

#### 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

August 29, 2013

#### WELL WORK PERMIT

#### Secondary Recovery Well

This permit, API Well Number: 47-10302654, 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: E. MILLER 7

Farm Name: HALL, PATSY, . ET AL

API Well Number: 47-10302654

Permit Type: Secondary Recovery Well

Date Issued: 08/29/2013

Promoting a healthy environment.

### **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 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.

WW-3B 10/07



1) Date		J	uly 11, 20	13	
2) Operator's Wel	l No.	F	Clizabeth N	Miller	No. 7
3) API Well No.	47	4	103	1.2	2654
	State		County		Permit
4) UIC Permit No		τ	JIC2R0950	1AP	

# STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

) WELL TYPI	<b>E</b> :	Liquid	Injection	X		Gas In	jection (n	ot storaş	ge)	Waste :	Disposa	1	
) LOCATION		Elevation	1105'				Waters	hed	Fluha	rty Fork of Pine	y Fork		
	District		Green	05	Co	unty	Wetzel	103		Quadrangle	Pi	ine Grove 7.5	548
WELL OPE	RATOR:	HG Ener	gy, LLC		494497	7948	8) DESIG	GNATE	DAGENT	: Mi	ke Kirs	ch	
	0400,2570	5260 Dup								5260 Dupont Road			
		Parkersb	urg, WV 2	26101			Ÿ			Pa	rkersbu	ırg, WV 2610	1
OIL & GAS	INSPECTO	OR TO BE	NOTIFIE	D:			10) DRI	LING (	CONTRAC	CTOR:			
		e Derek Ha								To be Determi	ned Upo	on Approval	of Permit
	Address	PO Box 8	17						Address				
		Smithvill	le, WV 26	178						-			
) PROPOSED	WELL W	ORK:	Drill				Deeper_		Redril		timulate		
					ld Form	ation se in Well (s	-	rforate	New Forn	nation		Convert	X
			Other	Gordo Gordo		e in Well (s	Depth	-	2,917	Ft. (Top) to		2,918 Ft	(Bottom)
) Geological ta	7,00							001	2,717	- C		2,010	(Bottom)
B) Estimated d	epth of cor	npleted we	u (or actu	al dept	h of exis		-	80'		Ft.		4	
Approximate	e water str	ata depths	3:	Fresh		100'	Ft			Salt	N/	A Ft	2
) Approximate	e coal sean	n depths:			848' - 88	58'	Ft						
) Is coal being	mined in	the area?				Yes		X	No				
) Virgin reser	voir pressu	ure in targe	et formati	on:			1,250	)	psig.	Source		Estimated	
) Estimated re	eservoir fr	acture pres	ssure:				2,650	)	psig.				
NAME OF THE OWNER O	DROBOGE	an introd	DION ODI	DAMIC	MC.	Volume pe	n houn	25 BBL		Bottom Hole I	Proceuro	2,40	nei
9) MAXIMUM							_	2/27/19/	_		icssuic		o por
) DETAILED and other ch	IDENTIFI	CATION C	OF MATE	RIALS	TO BE I	NJECTED,	INCLUD	ING AD	DITIVES	Fresh wate	r, produ	iced water, b	actericides
A STATE OF THE PARTY OF THE PAR		necucu to				oal bed filte		-5.					
		- O LIBETOR					2550	LOONIN	DOL				
2) SPECIFICA	TION FOR	RCATHOL	IC PROT	ECTIO	N AND	THER CO.	RROSIO	CONT	ROL	-			
B) CASING AN	ID TUBIN	G PROGRA	AM										
						70.0m		DILLE		CIDATIDATE DI	TTTD	DAGE	ZEDC
ASING OR	0:		FICATION		Used	For Drill	AGE INTE	Left in		OR SACKS (C		PACE	LERS
UBING TYPE	Size	Grade	Weight	New	Usea	For Drill	mg	Lett III	wen	OR BACKS (C	, o. F 1.,	Kinds	
onductor resh Water	7"	L.S.	17#	X		1062'		106	21	Existing Casir	יפו	Tension	
esh water oal	-	Д.Б.	1.11	Δ		1002		100		Lineting outer	-6	Sizes	
termediate												2 3/8" x 4 1/	2"
oduction	4 1/2"	J-55	10.5#	Х		3021		302	1'	Existing Casir	ıg	Depths Set	
ibing	2 3/8"	J-55	4.6#	X		2800'		280	0'			2700'	
ners	16.1											Perforation	
												Top Bo	ttom
) APPLICANT	rs opera	TING RIG	HTS were	acqui	ed from		R.	H. Mille		R	20-	21	
by Deed	l	Lease	X	Ot	her Con	tract	Da	ted	Januar	ry 11, 1896	100	of record in	the
		Wetzel		Count	y Clerk's	Office in	Lease		Book	53at ]	Page	245	U
-									_	- 11	1) -	Av	

