

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

PERMIT MODIFICATION APPROVAL

March 07, 2014

STONE ENERGY CORPORATION 6000 HAMPTON CENTER, SUITE B MORGANTOWN, WV 26505

Re: Permit Modification Approval for API Number 10302784, Well #: ZMBG 4H Extended lateral

Oil and Gas Operator:

The Office of Oil and Gas has reviewed the attached permit modification for the above referenced permit. The attached modification has been approved and well work may begin. Please be reminded that the oil and gas inspector is to be notified twenty-four (24) hours before permitted well work is commenced.

Please call James Martin at 304-926-0499, extension 1654 if you have any questions.

Gene Smith

Regulatory/Compliance Manager

Office of Oil and Gas

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

1) Well Operator: Stone Energy	gy Corporation	494490923	Wetzel	Magnolia	New Martinsville
7 (Operator ID	County	District	Quadrangle
2) Operator's Well Number:	ZMBG #4H	Well Pad	Name:	ZI	MBG
3) Farm Name/Surface Owner:	Zumpetta, Lawrence	e et al Public Road	d Access:	Wetzel Co	ounty Route 22
4) Elevation, current ground:	1,340' Ele	vation, proposed p	post-construction	on:	1,337'
5) Well Type (a) Gas	Oil	Unde	erground Storag	ge	
Other					
(b)If Gas Shal	low	Deep			
Hori 6) Existing Pad: Yes or No	izontal Yes				PMH 124573
7) Proposed Target Formation(s)			nd Associated	Pressure(s):	
Target formation is the Marcellus S					
8) Proposed Total Vertical Depth	n: 6,900' TVD @ 1	TD (Down-Dip Well)	and 6,840' TVD	@ LP	
9) Formation at Total Vertical Do					
10) Proposed Total Measured De	epth: 13,200' MD	@ TVD			
11) Proposed Horizontal Leg Ler	ngth: 5,854' from	LP and 7,223' from	n KOP		
12) Approximate Fresh Water St	rata Depths:	90' Shallowest and	1,145' Deepest		
13) Method to Determine Fresh	Water Depths: D	epth of bit when water	er shows in the flo	wline or wher	n drilling soap is injected
14) Approximate Saltwater Dept	hs:1,740'				
15) Approximate Coal Seam Dep	oths: 1,140'				
16) Approximate Depth to Possil	ble Void (coal mir	ne, karst, other): _	None Anticipated	l	
17) Does Proposed well location directly overlying or adjacent to		Yes	No	Office	ECEIVED of Oil & Gas
(a) If Yes, provide Mine Info:	Name:			HEY	FGIF & Clas
	Depth:			Office of	HOLL Or CO.
	Seam:			MAG	Department of
	Owner:			Environ	mantal Protection
				MV De	partment of ental Protection
			E	nvironme	SHILLSHIP

WW-6B (9/13)

18)

CASING AND TUBING PROGRAM

TYPE	Size	New	Grade	Weight per ft.	FOOTAGE: For	INTERVALS:	CEMENT:
		or Used		(lb/ft)	Drilling	Left in Well	Fill-up (Cu. Ft.)
Conductor	20"	New	LS	94.0	80'	80'	77 - CTS
Fresh Water	13.375"	New	J55	54.5	1,320'	1,320'	1,200 - CTS
Coal	13.375"	New	J55	54.5	1,320'	1,320'	1,200 - CTS
Intermediate	9.625"	New	J55	36.0	2,570'	2,570'	653 Lead - 369 Tail CTS
Production	5.5"	New	P110	20.0		13,200'	986 Lead - 2,249 Tall TOC @ 1,570*
Tubing	2.375"	New	J55	4.7		7,000'	N/A
Liners	N/A						

Note: Fresh Water/Coal casing is set just above elevation. At no time will it ever be set below elevation. This setting depth is due to sloughing formation below the Pittsburgh Coal seam.

