



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

PERMIT MODIFICATION APPROVAL

December 10, 2014

MOUNTAINEER KEYSTONE, LLC
6031 WALLACE ROAD EXTENSION - SUITE 300
PITTSBURGH, PA 15090

Re: Permit Modification Approval for API Number 103318 , Well #: HOWDERSHELT 204
Relocate wellhead.

Oil and Gas Operator:

The Office of Oil and Gas has reviewed the attached permit modification for the above referenced permit. The attached modification has been approved and well work may begin. Please be reminded that the oil and gas inspector is to be notified twenty-four (24) hours before permitted well work is commenced.

Please call James Martin at 304-926-0499, extension 1654 if you have any questions.

Sincerely,

Gene Smith
Assistant Chief of Permitting
Office of Oil and Gas

204

001-03318



July 23, 2014

Mr. Gene Smith
Assistant Chief
WVDEP - Office of Oil and Gas
601 57th Street, SE
Charleston, WV 25304

RE: Howdershelt 201-212 MODIFICATION

Gene:

Enclosed please find new plats and WW-6A1 forms for the Howershelt 201-212 pad. We are requesting a change to the location of the wellheads from the originally permitted locations. We did not submit new construction drawings, due to the fact that the LODs will not change.

If you have any questions or require any further information, please feel free to contact me.

Sincerely,

Amy L. Miller
Regulatory Compliance Specialist

RECEIVED
Office of Oil and Gas
JUL 28 2014
WV Department of
Environmental Protection

**INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6A, Section 5(a)(5)
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:

Lease Name or Number	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
*See attached Sheet				

**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 hereby acknowledges 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

RECEIVED
Office of Oil and Gas
JUL 28 2014
WV Department of
Environmental Protection

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 acquired from the appropriate authority before the affected activity is initiated.

Well Operator: Mountaineer Keystone
 By: Amy L. Miller *Amy L. Miller*
 Its: Regulatory Compliance Specialist

Attachment to WW-6A1, Howdershelt #204

Letter Designation/ Number Designation on Plat	Surface owner	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
✓ 3/G	Ira G. Hovatter & Carol S. Hovatter	Ira G. Hovatter & Carol S. Hovatter	Falcon Partners	12.5%	147/111
		Falcon Partners	Mar Key, LLC		157 / 92
		Mar Key, LLC	Mountaineer Keystone LLC		See attached letter
✓ 2/Z	Ira G. Hovatter & Carol S. Hovatter	Ira G. Hovatter & Carol S. Hovatter	Falcon Partners	12.5%	160/482
		Falcon Partners	Mar Key, LLC		157 / 92
		Mar Key, LLC	Mountaineer Keystone LLC		See attached letter
✓ 1/ A	Melvin Howdershelt & Renee Howdershelt	Melvin Howdershelt & Renee Howdershelt	R.P. Land Company LLC	18.0%	160 / 272
		R.P. Land Company LLC	Mar Key, LLC		157 / 100
		Mar Key, LLC	Mountaineer Keystone LLC		See attached letter

RECEIVED
Office of Oil and Gas
JUL 28 2014
WV Department of
Environmental Protection

4700103318

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of April 9, 2013 (this "Agreement"), is by and among Mountaineer Keystone Holdings, LLC, a Delaware limited liability company ("MKH"), Mountaineer Keystone Energy, LLC, a Delaware limited liability company ("MKE"), Mar Key LLC, a West Virginia limited liability company ("Mar Key"), Mountaineer Keystone, LLC, a West Virginia limited liability company ("Mountaineer Keystone"), and Uti Key LLC, a Delaware limited liability company ("Uti Key").

