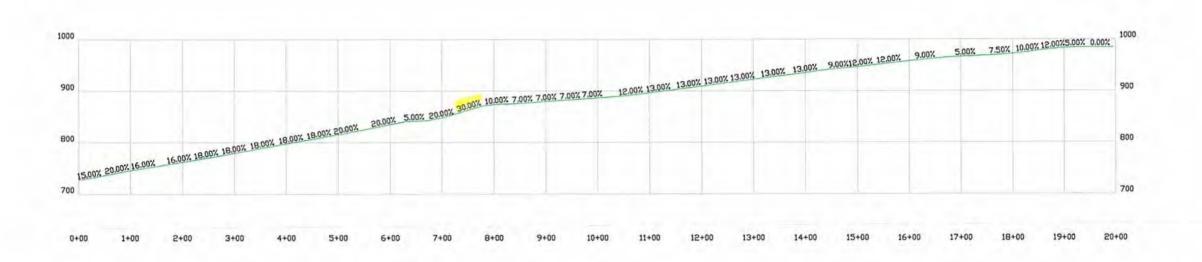
Operator Name Hard Rock Exploration, Inc. OP Code	494464205
Watershed (HUC 10) Fork of Reedy Creek Quadrangle Reedy, WV 7	7.5
Elevation 981' County District	Reedy
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yell a pit be used for drill cuttings? Yes X No Drill Cuttings  Will a synthetic liner be used in the pit? Yes X No If so, what ml.?  Proposed Disposal Method For Treated Pit Wastes:	
Land Application Underground Injection (UIC Permit Number UIC2D0190460, 34167) Reuse (at API Number 110096, 8704729, 3503009, 8704712, 3503011, 3503008, 38 Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	503005, Well will be noted in DMR.)
Will closed loop system be used? No	<b>Hecerago</b>
Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air	0.0.2/94
-If oil based, what type? Synthetic, petroleum, etc.	AUG 2 9 2014
Additives to be used in drilling medium? Soap, KCl, or Clay Stay	s all and Gos
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in pit	CHICO AT LAI BITO CITE
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust)	
-Landfill or offsite name/permit number?	
I certify that I understand and agree to the terms and conditions of the GENERAL WA on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environme provisions of the permit are enforceable by law. Violations of any term or condition of the golaw or regulation can lead to enforcement action.  I certify under penalty of law that I have personally examined and am familiar wit application form and all attachments thereto and that, based on my inquiry of those individualining the information, I believe that the information is true, accurate, and complete. I penalties for submitting false information, including the possibility of fine or imprisonment.  Company Official Signature  Company Official Title Executive Vice President	ental Protection. I understand that the eneral permit and/or other applicable the the information submitted on the viduals immediately responsible f
Company Official Trite	MOTARY PU JOAN State Commission
1 4 a	0 <u>1 4</u> y Public 10/03/20 14

Operator's Well No. HR-503

Proposed Revegetation Treatme	ent: Acres Disturbed 0.9	6 Prevegetation	<sub>pH</sub> 5.5
Lime 3	Tons/acre or to correct to	CF	p
Emile		-	
Fertilizer (10-20-20 or		lbs/acre (500 lbs minimum)	
Mulch	er (Paper at 1600 lbs/acre)_To	ns/acre	
		Seed Mixtures	
Area			Area II
Red Top	lbs/acre 15	Red Top	lbs/acre 15
Orchard Grass	25	Orchard Grass	25
Perennial Rye/Crimson	Red Clover 25 Each	Perennial Rye/Crimsor	n Red Clover 25 Each
Annual Rye	40	Annual Rye	40
Attach: Drawing(s) of road, location,pit Photocopied section of involved		application.	
Plan Approved by:  Comments:	Sediment Sorcless	protection at	All times
Plan Approved by:  Access	Sediment Sorcless	protection at	All times No movemen
Plan Approved by:  Access	Sediment Sorcless	protection at	AUG 29 20







