

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: 47-10303069, 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.

Jämes Martin

Operator's Well No: NORTH HENDERSON NORTH 5H

Farm Name: HENDERSON, HOWARD

API Well Number: 47-10303069

Permit Type: Horizontal 6A Well

Date Issued: 02/27/2015

API Number: 103-03069

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.

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

1) Well Operator: Statoil USA On	shore Properties Inc.	494505083	Wetzel	Center	Littleton
		Operator ID	County	District	Quadrangle
2) Operator's Well Number: Nor	th Henderson North	Unit 5H Well Pad	Name: North	Hendersor	n (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	e	
Other					
(b)If Gas Sha	llow	Deep			
6) Existing Pad: Yes or No Yes	izontal			DMH	2-23-15
7) Proposed Target Formation(s), Depth(s), Antici	pated Thickness ar	nd Associated 1	Pressure(s)	:
Marcellus: Formation Top-7465'	TVD, Target Depth-	7484' TVD, 47' thick,	5258 psi, *Interr	mediate Cas	ing MASP 2300
8) Proposed Total Vertical Depth	n: 7484' TVD				
9) Formation at Total Vertical D	epth: Marcellus S	Shale			
10) Proposed Total Measured Do	epth: _15,417 MD/	/7400' TVD			
11) Proposed Horizontal Leg Le	ngth: 7257'				•••
12) Approximate Fresh Water St	trata Depths:	619' TVD			
13) Method to Determine Fresh	Water Depths: _o	ffset wells			
14) Approximate Saltwater Dept	hs: 2074'				
15) Approximate Coal Seam De	pths: 755-764, 82	2-834, 882-919, 1102	2-1160, 1182-11	83, 1222-12	87
16) Approximate Depth to Possi	ble Void (coal mi	ne, karst, other): _	NA		
17) Does Proposed well location directly overlying or adjacent to		ns Yes	No	✓	
(a) If Yes, provide Mine Info:	Name:				
(A)	Depth:				
	Seam:			EIVED	200
	Owner:		Office of (Oil and G	3 US

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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#	15417'	15417'	Cmt to 2250'-3150 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:	RECEIVED	
Depths Set:	Office of Oil and Gas	

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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 antic	cipated max pressure and max rate:
Well will fractured through the plug-n-perf method with +/- 25 fracturing stage 400,000 lbs of sand mixed in 7500 Bbls. of fresh water. The fracturing rate v lower than a maximum pressure of 10,000 psi.	
21) Total Area to be disturbed, including roads, stockpile area, pits, et	tc., (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	
occ attached	
	100 au
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	Office of Oil and Gas
24) Describe all cement additives associated with each cement type:	FFR 9 2 2015
See attached	2013
	WV Department of Environmental Protection
25) Proposed borehole conditioning procedures:	
Surface - Drilled with fresh water to section total depth. Prior to tripping, hole	e will circulated clean of cuttings and

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.

back-reamed if necessary.

*Note: Attach additional sheets as needed.

