

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

November 14, 2013

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-10302932, issued to STATOIL USA ONSHORE PROPERTIES, INC., 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: MICHAEL KUHN UNIT 2H

Farm Name: KUHN, MICHAEL G.

API Well Number: 47-10302932

Permit Type: Horizontal 6A Well

Date Issued: 11/14/2013

Promoting a healthy environment.

API Number: 103-62932

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) 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

- This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACOE). Through this permit, you are hereby being advised to consult with USACOE regarding this proposed activity.
- 2. 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 § 22-6A-5a (12), 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.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled Water Well Regulations, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS W.VA. CODE §22-6A - WELL WORK PERMIT APPLICATION

•					いりつ		ω
1) Well Oper	ator: Statoil US	A Onshore Proper	ties Inc.	494505083	Wetzel	Center	Big Run 7.5'
, , 1				Operator ID	County	District	Quadrangle
2) Operator's	Well Number	: Michael Ku	ıhn Unit 2H		Well Pad Nam	ne: Michael Kuhn	Unit
3 Elevation,	current ground	l: <u>1507'</u>	E	levation, proposed	post-construc	tion:	1507* **already built**
4) Well Type	e: (a) Gas Other (b) If Gas:	Shallow Horizontal	Oil	Deep			
6 . E	10.37			·			DmH
5) Existing P	ad? Yes or No:	Yes					7-2-17
· •	Farget Formati e; Formation Top - 7713	•		ted Thicknesses an	nd Associated	Pressure(s):	
8) Formation 9) Proposed 10) Approxir 11) Method t 12) Approxir 13) Approxir 14) Approxir 15) Does land	Total Vertical I at Total Vertical Measured nate Fresh War on Determine Fresh Early at Coal Sean nate Depth to I d contain coal sproposed well	cal Depth: I Depth: I Depth: Iter Strata De Iresh Water I Depths: In Depths: Possible Voices	Depth: $\frac{2150^{\circ}}{755^{\circ}}$ d (coal mine ary or adjace	30' - 320' ocal water well data	N/A No ellus Shale.		
,	fracturing/stim	_		l:			
					Roc	eiveo	
18) Total are	a to be disturbe	ed, including	roads, stock	pile area, pits, etc,	(acres):		d already built**
19) Area to b	e disturbed for	well pad on	ly, less acces	ss road (acres):	1.73 ac **p	2 2 2013 ad already built**	

Office of Oil and Gas
WV Dept. of Environmental Protection

CASING AND TUBING PROGRAM 108 02932

20)

ТҮРЕ	Size	New or Used	<u>Grade</u>	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	H-40	94#	80'	80'	Grouted to surface 120 cu. ft.
Fresh Water	13-3/8"	New	J-55	54.5#	500'	500'	Cement to surface 350 cu. ft.
Coal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate	9-5/8"	New	J-55	36#	2,682'	2,682'	Cement to surface 860 cu. ft.
Production	5-1/2"	New	P-110	20#	14,165'	14,165'	Cement to 2000 ft, 3255 cu. ft.
Tubing							
Liners				,			

7-2-17 DW14

ТҮРЕ	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	26"	.876"	1530 psi	Class "A"	1.3 cuft/sk
Fresh Water	13-3/8"	17-1/2"	.76"	2730 psi	Class "A"	1.29 cuft/sk
Coal	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate	9-5/8"	12-1/4"	.704"	3520 psi	Class "A"	1.29 cuft/sk
Production	5-1/2"	8-1/2"	.722"	12,640 psi	Class "A"	2.42 cuft/sk
Tubing						
Liners						

