

#### 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 18, 2014

### WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8704748, 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.

James Martin

Chief

Operator's Well No: CHARLES MCGRAW 205

Farm Name: SNODGRASS, REVA ET AL

API Well Number: 47-8704748 Permit Type: Vertical Well

Date Issued: 11/18/2014

#### 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. <u>Failure to adhere to the specified permit conditions may result in enforcement action.</u>

#### **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 NT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

\ \A/-II Operator	HGE	nergy, LL	C	494497948	Roane	Smithfield	Looneyville
) Well Operator:	, HGE	iergy, L	-0	Operator ID	County	District	Quadrat
) Operator's We	eli Numbe	r: <u>Charle</u>	s McGraw 205		3) Elevation:	1110'	
) Well Type: (a)	Oil_X_	or Gas	X				
(b)	If Gas:	Produc	tion <u> </u>			-	
		Deep		nallow X			2142 IVO 2230 IMD
5) Proposed Tar 6) Proposed Tot 7) Approximate t 8) Approximate s	ar Depth. fresh wate	er strata	depths: 400'	Formation at F	Proposed Tar Proposed Tota	get Depth:E	Big Injun
Approximate							-
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Depths Set

WW-	2A
(Rev.	6-14)

1). Date: October 21, 2014

2.) Operator's Well Number

Charles McGraw 205 Permit

County State

3.) API Well No .:

47-Roane

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

4) Surface Ow	ner(s) to be serve	ed:	5) (a) Coal Operator			
(a) Name	Reva Snodgra	iss /	Name			
Address	3740 Tranquil	ity Drive	Address			
43.500.440	Melbourne, FL	32934				
(b) Name	- Indiadalitia		(b) Coal Owner(s	) with Decla	ration	
Address			Name	V		
Addicoo			Address			
7.941			Name			
(c) Name			Address			
Address			Address			
6) Inspector	Ed Gainer		(c) Coal Lessee	with Declara	ition	
Address	P.O. Box 821		Name			
71001000	Spencer, WV	25276	Address			
Telephone	304-389-7582					
	TO THE	E PERSONS NAM	IED ABOVE TAKE N	IOTICE THA	AT:	
Included is the	he lease or leases	or other continuing	contract or contracts by	which I hold	the right to e	xtract oil and gas
OR						
Individual in the	he information requ	ired by Chapter 22,	Article 6, Section 8(d)	of the Code of	of West Virgin	ila (see page 2)
1	that as required ur	der Chanter 22-6	of the West Virginia Co	ide i nave se	erved copies	of this house and
application, a loc	cation plat, and acco	ompanying docume	nts pages 1 through	on the above	ve named pa	rties by:
500000000000000000000000000000000000000	Personal Ser	rvice (Affidavit attac	ned)			
	Certified Mai	I (Postmarked posta	al receipt attached)			
	Publication (	Notice of Publication	n attached)	to Marchan	a and sond	tions of any permit
		Chapter 22-6 and	35 CSR 4, and I agree	e to the term	is and condi	tions of any permit
issued under this	s application.	Control of Water and as		m familiar wit	h the inform	ation submitted on
I certify	under penalty of la	w that I have perso	onally examined and ar	n laitillai wii	als immediat	ely responsible for
this application t	form and all attach	that the information	is true, accurate and co	omplete.	ale miniegies	
obtaining the into	ormation, I believe	ignificant nenalties	for submitting false info	ormation, incl	uding the po	ssibility of fine and
imprison Recei	ived	ngrimoarit periotico	tor basining in a	10:1: (A) (A) (A) (A)		eceived
Office of C	NI 9 Gae	Well Operator	HG Energy, LLC	-		COCION A
Office of C	m & Clas	By:	Diane White D	iane wh	ite	
OCT 29	2014		Agent			OCT 2 9 2014
00120	LOTT	Address:	5260 Dupont Road	i		001 2 0
			Parkersburg, WV 2	26101		
		Telephone:	304-420-1119			Office of Oil and Gas
		Email:	dwhite@hgenergyl	lc.com	WV Der	of Environmental Protection
Subscribed and	sworn before me th	is 21 day of	October		2014	
-t	- , 4h	160				
1	111/11	400	S Synd	Notary Pu		IAL SEAL
My Commission		100 12,00	8	Carrie Car	NOTAR	TY PUBLIC
Oil and Gas Privacy	y Notice		}	學為園	STATE OF V	VEST VIRGINIA PETHTEL
The Office of Oil an	d Gas processes your	personal information,	such as name, address and	d phone member	er, as a part chi	guryregulatory duties.

