

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 27, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-10303067, 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

Operator's Well No: NORTH HENDERSON NORTH 3H

Farm Name: HENDERSON, HOWARD

API Well Number: 47-10303067

Permit Type: Horizontal 6A Well

Date Issued: 02/27/2015

API Number: 103-03067

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 conditions may result in enforcement action.</u>

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

1) Well Operator: Statoil USA One	shore Properties Inc.	494505083	Wetzel	Center	Littleton
-		Operator ID	County	District	Quadrangle
2) Operator's Well Number: Nor	th Henderson North	Unit 3H Well Pad	Name: North	Henderson	(existing pad)
3) Farm Name/Surface Owner:	Howard Henders	on Public Road	d Access: Low	Gap Rocky	Run Road
4) Elevation, current ground:	1,342' Ele	evation, proposed p	ost-construction	on: 1,342'	(existing pad)
5) Well Type (a) Gas	Oil	Unde	rground Storag	е	
Other					
(b)If Gas Shall	llow _	Deep			
	izontal _			DMH 2-	23-15
6) Existing Pad: Yes or No Yes					
 Proposed Target Formation(s) Marcellus: Formation Top-7465 	000 00 00	-			
		7471 TVD, 47 tillek,	5256 psi, intern	lediate Casii	ig MASP 2300 psi
8) Proposed Total Vertical Depth					
9) Formation at Total Vertical D	epth: Marcellus S	Shale			
10) Proposed Total Measured De	epth: 15,114' MD	/7395'TVD			
11) Proposed Horizontal Leg Le	ngth: 7284'				
12) Approximate Fresh Water St	rata Depths:	619' TVD			
13) Method to Determine Fresh	Water Depths: _o	ffset wells			
14) Approximate Saltwater Dept	hs: 2074'				
15) Approximate Coal Seam Dep	oths: 755-764, 82	2-834, 882-919, 110	2-1160, 1182-11	83, 1222-128	37
16) Approximate Depth to Possi	ble Void (coal mi	ne, karst, other): 1	NA		
17) Does Proposed well location directly overlying or adjacent to		ns Yes	No	√	
(a) If Yes, provide Mine Info:	Name:				
and the	Depth:				
	Seam:		ECEIVED		
	Owner:	Ullico (of Oil and G	as	
	SIL WYAFOF V				10000

FEB 2 3 2015

WV Department of Environmental Protection

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CASING AND TUBING PROGRAM

TYPE	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	H-40	94#	100'	100'	Cmt to surface-150 cu ft
Fresh Water	13.375"	New	J-55	54.4#	700'	700'	Cmt to surface-512 cuft
Coal							
Intermediate	9.625"	New	J-55	36#	2750'	2750'	Cmt to surface-965 cuft
Production	5.5"	New	P-110	20#	15114'	15114'	Cmt to 2250'-3082 cuft
Tubing							
Liners							

DMH 2-23-15

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	26"	.438"	1530 psi	Class A	1.3 cu ft/sk
Fresh Water	13.375"	17.5"	.380"	2730 psi	Class A	1.29 cu ft/sk
Coal						
Intermediate	9.625"	12.25"	.352"	*3520 psi	Class A	1.29 cu ft/sk
Production	5.5	8.5"	.361"	12640 psi	Class A	2.42 cu ft/sk
Tubing						
Liners						

PACKERS

Kind:		
Sizes:		
Depths Set:	Office of Oil and Gas	

FEB 2 3 2015

WV Department of Environmental Protection WW-6B (9/13)

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
See Attached
DMH 2-23-15
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Well will fractured through the plug-n-perf method with +/- 25 fracturing stages per well. Each fracturing treatment will have 400,000 lbs of sand mixed in 7500 Bbls. of fresh water. The fracturing rate will be between 80 and 100 bpm at a pressure lower than a maximum pressure of 10,000 psi.
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 3.3 acres
22) Area to be disturbed for well pad only, less access road (acres): 2.9 acres
23) Describe centralizer placement for each casing string:
See attached
24) Describe all cement additives associated with each cement type: RECEIVED
See attached Office of Oil and Gas
FEB 2 3 2015
25) Proposed borehole conditioning procedures: WV Department of Environmental Protection
Surface – Drilled with fresh water to section total depth. Prior to tripping, hole will circulated clean of cuttings and back-reamed if necessary.