PACKERS

Kind:			
Sizes:			
Depths Set:		He	ceived

2 2 20!3

Describe centralizer placement for each casing string.	
Conductor - None	
Fresh Water - 1 bow spring centralizer 10' from shoe, 1 bow spring centralizer every 4 joints to	surface
Intermediate - 1 bow spring centralizer 10' from shoe, 1 bow spring centralizer every 3 joints to	surface
Production - 1 spiroglide centralizer 10' from shoe, 1 spiroglide centralizer mid joint on second	joint
1 spiroglide centralizer every joint to 45 deg, 1 bowspring centralizer every other joint to KOP, of	double bow spring
centralizers every fourth joint to 2000'.	
Describe all cement additives associated with each cement type. Conductor - None	
Fresh Water - Class A Cement with 3% Calcium Chloride	
Intermediate - Accelerator (CaCl2), Expansion / Thixotropic (W-60), Retarder (HR-7)	
Production (lead) - Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder ((HR-7), Defoamer
Production (tail) - Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder (I	HR-7), solubility
enhancer (for acid solubility)	
Note Names and types of additives may vary depending on vendor availability	
3) Proposed borehole conditioning procedures. Conductor - Circulate clean	
Fresh Water - Circ. hole clean at TD, Fill casing with water, Pump 20 bbl water, 25 bbl gel space	er, and 5 bbl water.
Treath trates of the treath at the time calling that water, t amp 20 bbt water, 20 bbt got opace	
Intermediate - Circ. hole clean at TD, Fill casing with water, Pump 20 bbl water, 25 bbl gel space	cer, and 5 bbl water.
	cer, and 5 bbl water.
Intermediate - Circ. hole clean at TD, Fill casing with water, Pump 20 bbl water, 25 bbl gel space	

*Note: Attach additional sheets as needed.

Office of Oil and Gas

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WV Department of
Environmental Protection

Cement Additives

Freshwater - Class A Cement with 3% Calcium Chloride

Intermediate - Accelerator (CaCl2), Expansion / Thixotropic (W-60), Retarder (HR-7)

Production (Lead) - Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder (HR-7), Defoamer

<u>Production (Tail)</u> – Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder (HR-7), solubility enhancer (for acid solibility)

NOTE: Names and types of additives may vary depending on vendor availability

Office of Oil and Gas

OCT 25 2013

WV Department of
Environmental Protection

Statoil					Ma	arce	llus	- Di	rilling	Well	Schema	atic	
Well Name: Field Name: County: API#:	Kuhn 2H Marcellus Wetzel					HL: HL:		No 17690 17725	96.00 RKE	E (ft): 1,507 3 (ft): 22 Y= 14392 Y= 14386		TVD(ft): 7,739 TMD(ft): 14,164 Profile: Honzontal AFE No.: 000000000	02932
Formations & Csg Points	MD	Depth, ft	SS	Form. Temp. (F)		Frac radient (EMW)	Planned MW		Measure C	epth	Program	D	etails
Conductor	80	80	1,449						80				20" Conducto
											Profile: Bit Type: BHA: Mud: Surveys: Logging: Casing: Centralizers:	Vertical Flat bottom hammer bit Air Hammer Air Singel shot none 13 3/8 in 54.5 # J-55 BTC set @ 1 1 every 4 joints	17 1/2" Surface
											Cement:	15.8 ppg Halliburton BondCem™ sks	with 0.35% HR-7 (retarder) ~230
Casing Point	500	500	1,029	65			Air/ Mist		500		Potential Drilling Problems:		
Casing Foint		oproximate			208'		All/ What		300		FIT/LOT: 15.0 p		12 1/4" Intermediate
											Profile: Bit Type:	Nudge for anticollission PDC	
											BHA: Mud:	Directional Air and load hole with 10 ppg SO	BM from 1250' TVD
					-	-					Surveys: Logging:	MWD/EM	
	4 007										Casing/Liner:	9 5/8 in 36# J-55 LTC/BTC set at	2682ft MD/2682 ft TVD.
Red Rocks	1,387										Liner Hanger: Centralizers:	N/A 1 every 3 joints	
Big Injun	2,433										Cement:	15.8 ppg Halliburton BondCem™ sks	with 0.35% HR-7 (retarder) ~400
Big Injun (Base)	2,627			-	•	*					Potential Drilling Problems:		
Casing Point	2,682	2,682	-1,153	82		>15	10.0		2,682	İZ	FIT/LOT: 16.0 p		8 1/2" Production
											Profile: Bit Type:	Horizontal; KOP@ 6500' with a 3 8 1/2" PDC	deg/100 ft build/turn
Gordon Sand	3,335										вна:	Directional Assembly (Steerable I	Motor) + MWD w/ GR
											Mud: Surveys:	Air/Mist to KOP and SOBM to TD MWD + GR	
											Logging:	Mud Logging the whole interval	
											Casing/Liner:	5 1/2 in 20# P-110 Vam Top HT t	0 0' to 1D @ 14165 ft MD
											Liner Hanger: Centralizers:	70% stand-off in OH section	
KOP1	6,500	6,500									Cement:	Single slurry design: 15.0 ppg to Halliburton ShaleCem™ ~ 2320 s	2,000'
Geneseo Shale		7,562	-6,033	105		02	12.0				Potential	Halliburton ShaleCelli - 2520 s	ins
Tully		7,585	-6,056	105							Drilling		
Hamilton		7,589	-6,060	117		-	12.0				Problems:		
Marcellus		7,713	-6,184	118	-	-	12.0				Notes / Comments:		
				-						_			
Target Top		7,739	-6,210	118			12.0				erestaseesse		
Landing point	9,064	7,739								1.1.1.		Pecely	TMD: 14,165 TVD: 7,739
Target Btm		7,739	-6,210	119	-	-							
				-	-	-	•					0 2 2 20	13
Last Revision Date Revised by: KCN	: 06/13/13				DM 14		h		epths are refe te: Not Drawr			Office of Oil and G VV Dept. of Environmenta	Cement Outside Casing

