



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 16, 2013

WELL WORK PERMIT

Fracture

This permit, API Well Number: 47-10301721, 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: L. S. HOYT 104
Farm Name: DALLISON LUMBER , INC.
API Well Number: 47-10301721
Permit Type: Fracture
Date Issued: 07/16/2013

Promoting a healthy environment.

07/19/2013

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. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
2. 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.

10301721-F

21-Oct-96
API# 47 -103- 1721

State of West Virginia
Division of Environmental Protection
Section of Oil and Gas

Well Operator's Report of Well Work

Company name: Dallison Lumber Company

Operator Well No.: L.S. Hoyt #104 Rev.

Location: Elevation: 1,370.00

Quadrangle: Pine Grove

District: Grant

County: Wetzel

Latitude: 8,200 Feet south of

39 Deg 37 Min 30 Sec.

Longitude: 7,500 Feet west of

80 Deg 37 Min 30 Sec.

Company: PENNZOIL PRODUCTS COMPANY
P.O. BOX 5519
VIENNA, WV 26105-5519

Operator: PHILIP S. ONDRUSEK

Inspector: Randal Mick

Permit Issued: 10/21/96

Work Commenced: 10/24/96

Work Completed: 12/5/96

Well plugging

Permit granted on:

Primary Cable Rig

Well Depth (feet) 3538'

Shallow water depths (ft) NA

Deep water depths (ft) NA

Coal being mined in area (Y/N) N

Well Depths (ft): 1216-1221

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
8-5/8"	1293'	1293'	580 Sacks
4 1/2"	3490.00'	3490.00'	275 Sacks
			<div style="border: 1px solid black; padding: 2px;"> RECEIVED Office of Oil & Gas Permitting APR 09 2003 WV Department of Environmental Protection </div>

NO FLOW DATA

*Well was drilled as a waterflood injection well. No open-flow data was obtained

*Well was drilled directionally N58-21E 653' to bottom hole.

Producing formation Gordon Pay zone depth (ft) 3418-3424

Gas: Initial open flow * MCF/d Oil: Initial open flow * Bbl/d

Final open flow * MCF/d Final open flow * Bbl/d

Time of open flow between initial and final tests * Hours

Static rock pressure * psig (surface pressure) after Hours

Second producing formation Pay zone depth (ft)

Gas: Initial open flow MCF/d Oil: Initial open flow Bbl/d

Final open flow MCF/d Final open flow Bbl/d

Time of open flow between initial and final tests Hours

Static rock pressure psig (surface pressure) after Hours

NOTE: ON BACK OF THIS FORM, BUT THE FOLLOWING: 1) DETAILS OF PERFORATED INTERVALS, FRACTURING
STIMULATING, PHYSICAL CHANGE, ETC. 2) THE WELL LOG WHICH IS A SYSTEMATIC DETAILED
LOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE.

JUN 26 2013

For: PENNZOIL PRODUCTS COMPANY

By: [Signature]

Date: 12/23/96

Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

Treatment: Perforations: 3424-3428 - 4 holes/ft. (16 Holes)
 Treatment: Treated via 4.5" Casing with 300 gals. 15% HCl, 136 bbls.
 Borate cross-linked gelled water and 12,500 lbs. of 20/40 sand.

Well Log: *Well was drilled directionally N58-21E 653' to bottom hole.
 All depths given below are measured depths.

Sand	0	-	36
Sand & Shale	36	-	1216
Pittsburg Coal	1216	-	1221
Sand	1221	-	1326
Shale	1326	-	1377
Sand	1377	-	1417
Sand & Shale	1417	-	2500
Big Injun	2500	-	2700
Shale	2700	-	3374
Gordon Stray	3374	-	3406
Shale	3406	-	3418
Gordon	3418	-	3424
Shale	3424	-	3538

Received

JUN 26 2013

Office of Oil and Gas
 WV Dept. of Environmental Protection

103-01721F



CONSOL Energy Inc.
Ohio Valley Operations
6126 Energy Road
Moundsville, WV 26041

phone: 304/843-3529
fax: 304/843-3546
e-mail: EricShereda@consolenergy.com
web: www.consolenergy.com

J. ERIC SHEREDA
Manager Engineering

July 2, 2013

Mr. James Martin
West Virginia Department of Environmental Protection
601 57th Street
Office of Oil & Gas
Charleston, West Virginia 25304

RE: HG Energy LLC Proposed L.S. HOYT 104, L.S. HOYT 105, L.S. HOYT 106, and
L.S. HOYT 108 Wells

Dear Mr. Martin,

RESERVE COAL PROPERTIES COMPANY does not object to the proposed well work for the above referenced wells. Attached are the signed coal waiver forms WW-2A approving the well work of the above referenced wells. If you have any questions or require additional information, please contact me at 304-843-3529.