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Cement Yield Wellbore TYPE Size Wall **Burst Pressure** Cement Type Diameter Thickness (cu. ft./k) Conductor 20" 24" 0.375" N/A Type 1 1.18 Fresh Water Class A 13.375" 17.5" 0.380" 2,730 psi 1.19 Coal 2,730 psi Class A 1.19 13.375" 17.5" 0.380" Intermediate Class A 1.28 Lead - 1.19 Tail 9.625" 12.25" 0.352" 3,520 psi Production 1.28 Lead - 1.19 Tail 5.5" 8.75" 0.361 12,360 psi Class A Tubing N/A N/A 2.375" 0.190" 7,700 psi N/A Liners

PACKERS

N/A	
	REULIVED GOS
	Office of Oil & Gas
	N/A

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19) Describe proposed well work, including the drilling and plugging back of any pilot hole:

MIRU conductor rig and set 20" conductor into solid rock cementing back to surface. Typically the setting depth is 80'. RDMO conductor rig and MIRU top-hole rig. Drill and set 13.375" fresh water/coal casing cementing back to surface. Drill and set 9.625" intermediate casing cementing back to surface. Drill 8-3/4" production hole to just above KOP. This section will be drilled using a slant in order to maintain and reduce anti-collision concerns. Run gyro and displace with KCl fluid back to surface. RDMO top-hole rig and MIRU horizontal rig. Displace KCl fluid out of well bore with salt saturated drilling fluid. Drill to KOP and then drill curve to landing point. Continue drilling horizontal section of well bore to TD. Condition well bore at TD, TOOH, and run 5.5" production casing to TD. Cement production casing to 1000' inside of the 9.625" casing string. RDMO horizontal rig after installing night cap on top of well head.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

MIRU coil tubing unit or service rig and clean out well bore to PBTD. Run CBL to approximately 30-60 degrees in curve back to surface. Toe prep horizontal for fracturing. RDMO coil tubing unit or service rig. MIRU stimulation equipment. Begin stimulation on first stage. Anticipated maximum treating pressure is 9000 psi. Anticipated maximum pump rate is between 85 and 90 bmp of slick-water with sand. Frac plugs will be pumped down during night-time operations. The number of stages to be pumped will be determined once the well is drilled and log information is reviewed. All other stages will pumped as described above. Once well is fraced the coil tubing unit or service rig (with snubbing unit) will be moved back on site and the frac plugs will be drilled out and the well bore will be cleaned up. Flow back time for the well will be dependent upon fluid return and gas production. All gas will be flared until the well is capable of production.

21) Total Area to be disturbed, including roads, stockpile area, pits, etc.,	(acres):	29.14
22) Area to be disturbed for well pad only, less access road (acres):		9.89
23) Describe centralizer placement for each casing string:	DMH	12-19-13
Fresh Water/Coal string will use bow spring centralizers w/ one just above guide Intermediate string will use bow spring centralizers w/ one just above the guide strength then on every 3rd jt. to surface. One straight vane rigid centralizer will be placed Production string will use alternating left/right rigid centralizers on every 4th jt. from 500' above KOP to top of slant. Bow spring centralizers every 3rd jt. will	shoe, one jus as close as om TD to 500	st above the float collar and practical to the surface. O' above KOP and on every 3rd

24) Describe all cement additives associated with each cement type:

Fresh Water/Coal cement is typically Class A w/ 0.25 pps Cello-Flake and 1.0% to 3.0% CaCl2. Intermediate cement is a lead/tail blend with the lead being Class A w/ 10% Salt and 0.25 pps Cello-Flake. Tail is Class A w/ 0.25 pps Cello-flake + 1.0% to 3.0% CaCl2 + .02% Anti-Foam. Production cement is a lead/tail blend with the lead being Class "A" w/ 10% Salt blend w/ 0.02% Anti-foam and tail being HES's HALCEM blend w/ 0.65% Retarder and 0.1% Dispersant or SLB with lead/tail with the lead being Class A w/ 10% Salt or Class A w/ FlexSeal and the tail being Class A w/ 0.2% Dispersant, 0.4% Fluid Loss, 0.2% Anti-Foam, 0.15% Retarder, and 0.2% Anti-SetIng Agent as

25) Proposed borehole conditioning procedures:

DEC 2.6 2013

Fresh Water/Coal section will be done by circulating air through the drill string at TD between 30 and 90 minutes or witil the well bore clears of cuttings.

