

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

Vertical Well

This permit, API Well Number: 47-8704777, 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.

Chief

Operator's Well No: C. MCGRAW 207

Farm Name: KING, WILLIE

API Well Number: 47-8704777
Permit Type: Vertical Well

Date Issued: 03/31/2015

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. <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.

04/03/2015

WW - 2B (Rev. 8/10)

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

1) Well Operato	or: HG	Energy, I	LLC	494497948	Roane	Smithfield	Looneyville 7.
	-			Operator ID	County	District	Quadrangle
2) Operator's V	Vell Numb	oer: Char	les McGraw 207		3) Elevation:	1057'	-
) Well Type: (a	a) Oil <u>X</u>	or Ga	S				
(i) If Gas:	Produ	ction/ Und	lerground Sto	rage		
		Deep	/ S	hallow X			
i) Proposed Ta i) Proposed To i) Approximate i) Approximate	otal Depth fresh wa	: 2610 TI iter strata		Formation at F	Proposed Tar Proposed Tota	get Depth: <u>*</u> al Depth: _Bi	g Injun
) Approximate	coal sea	m depths	s: NA				
0) Approximat	e void de	pths,(coa	al, Karst, other):	NA			
1) Does land	contain co	oal seam	s tributary to acti	ive mine?	NA		
			d fracturing methor I in the Big Injun				
3) TYPE S	2 17	A THE RESERVE AND ADDRESS OF THE PARTY OF TH	ASING AND TUE	BING PROGR FOOTAGE	AM INTERVALS	S CEME	ENT
4	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	u. Ft.)
Conductor	7"	LS ST&C	17#	500'	500'	Cement to	Surface
Fresh Water			*				
Coal							
Intermediate							
Production	4 1/2"	J-55	10.5#	2570'	2570'	RECEN	sks
Tubing					Of	fice of Oil a	and Gas
Liners		7				FEB 2 3	2015
Packers: Kind Size	-					VV Departr ronmental	

WW-2A	
(Rev. 6-14)	1). Date: <u>February 12, 2015</u>
(· · · · ·)	2.) Operator's Well Number Charles McGraw 207
	State County Permit
	3.) API Well No.: 47- Roane -
	o.j/allvoirto itodiio
	WEST VIRGINIA
	L PROTECTION, OFFICE OF OIL AND GAS
NOTICE AND APPLICATION	ON FOR A WELL WORK PERMIT
	(a) Coal Operator
(a) Name Richard Fisher	Name
Address 4513 Clay Road V	Address
Spencer, WV 25276	(b) Coal Owner(s) with Declaration
(b) Name Willie King	Name
Address 1090 Clover Road V	Address
Spencer, WV 25276	Address
(c) Name	Name
Address	Address
	. 1001 000
6) Inspector Ed Gainer	(c) Coal Lessee with Declaration
Address P. O. Box 821	Name
Spencer, WV 25276	Address
Telephone 304-389-7582	
TO THE PERSONS NAME	ED ABOVE TAKE NOTICE THAT:
	ntract or contracts by which I hold the right to extract oil and gas
OR	tiple 6. Section 9/d) of the Code of Most Virginia (see page 2)
x Included is the information required by Chapter 22, A	rticle 6, Section 8(d) of the Code of West Virginia (see page 2) the West Virginia Code I have served copies of this notice and
application, a location plat, and accompanying document	s pages 1 through on the above named parties by:
Personal Service (Affidavit attache	
X Certified Mail (Postmarked postal	
Publication (Notice of Publication	ettached)
	5 CSR 4, and I agree to the terms and conditions of any permit
issued under this application.	ally examined and am familiar with the information submitted on
this application form and all attachments, and that base	d on my inquiry of those individuals immediately responsible for
obtaining the information, I believe that the information is	true, accurate and complete.
	r submitting false information, including the possibility of fine and
Imprisonment. OFFICIAL SEAL	IG Energy, LLC
	Diane White Diane White
S. DIANNE DULANEY	
	260 Dupont Road
My Commission Expires Oct. 4, 2016	Parkersburg, WV 26101
	04-420-1119
	white@hgenergyllc.com February , 2015
Subscribed and sworn before me this 12 day of	DECEIVED
Deme Julou	Notary Public of Oil and Gas
My Commission Expires (201-1 20/6/	Office of Oil and Gas

Oll and Gas Privacy Notice

FEB 2 3 2015

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 of our regulatory requirements, including Freedom of Information Act requests. Our office Wint Paristal requirements information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