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#### ROAD PROFILE

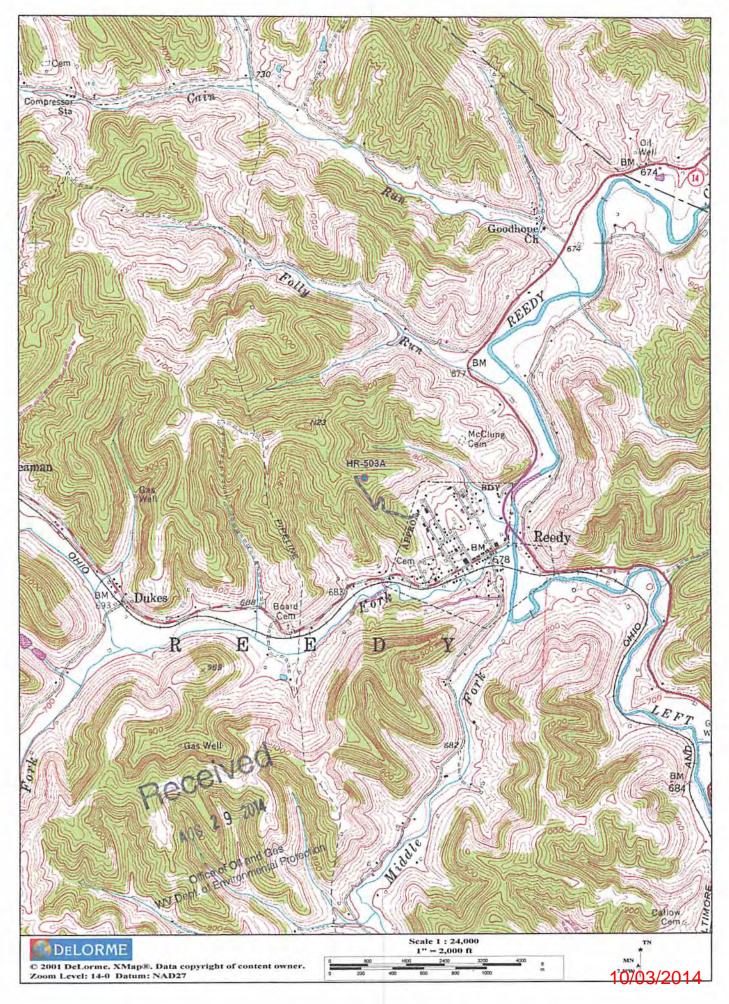
HARD ROCK EXPLORATION
PROPOSED WELL # HR-503A
REEDY DISTRICT, ROANE COUNTY
REEDY QUAD, WV 7.5'

