

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

January 24, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-10302944, issued to TRANS ENERGY, 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: BLACKSHERE 201H

Farm Name: TRANS ENERGY, INC.

API Well Number: 47-10302944

Permit Type: Horizontal 6A Well

Date Issued: 01/24/2014

Promoting a healthy environment.

API Number: 103 - 02944

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. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

- 1. 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.

WW - 6B (3/13)

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

1) Well Operator:	Trans E	Energy I	nc	494481575	Wetzel	Grant	Folsom
				Operator ID	County	District	Quadrangle
2) Operator's Well	Number:	Blackshere	201H		Well Pad Nar	ne: Blackshere	
3 Elevation, curren	it ground:	866'	I	Elevation, proposed	post-constru	ction:	870
4) Well Type: (a) (Gas _		Oil	Undergroun	d Storage		
(b) I 5) Existing Pad? Ye	es or No:	Shallow Horizontal Yes		Deep			Dm H 9-12-13
6) Proposed Target Marcellus Shale 7200			(s), Anticip	ated Thicknesses ar	d Associated	l Pressure(s):	
7) Proposed Total V 8) Formation at Tot		-	7200'				
			Marcellus St	nale			
9) Proposed Total N			15,000				
10) Approximate Fr	resh Water	Strata De	pths:	60, 150'			
11) Method to Dete	rmine Fre	sh Water D	epth:	Water Wells drilled in the	County, information	on provided by Heal	Ith Dept.
12) Approximate Sa	altwater D	epths:	1500'				
13) Approximate Co	oal Seam l	Depths:	850'				/
14) Approximate D	epth to Po	ssible Voic	d (coal mine	e, karst, other):	N/A		V
15) Does proposed adjacent to an ad				directly overlying and depth of mine:	or No		
16) Describe propos	sed well w	ork:	rill and Complete ho	rizontal well in the Marcellus Shale.	Lateral to be approxim	ately 7800' in length.	
17) Describe fractur A water fracture treatm				il: er will be used to stimulate	the Marcellus Sha	ile	
18) Total area to be 19) Area to be Office of Oil o	red for w	vell pad on			200	4.30 s is an as built	Page 1 of 3

NOV 26 2013

20)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20	new	J-55	94	80	80	CTS
Fresh Water	13 3/8	new	J-55	54.5	820	820	CTS
Coal							
Intermediate	9 5/8	new	J-55	40	3300	3300	CTS
Production	5 1/2	new	P-110	20		15000	To 3,000'
Tubing							
Liners							

Dm H 9-12-13

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20	26	0.438	1530	Type 1	13 cu ft/sk
Fresh Water	13 3/8	17 1/2	0.38	2730	Type 1	1.25 cu ft/sk
Coal						
Intermediate	9 5/8	12 1/2	.352	3520	Type 1	1.26 cu ft/sk
Production	5 1/2	8 3/4	.361	12630	Pos H Class H	1.18 cu ft/sk
Tubing						
Liners						

PACKERS

Kind:		
Sizes:		
Depths Set:		

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Page 2 of 3

Fresh water string - 1 centr	ralizer every 100' from 3300' to 900'
	lizer every 80' from TD to above ROP (7000')
2) Describe all cement additives	associated with each cement type.
Standard Type 1 cement ac	lditives associated with each cement type.
Type 1 + 2% CaC 12 + Y4# Flake	- Surface Cement mixed @ 15.6 ppg CaC _{J2} , Flake (cellohane flake)
Type 1 + 1% CaC ₁₂ + Y4#	Flake - Intermediate Cement mixed @ 15.6 ppg
Class H in lateral - retarder	and fluid loss and dree water additive
3) Proposed borehole conditioni	ng procedures.
Before cement casing mud will be	thinned and all gas will be circulated out of the mid before cementing

*Note: Attach additional sheets as needed.

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PECEIVED Office of Oil and Gas SEP 252013 WV Department of Environmental Protection

WELLBORE SCHEMATIC

Well Name:

Blackshere 201H

a^{ta}

County:

Marshall

Latitude:

39.478842

Longitude:

-80.591810

TVD:

7,200 ft.

TD:

15,000 ft.