Sincerely,


J. Eric Shereda
Manager Engineering

Received

Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

10301721F

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

County: Wetzel

Operator: HG Energy LLC

Operator's Well #: L.S. HOYT 104

INSTRUCTIONS TO COAL OPERATOR, OWNER, OR LESSEE

To the coal operator, owner, or lessee named on page WW2-A. You are hereby notified that any objection you wish to make or are required to make by Code 22-6-15, 16 or 17, must be filed with the Chief of the Office of Oil and Gas within fifteen (15) days after the receipt of this application by the Office.

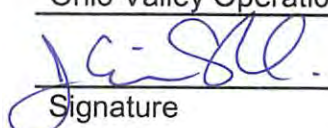
WAIVER

The undersigned coal operator _____ / owner X / lessee _____ / of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

RESERVE COAL PROPERTIES COMPANY approves and authorizes the well work represented by this well work application, provided that HG Energy LLC performs this work on the well located at the WV North NAD27 coordinates of North 403,613.940, East 1,675,511.015.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

		Company Name	RESERVE COAL PROPERTIES COMPANY		
Signature	Date	By	J. Eric Shereda		
		Its	Manager - Engineering		
			Ohio Valley Operations		
					
			Signature		Date
					7-20-2013

Received

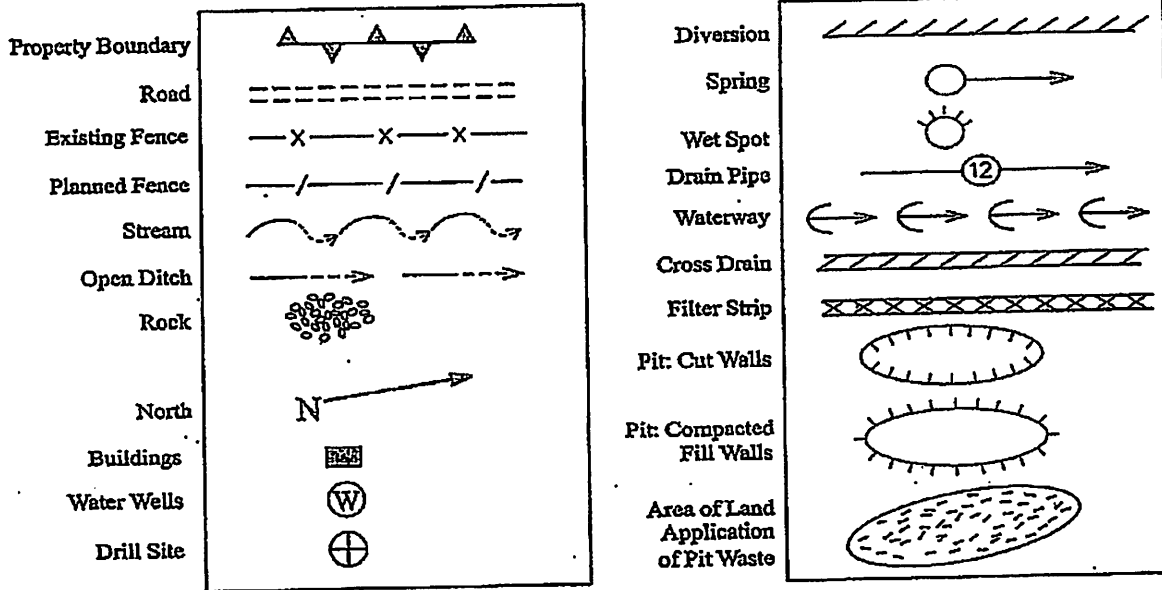
JUL 8 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

WW9-Back

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I Approx. 0.2 Ac. Prevegetation pH _____

Area II
Approx. 0.1 Ac.