RECITALS

- A. Whereas, MKH is the sole member and owner of 100% of the membership interests of Mar Key, Mountaineer Keystone, and Uti Key (the membership interests of Mar Key, Mountaineer Keystone, and Uti Key being the "Membership Interests").
- B. Whereas, MKE was formed on the date hereof as a wholly-owned subsidiary of MKH.
- C. Whereas, MKH desires to contribute to MKE, as a contribution to capital, the Membership Interests, such that MKE will replace MKH as the sole member of Mar Key, Mountaineer Keystone, and Uti Key, all in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, and of the representations, warranties, conditions, agreements and promises contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, the parties agree as follows:

ARTICLE I CONTRIBUTION AND ISSUANCE OF SHARES

1.1. Contribution. Subject to the terms and conditions set forth herein, effective as of April 10, 2013 at 8:00 am (the "Effective Time"), MKH shall be deemed to have contributed, and hereby contributes, as a contribution to capital, the Membership Interests to MKE.

1.2. Transfer of the Interests.

- (a) From and after the Effective Time, MKE shall be the owner of the Membership Interests.
- (b) From and after the Effective Time, MKH shall not have any direct interest in any of the Membership Interests of Mar Key, Mountaineer Keystone, Uti Key.

RECEIVED
 2013 APR 10 10:00 AM
 Energy Services Division

**ARTICLE II
REPRESENTATIONS AND WARRANTIES**

2.1. Representations and Warranties by MKH. MKH represents and warrants to MKE as of the Effective Time as follows:

(a) Organization, Standing and Power. Mar Key is a limited liability company duly organized and validly existing under the laws of West Virginia, Mountaineer Keystone is a limited liability company duly organized and validly existing under the laws of West Virginia, and Uti Key is a limited liability company duly organized and validly existing under the laws of Delaware.

(b) Binding Agreement. Each of Mar Key, Mountaineer Keystone, and Uti Key has the legal right and all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. MKH has the legal right and all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by each of Mar Key, Mountaineer Keystone, Uti Key and MKH, and is the valid and binding obligation of Mar Key, Mountaineer Keystone, Uti Key and MKH (as the case may be), enforceable against Mar Key, Mountaineer Keystone, Uti Key and MKH (as the case may be) in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles and public policy.

(c) Capitalization; Interests. There are no rights to acquire or options, warrants, call agreements, convertible securities or other commitments to issue, exchange or acquire, directly or indirectly, any unissued or treasury interests or other interests of each of Mar Key, Mountaineer Keystone, and Uti Key and no other interest of each of Mar Key, Mountaineer Keystone and Uti Key are reserved for issuance for any purpose.

2.2 Representations and Warranties by MKE. MKE has the legal right and all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by MKE, and is the valid and binding obligation of MKE, enforceable against MKE in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles and public policy.

**ARTICLE III
MISCELLANEOUS**

3.1. Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements or understandings among the parties.

3.2. Survival. All representations, covenants and obligations of the parties in this Agreement shall survive the execution of this Agreement.

3.3. Benefits of Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement is for the sole benefit of the parties hereto and not for the benefit of any third party.

3.4. Amendments and Waivers. No modification, amendment or waiver, of any provision of, or consent required by, this Agreement, or any consent to any departure herefrom, shall be effective unless it is in writing and signed by the parties hereto.

RECEIVED
Office of Oil and Gas
8 2014
WV Department of
Environmental Protection

3.5. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of laws principles.

3.6. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part will remain in full force and effect to the extent not held invalid or unenforceable.

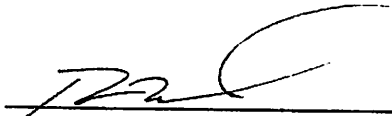
3.7. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Signature page follows]


RECEIVED
Office of Oil and Gas
JUL 18 2014
WV Department of
Environmental Protection

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

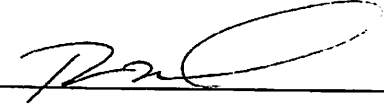
MOUNTAINEER KEYSTONE HOLDINGS, LLC

By: 
Name: Robert F. Kozel
Title: Chief Executive Officer


MOUNTAINEER KEYSTONE ENERGY, LLC

By: 
Name: Robert F. Kozel
Title: Chief Executive Officer


MAR KEY LLC

By: 
Name: Robert F. Kozel
Title: Chief Executive Officer

MOUNTAINEER KEYSTONE, LLC

By: 
Name: Robert F. Kozel
Title: Chief Executive Officer

UTI KEY LLC

By: 
Name: Robert F. Kozel
Title: Chief Executive Officer

[Signature Page to Contribution Agreement]