Environmental Protection 2015

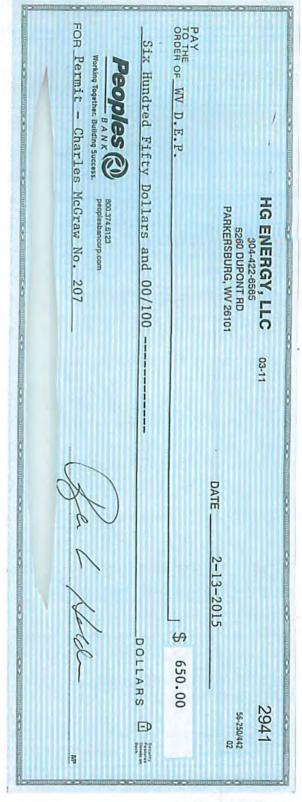
Oll and Gas Privacy Notice

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
5.20 DIANNE DULANEY
PARKETSLIG VEST VIRGINIA 2010
My COMMISSION Expires Oct 4. 2010



U.S. Postal Service CERTIFIED MAIL. RECEIPT 5484 (Domestic Mail Only; No Insurance Coverage Provided) 4074 RSBURG Postage 0510 0000 Certified Fee 3.30 Postmark Here Return Receipt Fee (Endorsement Required) 2.70 Restricted Delivery Fee (Endorsement Required) US Total Postage & Fees \$ 7.4/ CM 207 7014 Sent To Willie Kina Street, Apt. No.; or PO Box No. Road 1090 Clover City, State, ZIP+4 Spencer, WV 25274 PS Form 3800, August 2006

7 1 4 7	(Domestic Mail Or	MAIL _{TM} REC	verage Provided)	
2	For delivery Informa	tion visit our website at	www.usps.com	
-	OFF	ICIAL	USE	
4074	Postage	\$ 1.61	12 12	
	Certified Fee	3.30	Postmark	
	Return Receipt Fee (Endorsement Required)	2.70	Here	
	Restricted Delivery Fee (Endorsement Required)	18	STATE OF THE PARTY	
0570	Total Postage & Fees	\$ 7,61	CM ZC	7
7.4	Sent To Ri	chard Fishe	r et al.	,
7014	Street, Apt. No.; or PO Box No. 4	513 Clay Ro		/
	City, State, ZIP+4	encer, WV Z		(Table 1)
	PS Form 3800, August	2006	See Reverse for Instru	ctions



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Office of Oil and Gas

FEB 2 3 2015

WV Department of Environment 04/03/2015

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

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 I 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
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.

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 ackowledges 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 US Fish and Wildlife Service County Floodplain Coordinator

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Office of Oil and Gas

FEB 2 3 2015

Well Operator:	HG Energy, LLC WV Department of
Ву:	Diane C. White nvironmental Projection 3/2015
lts:	Accountant

WW-2A1 (Rev. 1/11)

Operator's Well Number Charles McGraw 207

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

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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

"See Attached Document for more detail"

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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
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the appropriate authority before a propriate authority befor

Well Operator: By: Its: Office of Oil and Gas

FEB 2 3 2015

Diane White, Agent

WV Department of Environmental Protection /2015



WW-2B1 (5-12)

Well No. Charles McGraw 207

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 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.

Surface Owners With Water Sources Identified for Sampling (Analysis:

Office of Oil and Gas

FFB 2 3 2015

WV Department of Environmental Protection

SEE TOPO MAP Spencer WV 25276

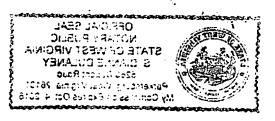
WW-9 (5/13)

	Page	of
API Number 47 -		
Operator's We	II No. Charles McG	raw 207

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_HG Energy,	LLC	OP Code 494497948
Watershed (HUC 10) Rush	Creek of Henrys Fork Q	Quadrangle Looneyville 7.5'
Elevation 1057	County Roane	District Smithfield
Will a pit be used for drill cu	than 5,000 bbls of water to complete the tings? Yes _ x _ No e anticipated pit waste: _ Fluids encoun	proposed well work? Yes No _x
	r be used in the pit? Yes X No	
	Method For Treated Pit Wastes:	
Ur Re Of	nd Application Inderground Injection (UIC Permit Numberse (at API Numberset) TSite Disposal (Supply form WW-9 for) There (Explain))
Will closed loop system be us	sed? No	
Drilling medium anticipated	for this well? Air, freshwater, oil based,	ctc. Air, Fresh Water
-If oil based, what ty	pe? Synthetic, petroleum, etc. NA	
	ng medium? Water, Soap, KCI	
		, etc. Leave in pit
		(cement, lime, sawdust) Native soil, cement, lime
		(cernent, fine, surroust)
on August 1, 2005, by the Of provisions of the permit are law or regulation can lead to I certify under pena application form and all attrobtaining the information, I penalties for submitting false Company Official Signature_	fice of Oil and Gas of the West Virginia lenforceable by law. Violations of any to enforcement action. alty of law that I have personally exam achments thereto and that, based on not believe that the information is true, ac information, including the possibility of Diane White	ons of the GENERAL WATER POLLUTION PERMIT issued Department of Environmental Protection. I understand that the erm or condition of the general permit and/or other applicable lined and am familiar with the information submitted on this my inquiry of those individuals immediately responsible for ecurate, and complete. I am aware that there are significant fine or imprisonment.
Company Official (Typed N		DOFFICIAL SEAL
Company Official Title As	me this 12th day of Februar	y Parkerston Viet of Aprile 26101 My Commission Expires Oct. 4, 2016
My commission expires	4.4, 50K	Notary Public WV Department of Environmental 6493349