JUL 3 0 2013

API#

11/28/2011 47-03-02654

#### State of West Virginia **Division of Environmental Protection** Section of Oil and Gas Well Operator's Report of Well Work

Farm name:

· HALL, AUSTIN JR.

Operator Well No.: ELIZABETH MILLER 7

LOCATION:

Elevation:

Quadrangle:

PINE GROVE 7.5'

District:

1,105' **GREEN** 

County: WETZEL

Latitude: Longitude:

11,920 Feet south of

39 Deg 32 Min 30

9,350 Feet west of

Sec. 80 Deg 40 Min Sec.

Company Address:	HG Energy PO Box 5519 Vienna, WV 2		Casing & Tubing	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
Inspector:	Derek Ha	ught				
Date Permit Is	ssued: 5/2	6/2011				
Date Well Wo	rk Commenced:	8/4/2011				
Date Well Wo	rk Completed:	9/1/2011				
Verbal Pluggi	ng:					
Date Permissi	on Granted On:					
Rotary X	Cable Rig	7	7"	1062'	1062'	270 sks
Total vertical	Depth (ft):	3080'				
Total Measure	ed Depth (ft):	3080'				
Fresh Water D	epth (ft):	100'	4 ½"	3021'	3021'	150 sks
Salt Water De	pth (ft):	None				
Is Coal being	mined in ares (Y/N)?	No				
Coal Depths (	ft): x 84	8'-858'				
Void(s) encou	ntered (Y/N) depth(s):	- · · · · · · · · · · · · · · · · · · ·				
	NONE					

#### **OPEN FLOW DATA**

\* Waterflood Producer

							29	10'-2916'
Produc	ing formation		Gordo		Pay z	one depth (f	t) 29	17'-2918'
Gas:	Initial open flow		*	MCF/d	Oil: Initial ope	n flow	*	Bbl/d
	Final open flow		*	MCF/d	Final open	flow	*	Bbl/d
	Time of open flow	between	initial	and fina	ıl tests	*	Hours	
Static 1	rock pressure		*	_psig (su	rface pressure)	after	*	_Hours
Second	d producing formation				Pay z	one depth (f	t)	
Gas:	Initial open flow			MCF/d	Oil: Initial ope	n flow (	<i></i>	Bbl/d
	Final open flow			MCF/d	Final open	flow		Bbl/d
	Time of open flow	between	initial	and fina	ıl tests		Hours	
Static	rock pressure			_psig (su	rface pressure)	after '	rcce	Hours

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this document and all the attachments 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.

WV Dept. of Environmental Protection

Were core samp	oles taken?	No			Were cu	ttings caught during drilling? No
Were Y	Electrical,	N	Mechani	ical,	N	or Geophysical logs recorded on this well?
Y/N	<b>-</b>	Y/N		· <u>-</u>	Y/N	_
						PERFORATED INTERVALS, FRACTURING OR
						SYSTEMATIC DETAILED GEOLOGICAL RECORD OF UNTERED BY THE WELLBORE FROM SURFACE TO
			TO	TAL DE	PTH.	
Treatment:	•	-				gals. 15% HCL,
	338 bbls cross	s linked gel, a	nd 20,50	U# 20/	40 sand.	
Well Log:	All depths are	mescured rel	lative to ì	ጀጉ ( <u>የ</u> !	AGT )	·
P'	Air depuis are	incasmed to	iauve to i	7D (0	AGE ).	
A.S.						
	Shale w/ sand	streaks	0	-	848	
	Coal		848	-	858	
Wes	Shale		858	_	1256	
	Sand		1256	_	1281	
Wer	shale		1281	<b></b>	1324	
	sand		1324	-	1350	
<b>.</b>	shale		1350	-	1360	
7	sand		1360	-	1374	
*.*	shale		1374	-	1380	
<u>itire</u>	sand		1380	-	1408	
*	shale		1408	-	1443	
\$ PY . NO	sand		1443	-	1478	
Well	shale		1478	-	1516	
	sand		1516	-	1526	
eti n	shale		1526	-	1605	
	sand		1605	-	1623	
	shale		1623	-	1658	
•	sand		1658	•	1677	
Vi	shale		1677	-	1723	
	sand		1723	•	1759	
	shale		1759	-	1828	
	sand		1828	•	1868	
	shale		1868	•	1994	
	sand		1994	-	2017	
	shale sand		2017 2029	-	2029	
	Sand Big Lime		2052	-	2052 2120	
<u> </u>	Big Injun		2120	-	2306	
	shale		2306	_	2877	
•	Gordon Stray		2877	_	2894	
	shale		2894	_	2906	•
	Gordon		2906	-	2918	
	shale		2918	44	3080	
	TD		3080			•
	T.DLogger	, ·	3070	KB		
	T.DDriller		3080	KB		

