



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 28, 2013

WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-10302804, 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 293
Farm Name: DALLISON LUMBER INC.
API Well Number: 47-10302804
Permit Type: Secondary Recovery Well
Date Issued: 08/28/2013

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. 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.
3. Well work activities shall not constitute a hazard to the safety of persons.

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

COPY

Farm name: DALLISON LUMBER INC. Operator Well No.: L.S. HOYT 293
 LOCATION: Elevation: 979' Quadrangle: PINE GROVE 7.5'
 District: GRANT County: WETZEL
 Latitude: 9,400 Feet south of 39 Deg 37 Min 30 Sec.
 Longitude: 6,525 Feet west of 80 Deg 37 Min 30 Sec.

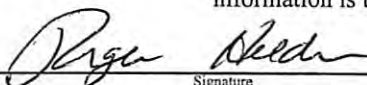
Company Address:	HG Energy PO Box 5519 Vienna, WV 26105	Casing & Tubing	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
Inspector:	Derek Haught				
Date Permit Issued:	07/10/2012				
Date Well Work Commenced:	07/30/2012				
Date Well Work Completed:	08/10/2012				
Verbal Plugging:					
Date Permission Granted On:					
Rotary X Cable	Rig	7"	966'	966'	250 sks
Total vertical Depth (ft):	3020'				
Total Measured Depth (ft):	3020'				
Fresh Water Depth (ft):	50'	4 1/2"	2976.35'	2976.35'	150 sks
Salt Water Depth (ft):	none				
Is Coal being mined in ares (Y/N)?	No				
Coal Depths (ft): x	700'-710'				
Void(s) encountered (Y/N) depth(s):	NONE				

OPEN FLOW DATA * Waterflood Producer

Producing formation Gordon Pay zone depth (ft) 2865'-2875'
2876'-2879'
 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

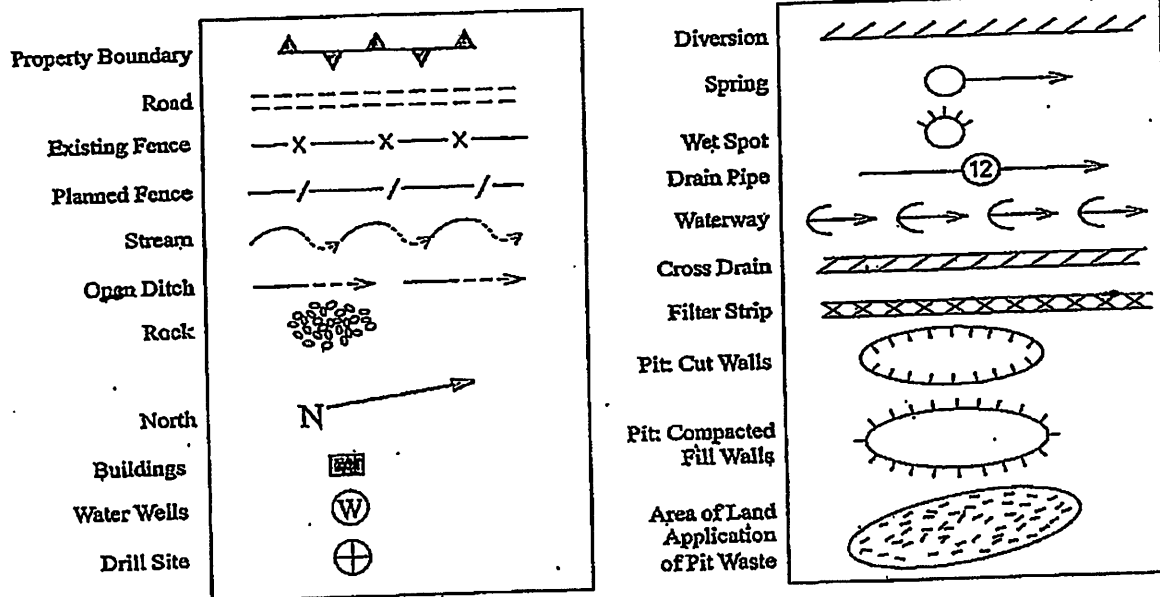
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this document and all the attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete.