Type Casing	<u>Size</u>	<u>Footage</u>
Conductor	20"	80'
Fresh Water	13-3/8"	820'
Intermediate	9-5/8	3,300'
Production	5-1/2"	15,000'

DmH 9-12-13

	Page		of	
API Number 47 - 10	3 -	0290	14	
Operator's Well	No. Blac	kshere 201H		

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

		OP Code 494481575	
Watershed (HUC 10) Arches Fork		Quadrangle Folsom	
Elevation 866'	County_Wetzel	District Grant	
Do you anticipate using more than 5,0	000 bbls of water to complete th	the proposed well work? Yes X No	
Will a pit be used for drill cuttings?			
Will a synthetic liner be used	I in the pit? Yes No	X If so, what ml.?	
Proposed Disposal Method F	For Treated Pit Wastes:		
Land Appli			
		mber)	
	sposal (Supply form WW-9 fo		
Other (Exp	plain All frac fluids will be flowed black into storage containers an	and Buckeye Water Service Company will have to an approved water disposal facilities	
Will closed loop system be used? Ye	s		
Drilling medium anticipated for this w	vell? Air, freshwater, oil based	d, etc. Freshwater mud until reaching Marcellus then synthetic	
		tic	
Additives to be used in drilling mediu			
		All cuttings will be hauled to approved landfill	1
		ite, etc. All cuttings will be hauled to approved landfill	1/4/
	dify what medium will be used: mit number? Short Creek Landf	1? (cement, lime, sawdust) No Pit	1-12-13
-Landini of offshe name/peri	min number: Short Sreek Earler		
on August 1, 2005, by the Office of O provisions of the permit are enforced law or regulation can lead to enforcem	oil and Gas of the West Virginia ble by law. Violations of any nent action. In that I have personally exar is thereto and that, based on	itions of the GENERAL WATER POLLUTION PERMIT issue in Department of Environmental Protection. I understand that the term or condition of the general permit and/or other applicable amined and am familiar with the information submitted on the my inquiry of those individuals immediately responsible to accurate, and complete. I am aware that there are about its	ie le
obtaining the information, I believe penalties for submitting false information. Company Official Signature	he learnar	SEP 25 2013	AS nt
obtaining the information, I believe penalties for submitting false information	he learnar	SEP 25 2013	e of
obtaining the information, I believe penalties for submitting false information. Company Official Signature	he Learhart	SEP 25 2013	e of
obtaining the information, I believe penalties for submitting false information Company Official Signature Company Official (Typed Name) Les	he Learhart	SEP 25 2013	e of

Form WW-9		Operator's	Well No. Blackshere 201H
Trans Energy Inc			
		Prevegetation	рН
	Tons/acre or to corre	ct to pH 65	
Fertilizer (10-20-2	20 or equivalent) 600	lbs/acre (500 lbs minimum)	
Mulch 90 Bale	9 S	_Tons/acre	
		Seed Mixtures	
	Area I		Area II
Seed Type Meadow Mix	lbs/acre 100	Seed Type Meadow Mix	lbs/acre 100
Oats or Rye	50	Oats or Rye	50
Plan Approved by:	olved 7.5' topographic sheet.		
Comments:			
			
	S 1.0	9 12 12	RECEIVED
Fitle: Oil + Gac	Yes (Date: <u>9-12-12</u>	Office of Oil and C
Field Reviewed? (Yes (_) No	SEP 25 2013

09/10/2013

TRANS ENERGY INC.

WELL SITE SAFETY PLAN
Blackshere 201H, 1 2013

west virginia department of environmental protection



Water Management Plan: Primary Water Sources



WMP-01649

API/ID Number:

047-103-02944

Operator:

Trans Energy Inc.

Blackshere 201H

Important:

For each proposed primary water source (including source intakes for purchased water sources) identified in your water management plan, and summarized herein, DEP has made an evaluation concerning water availability over the specified date range. DEP's assessment is based on the following considerations:

- Statistical analysis of historical USGS stream gauge data (transferred to un-gauged locations as necessary);
- •Identification of sensitive aquatic life (endangered species, mussels, etc.);
- Quantification of known existing demands on the water supply (Large Quantity Users);
- •Minimum flows required by the Army Corps of Engineers; and
- Designated stream uses.