depprivacyofficer@wv.gov

WW-3A 10/07



1) Date:		July 11, 20	013		
2) Operator's We	ll No.	Elizabeth	Miller 1	No. 7	
3) API Well No.	47	103		2654	
	State	County		Permit	
4) UIC Permit N	0.	UIC2R095	601AP		

# STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

5) Surface Owne	er(s) To Be Served	7 (a) Coal Operator	
(a) Name	Austin Hall, Jr.	Name	NA
Address	HC 60, Box 291	Address	
	Reader, WV 26167		
(b) Name	Elizabeth Miller Heirs	7 (b) Coal Owner(s)	With Declaration Of Record
Address	Box 508	Name	NA
	Wellsburg, WV 26097	Address	
(c) Name		4.4.4.4.	
Address		Name	
		Address	
6) Inspector	Derek Haught	7(c) Coal Lessee Wit	th Declaration Of Record
Address	PO Box 85	Ala Contraction (Co	
ridaress	Smithville, WV 26178	-	
Telephone	304-206-7613	_	
TO THE PER	SON(S) NAMED ABOVE: You should have	received this for	rm and the following documents:
which sets The date propo THE REASON Y WHICH ARE SU ARE NOT REQU Take notice that un Application and acc Environmental Pro WW-6. Copies of the	ruction and Reclamation Plan on Form WW-9 (up to out the plan for erosion and sediment control are sed for the first injection or waste disposal is FOU RECEIVED THESE DOCUMENTS IS THAT YOU DIMMARIZED IN THE "INSTRUCTIONS" ON FORM VIRED TO TAKE ANY ACTION AT ALL.  Inder Chapter 22-6 of the West Virginia Code, the undersigned companying documents for a Well Work Permit with the Chical State of the Control of the Construction and the State of the Application, the plat, and the Construction and the State of the	September 1, 2  WW-3(A) DESIGNAT  WW-3(A) DESIGNAT  Well operator proposes of of the Office of Oil an e attached Application at I Reclamation Plan hav	for the site and access road.  013  EGARDING THE APPLICATION FED TO YOU. HOWEVER YOU  set to file or has filed this Notice and and degree of the attached Form to be been mailed by registered or
nailing or delivery	to the Chief.		1/10
	The person signing this document shall make the	following cortification	30 30
	The person signing this document shan make the	tonowing certificatio	W 000
"I certify under ner	nalty of law that I have personally examined and am	Well Operator	HG Energy, PALC S
	nformation submitted in this document and all attachments	Address	5260 Dupont Road Viros and o
	my inquiry of those individuals immediately responsible		Parkersburg, WV 26101 Tental Protection
or obtaining the ir	nformation, I believe that the information is true, accurate		**Ofection
	aware that there are significant penalties for submitting	By:	Diane C. White
alse information, i	including the possibility of fine and imprisonment."	Its:	Accountant
		6:	D: C/ )l't.
Oil and Gas Privac	ev Notice	Signature	Diane Clithite
	nd Gas processes your personal information, such as name, ac	Idraes and phone numb	er as a part of our regulatory duties
Your personal info	rmation may be disclosed to other State agencies or third par irements, including Freedom of Information Act requests. Ou	ties in the course of bus	iness or as needed to comply with statutory

 $have \ any \ questions \ about \ our \ use \ of \ your \ personal \ information, \ please \ contact \ DEP's \ Chief \ Privacy \ Officer \ at:$ 

Form WW-9		Page 3	of		<b>3</b> ·
Rev. 10/94		API Number 47- 103	-		2654
		Operator's Well No. Elizabeth Miller	No.	<sub>7</sub> —	

