

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

July 09, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-10303000, issued to STONE ENERGY CORPORATION, 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: ERLEWINE 7H

Farm Name: ERLEWINE, RICHARD

API Well Number: 47-10303000

Permit Type: Horizontal 6A Well

Date Issued: 07/09/2014

API Number: 103-03000

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

- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE 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.
- 9. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

WW-6B (9/13)

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

				100		507
1) Well Operator:	Stone Ener	gy Corporation	494490923	Wetzel	Proctor	New Martinsville
of the absence.			Operator ID	County	District	Quadrangle
2) Operator's Well 1	Number:	Erlewine #7H	Well Pac	i Name:	Er	lewine
3) Farm Name/Surfa	ace Owner:	Erlewine, Richard	et al Public Roa	d Access:	Wetzel Co	ounty Route 1/2
4) Elevation, curren	t ground:	1,220' Ele	vation, proposed	post-construct	ion:	1,212'
5) Well Type (a)	Gas	■ Oil	Unde	erground Stora	ige	
Oth	er					
(b)I	f Gas Sha	llow	Deep			
	Hor	izontal				Dart
6) Existing Pad: Yes	s or No	No				3-27-14
7) Proposed Target	Formation(s	Depth(s), Anticip	pated Thickness a	and Associated	Pressure(s)	
						e of 3,800 to 4,400 psig
8) Proposed Total V		Cover of Owner Advanta				
9) Formation at Total	al Vertical D	epth: Marcellus S	hale		_	
10) Proposed Total	Measured De	epth: 12,000' MD	@ TD			
11) Proposed Horize	ontal Leg Le	ngth: 4,500' from	LP and 5,931' fro	m KOP		
12) Approximate Fr	esh Water S	trata Depths:	Shallowest @ 85' a	and deepest @ 9	930'	
13) Method to Dete	rmine Fresh	Water Depths: D	epth of bit w/show	of fluid at flowlin	e or when dril	lling soap is injected
14) Approximate Sa	iltwater Dept	hs: Shallowest @	1,800'			
15) Approximate Co	oal Seam De	pths: 925'				
16) Approximate De	epth to Possi	ble Void (coal mir	ne, karst, other):	None Anticipate	ed	
17) Does Proposed directly overlying o			Yes	New York	·	V
(a) If Yes, provide	Mine Info:	Name:				
		Depth:				
		Seam:			Hb	GelliED
		Owner:			A Thomas	Leant-Eng
					VISC	ATTA A T

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WW-6B (9/13)

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CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	L/S	94.0	80'	80'	77 - CTS
Fresh Water/Coal	13.375	New	J55	54.5	1,190'	1,190'	1,092 CTS
Intermediate 1	9.625"	New	J55	36.0	2,400'	2,400'	Lead 647 - Tail 312 CTS
Intermediate 2							
Production	5.5"	New	P110	20.0		12,000'	Lead 1,021 - 2,016 Tall TOC @ 1,400'
Tubing	2.375"	New	J55	4.7		6,200'	N/A
Liners							

Note: The Fresh Water/Coal string will be set just above Sea Level. In no instance will the casing be set below Sea Level. This setting depth is necessary due to a rubble zone below the Pittsburgh coal seam.

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	24.0"	0.375"	N/A	Type 1	1.18
Fresh Water/Coal	13.375"	17.5"	0.380"	2,730	Class A	1.19
Intermediate 1	9.625"	12.25"	0.352"	3,520	10% NACI & Class A	1.25 Lead - 1.19 Tail
Intermediate 2						
Production	5.5"	8.75"	0.361	12,360	GasStop & Class A	1.26 Lead - 1.20 Tail
Tubing	2.375"	N/A	0.190"	7,700	N/A	N/A
Liners						

PACKERS

Kind:	Tam Cap Inflatable	
Sizes:	9.625"	
Depths Set:	1,140' TVD	RECEIVED

APR 5 4 2014

WV Department of Environmental Protection

20.6

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WW-6B (9/13)

19)	Describe 1	proposed	well '	work,	including	the e	drilling	and	plugging	, back	of any	pilot	hole:
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21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):

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 KCI fluid back to surface. RDMO top-hole rig and MIRU horizontal rig. Displace KCI 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.