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Intermediate section will be done by circulating air and/or stiff foam through the drill string at The between 30 and section minutes or until the well bore clears of cuttings.

Production section will be done by circulating drilling fluid through the drill string at TD between 120 to 720 minutes (a minimum of 3 bottoms up) until the shakers are clear of cuttings.

*Note: Attach additional sheets as needed.

Well: ZMBG #4H

STONE ENERGY - PROPOSED HORIZONTAL - Modification Permit sued: 8/14/2012 State: West Virginia County: Wetzel Revision: 13-Nov-13 AC Ground Elevation: 1337' Kelly Bashing: 18' Magnolia District: Gas Prospect: Mary Spud Date: Location: Surface: North = 4,387,387 East = 515,379 (UTM NAD 83) OTD Date: PBHL: North = 4,387,763 East = 515,476 (UTM NAD 83) ంర Rig Release Date: PTD: 13200' MD / 6900' TVD Q g en Ш 03 HOLE HOLE PILOT HOLE WELLBORE **CASING & CEMENTING DATA** & WM o O 0 SIZE **FORMATION TOPS** DIAGRAM **DIRECTIONAL DATA** 0 **FLUID TYPE** DEV. HI HI ffice 24" Hole 98' KB (80' BGL) CONDUCTOR PIPE then Driven Vertical 20" x 3/8" wall L/S PE @ 98' (set in bedrock & grouted to surface) E Shallowest FW 90' TVD Pittsburgh Coal 1140' TVD 17-1/2" Hole Air / Mist Deepest FW 1145' TVD 1320' TVD SURFACE CASING Vertical 13-3/8" 54.5# J-55 STC @ 1320' MD/TVD Salt Water 1740' TVD Set through fresh water and coal zones Little Lime 2180' TVD Cemented to surface 12-1/4" Hole Stiff Foam Big Lime 2210' TVD Top Big Injun 2310' TVD Base of Big Injun 2410' TVD INTERMEDIATE CASING 2570' TVD Vertical 9-5/8" 36.0# J-55 LTC @ 2570' MD/TVD Berea Sandstone 2777' TVD Set through potential salt water zones Set below base of Big Injun Cemented to surface Gordon Sandstone 3000' TVD Air / Dust 8-3/4" Hole KOP @ 6127' TVD Rhinestreet Shale 6354' TVD WBM in Curve 8-3/4" Hole Middlesex Shale 6511' TVD West River Shale 6528' TVD Geneseo Shale 6725' TVD Tully Limestone 6755' TVD Hamilton Shale 6780' TVD 8-3/4" Hole in Marcellus Shale 6815' TVD WBM in Lateral ~89.5" Lateral TD @ 13200' MD / 6900' TVD Onondaga Limestone 6865' TVD Landing Point (LP) @ 7346' MD / 6840' TVD PRODUCTION CASING 5-1/2" 20.0# P-110 CDC @ 13200' MD Notes: Formation tops as per vertical pilot hole ~89.5° angle Top of Cement @ 2070' (~500' inside 9-5/8") Curve & lateral tops will vary due to structural changes ~157° azimuth Directional plan based upon best estimate of structure

