

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 06, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-10302965, issued to DIVERSIFIED RESOURCES, 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: D-186

Farm Name: WV DEPT. OF NATURAL RESOUL

API Well Number: 47-10302965

Permit Type: Vertical Well Date Issued: 11/06/2013

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. 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.
- 8. If well work related activities require the use of water obtained by withdrawals from waters of this state in amounts that exceed two hundred ten thousand gallons during any thirty day period, the operator is required to consult, and adhere to, the guidance provided by DEP's Water Withdrawal Guidance Tool prior to any water withdrawals.

WW - 2B (Rev. 8/10)

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

					103	04	349
) Well Operato	Dive	rsified Re	sources, Inc.	305996	Wetzel	The state of the s	olsom
	-			Operator ID	County	District	Quadrangle
Operator's V	Vell Num	ber: <u>D-186</u>	3		3) Elevation:	1307.31	
Well Type: (a	a) Oil <u>×</u>	or Ga	as <u>x</u>				
(k) If Gas:	Produ	iction <u>×</u> / Und	derground Sto	orage	_	
		Deep	p/ S	Shallow x			
Proposed Ta	rget For	mation(s)	: Bayard	Fame at a set	Proposed Ta	rget Depth: 3500)'
Approximate	fresh wa	ater strata	Feet a depths: 90'			al Depth: Bayard	-
Approximate							
Approximate	coal sea	am depth	s: 180'				
)) Annrovimat	e void de	enths (co	al, Karst, other):	n/a			
7) Approximat	e void de	spt(13,(00)	ai, Karst, Other).				
1) Does land o	contain c	oal seam	s tributary to act	tive mine? _n	/a		_
2) Describe pro	posed we	ell work ar	nd fracturing meth	ods in detail (a	attach addition	al sheets if neede	ed)
ill and Stimulate	new produ	uction					-1.5
3) TYPE S	PECIFIC	<u>C.A</u> CATIONS	ASING AND TUE	BING PROGE FOOTAGE	Control of the Contro	S CEMENT	
	<u>Size</u>	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft	<u>t.)</u>
Conductor				300	70.1		Dr
resh Water	95/8	ERW		168	300 168	CTS 90 sl	KS 10-
Coal							
ntermediate	7	ERN		1400'	1400'	CTS 220 s	ks
Production	41/2	EDW	RI	C3500 ¹	3500'	200 sks	
Гubing			Office	of Oil and C	as		
iners			00	CT 112013			
Packers: Kind			1//// [Department	of		
Size	-		Environ	mental Frot	dien		
	ths Set		7011				

WW-2A (Rev. 6-07)

1). Date: _A	August 22, 2013	_		
2.) Operator's V	Well Number	D-186		
	State	County		Permit
3.) API Well No	.: 47-	103	-	02965

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

4) Surface Ow	vner(s) to be served	d:	5) (a) Coal Ope	rator		
(a) Name	State of WV Capital Comp	plex W	Name			
Address	Bldg #3 Room 643		Address	,		
	Charleston, WV 25305					
(b) Name			(b) Coal Ov	vner(s) with [Declaration	
Address			Name			
			Address			
(c) Name			Name	_		
Address			Address			
6) Inspector	Derek Haught		(c) Coal Les	ssee with De	eclaration	
Address	PO Box 85		Name			
100000	Smithville, WV 26178		Address			
Telephone	304-477-4148					
	TO THE	PERSONS NA	MED ABOVE TA	KE NOTICE	THAT:	
Included is t	he lease or leases or					o extract oil and gas
OR						
	he information require					
						ies of this notice and
application, a loc	cation plat, and accor	npanying docum	ents pages 1 throu	gh on the	above named	parties by:
×	Personal Servi					
_			tal receipt attached	d)		
-		otice of Publication		•		
I have re	ead and understand (Chapter 22-6 and	d 35 CSR 4, and I	agree to the	terms and co	nditions of any permit
issued under this						
		that I have pers	sonally examined a	and am familia	ar with the info	rmation submitted on
						liately responsible for
	ormation, I believe the					
	are that there are sig	inificant penalties	for submitting fals	se information	, including the	possibility of fine and
imprisonment.			M My	m		
			Diversified Resources 1	ind		
		By:	MA I	1/1		
		Its:	President			
		Address	POBox 381087	U		
		Talestran	Birmingham, AL 35238			
Subscribed and	sworn before me this	Telephone day of	205-408-0909 f	,t	· 2013	>
Anno	sey S.C	Pouras	iu	Notar	y Public	3
My Commission	Expires 33	1115		RECEIVE	7	
Oil and Gas Privacy	Notice	1.0	Office	e of Oil and	d Gas	
The Office of Oil on	d Gae processes vous pe	areanal information	CILICO	see and phone n	umber se a nad i	of our regulatory duties

