



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

March 31, 2015

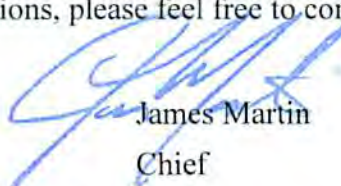
WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-8704768, 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: G.W. SMITH 123
Farm Name: WYROSTOK, CHARLES A JR.
API Well Number: 47-8704768
Permit Type: Secondary Recovery Well
Date Issued: 03/31/2015

Promoting a healthy environment.

04/03/2015

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.

7014 0510 0000 4074 9085

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com
 OFFICIAL USE
 SPENCER WV 26276
 PS Form 3800, August 2006 See Reverse for Instructions

Sent to: Charles Wyrostok
 Street Apt. No. or PO Box No.: 230 Griffith Run Road
 City, State, ZIP+4: Spencer WV 26276

| | | | |
|--|----|--------|---------------|
| Postage | \$ | \$1.40 | 0777 |
| Certified Fee | \$ | \$3.30 | 13 |
| Return Receipt Fee (Endorsement Required) | \$ | \$2.70 | Postmark Here |
| Restricted Delivery Fee (Endorsement Required) | \$ | \$0.00 | |
| Total Postage & Fees | \$ | \$7.40 | 01/20/2015 |

GWS 123

2918
 55-250/442 02
 DATE 1-21-2015

HG ENERGY, LLC 03-11
 304-422-6565
 5260 DUPONT RD
 PARKERSBURG, WV 26101

PAY TO THE ORDER OF WV D.E.P. \$ 650.00

Six Hundred Fifty Dollars and 00/100 ----- DOLLARS

Peoples BANK
 Working Together. Building Success.
 800.374.6123
 peoplesbancorp.com

FOR Permit - G W Smith No. 123

Ben C. Helder

87047685

RECEIVED
Office of Oil and Gas

FEB 06 2015

WV Department of
Environmental Protection

WW-2B1
(5-12)

Well No. GW Smith 123

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
Sampling Contractor Sturm Environmental

Well Operator HG Energy, LLC
Address 5260 Dupont Road
Parkersburg, WV 26101
Telephone 304-420-1119

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 underlining 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.

Surface Owners With Water Sources Identified for Sampling / Analysis

* James Cale
4638 Clay Road
Spencer WV 25276

* Anthony Hofstad
431 Main Street
Spencer WV 25276

* Brenda Chadwell
4580 Clay Road
Spencer WV 25276

SEE
TOPO MAP

RECEIVED
Office of Oil and Gas
FEB 06 2015
WV Department of
Environmental Protection
04/03/2015

SECRET

CONFIDENTIAL - SECURITY INFORMATION

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The following information was obtained from a confidential source who has provided reliable information in the past. It is being provided to you for your information only. It is not to be disseminated outside your agency.

The source has advised that the following information was obtained from a confidential source who has provided reliable information in the past. It is being provided to you for your information only. It is not to be disseminated outside your agency.

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CONFIDENTIAL - SECURITY INFORMATION

SECRET

CONFIDENTIAL - SECURITY INFORMATION

04/03/2015

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

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name HG Energy, LLC OP Code 494497948

Watershed Smith Run Quadrangle Looneyville 7.5'

Elevation 1178' County Roane District Smithfield

Description of anticipated Pit Waste: Fluids encountered while stimulating subject well

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

Will a synthetic liner be used in the pit? Yes. If so, what mil.? 20 mil

Proposed Disposal Method For Treated Pit Wastes:

- Land Application
- Underground Injection (UIC Permit Number 25-561)
- Reuse (at API Number _____)
- Off Site Disposal (Supply form WW-9 for disposal location)
- Other (Explain _____)