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

## CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM

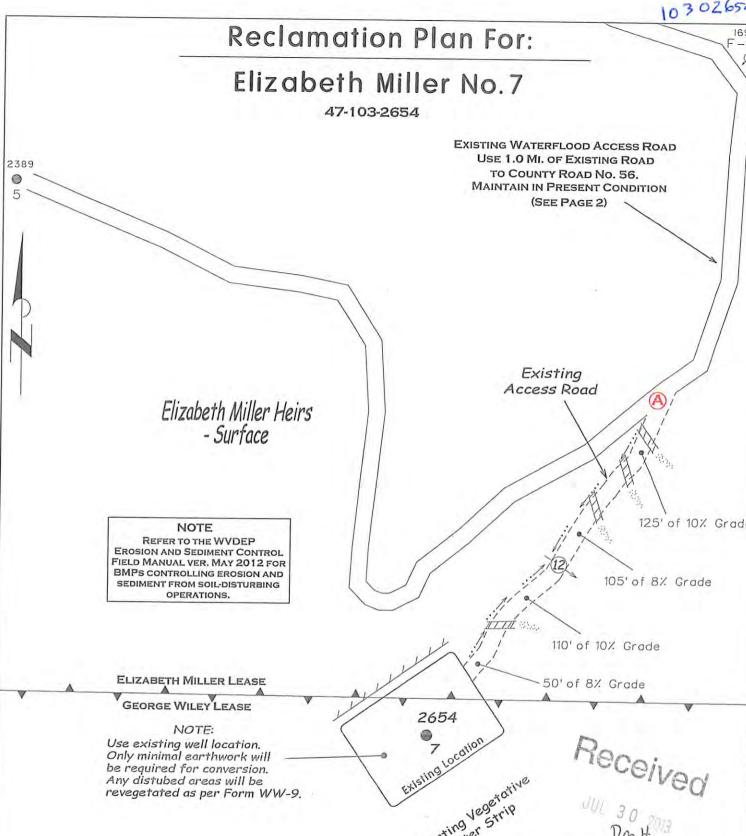
	GENERAL PE	RMIT FOR OIL	AND GAS PIT	WASTE DISCHARGE			
Operator	HG Energy	. LLC		0	P Code	494497948	
Watershed		ork of Piney For	k	Quadrangle		Frove 7.5'	<del></del>
Elevation.	1105'	County	Wetzel	District	_	reen	<del>-</del> .
Description of	anticipated Pit Waste:	Fluids encount	ered in converti				<del></del>
Do you antici	pate more than 5,000 bbls	of water to comple	te the proposed w	ell work Yes	No	x	<del></del>
Will a synthe	ic liner be used in pit?	Yes	If so, what mil.?	20 Mil.	•		
Proposed Disp	osal Method For Treated 1	Pit Wastes:	•				
_	X Land Applica						n. u
-		l Injection (UIC P	ermit Number	· · · · · · · · · · · · · · · · · · ·			$\frac{1}{2}$
_	Reuse (at AP Off Site Disp	-	ww-9 for dispose	al location)			<u>)</u> 7-25-13
-	Other	(Explain	. W W o lot dispose	i location)	•		)
Drilling media	ım anticipated for this well	? Air, fresh water	r, oil based, etc.	NA			<u></u>
	If oilbased, what type? Sy		-				<del></del>
Additives to b							
	disposal method? Leave in			Leave in pit Cement, lime, sawdust N	-1221		_
	Landfill or offsite name/pe		No No	ement, nme, sawdust N	auve sou,	, cement, lime	
		-					<del></del>
that the proving applicable law I this application for obtaining to	sions of the permit are enfo or regulation can lead to e certify under penalty of la n form and all attachments	rceable by law. Vi inforcement action w that I have pers thereto and that, at the information	olations of any ter conally examined a based on my inqu n is true, accurate	epartment of Environment m or condition of the gener and am familiar with the in iry of those individuals im- and complete. I am aware imprisonment.	ral permit : formation mediately :	and/or other submitted on responsible	
Company Off	icial Signature		Diane Cl	White			_
Company Off	icial (Typed Name)		Diane C. White			A	90-
Company Off	icial Title		Accountant				-'cc6/i
							eceivea
Subscribed an	nd sworn before me this		lay of JU	12013			<b>=</b>
		The	y an	TO NO	tary Publ	lic	nviron and C
My commission	on expires	na212	2018		•	_	e of Oil and Gas  nvironmental Protection
Form WW-9				STATI T Parkersl	INA L. PE HG Energy 5260 Dupor ourg, West	PUBLIC ST VIRGINIA THTEL V LLC	