Permit Number: 47-103-02784

API Number 47 -	103	-	02784	MOD
Operator's	Well No	o. —	ZMBG 4H	1

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name	STONE ENERGY CORPORA	ATION	OP Code	494490923	
Watershed (HUC 10)	Tributary of Doolin Run	Quadrangle	Ne	w Martinsville	
Elevation133	County	Wetzel	District	Magnolia	
Do you anticipate using mo Will a pit be used? Yes _	ore than 5,000 bbls of water to co	mplete the proposed w	ell work? Yes_	✓ No _]
If so, please descri	be anticipated pit waste: N/A				
Will a synthetic lin	ner be used in the pit? Yes	No ✓ If s	o, what ml.?		
Proposed Disposal	Method For Treated Pit Wastes:)			121417
] III III III III III III III III III I	Land Application Jinderground Injection (UIC Per Reuse (at API Number_Flow back) Off Site Disposal (Supply form V Other (Explain	will be sotres & used for othe s WW-9 for disposal loca	timulations at other padation)	sites	121417
Will closed loop system be	used? If so, describe: Top hole &	horizontal rigs will inco	rporate the use of	the closed-loop sys	stem
Drilling medium anticipated	for this well (vertical and horize	ontal)? Air, freshwater	, oil based, etc. A	ir, drilling soap & salt	brine
	type? Synthetic, petroleum, etc.				
	ing medium? See WW-9 Addendum				
			ngs will be disposed	of in an annual la	-4611
	od? Leave in pit, landfill, remov			or in an approved lar	idili
1.32 (Ball) (1.32) Th	an to solidify what medium will				
-Landfill or offsite	name/permit number? Wetzel Cou	inty Sanitary Landfill (SWF	-1021/WV109185)		
on August 1, 2005, by the C provisions of the permit are law or regulation can lead to I certify under per application form and all a obtaining the information,	nalty of law that I have personal trachments thereto and that, bat I believe that the information is information, including the possible of th	Virginia Department of s of any term or condi- ally examined and am- used on my inquiry of s true, accurate, and	of Environmental tion of the general familiar with the f those individual complete. I am	Protection. I under a permit and/or or o	erstand that the ther applicable mitted on this esponsible for are significant
Company Official (Typed)	/ _ /	a es na			. of
Company Official Title 4	The state of the s	12700		M/ Daba	rtment of RI Protectio
	Wil-willy.		E	nvironman	tal-Cio
Subscribed and sworn before Surelle Su	e me this 2012 day of	NOT STATE OF DANIEL	FICIAL SEAL ARY P Notary Put DF WEST VIRGINIA LE L SNODERLY BA, Fairmont, WV 2655 on Expires May 18, 20	olick state of the state of the	03/07/201

Form WW-9				On annual a W	ZMBG 4	Н
	STONE EN	ERGY C	ORPORA	Operator's W ATION	eli No	
Proposed Revegetation Treats Lime2.0-3.0 Fertilizer type Fertilizer amount Mulch0.5 t			cre	_ Prevegetation pH		_
		Seed M	lixtures			
Ter	mporary			Perman	ent	
Seed Type Marcellus Mix	lbs/acre 100		Marcell	Seed Type us Mix	lbs/acre 100	
White or Ladino Cl	over 10		White or	r Ladino Clov	er 10	
Orchard Grass	40	_	Orchard	Grass	40	-
Winter Rye	50		Winter R	tye	50	
Drawing(s) of road, location, provided) Photocopied section of involv Plan Approved by: Comments:	ved 7.5' topographic sheet.				luding this info have beer	-
						•
					Office of Oil 8	013
Title: Dil + Gas	Inspector) Yes (Date: /2		WV Departn Environmental	Protection



WW-9 ADDENDUM

Drilling Medium Anticipated for This well

- Vertical section of well bore, down to KOP, will be drilled on air and/or a combination of air and drilling soap.
- From KOP through the curve section and horizontal section of well bore will be drilled on a brine-water based mud system.

Additives to be Used While Drilling

- Common additives when air drilling: KCl (CAS No. 1302-78-9 & 14808-60-7), soda ash (CAS No. 497-19-8), shale stabilizer (CAS No 67-48-1 & 7732-1835), drilling soap (CAS No. 111-76-2), air hammer/motor lubricant.
- Common water based additives for mud drilling: NaCl (CAS No. 7647-14-5), KCl (CAS No. 7447-40-7), barite (CAS No. 13462-86-7 & 14808-60-7), starch (CAS No. 9005-25-8), PAC (CAS No. 9004-32-4), xanthum gum (CAS No. 11138-66-2), PHPA (CAS No. 64742-47-8), polysaccharide (CAS No. 1138-66-2), sulfonated asphaltic material (CAS No. 269-212-0 & 238-878-4), aluminum silicate (CAS No. 37287-16-4), gilsonite (CAS No. 12002-43-6), graphite (CAS No.14808-60-7 & 7782-42-5), shale stabilizer (CAS No. 67-48-1 & 7732-18-5), fluid loss control polymers (CAS No. 9004-34-6), viscosity control polymers (CAS No. 11138-66-2 & 107-22-2), soda ash (CAS No. 497-19-8), sodium bicarbonate (CAS No. 144-55-8), NaOH (CAS No. 1310-73-2, 7647-14-5, & 7732-18-5), lime (CAS No. 1305-62-0), gypsum (CAS No.778-18-9), citric acid (CAS No. 77-92-9), biocide (CAS No. 52-51-7 or 7732-18-5 + 67-56-1 + 141-43-5), CaCO₃ (CAS No. 471-34-1), cellulose fibers (CAS No. 14808-60-7), nut plug (CAS No. 9004-34-6 & 14808-60-7), cross-linking polymers (CAS No. 107-22-2 & 11138-66-2), other LCMs, surfactants (CAS No. 64-17-5), ROP enhancer/lubricant (CAS No. 8002-13-9), beads, corrosion inhibitor (CAS No. 7732-18-5), aluminum stearate (CAS No. 300-92-5), defoamer (CAS No. 246-771-9).

