

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

February 20, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-10303050, issued to GASTAR EXPLORATION 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: LACKAWANNA 5H

Farm Name: M. B. INVESTMENTS

API Well Number: 47-10303050

Permit Type: Horizontal 6A Well

Date Issued: 02/20/2015

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 (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.

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

1) Well Operato	or: Gastar	Exploratio	n Inc.	494487685	Wetzel	Magnolia	Porters Falls
_				Operator ID	County	District	Quadrangle
2) Operator's W	ell Number	:: <u>5H</u>		Well Pad	Name: Lackar	wanna	
3) Farm Name/	Surface Owi	ner: M.B, Ir	nvestments	Public Road	d Access: Cour	nty Route 30	Whiteman Hill Road
4) Elevation, cu	rrent ground	d: <u>1333'</u>	Ele	evation, proposed p	ost-constructio	on: 1302'	
5) Well Type	(a) Gas		Oil	Unde	rground Storag	e	
	Other						
	(b)If Gas	Shallow		Deep			
		Horizontal					
6) Existing Pad	: Yes or No	No					
•	•	•		pated Thickness ar		` '	
The Marcellus	s is the target	t formation at	a depth of 6	8829', thickness of 4	6' and an anticip	ated pressu	re of approx. 3200 psi.
8) Proposed Tot	tal Vertical l	Depth: 697	75'				
9) Formation at	Total Vertic	cal Depth:	Onondaga				
10) Proposed To	otal Measure	ed Depth:	13,351'				
11) Proposed H	orizontal Le	g Length:	6100'				
12) Approximat	te Fresh Wa	ter Strata De	epths:	750'			
13) Method to I	Determine F	resh Water	Depths: N	loticeable flow at flow	line or when nee	eded to start	soaping
14) Approximat	te Saltwater	Depths:	1740'				
15) Approximat	te Coal Sean	n Depths: _	Sewickley at	1079' and Pittsburg	h at 1220'		
16) Approximat	te Depth to I	Possible Vo	id (coal mir	ne, karst, other): _	lone Anticipated		
17) Does Propo directly overlying					No	7	
(a) If Yes, pro	vide Mine I	nfo: Name	: :				
,, p		Deptl					
		Seam					
		Owne					

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18)

CASING AND TUBING PROGRAM

TYPE	<u>Size</u>	New or Used	<u>Grade</u>	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	PE	54.5#/ft		40'	241 cuft (CTS)
Fresh Water	13 3/8"	New	H-40	48#/ft		1275'	885 cuft (CTS)
Coal	13 3/8"	New	H-40	48#/ft		1275'	885 cuft (CTS)
Intermediate	9 5/8"	New	J-55	36#/ft		2650'	901 cuft (CTS)
Production	5 1/2"	New	P-110	20#/ft		13,351'	3416 cuft (CTS)
Tubing	2 3/8"	New	N-80	4.7#/ft		6909'	N/A
Liners							

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	26"	.25"	880 psi	Class A	1.2
Fresh Water	13 3/8"	17.5"	.33"	1730 psi	Class A	1.2
Coal	13 3/8"	17.5"	.33"	1730 psi	Class A	1.2
Intermediate	9 5/8"	12.25"	.352"	3520 psi	Class A	1.2
Production	5.5"	8.875" & 8.75"	.361"	12,640 psi	Class H	1.18
Tubing	2 3/8"	4.653"	.19"	11,200 psi		- SA
Liners						A