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

WW Depprivacyofficer@wv.gov

Environmental Protection

9/26/13

Date

WW-2A Surface Waiver

Print Name

		SURFAC	E OWNER WAIVER	
County	Wetzel		Operator	Diversified Resources, Inc.
			Operator well number	D-186
	INSTRU	CTIONS TO SURFAC	E OWNERS NAMED O	N PAGE WW2-A
If the surface appeared of be the only permits are	ce tract is owned by n n the Sheriff's tax tick owner who will actual valid for 24 months. immediately if you kno NOT	nore than three perso et on the land or beca ally receive these ma If you do not own any w who it is. Also, plea E: YOU ARE NOT RI	ns, then these materials use you actually occupy terials.) See Chapter 2 interest in the surface tr	
Chief, Office	e of Oil and Gas			
Department 601 57 th St.	t of Environmental Pro	tection		
	WV 25304			
(304) 926-0			1	rials to be served on or before the date the
operator file be filed in p be s ure of handling. It the planned well operato from the ap The 1) 2) 3) 4) 5) If y request a c Lis	es his Application. You person or received in the the date. Check with fyou have been contained work described in the mments must be in the proposed well would be chief has the power. The proposed well would be compared to the proposed well well as the	the have FIFTEEN (15) the mail by the Chief's the your postmaster to cted by the well operates materials, then the writing. Your commended other documents, so to deny or condition a cork will constitute a hast sediment control plant to publicly owned landork fails to protect fresommitted a substantial mulgated under Chapt the permit as it is is aboratories. The Officer quality prior to and	DAYS after the filing dat office by the time stated ensure a dequate delivator and you have signed permit may be issued at ents must include your nate location of the propuch as sketches, maps of well work permit based of zard to the safety of persis not adequate or effectids or resources; h water sources or suppled violation of a previous er 22, and has failed to a second or a copy of the	the to file your comments. Comments must above. You may call the Chief's office to be time or to ar range special expedited a "voluntary statement of no objection" to any time. The ame, address and telephone number, the osed well site including district and county rephotographs to support your comments. In comments on the following grounds: sive; The ame is a substantial violation of one or abate or seek review of the violation". The order denying the permit, you should the testing laboratories which you can hire a Chief to obtain a copy.
I he	ereby state that I have			nat I have received copies of a Notice and
Application order on F or described the	for a Well Work Perm orm WW2-B, a s urve herein.	it on Form WW2-A, ar y plat, and a s oil a no	nd attachments consisting I erosion plan, all for pr	g of pages 1 through including a work oposed well work on my surface land as these materials, and I have no objection to
	ing issued on those m		ililled work described in t	mese materials, and i have no objection to
FOR EXEC	UTION BY A NATURA	AL PERSON	FOR EX	ECUTION BY A CORPORATION, ETC.
			Company	IN DNR Wildlife Res Sect
	Signature	Date	Name 4	Heven FRANCE 912611?
	orginatare		lts	Date
			Office of Oil and (District Wildlife Biologist

W// Department of Environmental Projection

WW.	-2A1	
(Rev.	1/11))

Operator's Well Number	0-186
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INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Bay Oil Co. LLC and Lynrow Assoc., LLC	Trans Energy, Inc.	12.5	86A/597
Trans Energy, Inc.	Diversified Resources, Inc.	12.5	138A/770

Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application he reby a cknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the affected activity is initiated.