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

-If oil based, what type? Synthetic, petroleum, etc. NA

Additives to be used? Water, Soap, KCl

Will closed loop system be used? No

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 Native soil, cement, lime

-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 Diane White

FEB 06 2015

Company Official (Typed Name) Diane White

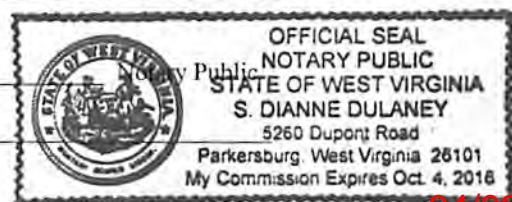
Company Official Title Agent

WV Department of
Environmental Protection

Subscribed and sworn before me this 20th day of January, 20 15

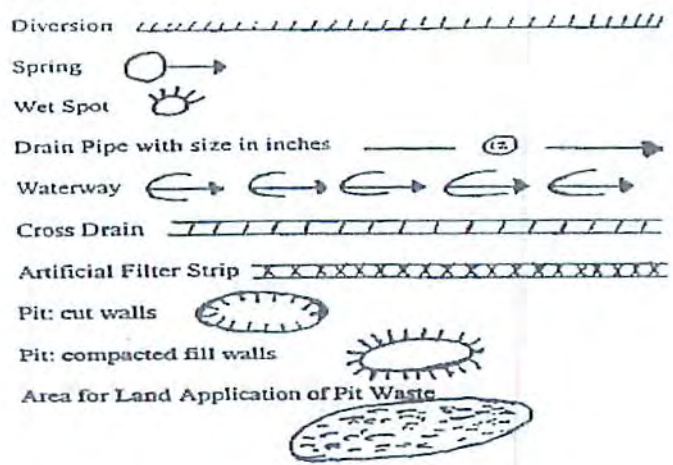
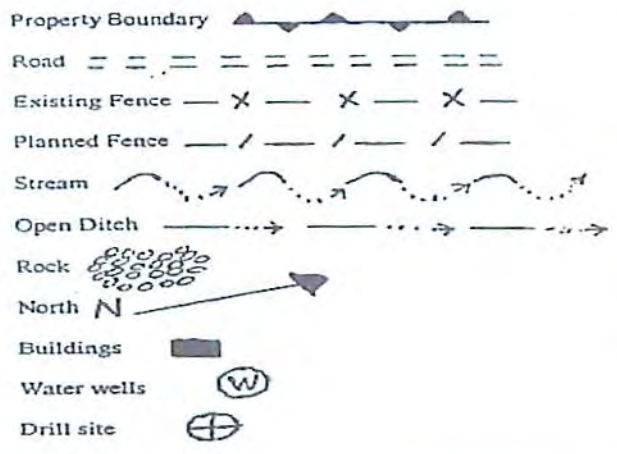
S. Dianne Dulaney

My commission expires Oct. 4, 2016



04/03/2015

LEGEND



Proposed Revegetation Treatment: Acres Disturbed 1.5 Prevegetation pH _____

Lime 3 Tons/acre or to correct to pH 6.5

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

Mulch Straw 2 Tons/acre

Seed Mixtures

| Seed Type | Area I | lbs/acre |
|---------------|--------|----------|
| Tall Fescue | | 40 |
| Ladino Clover | | 5 |

| Seed Type | Area II | lbs/acre |
|---------------|---------|----------|
| Tall Fescue | | 40 |
| Ladino Clover | | 5 |

Proper sediment control should be in place at all times.

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: _____

Title: Inspector

Date: 1/26/15

Field Reviewed? Yes No

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Environmental Protection
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FEB 08 2015

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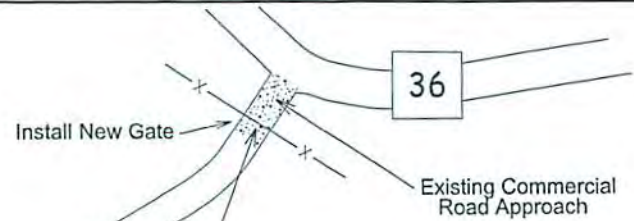
WVA DOCUMENTS

04/03/2015

Reclamation Plan For:

George W. Smith No. 123
Jonathan Smith No. 124
& A.J. Epling No. 214

NOTE
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMP'S CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.



NOTE:
Upgrade ~400' of existing access road.
Install new drainage and stone as needed.