Your personal information may be disclosed to other State agencies or third parties in the normal course of business on business of busine 11/21/2014 depprivacyofficer@wv.gov CK Z818 \$65000

9756	(Domestic Mail C	D MAIL™ RECEIPT only; No Insurance Coverage Provided)
П.,	For delivery inform	ation visit our website at www.usps.com
ED.	OFF	ICIAL USE
9059	Postage	
1000	Certified Fee  Return Receipt Fee (Endorsement Required)	Pristrank Here
2630	Restricted Delivery Fee (Endorsement Required)	1 20 Ja
	Total Postage & Fees	\$ CM 205
7013		a Snodgrass to Tranquility Dr
	City, State, ZIP+4	elbourne FL 32934
	PS Form 3800, August 20	See Reverse for Instructions

Received
Office of Oil & Gas
OCT 29 2014

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

O	perator'	s	Well	Number	Charles	McGraw 205

# 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

<sup>-</sup> 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 hereby 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 authority before the affected activity is initiated.

Received		Diane White	
Office of Oil & Gas	Well Operator:	HG Energy, LLC	
OCT 29 2014	By:Its:	Diane White, Agent	
UC 1 4 3 2014			

WW-	2A	1
(Rev	l/l	1)

Operator's Well No.	Charles McGraw 205
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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 Received Office of Oil & Gas

OCT 29 2014

Well Operator:	HG Energy, LLC		
By:	Diane C. White	Diane	white/2014
Its:	Accountant		1 1/2 1/201-

WW-2B1 (5-12) Well No. Charles McGraw 205

### 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		Sturm Environmental Lab
Sampling Cont	ractor	Sturm Environmental Lab
Well Operator	HG Energy, L	LC
Address	5260 Dupont	Road
	Parkershurg	WV 26101
	i aincisbuig,	

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
Office of Oil & Gas

OCT 29 2014

#### WW-2B1 Page 2/2\_

#### WATER SUPPLIES TO BE TESTED

S.B. KINKEAD NO. 104 1 CHAMES McGMN 205

John R. McCLain

41 Clay Road

Spencer, WV 25276

MUST TEST ONE SOURCE SPUDDING.

Holly Cottrell

89 Edgle Fork

Spencer, WV 25276

James Shamblin

4292 Clay Road

Spencer, WV 25276

Reva Snodgrass

3740 Tranquility Drive

Melbourne, FL 32934

Caroline Miller

4326 Clay Road

Spencer, WV 25276

WW-9 (5/13)