PACKERS

Kind:	n/a		
Sizes:	n/a		
Depths Set:	n/a		

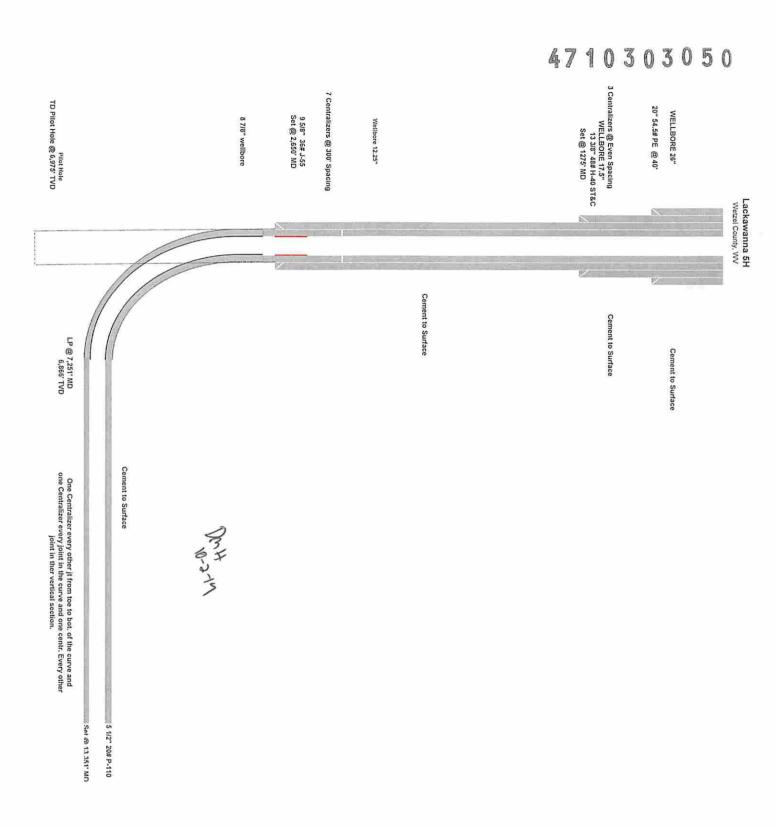
19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
Drill through the Marcellus tagging less than one hundred (100') feet from the top of the Onondaga to get depths and log data. Then plug the well back to proposed kick off point (TBD). Drill the horizontal section to planned and proposed TD. Run casing and cement back to surface. Run a bond log from approximately 60 degrees back to surface, pressure test casing and set a master valve. Make a clean out run on the casing and perforate then stimulate.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Gastar Exploration plans to fracture the well using a typical slickwater fracture design. Gastar will pump roughly 7000 bbls of water and 320,000 lbs of sand per stage. There will be approximately 28 stages. The designed frac rate will be 80 bpm and an anticipated max pressure of 8500 psi.
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 25.45
22) Area to be disturbed for well pad only, less access road (acres): 4.01
23) Describe centralizer placement for each casing string:
Gastar will run 3 centralizers on the surface casing at an equal distance. The intermediate casing will have 7 centralizers at 300' spacing. The production casing will have one centralizer every other joint in the lateral, one centralizer per joint through the curve and one centralizer every other joint in the vertical section.
24) Describe all cement additives associated with each cement type:
Class A + 2% CaCl2 + 1/4# Flake - Surface Cement mixed at 15.6 ppg. CaCl2 (calcium chloride), Flake (cellophane flake) Class A + 1% CaCl2 + 1/4# Flake - Intermediate Cement mixed at 15.6 ppg. 50:50 Class H .2%CD32 1.2%FL62 .1% ASA301 .4%SMS - Long String Lead mixed 14.5 ppg. CD32 (cement dispersant), FL 62 (fluid loss), SMS (sodium metasilicate), ASA (minimizes free fluid). 50:50 TYPE 1 .4% R3 1%FL62 .15%ASA301 .3%CD32-Long String Tail-14.5ppg
25) Proposed borehole conditioning procedures:

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Gastar will circulate the hole a minnimum of 3 hours upon TD. We will then pull out to the bottom of the curve and circulate for another 2 hours. Then come out of the hole.