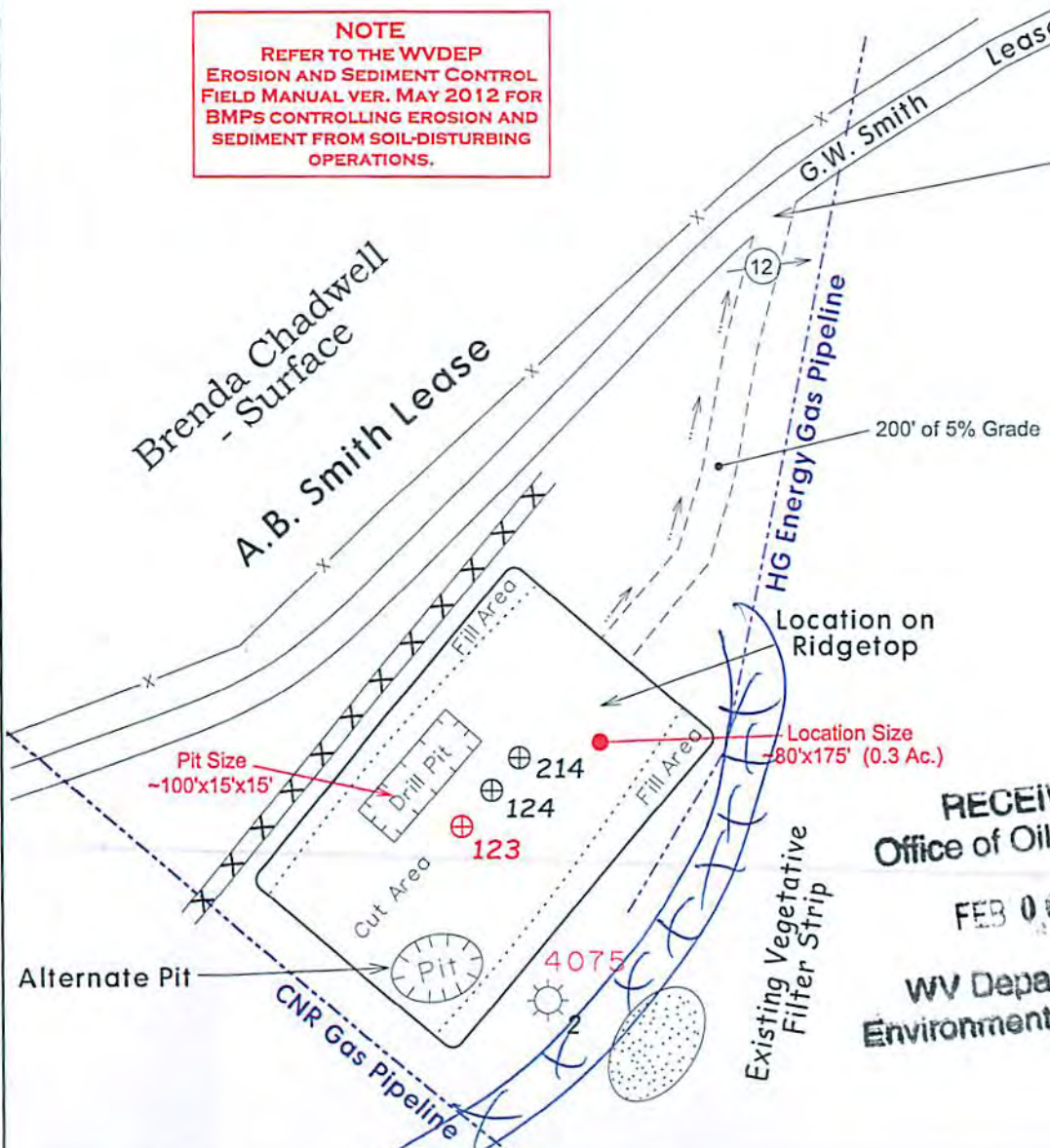
Handwritten signature and date:
1/26/15

George W. Smith Lease
Charles Wyrastok
- Surface

Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- SOME ACCESS ROADS ARE EXISTING AND WILL BE UPGRADED TO WVDEP STANDARDS. NEW STRUCTURES WILL BE INSTALLED AS SHOWN.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- WHERE POSSIBLE, OIL, GAS AND WATER PIPELINES AND ELECTRIC LINES WILL BE INSTALLED WITHIN ACCESS ROAD LOD'S UNDER THIS PERMIT
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <5% EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