Signature

10/2/12
Date

WW9-Rack

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

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

<u>Area II (Road)</u>	
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: [Signature]
Comments: _____

Title: Oil + Gas Impacts Date: 6-27-12

Field Reviewed? Yes No

Received

JUL 5 2013

Reclamation Plan For:

L.S. Hoyt No. 293

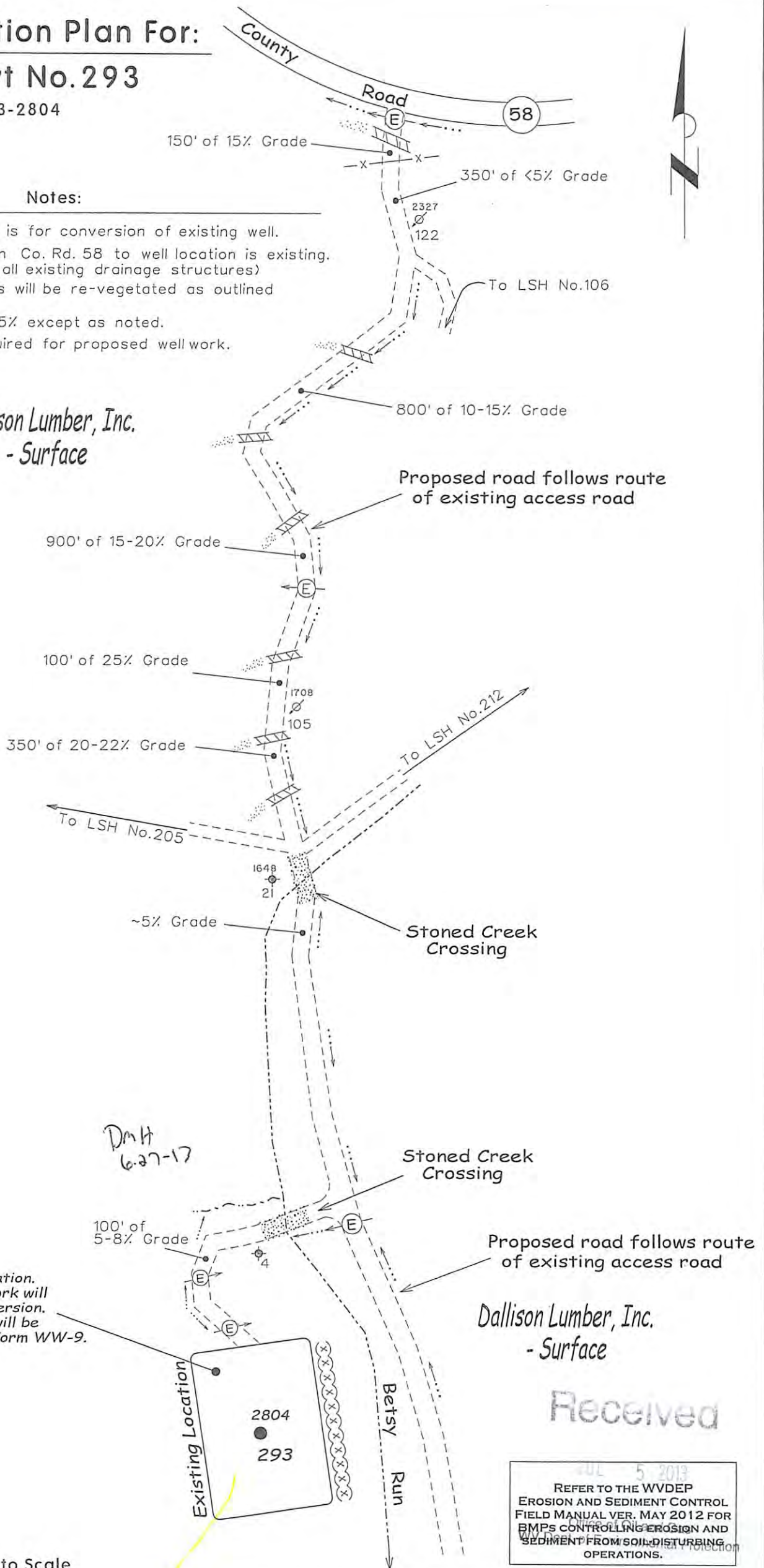
47-103-2804



Notes:

- Requested permit is for conversion of existing well.
- Access road from Co. Rd. 58 to well location is existing. (Maintain road & all existing drainage structures)
- All disturbed areas will be re-vegetated as outlined on Form WW-9.
- All road grades <5% except as noted.
- No pit will be required for proposed well work.