	Pa	igc	of	
API Number 47 -		-		
Operator's	Well No.	Charles McC	3raw 205	

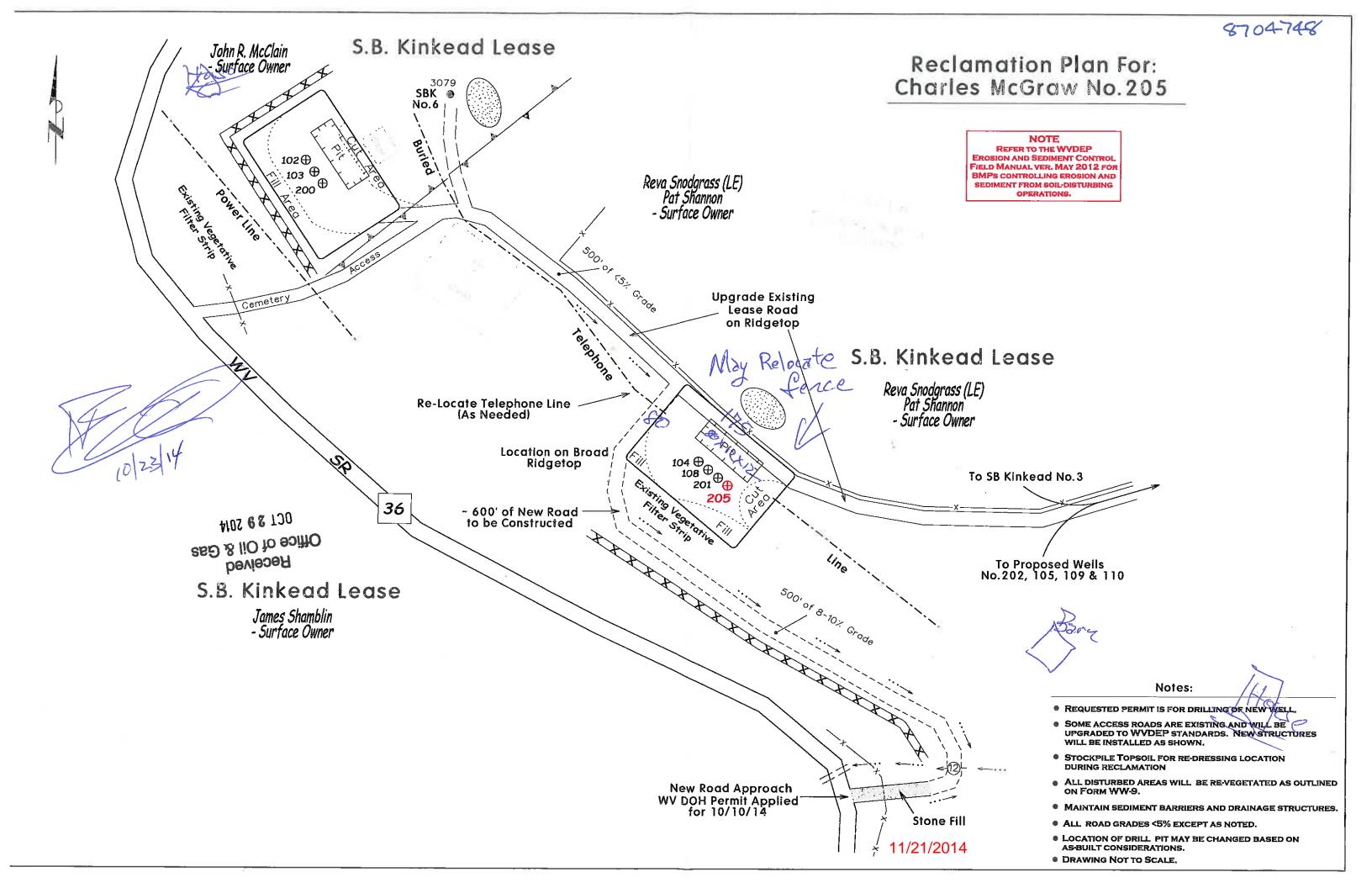
## STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

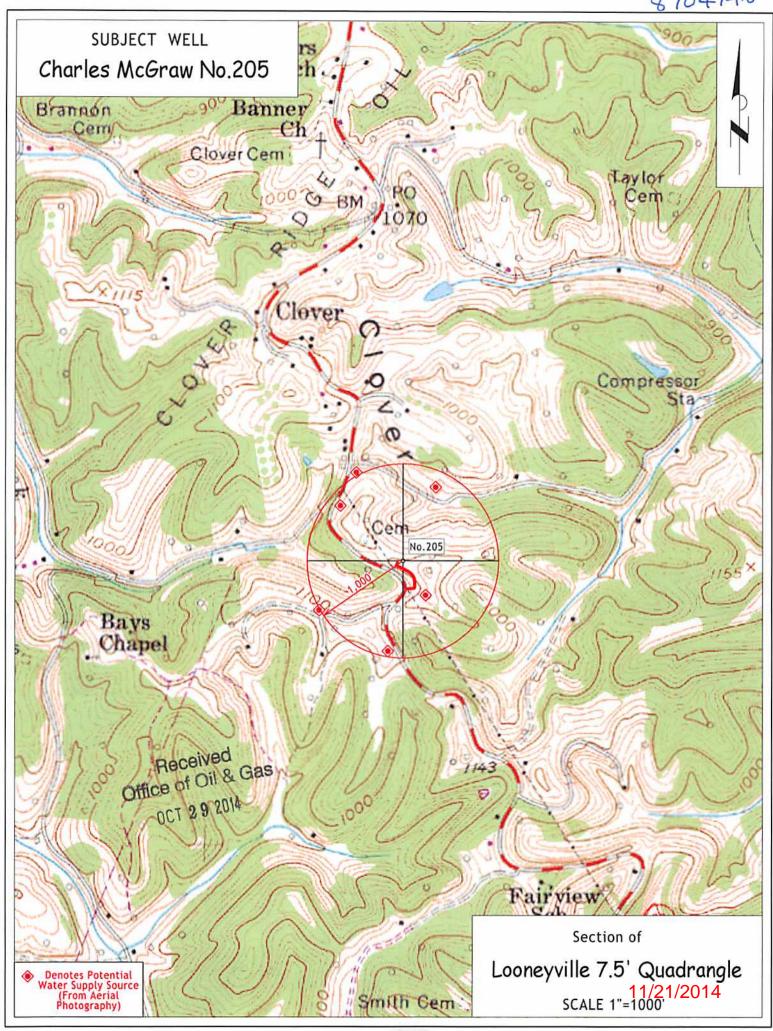
### FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