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Office of Oil and Gas
FEB 03 2015
WV Department of
Environmental Protection



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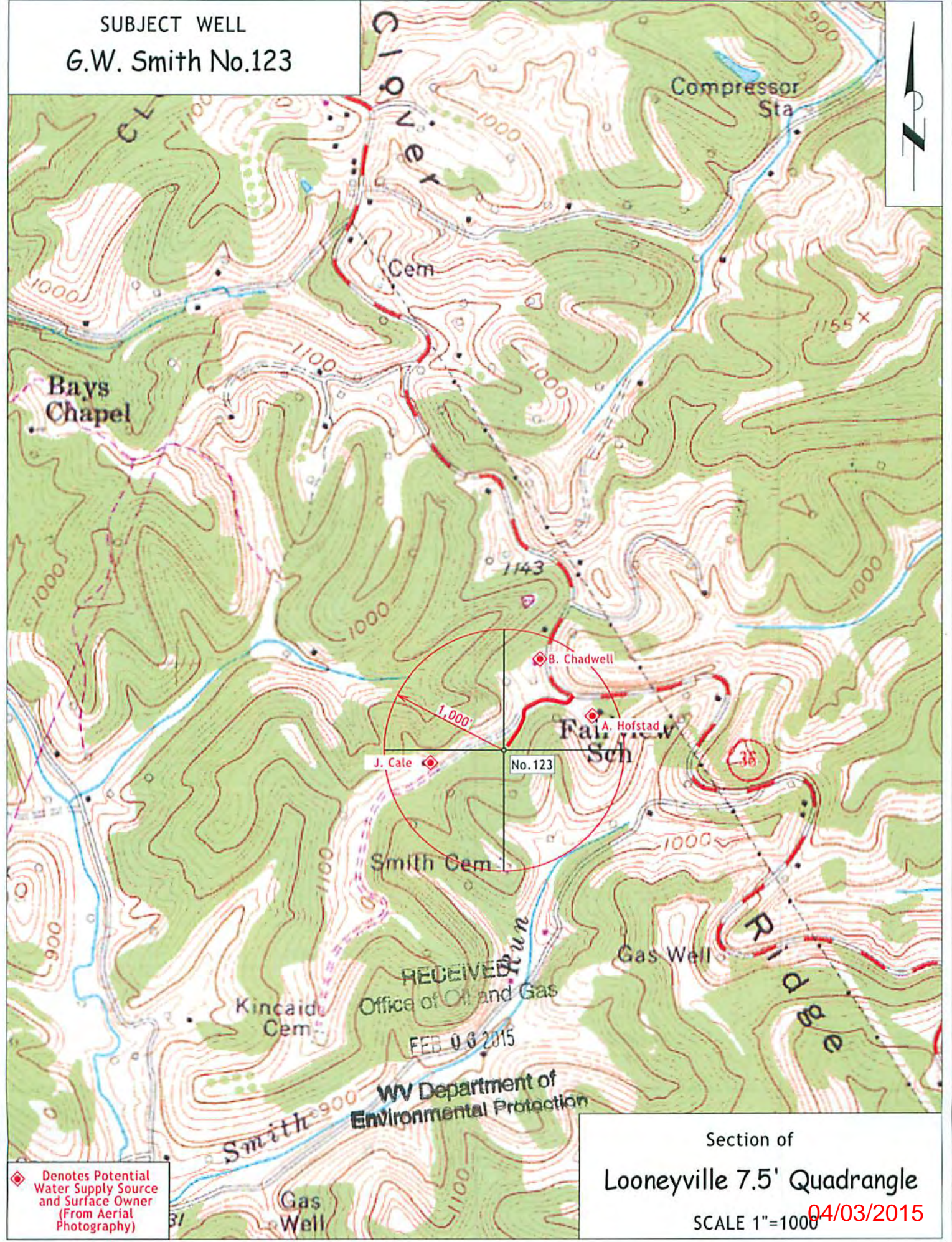
STATE OF CALIFORNIA
DEPARTMENT OF REVENUE
SANTA ANA