Property Boundary

### Legend

Diversion

Road			Spring	
Existing Fence	xxx	-	Wet Spot	\text{\tint{\text{\tin}\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tex{\tex
Planned Fence	//-	-	Drain Pipe	———12—— <del>&gt;</del>
Stream		,	Waterway	$\leftrightarrow$ $\leftrightarrow$ $\leftarrow$
Open Ditch		-	Cross Drain	777777777777777777777777777777777777777
Rock	33000 B		Filter Strip	XXXXXXXXX
ROOM	0.00 47		Pit: Cut Walls	China
Norfh	N		Pit: Compacted	· Julie .
Buildings			Fill Walls	-
Water Wells	<b>w</b>		Area of Land	
Drill Site	$\oplus$		Application of Pit Waste	
L			•	•
		Area I		
Proposed Revegetation Treatme	nt: Acres Disturbed App		0.2 Ac. Pre	vegetation pH
•		Area II		
	App	orox.	0.5 Ac.	
Lime	2 Tons/Acre	or Corre	ct to pH 6.5	
_	r (10-20-20 or Equivalent)	500	Lbs./Acre (500 I	bs. Minimum)
Mulch	-	ns/Acre	*	•
_			rman (i	
	SEED	MIXT	URES	
Area ]	(Location)			Area II (Road)
Seed Type	Lbs/Ac.		Seed Type	Lbs/Ac.
Tall Fescue	40		Tall Fescue	40
Ladino Clover	5		Ladino Clover	5
	<u> </u>		•	
			• •	
Attach: Drawing(s) of road, location, pit Photocopied section of involved	and proposed area for land applic 7.5' topographic sheet.	cation		·
Plan approved by:	- •			
Comments:		<del></del>		
sponder	A CONTRACTOR OF THE PARTY OF TH			Date: <u> </u>
Títle: <u>(f; )</u>	+ Gar Tarpecter		·····	Date: 1-3543
Field Reviewed?	( Yes		( ) 1	No.