RECEIVED
Oil and Gas
JUL 20 2014
U.S. Department of
Environmental Protection

NOTES ON SURVEY

- 1. NO WATER WELLS OR DEVELOPED SPRINGS WERE FOUND WITHIN 250' OF PROPOSED GAS WELL. NO AGRICULTURAL BUILDINGS
- > 2500 SQ. FT. OR DWELLINGS WERE FOUND WITHIN 625' OF THE CENTER OF PROPOSED WELL PAD. NO RAILROADS WERE FOUND WITHIN THE SCOPE OF THIS PLAN.
- 2. TAX MAPS IN THIS AREA WERE FOUND TO CONTAIN SIGNIFICANT ERROR. PROPERTY LINES SHOWN HEREON WERE TAKEN FROM DEEDS AND FIELD EVIDENCE.
- 3. TIES TO WELLS, CORNERS AND REFERENCES ARE BASED ON GRID NORTH FOR THE WV STATE PLANE COORDINATE SYSTEM NORTH ZONE NAD' 27.

SURFACE OWNERS		
A	MELVIN & RENEE HOWDERSHOLT	TM 19 PAR. 41
B	MELVIN & RENEE HOWDERSHOLT	TM 19 PAR. 40
C	GLEN MOORE ET UX	TM 19 PAR. 8
D	TOMMY & DOTTIE FREEMAN	TM 19 PAR. 39.1
E	ELIZABETH BOLYARD ET AL	TM 14 PAR. 53
F	ROBERT & BERNICE FITZGER	TM 14 PAR. 37
G	IRA G. HOVATTER ET UX	TM 14 PAR. 36
H	A.C. BARBOUR, LLC C/O LINDA K. ROHRIG	TM 14 PAR. 38
I	THOMAS W. OWENS	TM 18 PAR. 10
J	THOMAS W. OWENS	TM 18 PAR. 9
K	MARK AND ELOISE HOLLEN	TM 18 PAR. 30
L	ELBERT McLEAN ET UX	TM 18 PAR. 39
M	PAUL AND JOHN ADAMS	TM 18 PAR. 31
N	LORETHA M. ANNON LEGACY TRUST ET AL	TM 19 PAR. 51
O	JAMES B. ANCELL	TM 28 PAR. 1
P	RONALD AUVIL	TM 19 PAR. 50
Q	BETTY L. KELLEY ET AL	TM 19 PAR. 47
R	ERIC V. HOWDERSHOLT	TM 19 PAR. 41.4
S	MELVIN AND RENEE HOWDERSHOLT	TM 19 PAR. 41.1
T	ELWOOD AND PENNY GANFIELD	TM 19 PAR. 41.5
U	ELWOOD GANFIELD	TM 19 PAR. 41.2
V	ERIC AND LISA EVIX	TM 19 PAR. 41.3
W	IRA G. AND CAROL HOVATTER	TM 19 PAR. 43
X	NEW HOPE VALLEY U.M. CHURCH	TM 19 PAR. 36.1
Y	NEW HOPE VALLEY CHURCH	TM 19 PAR. 42
Z	IRA G. AND CAROL HOVATTER	TM 19 PAR. 38
AA	MELVIN AND RENEE HOWDERSHOLT	TM 19 PAR. 40.1
BB	ELIZABETH BOLYARD ET AL	TM 14 PAR. 36.4
CC	ELIZABETH BOLYARD ET AL	TM 14 PAR. 36.1
DD	JOHN T. FITZWATER	TM 14 PAR. 36.2
EE	JOHN T. FITZWATER	TM 14 PAR. 36.3
FF	EDSIL NESTOR ET AL	TM 14 PAR. 36.5
GG	CHURCH LOT	
HH	JOEY HOLT	TM 19 PAR. 38
II	EDSIL NESTOR	TM 14 PAR. 38
JJ	OLD DUTCH CHURCH	TM 19 PAR. 37
KK	OLD DUTCH CEMETERY	TM 19 PAR. 39