Lime 2 Tons/Acre or Correct to pH 6.5
 Fertilizer (10-20-20 or Equivalent) 500 Lbs./Acre (500 lbs. Minimum)
 Mulch Straw 2 Tons/Acre

SEED MIXTURES

Area I (Location)	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

Area II (Road)	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

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: _____

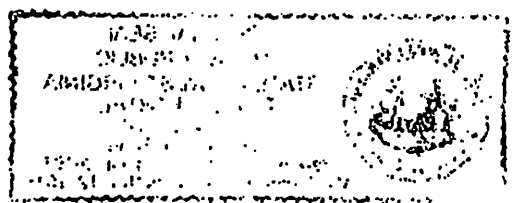
Title: Oil & Gas Inspector Date: 6-23-13

Field Reviewed? () Yes () No

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JUN 26 2013

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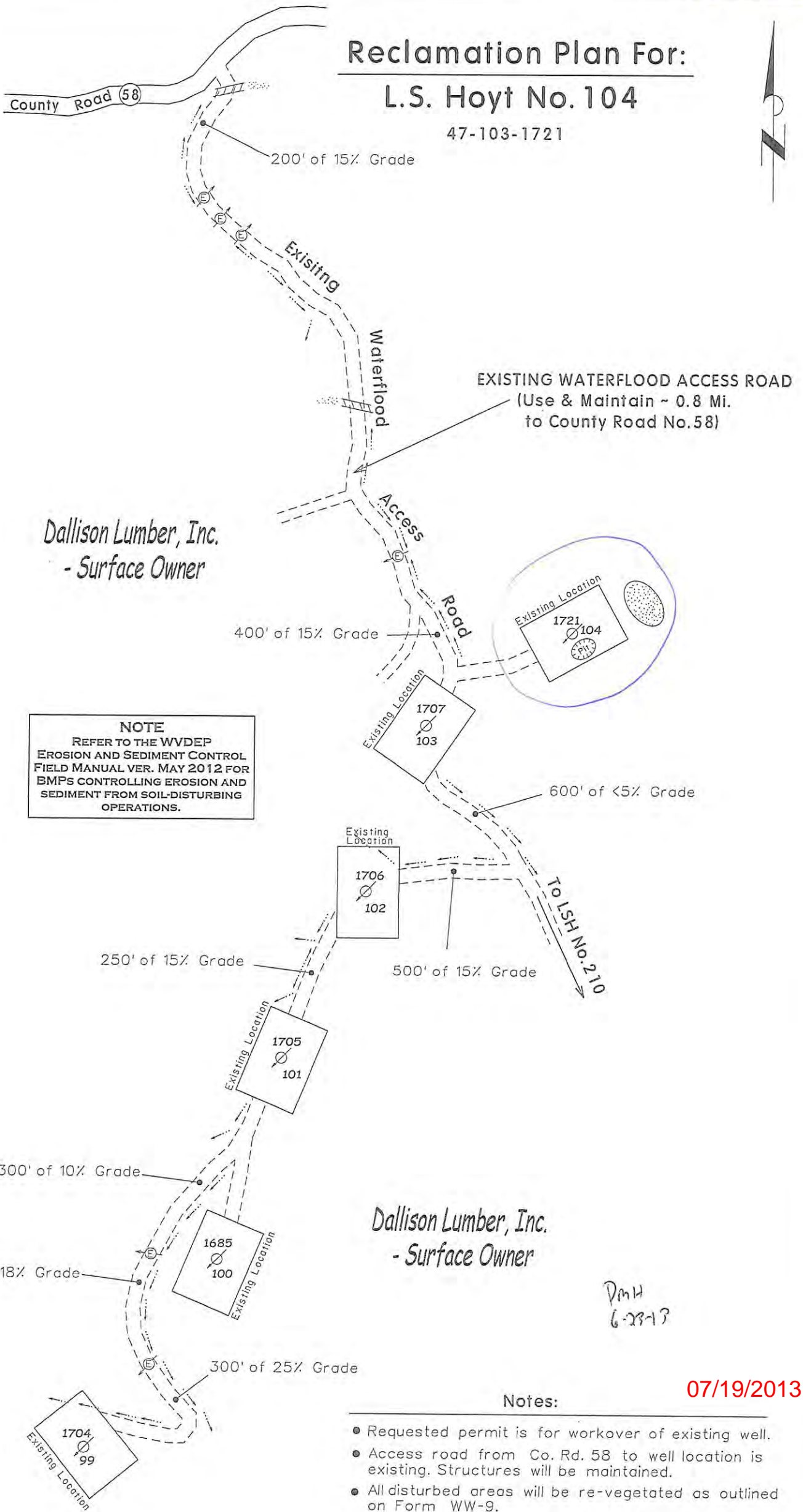