Well Operator:

By: Its: Of President 13

MALEMPHINE of Environmental Protection

WW-2B1	
(5-12)	

Wel	l No.	D-186	

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

Be advised, you have the right to sample and analyze any water supply at your own expense.

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Laboratory Name Sampling Contractor		Sturm Environmental		
Well Operator	Diversified Reso	ources, Inc.		
Address	POBox 381087			
	Birmingham, AL 35238			
Telephone 205-408-0909				

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

RECEIVED
Office of Oil and Gas

OCT 11 2013

WW Department of Environmental Protection

LAND SURVEYING SERVICES

Stephen D. Losh, PS J. Michael Evans, PS 21 Cedar Lane Bridgeport, WV 26330 Phone & Fax (304) 842-2018 or 842-5762 sdlosh@frontier.com

August 01, 2013

Diversified Resources, Inc. P. O. Box 381087 Birmingham, AL 35238-1087

WATER WELL REPORT

Project: D-186 District: Grant County: Wetzel

State: WV

The following people may have water supplies within 2,000 feet of the above location:

None

10-3-17

RECEIVED Office of Oil and Gas

DCT 112013

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Environmental Protection

	Pa	age	of
API Number 47 -	103	-	
Operator's	Well No.	D-186	

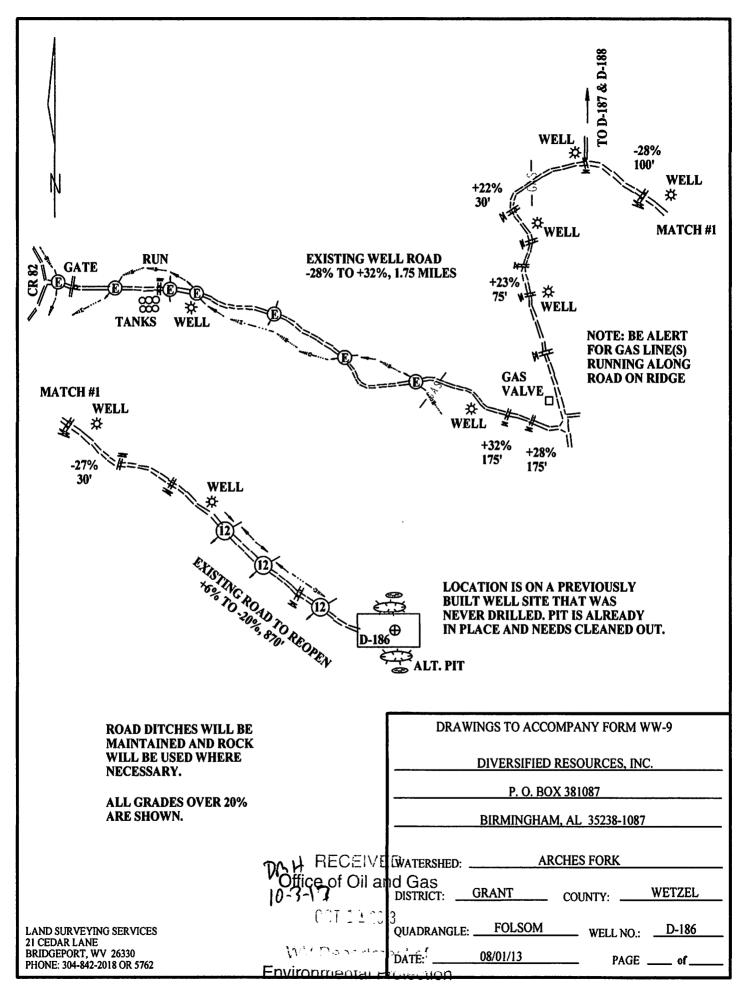
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