Dallison Lumber, Inc.
- Surface



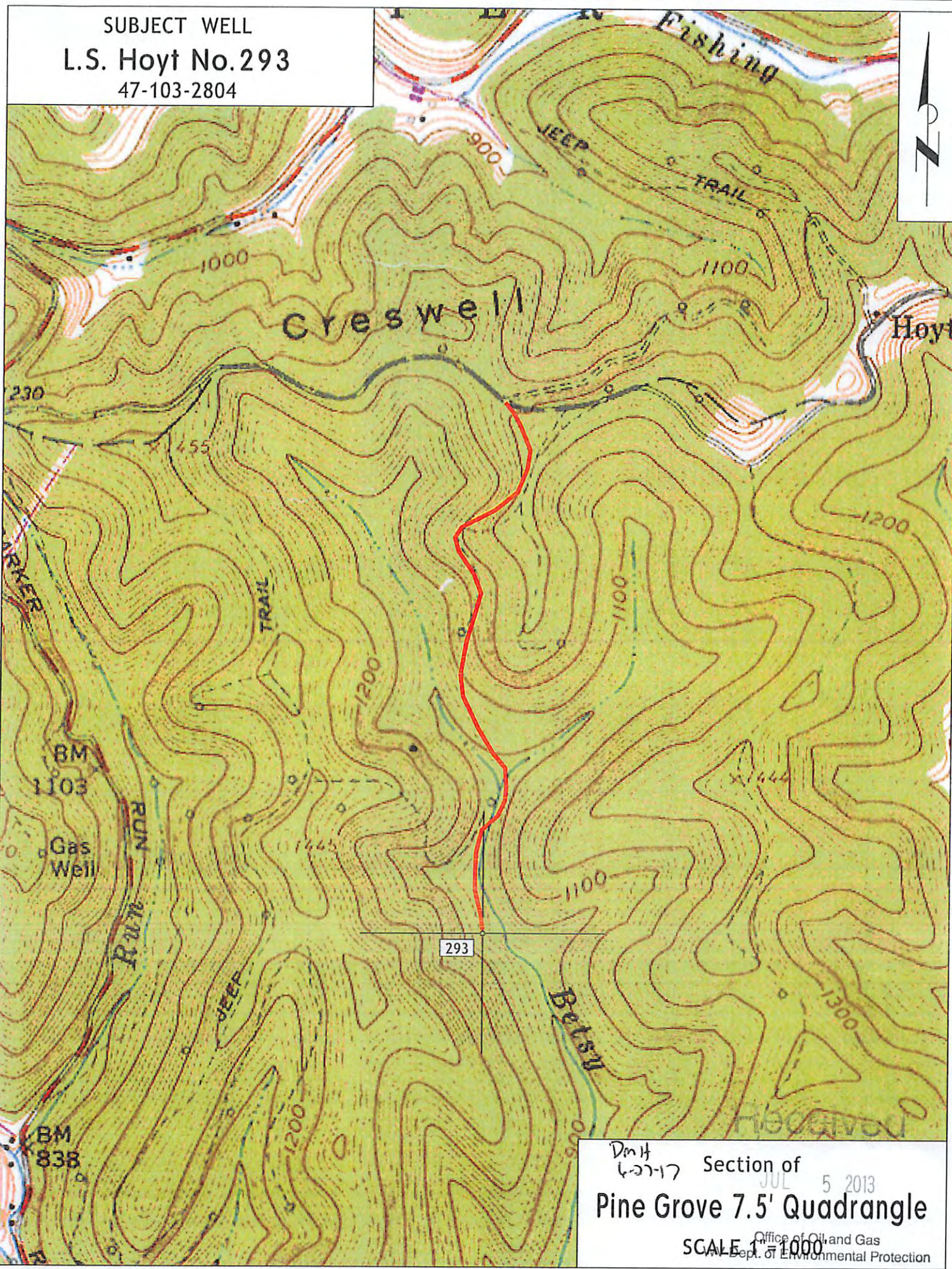
NOTE:
Use existing well location.
Only minimal earthwork will
be required for conversion.
Any disturbed areas will be
revegetated as per Form WW-9.

Dallison Lumber, Inc.
- Surface

Received

JUL 5 2013
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMPs CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.