07/19/2013

Reclamation Plan For:

L.S. Hoyt No. 104

47-103-1721



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

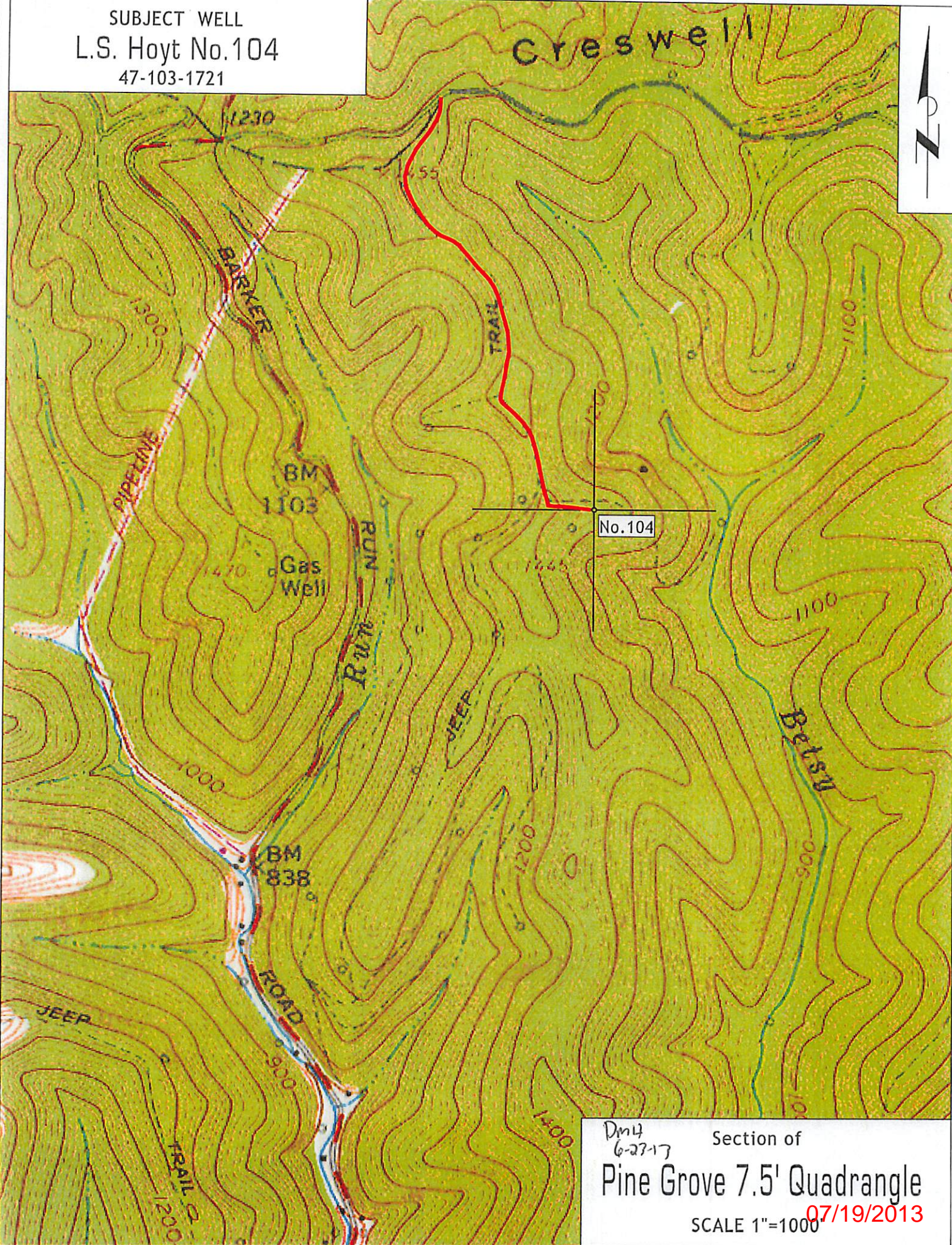
Notes:

07/19/2013

- Requested permit is for workover of existing well.
- Access road from Co. Rd. 58 to well location is existing. Structures will be maintained.
- 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 work-over pit may be changed based on as-built considerations.