roposed Revegetation Trea			рН
Lime	3 Tons/acre or to con	rrect to pH 6.5	
Fertilizer (10-20-20	or equivalent)5	100 lbs/acre (500 lbs minimum)	
Mulch Straw	2	Tons/acre	
		Seed Mixtures	
A.	rea I		Area II
Seed Type	lbs/acre	Seed Type	lbs/acre
Tall Fescue	40	Tall Fescue	40
adino Clover	5	Ladino Clover	5
ttach:			
Attach: Drawing(s) of road, location Photocopied section of invo	n,pit and proposed area fo	or land application.	
ttach: rawing(s) of road, location notocopied section of invo	n,pit and proposed area fo	or land application.	
ttach: brawing(s) of road, location hotocopied section of invo	n,pit and proposed area fo	or land application.	
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ttach: brawing(s) of road, location hotocopied section of invo	n,pit and proposed area fo	or land application.	
ttach: brawing(s) of road, location hotocopied section of invo	n,pit and proposed area fo	or land application.	
Attach: Drawing(s) of road, location Photocopied section of invo Plan Approved by: Comments:	n,pit and proposed area fo	or land application.	IRECEIVED

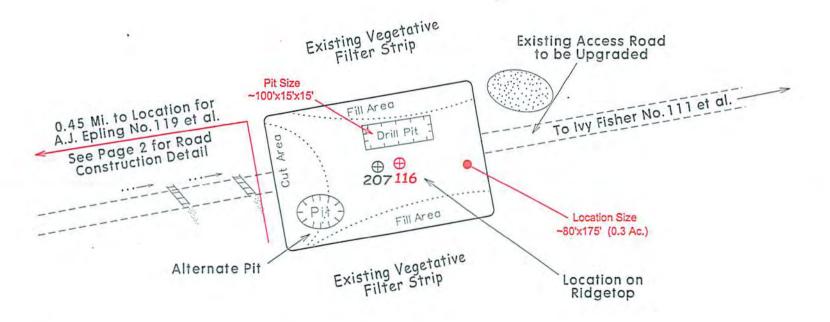
WV Department of Environmental Protection

Reclamation Plan For:

Charles McGraw No. 116 Charles McGraw No. 207







Environmental Protection WV Department of

2

Office REC

NOTE

MOTE
TREFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL FIELD MANUAL VER. MAY 2012 FOR BMPS CONTROLLING EROSION AND SEDIMENT FROM SOIL-DISTURBING OPERATIONS.