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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Statoil					Ma	rcellu	s - Drii	III	g Well !	Sch	iematic	
Well Name: Field Name:	North He Marcellu	nderson 5	Н		<u> </u>				GLE (ft): DF(ft):			TVD(ft): 7,400 TMD(ft): 15,417
County: API #:	Wetzel C				*: 5'	BHL: SHL:		34729.2 36199.8	?Y=	43957		Profile: Horizontal AFE No.: 0
		Donali (Pore	Frac		wos to				
Formations & Csg Points	MD	Depth, f	SS	Form. Temp. (F)	Press. (EMW)	Gradient (EMW)	Planned MW		Measure Depth (ft)		Program	Details
Conductor	100	100	1,240		2	*	3		100			20" Conducto
							Fresh Water					17-1/2" Surface
							8.6				Profile: Bit Type:	Vertical 17-1/2" Tri-Cone
											BHA: Mud:	Rotary Assembly 8.6 ppg Fresh Water
Red Clay		0									Surveys:	n/a
											Logging: Casing:	n/a 13.375 54.5 J-55 BTC at 700' MD/700' TVD
											Centralizers:	1 centralizer w/ stop collar 10 ft above float shoe. One Single Bow every joint to 100ft below surface.
												15.8 ppg Tail slurry w/ TOC @ Surface
		Approxin	nate Fresh	Water Strata	~619'						Cement:	13.6 ppg ran sturry wy rot to surrace
							8.6				Potential Drilling	Stuck Pipe, Floating, Collision,
Casing Point	700	700	640	65	72	0 0 H 20		\parallel	700		Problems:	
			***************************************				5% KCI		102.45	1-1-1	FIT/LOT: 14.0 pp Profile:	pg EMW 12-1/4" Intermediate Vertical
							370 KG				Bit Type:	12-1/4" Kymera
							9.1				вна:	0 8in 6:7 Lobe 4.0 Stg 1.5 ABH (0.17 rpg/620 DHT)
1st Salt Sand 2nd Salt Sand		0						70			Mud:	0 9.1 ppg 5% KCl
3rd Salt Sand		0						Ш			Surveys: Logging:	Gyro SS, MEWD - EM Pulse n/a
Pittsburgh Coal		1,222									Casing/Liner: Csg Hanger:	9.625 36 J-55 BTC at 'MD/'TVD Mandrel Hanger
Maxton Sand		0									Centralizers:	1 centek centralizer w/ stop collar 10 ft above float shoe. 1 centek 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
Keener Sand		0						8	TOC @	ñ		surface.
Big Lime		2,364							2250' MD		Cement:	15.8 ppg Tail slurry w/ TOC @ Surface
Big Injun		2,464									Potential	
Berea Sand		2,966					9.1				Drilling Problems:	Hole Meaning , Poor ROP, Buckling.
Casing Point	2,750	2,750	-1,410	82		>18.0			2,750			
Gordon Sand		3,244					SBM		200.00.00	+	FIT/LOT: 15.8 pp Profile:	og EMW 8-1/2" Production
GO GON DANG		2000.00					8.6 8.6				Bit Type:	8-1/2" PDC 0
Java		5,674					8.6			h	вна:	6.75in 6/7 lobe 5.0 stg 1.95 FBH .29 rpg 715 DIFF
Angola		0					8.6 8.6				Mud:	0 12 ppg SBM
Rhinestreet		0					8.6 8.6				Surveys: Logging:	MWD - EM Pulse w/30ft surveys in curve, 100ft surveys in lateral GR
Cashaqua		0					8.6 8.6				Casing/Liner:	5.5 20 P110EC VAM TOP HT at ft MD/ ft TVD
							8.6				Csg Hanger:	Mandrel Hanger 1 centek centralizer w/ stop collar 10ft above shoc, 1 centek
Middlesex		0				3.4	8.6				Centralizers:	centralizer 10ft above float collar. 1 centek centralizer every joint (floating) until KOP. 1 centek centralizer every 3 joints (floating) until 200ft inside intermediate shoe. 1 centek centralizer 50ft below mandrel hanger.
кор	7,293	6,988					12.0	Į.			Cement:	15 ppg Tail slurry w/ TOC @ 2250' MD'
West River		7,244					250				Potential Drilling	Bit Preservation, Hole Meaning, Torque & Drag,
Genesco		7,314			(·	- 1	12.0				Problems:	bit i teet value, time acamig, tot que acomig
Marcellus		7,465									Notes / Comments:	DOH 11-5-19
Cherry Valley		7,494			17#1		12.0			704	comments.	11-5-14
					(# <u>\$</u> 5		12.0					PECEWER 1
Landing point	8,161	7,484										Office of Oil TMD: Id G15,417
							12.0		100	062220		NOV 2 2014
Onondaga		7,512			7/2:							45.0
					/a5							WV Department of
Last Revision Date: Revised by:		9/23/201 TB Gilbert					Not		ths are reference :: Not Drawn to Sc		КВ	Cement Outside Casing

Operator's Well No. North Henderson North 5H

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 Littleton	
Elevation 1342 County Wetzel District Center	
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes	
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes No If so, what ml.?	メガル Lustur
Proposed Disposal Method For Treated Pit Wastes: Land Application Underground Injection (UIC Permit Number (Special Hunter APT 34-121-23195)) Reuse (at API Number Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	14-2-T
Will closed loop system be used? If so, describe: Yes	
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Antirest Visite vert section based must be be be been been been been been been	
-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. Landfill	
-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 GENERAL WATER POLLUTION PERMIT is on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other application can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted of application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible obtaining the information, I believe that the information is true, accurate, and complete. I am aware that the penalties for submitting false information, including the possibility of fine or imprisonment. Company Official Signature	at the icable
Company Official Signature & LT LLLA	- OQS
Company Official (Typed Name) Bekki Winfree	2015
Company Official Title Sr. Regulatory Advisor	20-
Company Official Title Sr. Regulatory Advisor Environmental p Subscribed and sworn before me this 2 day of October . 20 14	rotection
While Alight Notary Public	
My commission expires 40 r. 1 16 2017 WALLY ANTHON MY Commission April 16 2	n Expires

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Form WW-9 North Henderson North 5H Operator's Well No. Statoil USA Onshore Properties Inc. Prevegetation pH Contractor to test Proposed Revegetation Treatment: Acres Disturbed _____Tons/acre or to correct to pH _See E&S Notes 10-20-20 Fertilizer type ${\tiny Fertilizer\ amount_} 500$ lbs/acre Mulch Hay or Straw 2-3, Wood Fiber 0.5-0.75, Pulp Fiber 0.5-0.75 Tons/acre **Seed Mixtures Temporary Permanent** Seed Type lbs/acre Seed Type lbs/acre **Annual Ryegrass** 26 or 40 White Clover 15 **Spring Oats** Red Top 64 or 96 15 Rye Grain 140 **Orchard Grass** 20 Attach: Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided) Photocopied section of involved 7.5' topographic sheet. Plan Approved by: Comments: 111 + 6cs Inspector Date: 11-5-14 Field Reviewed?



North Henderson Pad - Site Safety Plan

Statoil USA Onshore Properties, Inc.

JMH 11-5-19

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