Note: Drawing not to Scale

SUBJECT WELL
L.S. Hoyt No.104
47-103-1721



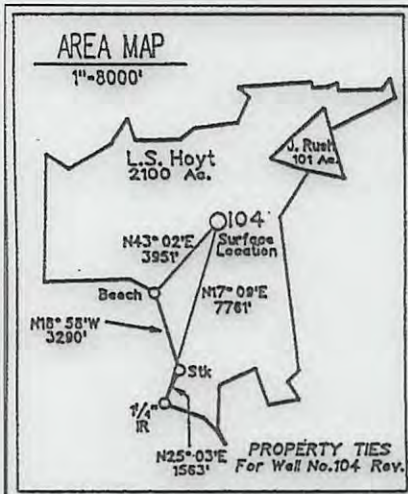
No. 104

Dm4
6-27-17

Section of
Pine Grove 7.5' Quadrangle

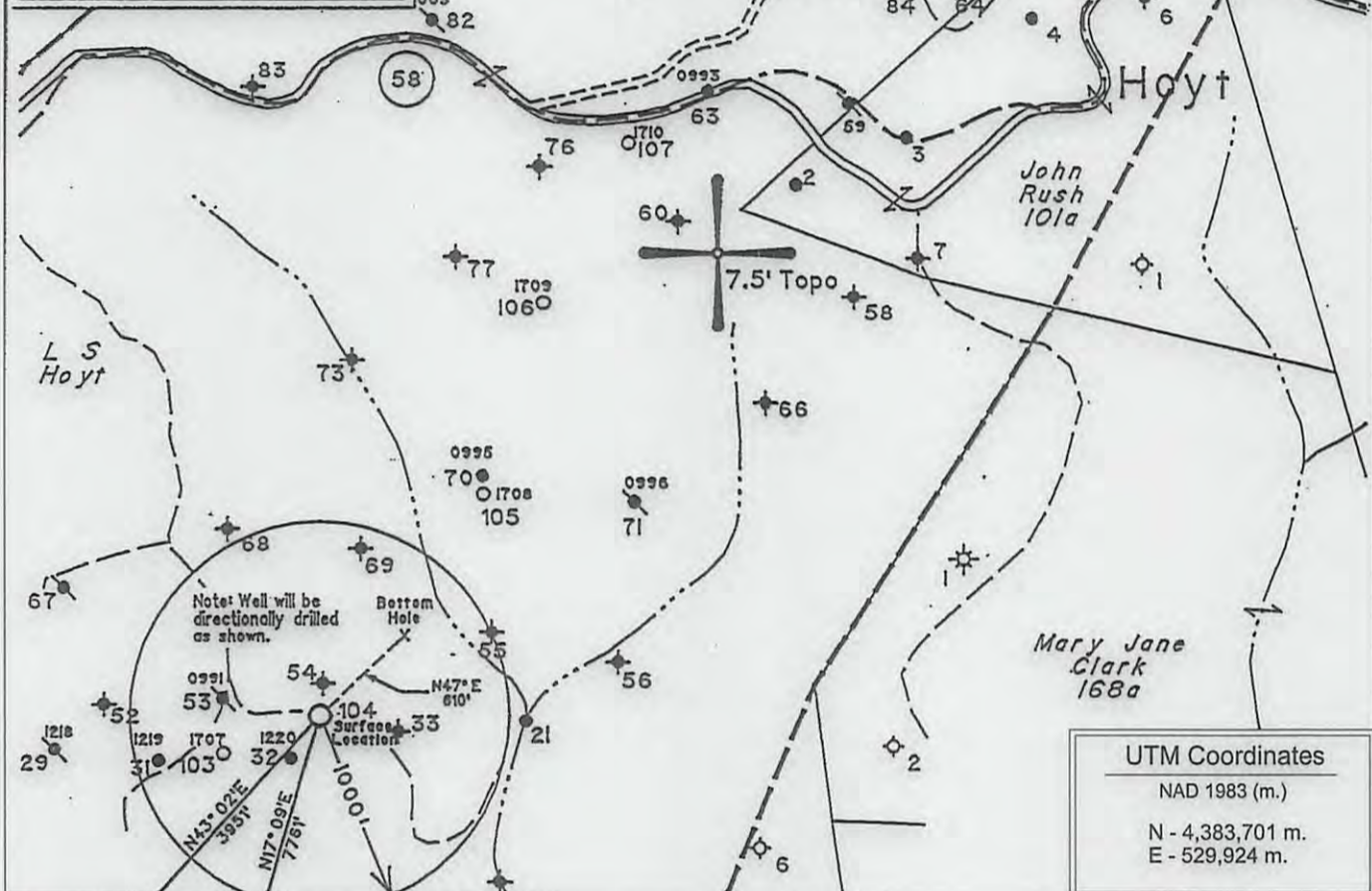
SCALE 1"=1000

07/19/2013



PLAT NOTES

- The drawing shown hereon is from the original drilling permit plat dated 10/21/96.
- This plat has been updated to show current surface ownership and as-drilled Latitude & Longitude.
- Latitude & Longitude shown was measured by DGPS - Sub-Meter Mapping Grade (NAD 1927)



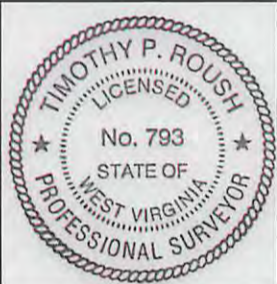
UTM Coordinates
 NAD 1983 (m.)
 N - 4,383,701 m.
 E - 529,924 m.

⊕ DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. _____
 MAP NO. _____ N _____ S _____ E _____ W _____
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY _____ Sub-Meter
 PROVEN SOURCE OF ELEVATION WVDEP Records

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 MINES.