22) Area to be disturbed for well pad only, less access	s road (acres):	7.6
23) Describe centralizer placement for each casing str	ing:	
-Fresh Water/Coal string will use bow spring centralizers w -Intermediate string will will use bow spring centralizers with collar and one on every third joint to surface. One rigid cer -Production string will use left/right rigid spiral centralizers of third joint from KOP to TOC.	h one being placed ab ntralizers be placed as	ove the guide shoe, one above the float close as possible to the surface.
24) Describe all cement additives associated with each	h cement type:	
-Fresh Water casing will be cemented using a Class "A" cement with betw -Intermediate casing will be cemented using a Class "A" cement with a Le lb/sx Celto-FlakeProduction casing will be cemented with HalCem cement.	reen 1.0% an 3.0% CaCl2 al ad blend of 10.0% NaCl2. I	nd 0.25 Cello Flake/Sx. Fail cement will Class "A" with 2.0% CaCl2 and 0.25
25) Proposed borehole conditioning procedures:		
-Fresh Water/Coal section will be conditioned by circulating until well bore is clean of cuttingsIntermediate section will be conditioned by circulating air/s minutes until well bore is clear of cuttingsProduction section will be conditioned by circulating drilling (minimum of three bottoms up) until shakers are clear of cuttings.	stiff foam through the d	rill string at TD for between 30 to 120 Office of Chanceas string at TD for between 60 to 720 minutes
		WW Department of
*Note: Attach additional sheets as needed.	DAH	Environmental Frateution

3-27-19

District: Proctor

STONE ENERGY - PROPOSED HORIZONTAL Revision: 30-Sept-13

Permit Number: 47-103-

Permit Issued:

Post Construction Ground Elevation: 1212'

Kelly Bushing: 18'

Rig:

Spud Date: TD Date:

Rig Release Date:

Prospect: Mary North = 4,392,661 East = 517,403 (UTM NAD 83) Location: Surface:

North = 4,394,211 East = 517,210 (UTM NAD 83) PTD: 12000' MD / 6750' TVD

A WM HOLE **CASING & CEMENTING DATA** HOLE PILOT HOLE WELLBORE FLUID TYPE **DIRECTIONAL DATA** DEV. SIZE **FORMATION TOPS** DIAGRAM 24" Hole Vertical then Driven 80' KB (62' BGL) CONDUCTOR PIPE 20" x 3/8" wall L/S PE @ 80' (set in bedrock & grouted to surface) Shallowest FW 75' TVD Air / Mist 17-1/2" Hole Pittsburgh Coal 925' TVD Deepest FW 930' TVD 1190' TVD SURFACE CASING Vertical 13-3/8" 54.5# J-55 STC @ 1190' MD/TVD Set through fresh water zones Salt Water 1800' TVD Little Lime 2022' TVD Set through coal zones Stiff Foam 12-1/4" Hole Big Lime 2052' TVD Cemented to surface Big Injun Sandstone 2152' TVD Base of Big Injun 2252' TVD INTERMEDIATE CASING Vertical 2400' TVD 9-5/8" 35.0# J-55 LTC @ 2400' MD/TVD Berea Sandstone 2620' TVD Set through potential salt water zones Set below base of Big Injun Gordon Sandstone 2865' TVD Cemented to surface Air / Dust 8-3/4" Hole KOP @ 6069' TVD Rhinestreet Shale (Base) 6186' TVD WBM In Curve DAH 8-3/4" Hole 6280' TVD Middlesex Shale West River Shale 6310' TVD Geneseo Shale 6645' TVD Tully Limestone 6665' TVD Hamilton Shale 6725' TVD 8-3/4" Hole in -90.5* WBM in Lateral Marcellus Shale 6765' TVD Lateral Onondaga Limestone 6815' TVD TD @ 12000' MD / 6750' TVD PRODUCTION CASING Landing Point (LP) @ 7500' MD / 6790' TVD 5-1/2" 20.0# P-110 CDC @ 12000' MD Notes: Formation tops as per vertical pilot hole ~90.5* angle Top of Cement @ 1400' (~1000' inside 9-5/8") Curve & lateral tops will vary due to structural changes ~342" azimuth Directional plan based upon best estimate of structure