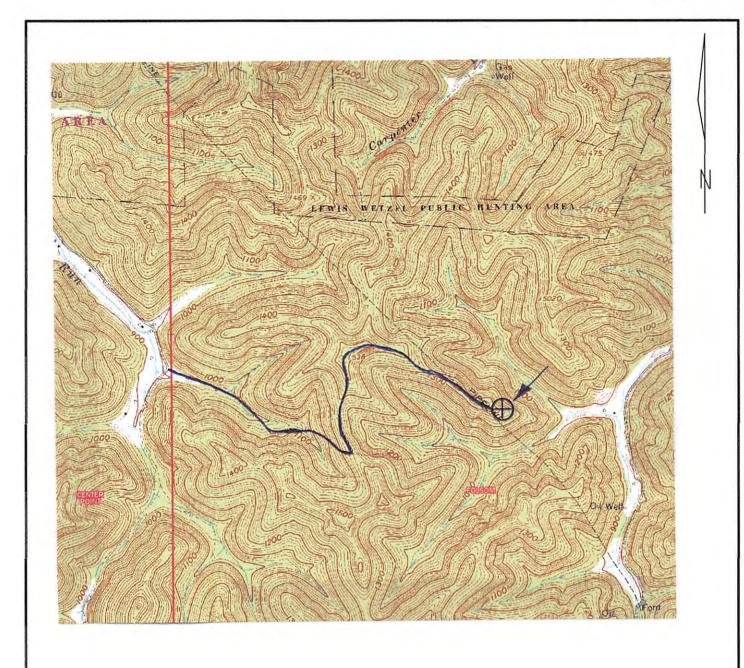
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name DIVERSIFIED RESOURCES, INC. OP C	Code
Watershed (HUC 10) ARCHES FORK Quadrangle FOLSO	ОМ
Elevation 1307.31' County WETZEL Di	strict_ GRANT
Do you anticipate using more than 5,000 bbls of water to complete the proposed well wo Will a pit be used for drill cuttings? Yes No If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes X No If so, who Proposed Disposal Method For Treated Pit Wastes:	at ml.? 18 20
Land Application Underground Injection (UIC Permit Number Reuse (at API Number Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	
Will closed loop system be used?	
Drilling medium anticipated for this well? Air, freshwater, oil based, etc	vdust) Line
I certify that I understand and agree to the terms and conditions of the GENER on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Env provisions of the permit are enforceable by law. Violations of any term or condition o law or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined and am family application form and all attachments thereto and that, based on my inquiry of those obtaining the information, I believe that the information is true, accurate, and complementation for submitting false information, including the possibility of fine or imprisonment Company Official Signature Company Official (Typed Name) Company Official Title	fronmental Protection. I understand that the f the general permit and/or other applicable liar with the information submitted on this se individuals immediately responsible for ete. I am aware that there are significant
Subscribed and sworn before me this 3d day of August My commission expires 3 31 15	Notary Public Notary Public

Form WW-9	Operator's Well No. D-186
DIVERSIFIED RESOURCES, INC.	
Troposed Revegetation Treatment. Acres Disturbed	Prevegetation pH 6.5
Lime To pH test Tons/acre or to correct Fertilizer (10-20-20 or equivalent) 500 Mulch HAY OR STRAW 2	lbs/acre (500 lbs minimum)Tons/acre
	Seed Mixtures
Area I Seed Type lbs/acre ORCHARDGRASS 25	Area II Seed Type lbs/acre ORCHARDGRASS 25
BIRDSFOOT TREFOIL 15	BIRDSFOOT TREFOIL 15
LADINO CLOVER 10	LADINO CLOVER 10
Plan Approved by: Comments: Presend and not be a	11 disturbed areas.
Title: Dil + Ges Inspector	Date: 10.3-1>
Title: Dil + G c s Inspecher Field Reviewed? (Date: /0-3-1> PECEIVED Office of Oil and Gas

Environment of Environment of





DRAWINGS TO ACCOMPANY FORM WW-9

DIVERSIFIED RESOURCES, INC.

P. O. BOX 381087

BIRMINGHAM, AL 35238-1087

DISTRICT: GRANT COUNTY: WETZEL

QUADRANGLE: FOLSOM WELL NO.: D-186 PAGE ____ of _

Office of And Gagarershed: ARCHES FORK

WW Department Environmental ProtectATA: 08/01/13

LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 OR 5762