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

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name Statoil USA Onshore	Properties Inc.	OP Code 494505083	
Watershed_Knob Fork	Quad	Irangle Big Run 7.5'	
Elevation 1507'	County_Wetzel	District_Center	-
	te: All drilling will be done "closed loop", the		<
Do you anticipate using more than	5,000 bbls of water to complete the p	proposed well work? Yes X No	
Will a synthetic liner be used in the	e pit? N/A	at mil.? N/A	
Proposed Disposal Method For Tro Land A Undergo Reuse (cated Pit Wastes: oplication round Injection (UIC Permit Number at API Number Disposal (Supply form WW-9 for di	r = 3412123390, 3400922704, 3416727401, 4707302523, 3416729577, 3412123995, 3416729658,3416729685)
Drilling medium anticipated for th	s well? Air, freshwater, oil based, etc	cAir / Freshwater / Soap - Tophole, SOBM - from Red Rocks to TD of Late	eral DOH
	Synthetic, petroleum, etc. Synthetic Oil	Based Mud	- 00
Additives to be used? See Attached	Yes, throughout the entire drilling process		1-9-1
-If left in pit and plan to s	eave in pit, landfill, removed offsite, e colidify what medium will be used? Coermit number? Meadowfill Landfill - ID#	ement, lime, N/A	
on August 1, 2005, by the Office of provisions of the permit are enforced or regulation can lead to enforcement of certify under penalty of application form and all attachment the information, I believe that the submitting false information, including	of Oil and Gas of the West Virginia Deable by law. Violations of any terment action. If law that I have personally examinate thereto and that, based on my inques information is true, accurate, and oding the possibility of fine or imprisonal.	ns of the GENERAL WATER POLLUTION PERM Department of Environmental Protection. I understant or condition of the general permit and/or other appliance and am familiar with the information submittenity of those individuals immediately responsible for complete. I am aware that there are significant pernament.	d that the cable law d on this obtaining
Company Official Signature	with went		
Company Official (Typed Name)	Bekki Winfree		
Company Official Title Sr. Regulate	ory Advisor - Marcellus		
		Em.	
Subscribed and sworn before me the	us Fontanob	6 , 2013 RECEIVE	ed
My commission expires	4106,00 pl	V DBARBARA W, FONTENOT MY COMMISSION EXPIRES	7