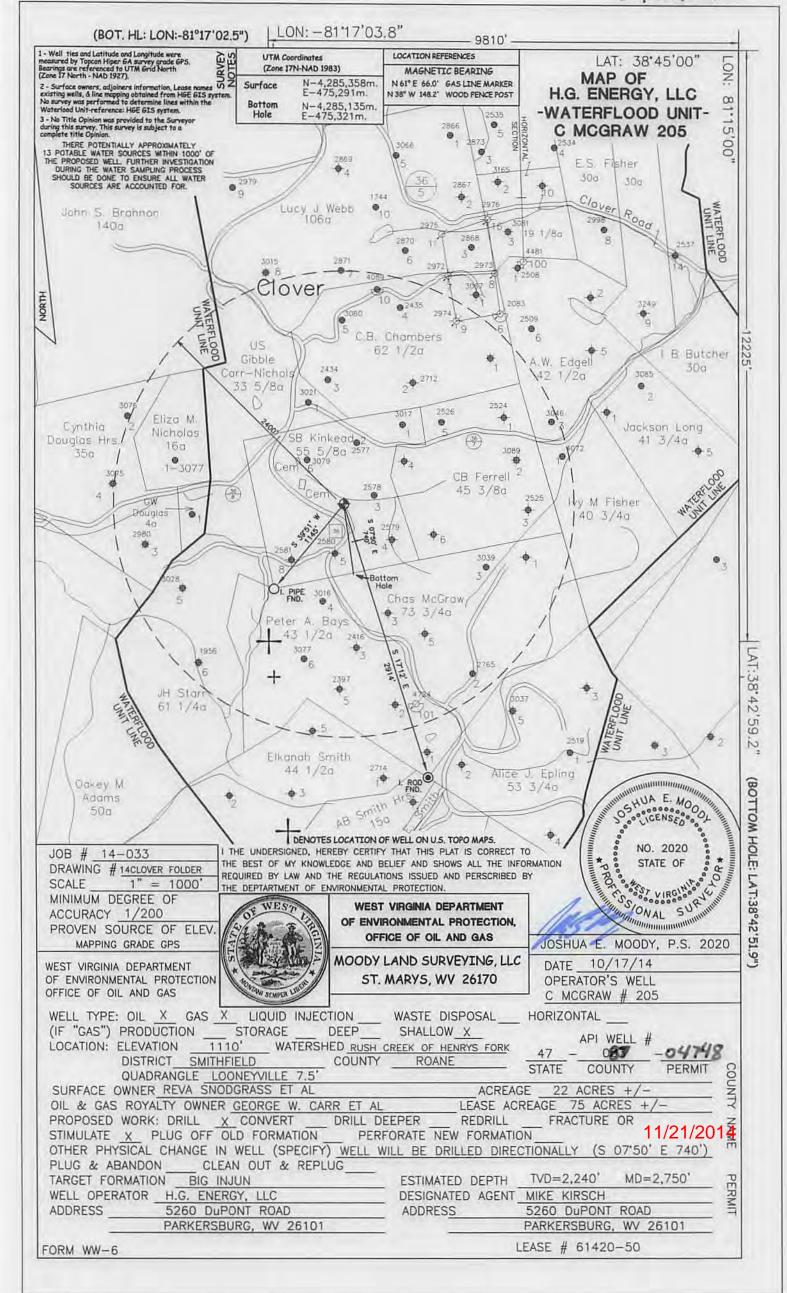
perator Name_ HG Energy, L	LC	OP Code _494497948	
	Creek Q		
	County Roane		
Vill a pit be used for drill cutti	han 5,000 bbls of water to complete the ings? Yes X No No anticipated pit waste: Fluids encounted be used in the pit? Yes X No _	ered while drilling subject well	
Proposed Disposal M	ethod For Treated Pit Wastes:		
Lan Und	d Application lerground Injection (UIC Permit Num use (at API Number Site Disposal (Supply form WW-9 for user (Explain	disposal location)	
Will closed loop system be us			
Dritting medium anticipated f	or this well? Air, freshwater, oil based,	etc. Air, Fresh Water	
-If oil based, what ty	pe? Synthetic, petroleum, etc. NA		
A delicious to be used in drillin	g medium? Water, soap, KCI		
Dell auttings disposal method	1? Leave in pit, landfill, removed offsit	e, etcLeave in pit	
art no contratata	to colidify what medium will be used	(cement, lime, sawdust) Nauve son	, cement, mile
J andfill or offsite n	ame/permit number?		
on August 1, 2005, by the Of provisions of the permit are law or regulation can lead to I certify under pen- application form and all at	tachments thereto and that, based on believe that the information is true, information, including the possibility of the possib	term or condition of the general per mined and am familiar with the inf my inquiry of those individuals in accurate, and complete. I am away of fine or imprisonment.	rmit and/or other applicable formation submitted on this manediately responsible for the that there are significant Received ffice of Oil & Gas
Company Official (Typed N	Jame) Diane White		OCT 29 2014
Company Official Title	Agent		
		- The same of the	OFFILING STAL
Subscribed and sworn before  My commission expires	10 6-16	ber San Andrew Printer	NOTARS PUREIC STATE OF WEST VIRGI TINA L PETHTEL HG Energy, LLC 5260 Outpoin Road Parkersburg West Virginia 26