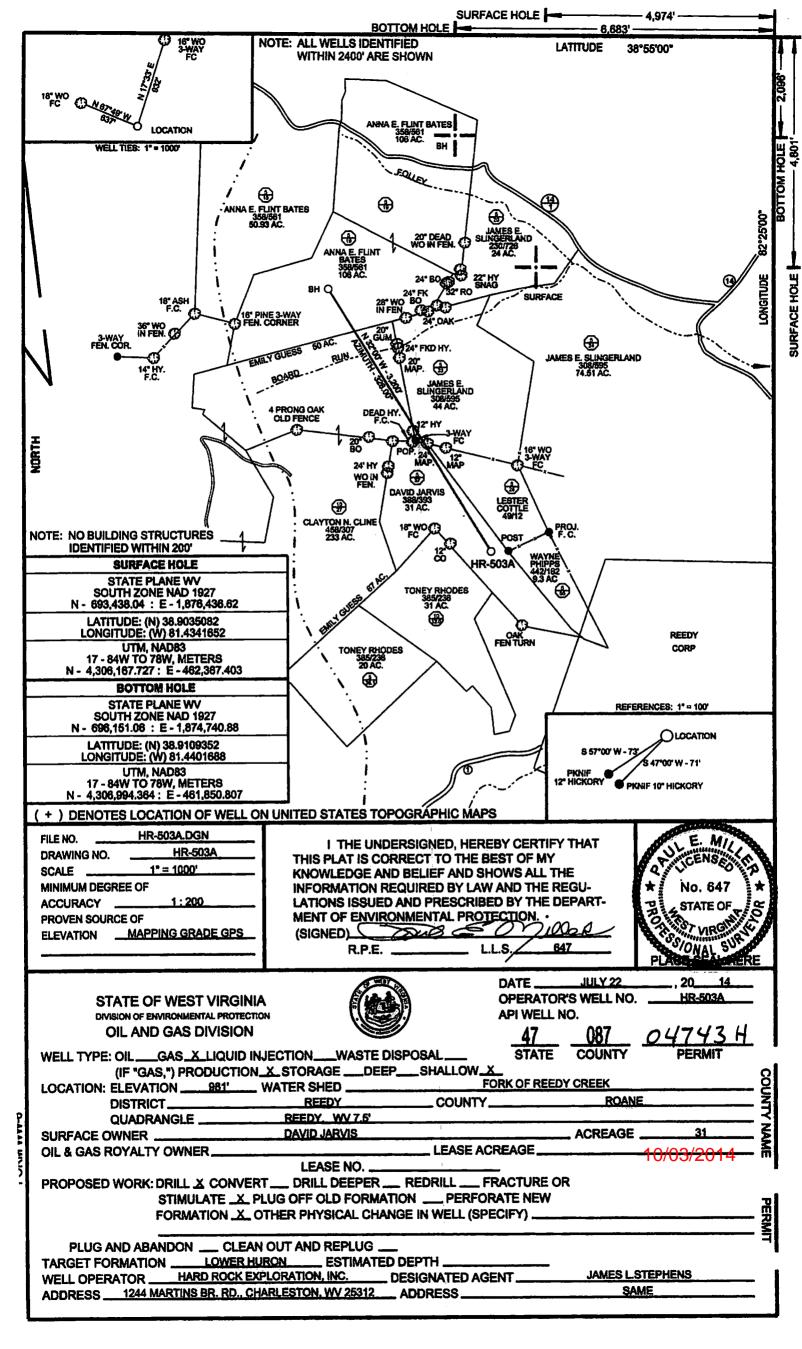
JULY 22, 2014

TRUE LINE SURVEYING 6211 FAIRVIEW DR. HUNTINGTON, VV 25705



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HARDROCK EXPLORATION

Hard Rock Consulting, LLC

Hard Rock Land Services, LLC

CK# 0000 ZZ

August 6, 2014

Mr. Gene Smith
West Virginia Department of Environmental Protection
601 57<sup>th</sup> Street SE
Charleston, West Virginia 25304
Received

RE: Permit for well HR-503

AUG 2 9 2014

Dear Gene:

Office of Oil and Gas

I am writing regarding fresh water casing protection for the above referenced well. Hard Rock Exploration respectively request this permit be issued allowing a deeper string of fresh water protection.

The new emergency rules act as a blanket policy and does not take several factors into consideration. The primary issue is that a lot of wells in the state of West Virginia are drilled on air, and the majority of operators with air drilling operations work diligently to reduce the amount of water in their operations. The new guidelines appear to be focused on fluid drilling and do not take into account wells being drilled on air. Our request is based on what we consider to be better engineering practices for air drilling operations.

The proper placement of the casing shoe must be considered; Hard Rock wants the ability to place the casing shoe in a rock, which has the mechanical integrity to ensure a proper seal at the casing shoe. If we follow the "new guidelines" most of the wells in our operational area would have the casing shoe placed in a red rock section and we would run casing 100 feet below the Pittsburgh Sand. Red rock has been proven to be a formation that is not stable with drilling operations; the rock is sensitive to time and the fluids that are produced from the intermediate hole. When the red rock is not covered we have seen sloughing and wash-outs during drilling operations.

Our proposed fresh water protection string set just above elevation does three things to ensure protection of fresh water and the minimization of pit fluids:

- (1) It limits the time exposure on the fresh water aquifer and adds only a few hours of air drilling to the well.
- (2) With the minimal time exposed and a casing shoe located in a mechanically sound rock it will ensure the cement will seal and form a good compressive barrier to future drilling operations.

(3) The last item, which is overlooked by the new standards, is pit volumes. The proposed fresh water casing placement will allow the majority of the 8 3/4 hole to be drilled on air. Using this method will permit Hard Rock to reduce fluids for drilling and decrease pit water volumes.

We also request that a cement record log from a cement service company be filed with our WR-35. We think that failure of either the cement quality or circulation should be a good measure of when to require additional logging and most fresh water protection strings are witnessed by the State Oil and Gas inspector for verification of a good cement job. Running a bond log under pressure should only be done if a known problem exists; the pressuring up of the casing string is detrimental to the newly established cement and could cause a micro-annulus problem. In addition, bond logs ran at the shallow depths with large internal diameter casings are very inaccurate if not ran under pressure. I think that the cement record log and the circulation of cement at surface will satisfy the "new guidelines'.

I hope this request is considered and permits are issued in the very near future.

Sincerely,

James L. Stephens

President

Cc: Monica Stephens

Ron Crites

Received