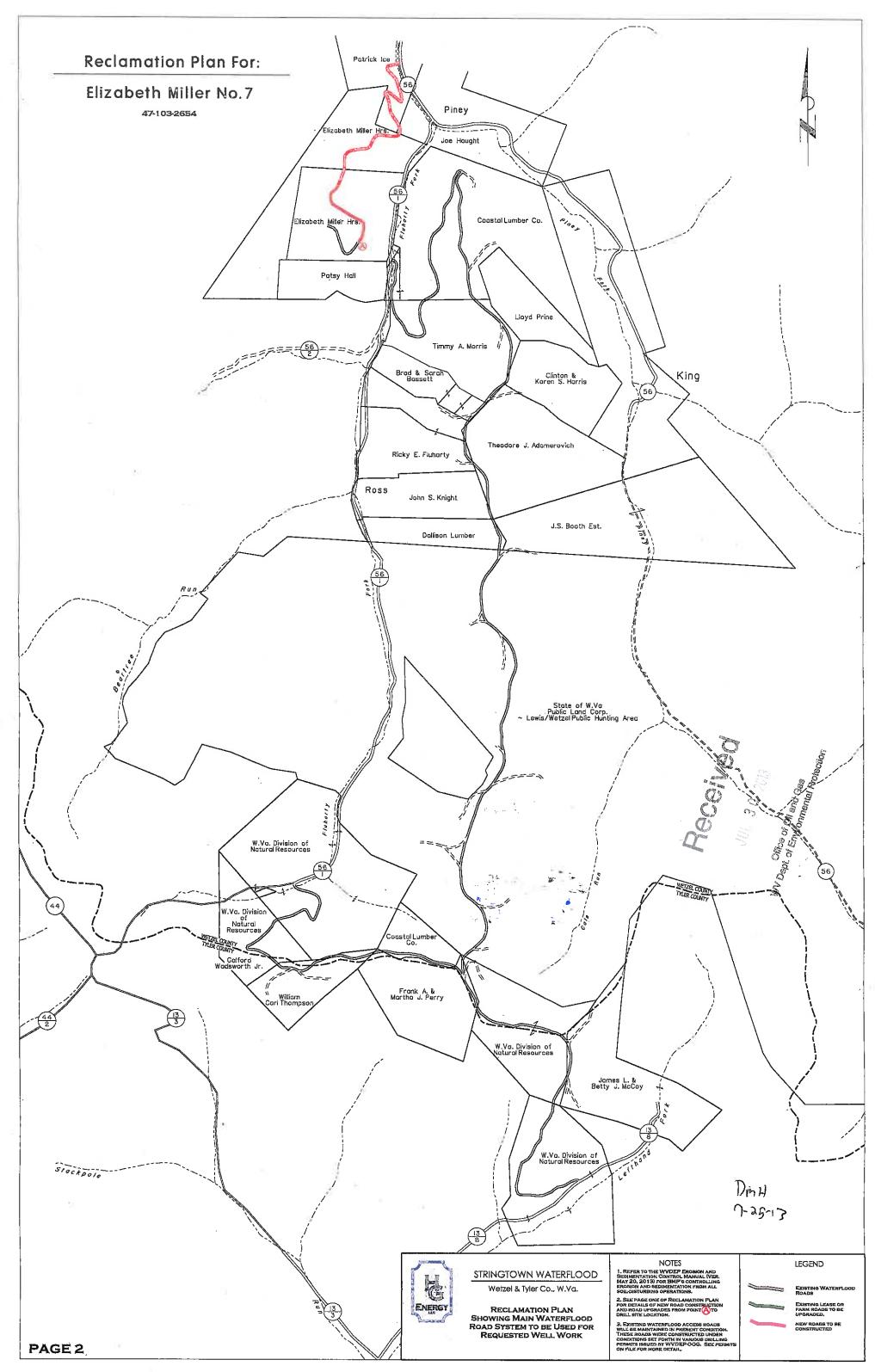


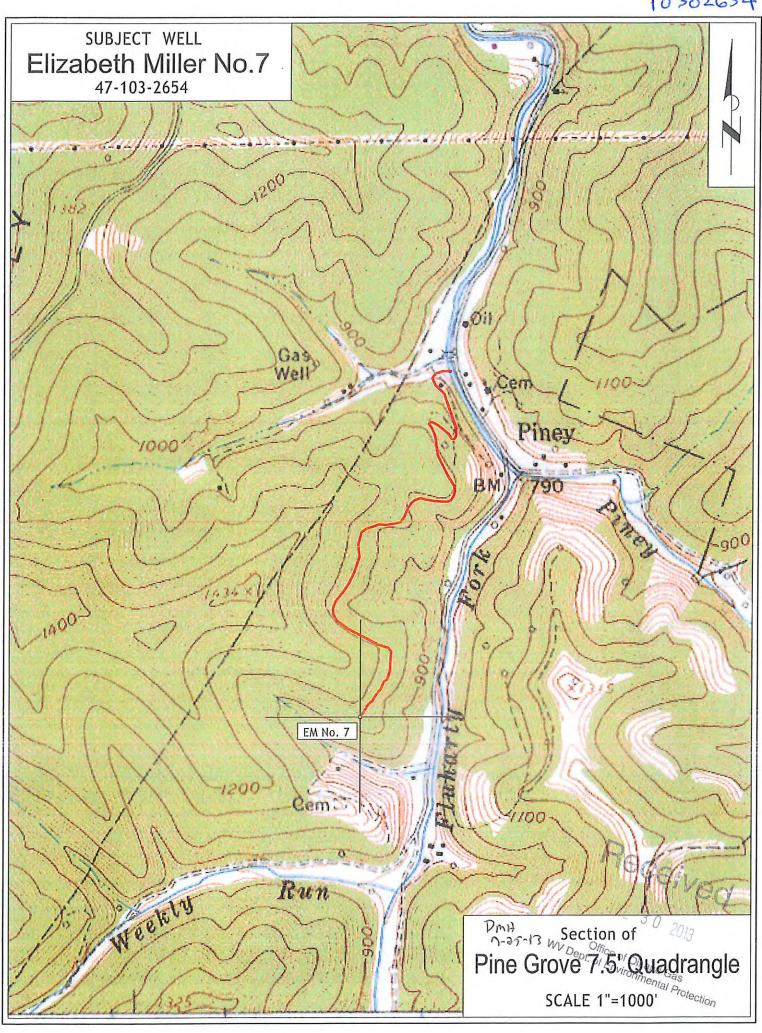
Notes:

- Requested permit is for conversion of existing well.
- 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.
- No pit will be constructed for requested well work.

Note: Drawing not to Scale

Patsy Hall - Surface





11.920

32.2"

30

\_atitude = 39°