Property Boundary	Diversion ————————————————————————————————————
Road ====================================	Spring
Existing Fence ———————————————————————————————————	Wet Spot
Planned Fence///	Drain Pipe W size in inches
Stream	
Open Ditch	Waterway
Rock	Cross Drain
North N	Artificial Filter Strip XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Pit: Cut Walls
Buildings	Pit: Compacted Fill Walls
Water Wells Drill Sites	Area for Land Application of Pit Waste
Proposed Revegetation Treatment: Acres Disturbed N/A	Prevegetation pH 5.5
Lime 2 Tons/acre or to correct to pH _	
Fertilizer (10-20-20 or equivalent) 500 lbs/ac	ere (500 lbs minimum)
Mulch 2 Tons/acre	e
Seed	Mixtures
Area I	Area II
Area I Seed Type lbs/acre	Area II Seed Type lbs/acre
Seed Type lbs/acre	
Seed Type Ibs/acre 67.29% Orchard Grass 40	
Seed Type Ibs/acre 67.29% Orchard Grass 40 19.89% Timothy, 9.87% Kentucky Bluegrass	
Seed Type Ibs/acre 67.29% Orchard Grass 40 19.89% Timothy, 9.87% Kentucky Bluegrass 2.95% Inert Matter Attach: Drawing(s) of road, location,pit and proposed area for land applications.	Seed Type Ibs/acre
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Michael Kuhn Unit 2H – Site Safety Plan

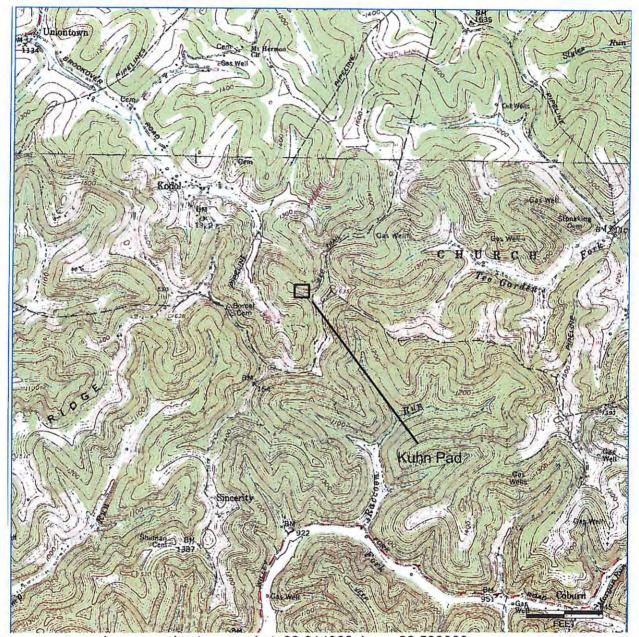
Statoil USA Onshore Properties Inc.

DMH 1-2-13

Received

2 2

4.0 Pad Site Topo Map



- Lease road entrance Lat: 39.614362, Lon: -80.530060
- o Lease road entrance is 0.6 mi east of the intersection of CR 7/12 and CR 19/3



west virginia department of environmental protection



Water Management Plan: Secondary Water Sources



103-02932

WMP-01432

API/ID Number

047-103-02932

Operator: Statoil USA Onshore Properties Inc.

Michael Kuhn 2H

Important:

For each proposed secondary water source identified in your water management plan (i.e., groundwater well, lake/reservoir, recycled frac water, multi-site impoundment, out-of-state source), DEP makes no estimation of the availability of water. These sources may prove to be unsuitable water supplies. Please review the following notes:

- •For groundwater supply wells, DEP recommends that the operator contact the local health department prior to drilling any new well; and reminds the operator that all drinking water wells within 1,500 feet of a water supply well shall be flow- and quality-tested by the operator at the request of the drinking well owner prior to operation of the water supply well.
- •For each proposed multi-site impoundment water source identified in your water management plan (if applicable), DEP will review the withdrawal limits established in the referenced Water Management Plan for current suitability and provide to the operator these limits for each identified intake. Note that withdrawal limits may be modified as necessary based on changing demands upon that water supply.

Multi-site impoundment

Source ID: 23944 Source Name Jolliffe Centralized Freshwater Impoundment

Source start date:

11/1/2013

Source end date:

11/1/2014

Source Lat:

39.656286

Source Long: -80.551964

County

Wetzel

Max. Daily Purchase (gal)

Total Volume from Source (gal):

6,300,000

DEP Comments:

103-FWC-00005

The intake identified above has been defined in a previous water management plan. The thresholds established in that plan govern this water management plan unless otherwise noted.

Reference: WMP-1289

APPROVED SEP 2 0 2013

WW9

MICHAEL KUHN UNIT 2H 0 2 RAGES

OF