Based on these factors, DEP has provided, for each intake location (and origination point for purchased water), a reference gauge location and discharge flow reading which must be surpassed prior to withdrawals. Additionally, DEP has established a minimum passby flow at the withdrawal location which must also be surpassed prior to withdrawals. These thresholds are considered terms of the permit and are enforceable as such.

DEP is aware that some intake points will be used for mutiple wells and well sites. In these cases, the thresholds set by the Water Management Plan are to be interepreted as total withdrawal limits for each location over the specified date range regardless of how many wells are supported by that intake.

For all purchased water intakes, determinations of water availability are made at the original source intake location. It is the responsibility of the Oil and Gas Operator, not the seller, to cease withdrawal of water from the seller when flows are less than the minimum gauge reading at the stream gauge referenced by the Water Management Plan in order to protect stream uses.

Note that the determinations made herein are based on the best available data, but it is impossible to predict water availability in the future. While the DEP has carefully established these minimum withdrawal thresholds, it remains the operator's responsibility to protect aquatic life at all times. Approval to withdrawal is contingent upon permission from the land owner. It is the responsibility of the operator to secure and maintain permission prior to any withdrawals.

The operator is reminded that 24-48 hours prior to withdrawing (or purchasing) water, DEP must be notified by email at DEP.water.use@wv.gov.

APPROVED DEC 0 3 2013

Source Summary

WMP-01649

API Number:

047-103-02944

Operator:

Trans Energy Inc.

Blackshere 201H

Stream/River

Source

Wetzel

Owner:

Jim B. Myers

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

Intake Latitude: Intake Longitude:

5/1/2014

5/1/2015

6,300,000

39.5036

-80.58671

Regulated Stream?

Ref. Gauge ID:

3114500

MIDDLE ISLAND CREEK AT LITTLE, WV

Max. Pump rate (gpm):

2,940

S. Fk. of Fishing Creek @ Myers Withdrawal Site

Min. Gauge Reading (cfs):

74.05

Min. Passby (cfs)

9.68

DEP Comments:

Arches Fork Creek @ Trans Energy Withdrawal Site Source

Wetzel

Owner:

Trans Energy, Inc.

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

Intake Latitude: Intake Longitude: 39.478669

-80.591232

5/1/2014

5/1/2015

6,300,000

3114500

MIDDLE ISLAND CREEK AT LITTLE, WV

Max. Pump rate (gpm):

Regulated Stream?

2,940

Min. Gauge Reading (cfs):

Ref. Gauge ID:

74.05

Min. Passby (cfs)

1.08

DEP Comments:

Source Summary

WMP-01649

API Number:

047-103-02944

Operator:

Trans Energy Inc.

Blackshere 201H

Purchased Water

Source

Ohio River @ J&R Excavating

Marshall

Owner:

J&R Excavating

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

Intake Latitude: Intake Longitude:

5/1/2014

5/1/2015

6,300,000

1,890,000

39.998509

-80.737336

✓ Regulated Stream?

Ohio River Min. Flow

Ref. Gauge ID:

9999999

Ohio River Station: Willow Island Lock & Dam

Max. Pump rate (gpm):

Min. Gauge Reading (cfs):

6,468.00

Min. Passby (cfs)

DEP Comments:

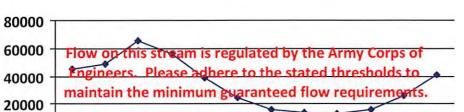
Refer to the specified station on the National Weather Service's Ohio River forecast

website: http://www.erh.noaa.gov/ohrfc//flows.shtml

Source Detail

047-103-02944 WMP-01649 API/ID Number: Operator: Trans Energy Inc. Blackshere 201H Ohio River @ J&R Excavating Source Latitude: 39.998509 30516 Source Name Source ID: J&R Excavating Source Longitude: -80.737336 5030106 HUC-8 Code: 5/1/2014 Anticipated withdrawal start date: 25000 Marshall Drainage Area (sq. mi.): County: 5/1/2015 Anticipated withdrawal end date: **Endangered Species?** ✓ Mussel Stream? 6,300,000 Total Volume from Source (gal): Trout Stream? ☐ Tier 3? Max. Pump rate (gpm): Ohio River Min. Flow Regulated Stream? Max. Simultaneous Trucks: Proximate PSD? Max. Truck pump rate (gpm) Gauged Stream? Ohio River Station: Willow Island Lock & Dam 9999999 Reference Gaug 25,000.00 6468 Gauge Threshold (cfs): Drainage Area (sq. mi.)