Intermediate - Drilled with 9.0 ppg 5% KCL Polymer Water Based Mud (WBM) to section total depth. At section total depth,

Production - Drilled with 12.5-13.0 ppg Synthetic Based Mud (SBM) to section total depth. At section total depth pump 2-3 20bbl heavy weighted pill sweeps to transport excess cutting from the hole until clean. Pump rates will be maintained in

excess of 600 GPM, and rotation in excess of 100 RPM to assist cuttings transport. A 60 bbl tuned weighted spacer will be pumped ahead of the cement to assist in mud cake removal and water wett both casing and formation.

pump 40bbl viscous pill and circulate hole clean.

^{*}Note: Attach additional sheets as needed.

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:

20" conductor will be pre-set prior to start of operations and cemented in place to surface at approximately 100ft. A 17 ½" surface hole will be drilled with fresh water to approximately 700'md/tvd. 13 3/8" surface casing will be installed and cemented to surface in order to isolate fresh water zones and provide a competent shoe for well control while drilling deeper horizons. A 12 ½" intermediate hole section will be drilled with 5% KCL Polymer (WBM) and a conventional mud motor to approximately 2750'md/tvd through the base of the Big Injun formation. 9 5/8" Intermediate casing will be installed and cemented to surface in order to isolate the Red Beds and Big Injun formation from lower hydrocarbon bearing zones while providing a competent shoe for well control. An 8 ½" vertical hole section will be to planned kick-off point using Synthetic Based Mud (SBM) and a conventional mud motor. The wellbore will be deviated from vertical and landed horizontally in the Marcellus Target horizon, and extended laterally to total depth of 15,114'MD/ 7395'VD using SBM and conventional mud motors. A 5 ½" production casing will be installed and cemented so estimated top of cement is at least 300ft inside the previous casing shoe. The Drilling Rig will then be released to the next well.

23) Describe centralizer placement for each casing string

Surface - 1 centralizer w/ stop collar 10 ft above float shoe. One Single Bow every joint to 100ft below surface.

Intermediate – 1 centralizer w/ stop collar 10 ft above float shoe. 1 centralizer w/ stop collar 10 ft above float collar. 1 centralizer every joint for the first 15 joints. One centralizer every 3 jnts to 100ft below surface.

Production - 1 centralizer w/ stop collar 10ft above shoe. 1 centralizer 10ft above float collar. 1 centralizer every joint (floating) until KOP. 1 centralizer every 3 joints (floating) until 200ft inside intermediate shoe. 1 centralizer 50ft below mandrel hanger.

24) Describe all cement additives associated with each cement type:

Surface - Class A + 3% CaCl2

Intermediate - Class A cmt, 0.05% Retarder, 0.25% Defoamer, 1% Accelerator, 0.25% Dispersant, 0.65% Retarder, 9.10 gal/sk Fresh Water.

Production - Class A cmt, 10% bwow Dispersent, 0.6% bwoc Fluid Loss, 0.4% bwoc Retarder, 0.1% bwoc Free water control agent, 0.25% bwoc Defoamer, 0.1% bwoc Fluid Loss, 6.32 gal/sk Fresh Water.

DMH 11-5-14

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CEMENT ADDITIVES

Surface - Class A + 3% CaCl2

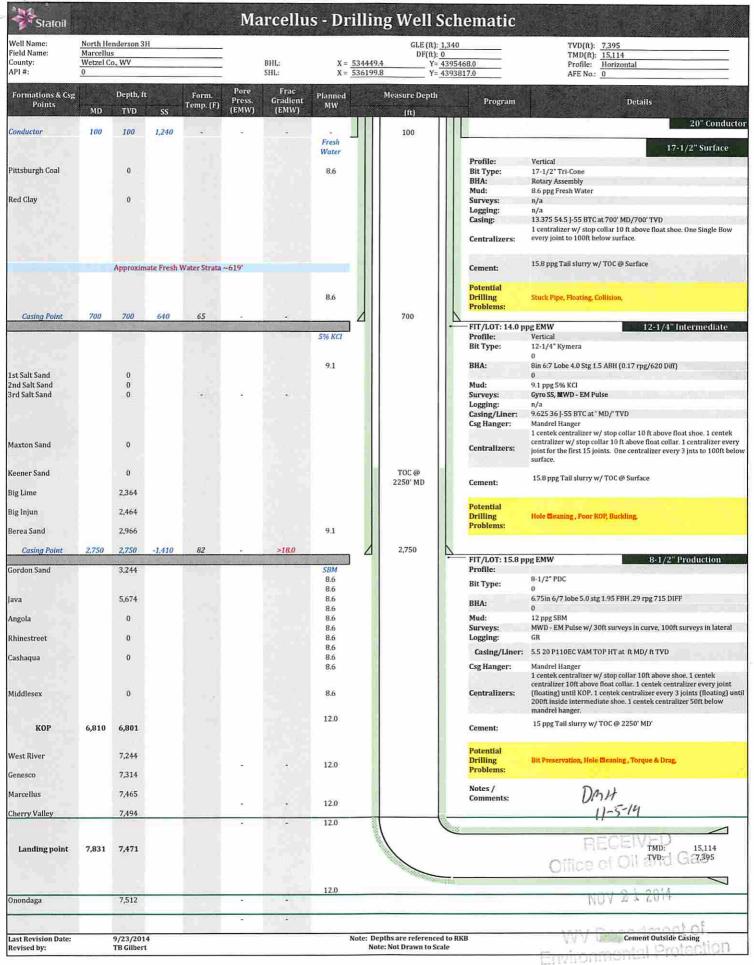
Intermediate - Class A cmt, 0.05% Retarder, 0.25% Defoamer, 1% Accelerator, 0.25% Dispersant, 0.65% Retarder, 9.10 gal/sk Fresh Water.