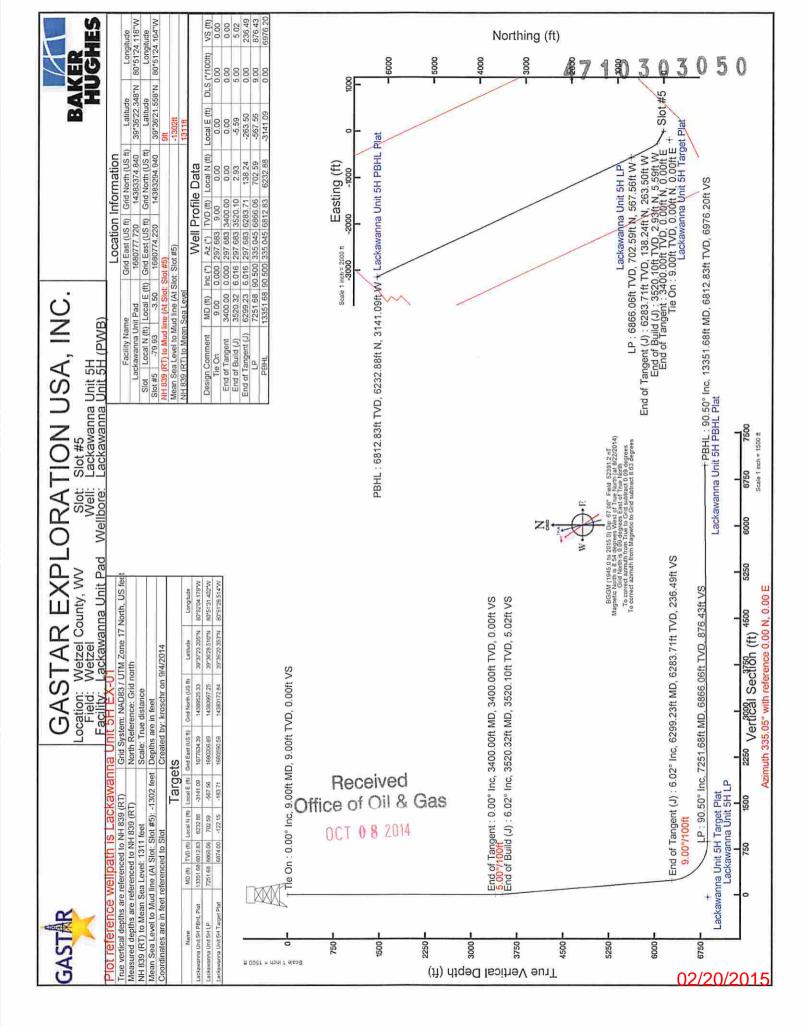
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*Note: Attach additional sheets as needed.



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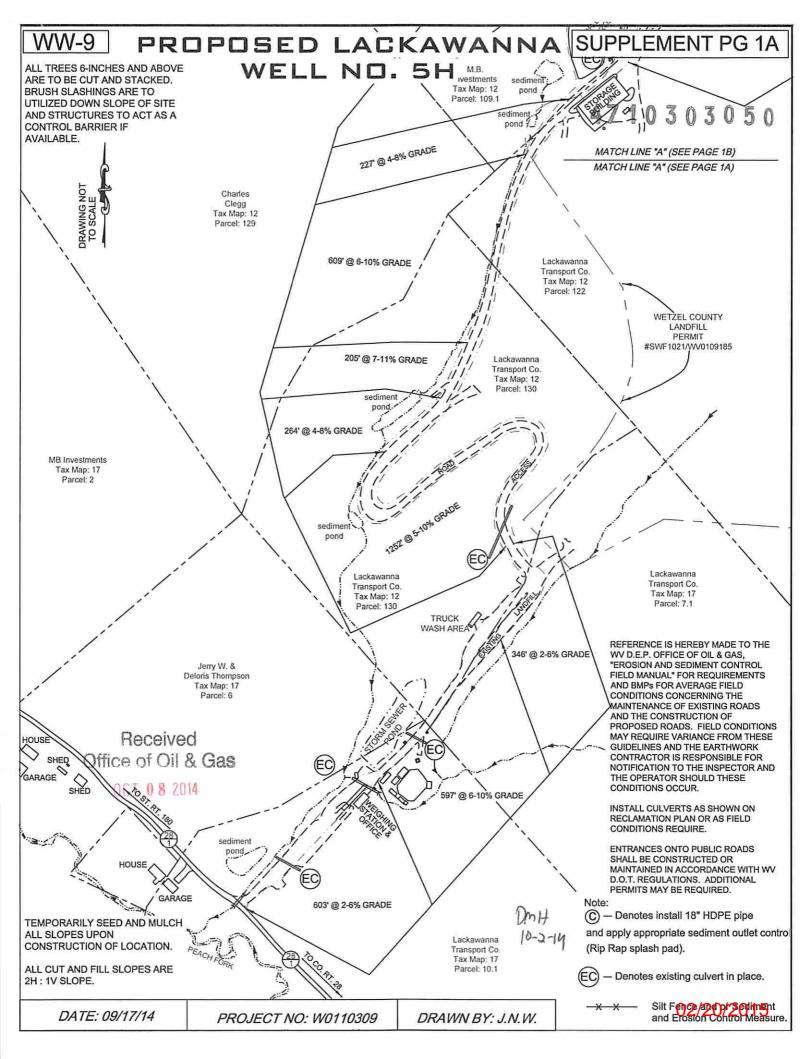
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