Month	Median monthly flow (cfs)	Threshold (+ pump	<u>Available</u> water (cfs)
1	45,700.00		
2	49,200.00		-
3	65,700.00	÷	
4	56,100.00	0.00	5
5	38,700.00	4	
6	24,300.00	-	
7	16,000.00	-	-
8	13,400.00	6	18
9	12,800.00		
10	15,500.00	-	-
11	26,300.00	*	9
12	41,300.00	-	4



5

Median Monthly Flow -

Water Availability Profile

resholds to equirements.

Water Availability Assessment of Location

Base Threshold (cfs):

Upstream Demand (cfs):

Downstream Demand (cfs):

Pump rate (cfs):

Headwater Safety (cfs):

Ungauged Stream Safety (cfs):

O.00

Min. Gauge Reading (cfs):

Passby at Location (cfs):

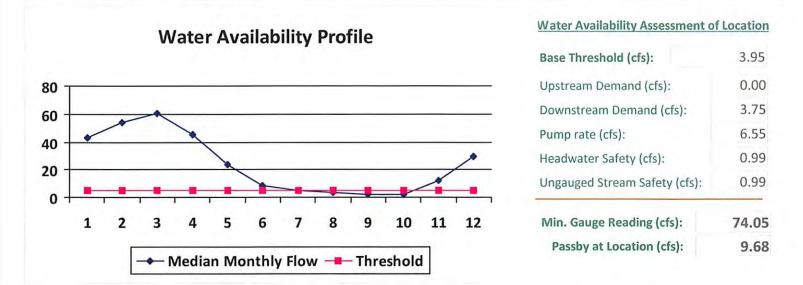
"Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.

0

Source Detail

WMP-016	549	API/ID Number: Black	047-103-029 shere 201H	44 Operator: Tran	s Energy Inc.
Source ID: 30517 Source		. of Fishing Creek @ N 3. Myers	Myers Withdrawal	100000000000000000000000000000000000000	39.5036 -80.58671
HUC-8 Code: Drainage Area (sq Endangered Species? Trout Stream? Regulated Stream?	5030201 J. mi.): 40.2 ✓ Mussel S ☐ Tier 3?		Wetzel	Anticipated withdrawal start date Anticipated withdrawal end date Total Volume from Source (gal) Max. Pump rate (gpm)	5/1/2015 6,300,000
Proximate PSD? Gauged Stream?				Max. Simultar Max. Truck pun	

Month	Median monthly flow (cfs)	Threshold (+ pump	<u>Available</u> water (cfs)
1	43.14	12.48	31.02
2	54.27	12.48	42.14
3	60.72	12.48	48.60
4	45.09	12.48	32.97
5	23.79	12.48	11.66
6	8.31	12.48	-3.82
7	4.70	12.48	-7.43
8	3.87	12.48	-8.26
9	1.98	12.48	-10.14
10	2.49	12.48	-9.64
11	12.16	12.48	0.04
12	29.72	12.48	17.59

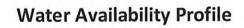


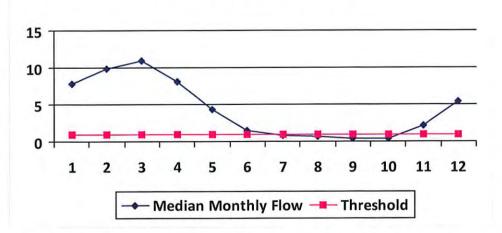
[&]quot;Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.