Production - Class A cmt, 10% bwow Dispersent, 0.6% bwoc Fluid Loss, 0.4% bwoc Retarder, 0.1% bwoc Free water control agent, 0.25% bwoc Defoamer, 0.1% bwoc Fluid Loss, 6.32 gal/sk Fresh Water.

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Statoil USA Onshore Properties Inc.	OP Code 494505083
Watershed (HUC 10) Lower West Virginia Fork Fish Creek Quadrangle	e Littleton
Elevation 1342' County Wetzel	District Center
Do you anticipate using more than 5,000 bbls of water to complete the proposed Will a pit be used? Yes No V	well work? Yes V No
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes No	If so, what ml.2
Proposed Disposal Method For Treated Pft Wastes:	DAH 11-575
Land Application Underground Injection (UIC Permit Number Execution Reuse (at API Number Off Site Disposal (Supply form WW-9 for disposal I Other (Explain	Hunter API 34-121-23 I95)
Will closed loop system be used? If so, describe: Yes	
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwa	ater, oil based, etc. Antiferent Water event section tracked mean for hieru sec
-If oil based, what type? Synthetic, petroleum, etc.Synthetic	
Additives to be used in drilling medium? emulisifier, food grade oil, barite, surfactant,	calcium carbonate, gilsonite, lubricant, graphite, lime
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Land	Gil
-If left in pit and plan to solidify what medium will be used? (cement,	lime, sawdust) NA
-Landfill or offsite name/permit number? Wetzel County Landfill	
I certify that I understand and agree to the terms and conditions of the on August 1, 2005, by the Office of Oil and Gas of the West Virginia Departme provisions of the permit are enforceable by law. Violations of any term or co law or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined and application form and all attachments thereto and that, based on my inquiry obtaining the information, I believe that the information is true, accurate, at penalties for submitting false information, including the possibility of fine or im	and of Environmental Protection. I understand that the indition of the general permit and/or other applicable arm familiar with the information submitted on this y of those individuals immediately respectively in complete. I am aware that the of so livery a complete.
Company Official Signature	FEB 2 0 2015
Company Official (Typed Name) Bekki Winfree	
Company Official Title Sr. Regulatory Advisor	WV Department of Environmental Protection
Subscribed and sworn before me this 2 day of Octobe	
Wales Al 1	Notary Public
My commission expires Apr. 1 16, 2017	WALLY ANTHONY STUKA My Gammission Expires April 15, 2017
	02/27/2015

Form WW-9		Operator's W	North Henderson No
Statoil USA Onshore	Properties Inc.	Operator's we	en no.
Proposed Revegetation Treatment Lime 2-4 Fertilizer type 10-20-2	ent: Acres Disturbed 3.3 _ Tons/acre or to correct to 20	Prevegetation pH o pH See E&S Notes lbs/acre	Contractor to test
		Seed Mixtures	
Temp	porary	Perman	ent
Seed Type Annual Ryegrass	lbs/acre 26 or 40	Seed Type White Clover	lbs/acre 15
Spring Oats	64 or 96	Red Top	15
Rye Grain	140	Orchard Grass	20
Photocopied section of involved	17.5' topographic sheet.		
Comments:			
A 1.			
Title: (1) 1 + 6 < r		Date: 1)-5-14	
Field Reviewed?) No	



North Henderson Pad - Site Safety Plan

Statoil USA Onshore Properties, Inc.

JMH 115-19

RECEIVED
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