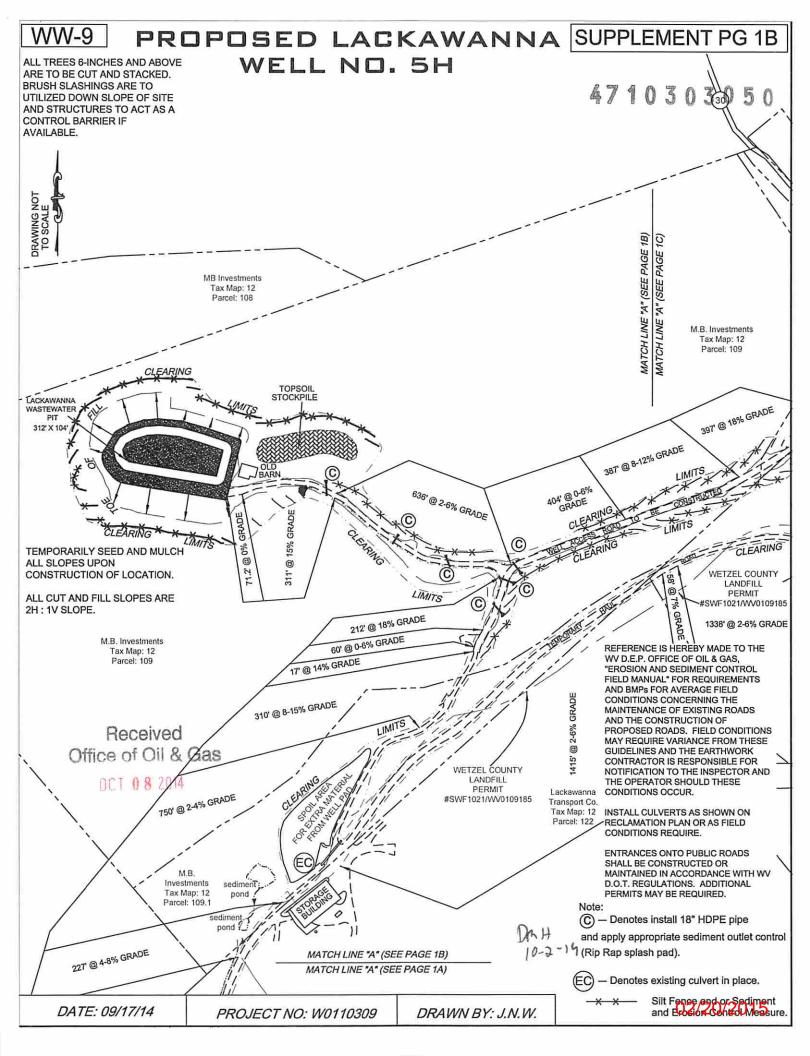
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