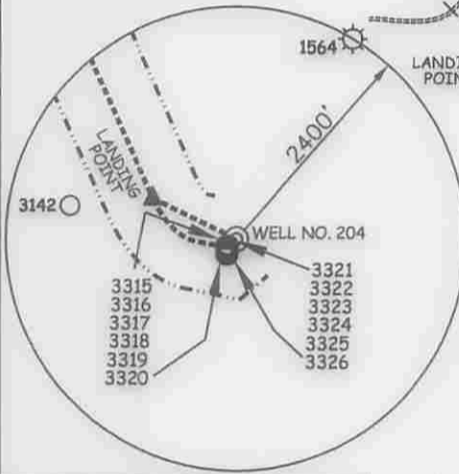
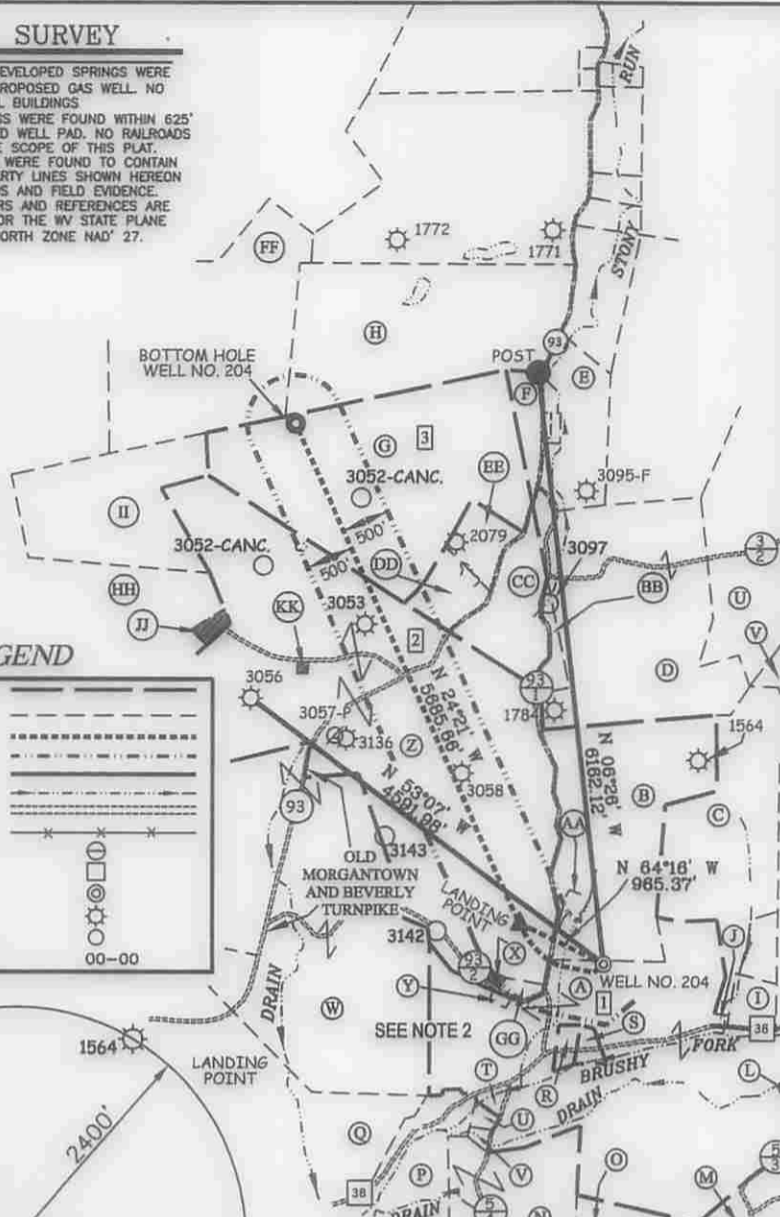
LATERAL ROYALTY OWNERS	
1	MELVIN HOWDERSHOLT ET UX 158.94 AC.±
2	IRA HOVATTER ET UX 272.38 AC.±
3	IRA HOVATTER ET UX 79 AC.±