APR 03 2015

OFFICE OF THE ATTORNEY GENERAL
SANTA ANA

11

SUBJECT WELL
G.W. Smith No.123




◆ Denotes Potential Water Supply Source and Surface Owner (From Aerial Photography)

Section of
Looneyville 7.5' Quadrangle
SCALE 1"=1000' 04/03/2015

PARKERSBURG, WV 26101
 ADDRESS 5260 DUPONT ROAD
 H.G. ENERGY, LLC
 WELL OPERATOR
 TARGET FORMATION BIG INJUN
 PLUG & ABANDON CLEAN OUT & REPLUG
 OTHER PHYSICAL CHANGE IN WELL (SPECIFY)
 PERFORATE NEW FORMATION
 DRILL DEEPER REDRILL FRACTURE OR
 OIL & GAS ROYALTY OWNER ELIZABETH SPRIGG ET AL
 SURFACE OWNER CHARLES A. WYRSTOK JR.
 QUADRANGLE LOONEYVILLE 7.5,
 DISTRICT SMITHFIELD
 COUNTY ROANE
 LOCATION: ELEVATION 1178, WATERSHED SMITH RUN
 (IF "GAS") PRODUCTION DEEP SHALLOW
 WELL TYPE: OIL GAS LIQUID INJECTION X WASTE DISPOSAL HORIZONTAL
 OFFICE OF OIL AND GAS

PERMIT COUNTY NAME COUNTY PERMIT
 STATE COUNTY PERMIT
 DATE 12/15/14
 OPERATOR'S WELL G.W. SMITH # 123
 WEST VIRGINIA DEPARTMENT
 OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS
 MAPPING GRADE GPS
 PROVEN SOURCE OF ELEV.
 ACCURACY 1/200
 MINIMUM DEGREE OF
 SCALE 1" = 100'
 DRAWING # 14-COVER FOLDER
 JOB # 14-033

WEST VIRGINIA DEPARTMENT
 OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS
 MOODY LAND SURVEYING, LLC
 ST. MARYS, WV 26170



THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.
 REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PERSCRIBED BY
 THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION
 I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAN IS CORRECT TO
 DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.



- NOTES**
- 1 - Well size and latitude and longitude were measured by GPS (2nd order Mapping Grade) bearings are referenced as UTM Grid North (Zone 17 North - 14N 12S)
 - 2 - Surface owners and operators information obtained from the County Assessor's tax records.
 - 3 - This Opinion was provided for the purposes during this survey. This survey is subject to a complete title Opinion.
 - 4 - Existing well spots from HEC or Geac Tech, Inc. data.
- SHOULD BE DONE TO ENSURE ALL WATER SOURCES ARE ACCOUNTED FOR. THE PROPOSED WELL FURTHER INVESTIGATION DURING THE WATER SAMPLING PROCESS.

G.W. SMITH 123
 H.G. ENERGY, LLC
 MAP OF
 WATERFLOOD UNIT

UTM Coordinates (Zone 17N-14N 12S)
 Surface E-472,487m N-4,284,248m

MAGNETIC BEARING
 N 71° E 139.9' 12" MAPLE
 2.39° E 90.3' WEST G.W. SMITH # 5

LOCATION REFERENCES

LAT: 38°45'30"
 LON: 81°12'00"

04/03/2015

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Office of Oil and Gas



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

CK # 8704768S
2918
650.00

January 19, 2015

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

RE: G. W. Smith No. 123
Smithfield District, Roane County
West Virginia

Dear Mr. McLaughlin:

Enclosed are Forms WW-3A, WW-3B, WW-9, WW-3(B1), mylar of plat, reclamation plan, topo map and copies of the certified mailing receipts for a permit to drill an injection well. Also enclosed is our check in the amount of \$650.00 to cover the associated permit fees.

Very truly yours,

Diane White

Diane C. White

Enclosures

cc: Charles Wyrostok – Certified
Ed Gainer – Inspector

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Office of Oil and Gas

FEB 06 2015

WV Department of
Environmental Protection

04/03/2015