I D	wants Agenc Disturb	1.7 8	acres Prevegeta	tion pH	
Proposed Revegetation Treatm	D Tanahara ar ta	cu			
Lime	Tons/acre or to	-00			
Fertilizer (10-20-20	or equivalent)	108/40	ere (500 lbs minimum)		
Mulch Straw		2Tons/acr	e		
		Seed 1	Mixtures		
Are	ea I			Area II	
Seed Type	lbs/acre		Seed Type		lbs/acre
Tall Fescue	40		Tall Fescue		40
Ladino Clover	5		Ladino Clover		5
			•		
Attach: Drawing(s) of road, location, Photocopied section of invol			cation.		
Drawing(s) of road, location, Photocopied section of invol-			2 0		
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Received Office of Oil & Gas OCT 29 2014









HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax

Received Office of Oil & Gas 0CT 2 9 2014

October 21, 2014

Mr. Jeff McLaughlin West Virginia Department of Environmental Protection Division of Oil & Gas 601 57th Street Charleston, West Virginia 25304

RE: Charle

Charles McGraw No. 205

Smithfield District, Roane County

West Virginia

Dear Mr. McLaughlin:

Enclosed are the Forms WW-2A, WW-2A (1), WW-2B, WW-9, WW-2(B1), mylar of plat, reclamation plan, topo map and copy of the certified mailing receipt for a permit to drill the above-captioned shallow, producing well. Our check in the amount of \$650 is attached.

If you have any questions regarding this application, please call me at 304-420-1119.

Very truly yours,

Diane C. White

Diane White

Enclosures

cc:

Reva Snodgrass - Certified Ed Gainer - Inspector

Received

OCT 29 2014

Office of Oil and Gas
WV Dept. of Environmental Protection