MSDS are available upon request.

DMH 12-19-17

WW-9 Addendum Page 1



WW-9 ADDENDUM

Drill Cuttings Disposal Method

Closed loop drilling system will be incorporated. No waste pits will be constructed. All
drill cuttings are put through a drier system and hauled to and disposed of at approved
and permitted landfills.

Landfills or Offsite Names and Permit Numbers

Wetzel County Sanitary Landfill Rt. 1, Box 156A New Martinsville, WV 26155 SWF-1021 / WV01909185 Brooke County Sanitary Landfill Colliers, WV 26035 SWF-1013 / WV0109029

DMH 12-14-13

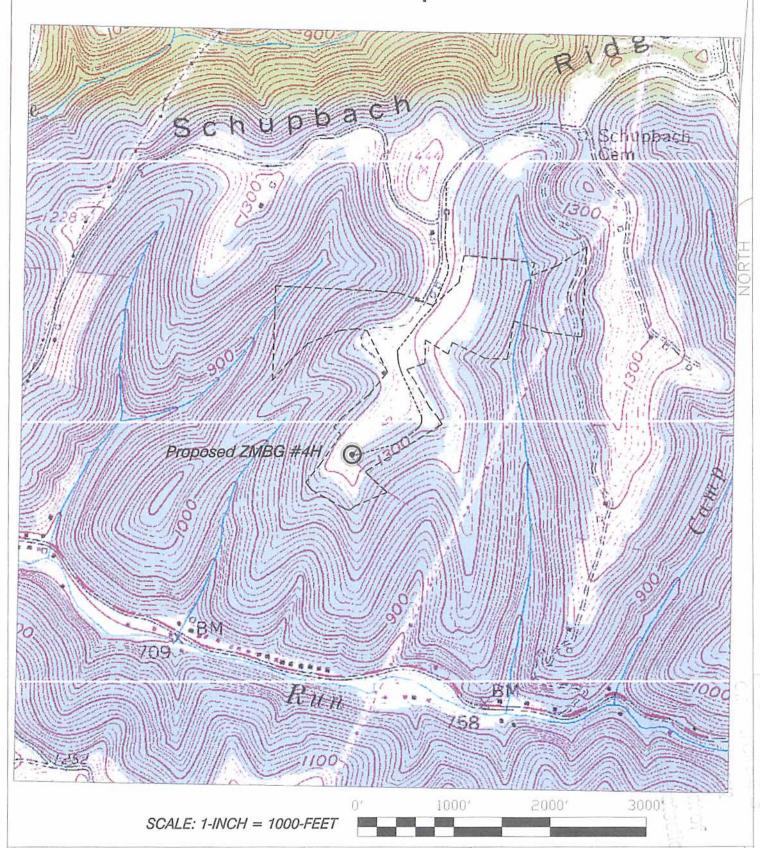
> RECEIVED Office of Oil & Gas

> > DEC 26 2013

WV Department of Environmental Protection Form W-9

STONE ENERGY CORP. ZMBG #4H

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HUPP Surveying & Mapping

P.O. BOX 647 GRANTSVILLE, WV 26147 PH:(304)354-7035 E-MAIL: hupp@frontiernet.net 1" = 1000' New Martinsville Quad Stone Energy Corporation PO Box 52807 Lafayette, LA 705907/2014