Ivy Fisher Lease

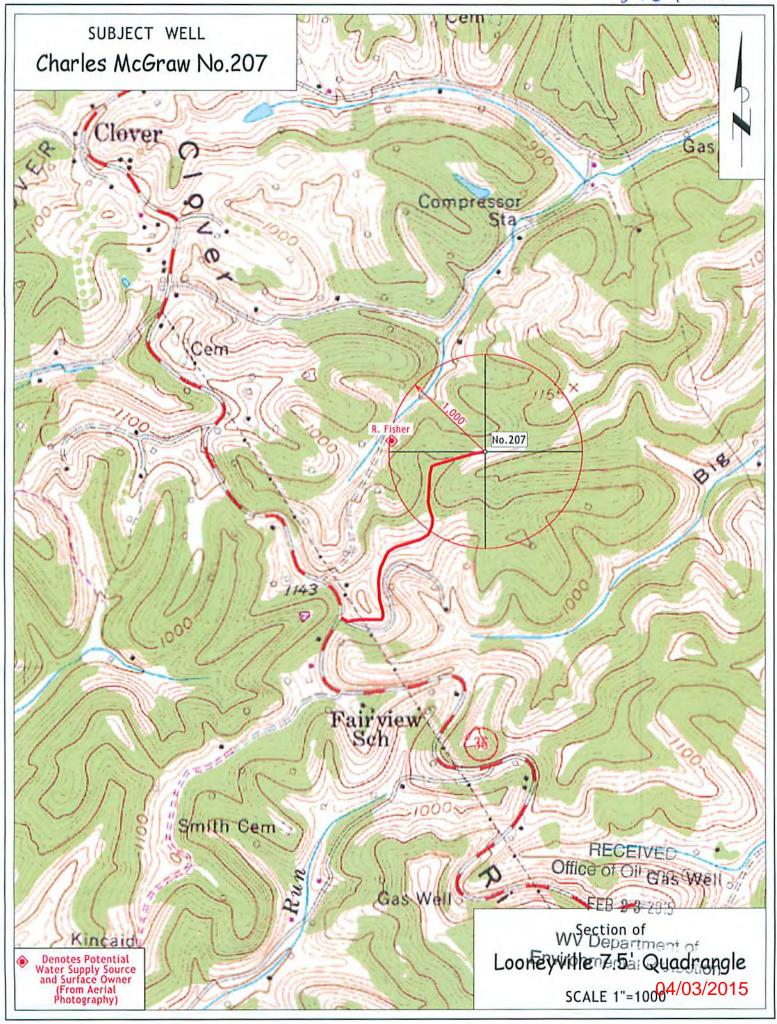
Willie King - Surface

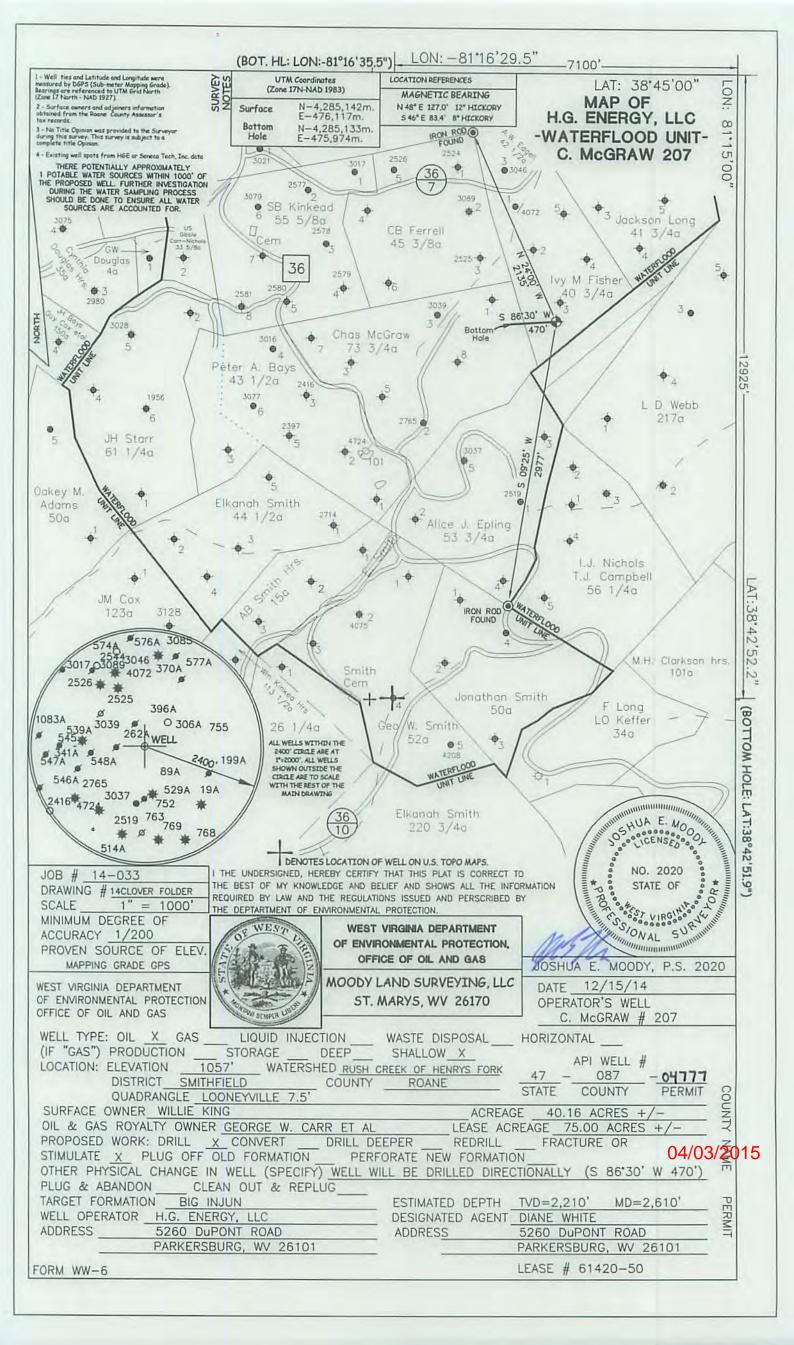
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- SOME ACCESS ROADS ARE EXISTING AND WILL BE UPGRADED TO WVDEP STANDARDS. NEW STRUCTURES WILL BE INSTALLED AS SHOWN.