API Number	47 -	103		03000
Ope	rator's	Well N	o.	Erlewine #7H

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name		Stone Energy Corporation	Y:	OP Code	494490923	
Watershed (HUC 10)_	Tribut	tary of Proctor Creek	Quadrangle	Nev	v Martinsville	_
Elevation	1,212'	County	Wetzel	District	Proctor	
Will a pit be used?	Yes	000 bbls of water to con No /	nplete the proposed waste material will be la			
Will a synthe	tic liner be use	ed in the pit? Yes		so, what ml.?		
Proposed Dis		For Treated Pit Wastes:				
200	Land App Undergrou	und Injection (UIC Per	mit Number	2D0859721, 34-121-2	4037, 34-121-28086)
	Reuse (at	API Number	Flow back fluids will be s	tored and used on addition	onal stimulations	
		Disposal (Supply form W				Da
	Other (Ex					- 2-
Will closed loop syste	m be used? If	so, describe: A closed lo	op system will be used	for both top hole a	nd horizontal sections	3-
		well (vertical and horizo				
		nthetic, petroleum, etc.				
	0.000	um?		WW-9 Addendum		
		ve in pit, landfill, remove			d Landfill	
		idify what medium will				
		rmit number?				
on August 1, 2005, by provisions of the perm law or regulation can I certify und application form and obtaining the informa	the Office of 6 nit are enforce lead to enforce er penalty of all attachmen ation, I believe ng false inform	nd agree to the terms an Oil and Gas of the West able by law. Violations ment action. law that I have personants thereto and that, base that the information i ation, including the poss	Virginia Department s of any term or cond ally examined and an used on my inquiry s true, accurate, and	of Environmental lition of the general familiar with the financial three sections of those individual complete and the section of the section	Protection. I understand permit and/or other e information submit als immediately resp	and that the applicable ted on the onsible for
Company Official (Ty	yped Name)		Timethy P. N	AcGregor ROGE	RL. CUTRIC	211
Company Official Titl			-Land Coordinate	OF LANDINGR	Special col	MSEL
Subscribed and sworn Anulle My commission expir	y of	and cluly	NC STATE DANIE RR2 Box 2	20 // OFFICIAL SEAL OTARY PNOTAGE PUT E OF WEST VIRGINIA TILLE L SNODERLY 48A, Fairmont, WV 26tsion Expires May 18, 28	07/1	- 1/201 <i>4</i>

Form WW-9				Operator's Well N	No Erlewine #7
	Stone Er	nergy Co	rporatio	n	
Proposed Revegetation Treat Lime 2.0	ment: Acres Disturbed		6.5	Prevegetation pH	
Fertilizer type Fertilizer amount Mulch 0.50 to	10-20-20 or Equivalent 500 - 750 0.75 TPA + Straw	lbs/acre			
Mulcii		Seed Mixt	tur <u>es</u>		
Те	mporary	-	_	Permanent	:
Seed Type Marcellus Mix	lbs/acre 100.0		Ма	Seed Type rcellus Mix	lbs/acre 100.0
White or Ladino C	lover 10.0	v	Vhite o	Ladino Clover	10.0
Orchard Grass	40.0		Ord	chard Grass	40.0
Winter Rye	50.0		- 1	Winter Rye	50.0
Orawing(s) of road, location, provided) Photocopied section of involution of involutio	ved 7.5' topographic sheet.				
				Oiiic	RECEIVED
rido. D'I 1 Con	Tomas	n	vate: 3	'-71-14	APR 1 42614
Title: Dil + Ges Field Reviewed?	Yes (N		$\mathcal{W}\mathcal{W}$	Dogstoner of



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. 11138-66-2), 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.

7-27-14

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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 3-27-14

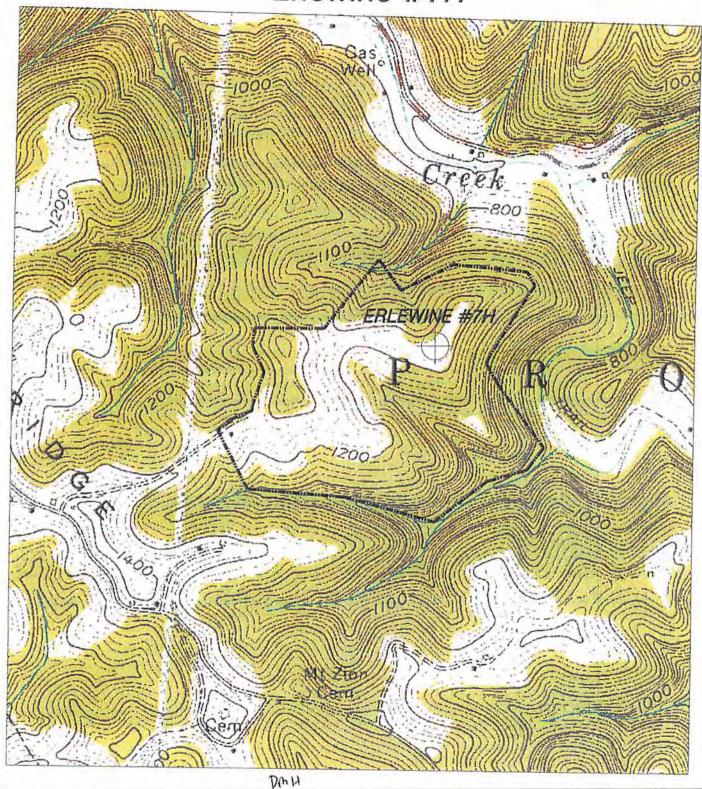


ARK & MA

Form W-9

Stone Energy Corporation Erlewine #7H

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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

3-27-14

New Martinsville 7.5'

WV Department of Stoneoffinergy Corp.uon

P.O. Box 52807 Lafayette, LA 70508

07/11/2014