Source Detail

WMP-01649	API/ID Number: 047-103-0	02944 Operator: Trans Er	nergy Inc.
	Blackshere 201H Fork Creek @ Trans Energy With	drawal Site Source Latitude: 39.	478669
HUC-8 Code: 5030201 Drainage Area (sq. mi.): 7.29 Endangered Species?	county: Wetzel	Anticipated withdrawal start date: Anticipated withdrawal end date: Total Volume from Source (gal):	5/1/2014 5/1/2015 6,300,000 2,940
Regulated Stream? Proximate PSD? Gauged Stream? Reference Gauge 3114500	MIDDLE ISLAND CREEK AT LITTLE	Max. Pump rate (gpm): Max. Simultaneou Max. Truck pump ra	s Trucks: 0
Reference Gaug 3114500 Drainage Area (sq. mi.) 458.0		Gauge Threshold (cfs):	45

Month	Median monthly flow (cfs)	Threshold (+ pump	Available water (cfs)
1	7.82	7.63	0.46
2	9.83	7.63	2.48
3	11.00	7.63	3.64
4	8.17	7.63	0.81
5	4.31	7.63	-3.05
6	1.51	7.63	-5.85
7	0.85	7.63	-6.51
8	0.70	7.63	-6.66
9	0.36	7.63	-7.00
10	0.45	7.63	-6.91
11	2.20	7.63	-5.15
12	5.39	7.63	-1.97

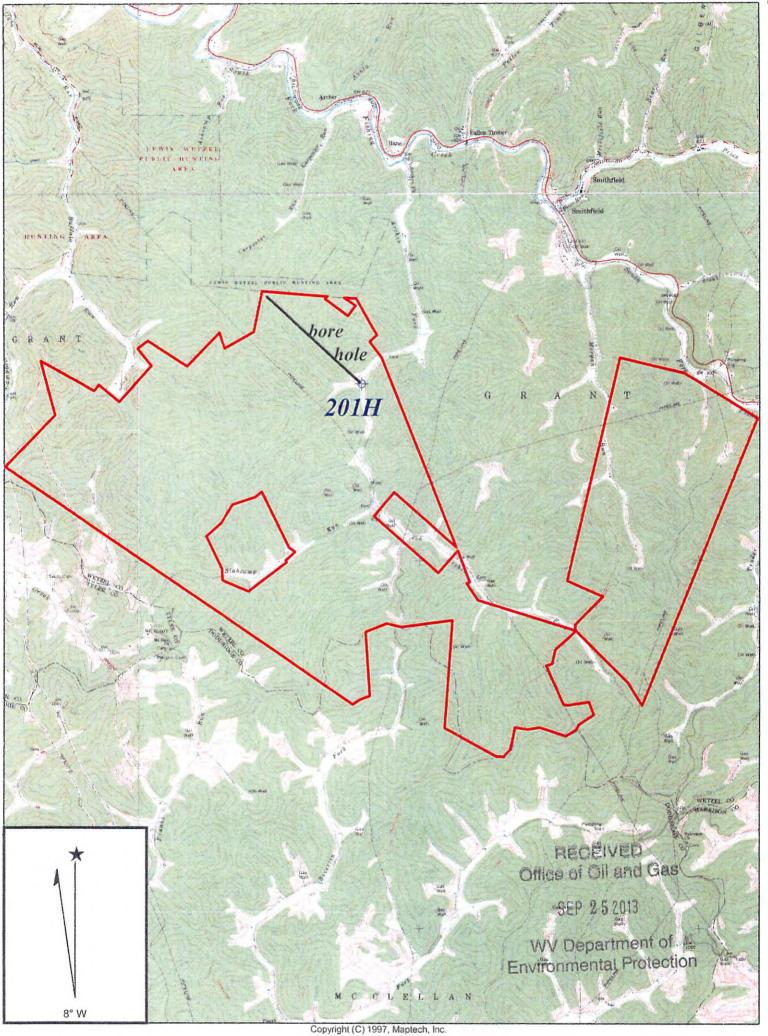




Water	Availability	Assessment	Of	Location

Min. Gauge Reading (cfs): Passby at Location (cfs):	74.05 1.07
Ungauged Stream Safety (cfs):	0.18
Headwater Safety (cfs):	0.18
Pump rate (cfs):	6.55
Downstream Demand (cfs):	0.00
Upstream Demand (cfs):	0.00
Base Threshold (cfs):	0.72

[&]quot;Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.



FOLSOM QUADRANGLE

SCALE 1" = 4000'

TRANS ENERGY, INC.

WELL: BLACKSHERE 201 H
BLACKSHERE, ET AL ET AL +/- 6900 ACRE LEASE

GRANT DISTRICT WETZEL COUNTY WEST VIRGINIA