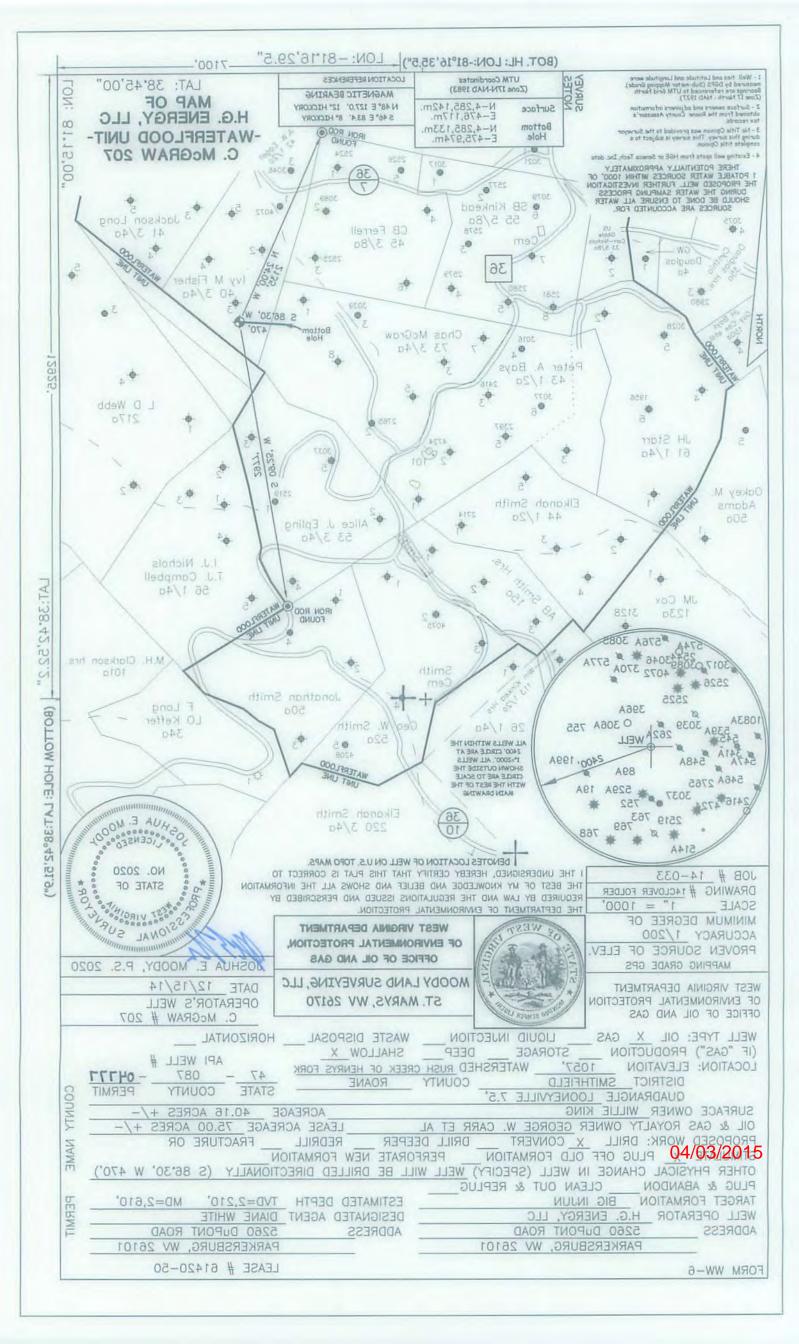
Notes:

- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- 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.

See Page 2 for Road to Additional Wells









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

CK 294/20)

February 12, 2015

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

RE: Charles McGraw No. 207

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 White

Diane C. White

Enclosures

cc: Richard Fisher - Certified

Willie King - Certified Ed Gainer - Inspector

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Office of Oil and Gas

FEB 2 3 2015

WV Department of Environmental Protection