STATE OF WEST VIRGINIA (TURNPIKE)

LEGEND

LEASE LINE	---
SURFACE LINE	----
WELL LATERAL	-----
OFFSET LINE	-----
WELL TIE	-----
CREEK	~~~~~
ROAD	=====
FENCE LINE	-----
COUNTY ROUTE	-----
STATE ROUTE	-----
PROPOSED WELL	☉
EXISTING WELL	⊙
PERMITTED WELL	⊙
TAX MAP--PARCEL	00--00

NORTH

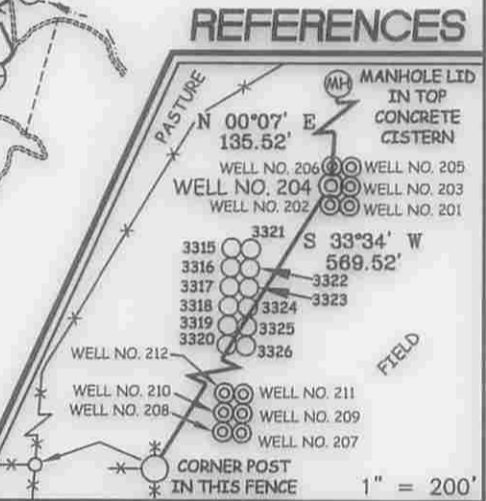


HOWDERSHOLT LEASE
WELL NO. 204
 (NAD'83 UTM (METERS) ZONE 17 NORTH)

TOP HOLE
 N. 4,339,307 E. 597,155

LANDING POINT
 N. 4,339,430 E. 596,888

BOTTOM HOLE
 N. 4,340,996 E. 596,148



Professional Energy Consultants
 A DIVISION OF SMITH LAND SURVEYING, INC.

SLS
 SURVEYORS
 ENGINEERS
 ENVIRONMENTAL
 PROJECT MGMT.

(204) 462-4634 WWW.SLSURVEYS.COM



I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAN IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DIVISION OF ENVIRONMENTAL PROTECTION.

P.S. 849 *C. Victor Moyers*

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

DATE JULY 14, 20 14

REVISED _____, 20 _____

OPERATORS WELL NO. 204

API WELL NO. 47-001-03318

STATE MD COUNTY BARBOUR PERMIT 03318

MINIMUM DEGREE OF ACCURACY 1 / 2500 FILE NO. 7962P204R5

HORIZONTAL & VERTICAL CONTROL DETERMINED BY DGPS (SURVEY GRADE TIE TO CORS NETWORK) SCALE 1" = 2000'

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

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL IF "GAS" PRODUCTION STORAGE DEEP SHALLOW

LOCATION: ELEVATION 1,564'(GROUND) 1,557'(PROPOSED) WATERSHED BRUSHY FORK OF TETER CREEK

DISTRICT COVE COUNTY BARBOUR QUADRANGLE NESTORVILLE 7.5'

SURFACE OWNER MELVIN & RENEE HOWDERSHOLT ACREAGE 158.94±

ROYALTY OWNER MELVIN & RENEE HOWDERSHOLT ACREAGE 158.94± **12/12/14**

PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE PLUG OFF OLD

FORMATION PERFORATE NEW FORMATION PLUG AND ABANDON CLEAN OUT AND REPLUG OTHER

PHYSICAL CHANGE IN WELL (SPECIFY) _____ TARGET FORMATION MARCELLUS

ESTIMATED DEPTH TVD 7,845' / TMD 14,056'

WELL OPERATOR MOUNTAINEER KEYSTONE LLC DESIGNATED AGENT NATHAN SKEEN

ADDRESS 1111 VAN VOORHIS ROAD, SUITE G ADDRESS 1111 VAN VOORHIS ROAD, SUITE G

MORGANTOWN, WV 26505 MORGANTOWN, WV 26505

3949'

COUNTY NAME PERMIT