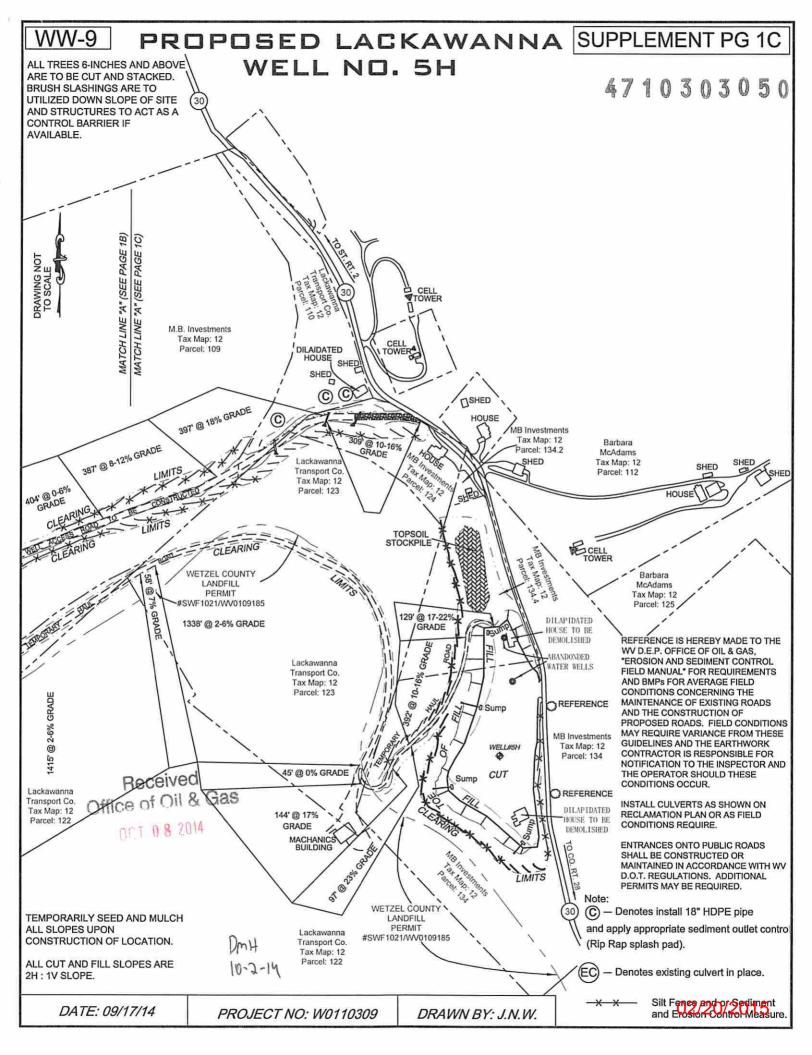
Operator Name Gastar Exploration Inc. OP Code 494487685
Watershed (HUC 10)_Outlet Middle Island Creek (undefined) Quadrangle _Porters Falls 7.5'
Elevation 1302' County Wetzel District Magnolia
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No
If so, please describe anticipated pit waste: Frac water for frac and flow back water
Will a synthetic liner be used in the pit? Yes No If so, what ml.? 60
Proposed Disposal Method For Treated Pit Wastes:
Land Application Underground Injection (UIC Permit Number_UIC 359; UIC 2D0732540; UIC 2D0732523 Reuse (at API Number
Will closed loop system be used? If so, describe: Yes, for vertical and horizontal drilling
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Air for vertical / Oil for horizontal
-If oil based, what type? Synthetic, petroleum, etc. Synthetic oil base
Additives to be used in drilling medium? Barite for weight
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. All drill cuttings will be disposed of in Wetzel County Sanitary Landfill (SWF-1021/WV0109185)
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust)
-Landfill or offsite name/permit number? Wetzel County Sanitary Landfill (SWF-1021/WV0109185)
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto 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. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.
Company Official Signature
Company Official (Typed Name) Michael McCown
Company Official Title Senior VP & COO
2011
Subscribed and sworm before me this 29th day of September OFFICIAL SEAL Notary Public, State of West Virginia DAVID W. PERKINSON
My commission expires 06/11/2020 377 Eastview Drive Parkersburg Win 36100 / O.

Operator's Well No. 5H

Proposed Revegetation Treatment: Acres	Disturbed 25.45 Prevegetation	on pH
	re or to correct to pH 6.5	-
10-20-20 or equiv		
Fertilizer type		
Fertilizer amount 1/3 ton	lbs/acre	
Mulch 2.5	Tons/acre	
	Seed Mixtures	
Temporary		ermanent
Seed Type Ibs/acr	re Seed Type	lbs/acre
Annual Ryegrass 40	Fox / Grassy	40
	Perennial Rye	30
	Crown Vetch	20
Orawing(s) of road, location, pit and proporovided)	osed area for land application (unless engineered pla graphic sheet.	ns including this info hav
Attach: Drawing(s) of road, location, pit and proporovided) Photocopied section of involved 7.5' topog		
Drawing(s) of road, location, pit and proportion provided) Photocopied section of involved 7.5' topog	graphic sheet.	
Proceived	graphic sheet.	
Photocopied section of involved 7.5' topogonometric provided) Photocopied section of involved 7.5' topogonometric provided by: Comments: Received Office of Oil & Gas	graphic sheet.	
Drawing(s) of road, location, pit and proportion of involved 7.5' topogether provided provided and proportion of involved 7.5' topogether provided by: Comments:	graphic sheet.	
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Photocopied section of involved 7.5' topogonometric provided) Photocopied section of involved 7.5' topogonometric provided by: Comments: Received Office of Oil & Gas	graphic sheet.	









Well Site Safety Plan Gastar Exploration USA, Inc.

Well Name: Lackawanna 5H

Pad Location: Lackawanna Pad

Wetzel County, West Virginia

UTM (meters), NAD 83, Zone 17:

Northing – 4,384,037.1 Easting – 512,301.0

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DWH

SLR Ref: 116.01034.00008

October 2014

WW-9

PROPOSED LACKAWANNA WELL No. 5H

SUPPLEMENT PG 2

471030305