(SIGNED) [Signature]
 TIMOTHY P. ROUSH PS 793

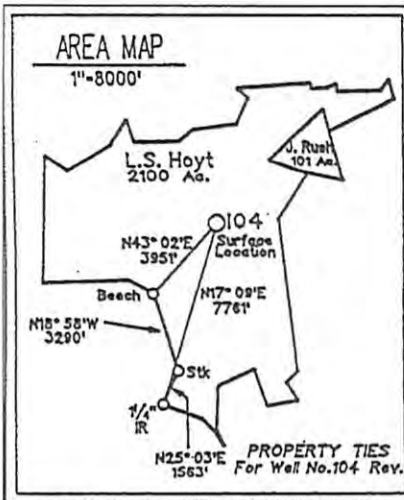


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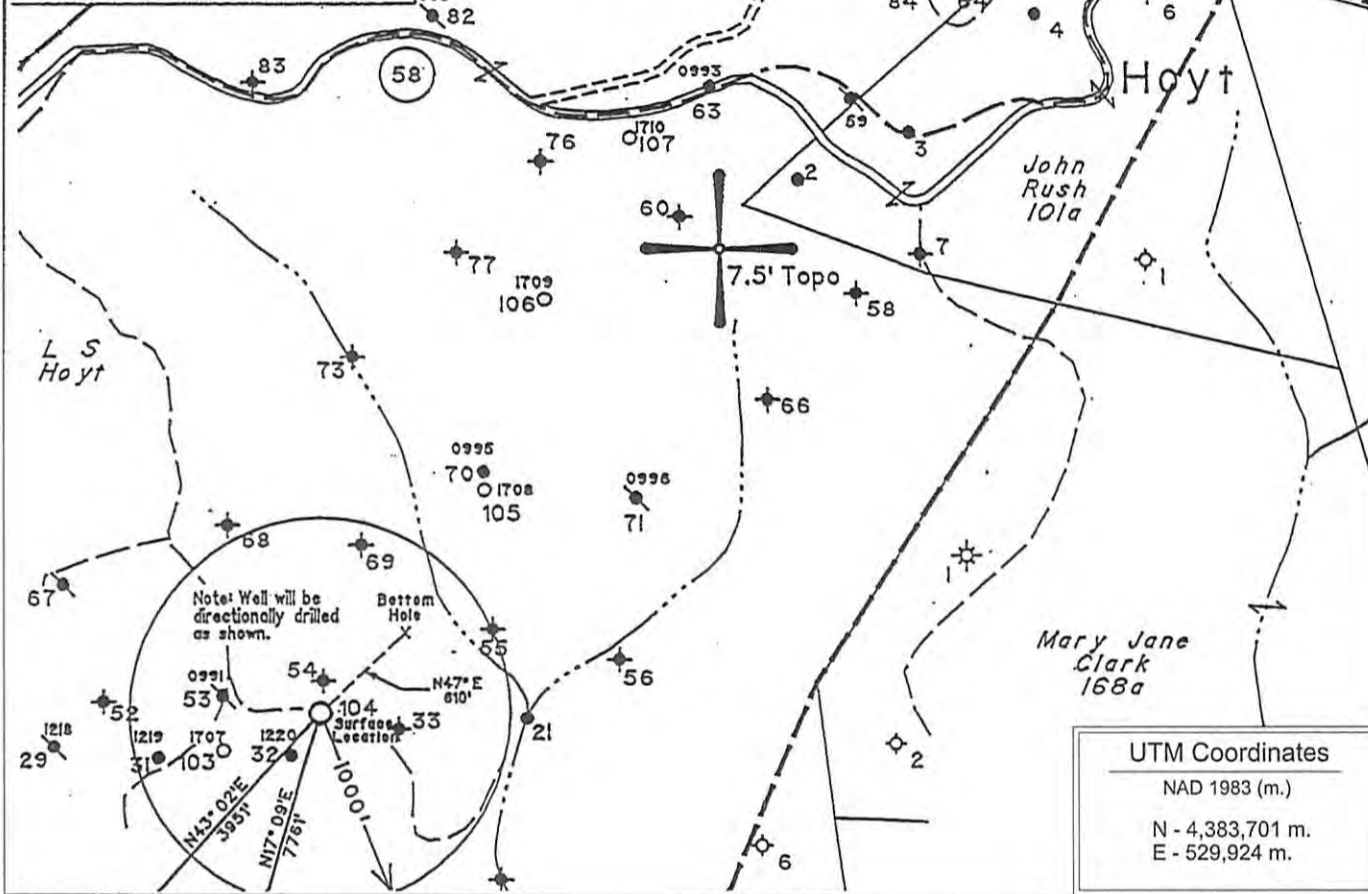
DATE June 5, 2013
 FARM L.S. Hoyt No. 104
 API WELL NO. 47-103-01721F

WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION WASTE DISPOSAL ___
 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
 LOCATION: ELEVATION 1,370' WATERSHED Betsy Run
 DISTRICT Grant COUNTY Wetzel
 QUADRANGLE Pine Grove 7.5'
 SURFACE OWNER Dalison Lumber, Inc. ACREAGE 2099.3 Ac.
 OIL & GAS ROYALTY OWNER The Hoyt Foundation LEASE ACREAGE 2,100 Ac. **07/19/2013**
 LEASE NO. 99191-00
 PROPOSED WORK: DRILL ___ CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____
 PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
 TARGET FORMATION Gordon ESTIMATED DEPTH 3,538'
 WELL OPERATOR HG Energy, LLC DESIGNATED AGENT Mike Kirsch
 ADDRESS 5260 Dupont Road Parkersburg, WV 26101 ADDRESS 5260 Dupont Road Parkersburg, WV 26101



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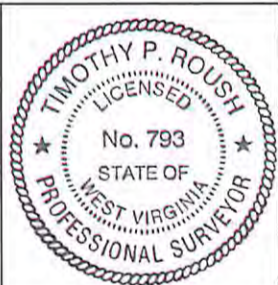
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(SIGNED) [Signature]
 TIMOTHY P. ROUSH PS 793



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
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DATE June 5, 2013
 FARM L.S. Hoyt No. 104
 API WELL NO. 47-103-01721F

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 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
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 DISTRICT Grant COUNTY Wetzel
 QUADRANGLE Pine Grove 7.5'
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 PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
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 ADDRESS 5260 Dupont Road ADDRESS 5260 Dupont Road
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