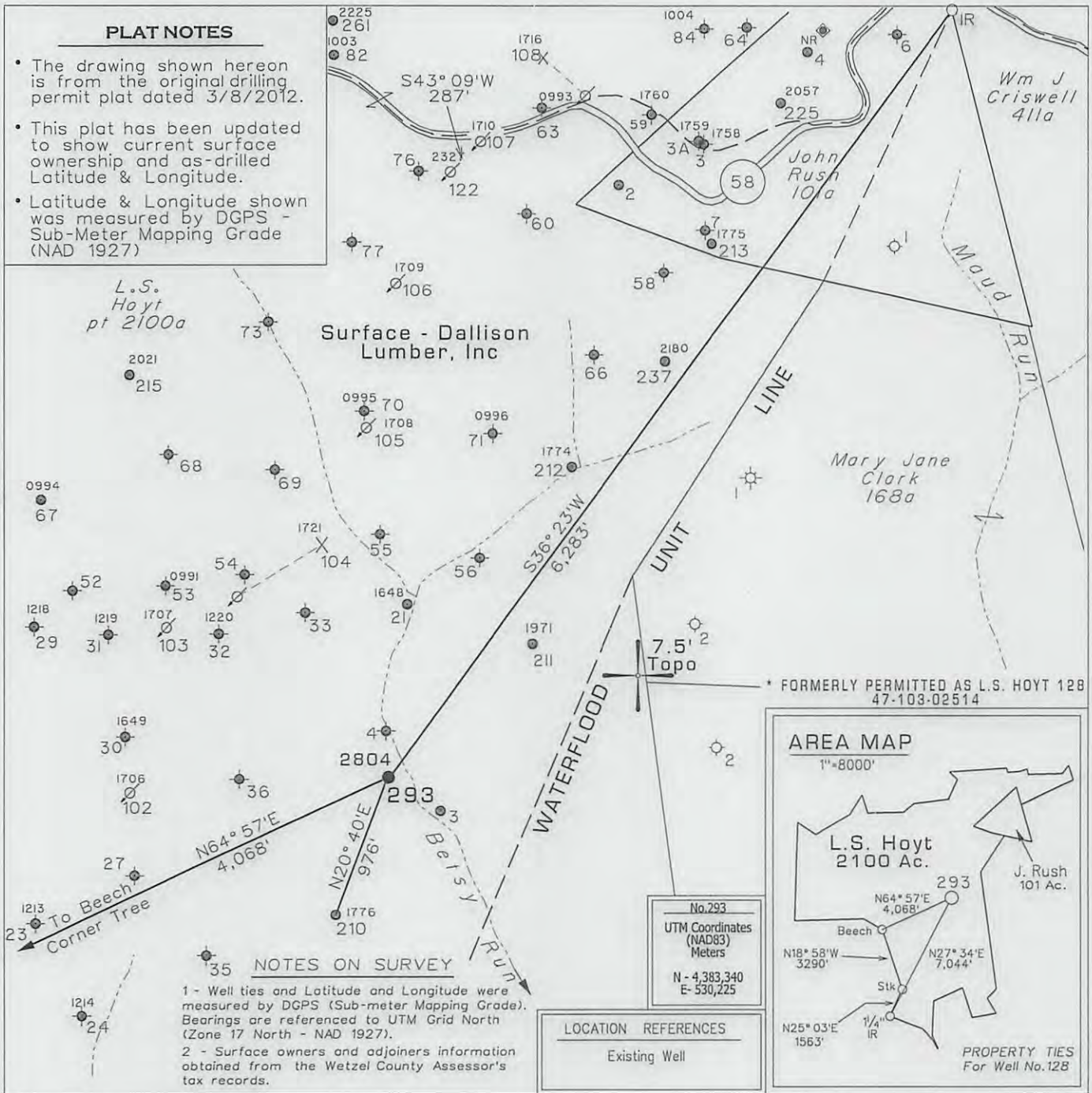
SUBJECT WELL
L.S. Hoyt No. 293
47-103-2804



DmH
6-27-17 Section of
JUL 5 2013
Pine Grove 7.5' Quadrangle
Office of Oil and Gas
SCALE 1" = 1000'
Dept. of Environmental Protection

PLAT NOTES

- The drawing shown hereon is from the original drilling permit plat dated 3/8/2012.
- 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)



⊕ DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS. ◆ DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIRCA 2003 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.

FILE NO. 1046-31
 MAP NO. N S E W
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY Sub-Meter
 PROVEN SOURCE OF ELEVATION DGPS Survey
 (Sub-Meter Mapping Grade)

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



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25304



DATE March 8, 2012
 FARM L.S. Hoyt No.293
 API WELL NO. 47-103-02804S

WELL TYPE: OIL GAS LIQUID INJECTION X WASTE DISPOSAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW CBM
 LOCATION: ELEVATION 979' WATERSHED Betsy Run
 DISTRICT Grant COUNTY Wetzel
 QUADRANGLE Pine Grove 7.5'
 SURFACE OWNER Dallison Lumber Inc. ACREAGE 2099.3 Ac.
 OIL & GAS ROYALTY OWNER The Hoyt Foundation LEASE ACREAGE 2100 Ac.
 LEASE NO. 99324-00
 PROPOSED WORK: DRILL CONVERT X DRILL DEEPER REDRILL FRACTURE OR
 STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW
 FORMATION OTHER PHYSICAL CHANGE IN WELL (SPECIFY) Convert to Liquid Injection
 PLUG AND ABANDON CLEAN OUT AND REPLUG
 TARGET FORMATION Gordon ESTIMATED DEPTH 3,020'
 WELL OPERATOR HG Energy, LLC. DESIGNATED AGENT Mike Kirsch
 ADDRESS P. O. Box 5519 ADDRESS P. O. Box 5519
Vienna, W.Va. 26105 Vienna, W.Va. 26105

1 JUN 14 2012