



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

August 27, 2013

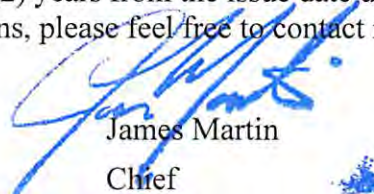
WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-3305759, issued to HG ENERGY, LLC, 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: J.M. FULTZ #117R
Farm Name: MYERS, EDGAR LEE , JR.
API Well Number: 47-3305759
Permit Type: Secondary Recovery Well
Date Issued: 08/27/2013

Promoting a healthy environment.

PERMIT CONDITIONS

West Virginia Code § 22-6-11 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. 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 § 22-6-20, 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.
2. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
7. Well work activities shall not constitute a hazard to the safety of persons.

3305759 S

WW-3B
10/07



1) Date May 20, 2013
2) Operator's Well No. J.M Fultz No.117 Revised
3) API Well No. 47 - 033 -
State County Permit
4) UIC Permit No. UIC2R03301AP

STATE OF WEST VIRGINIA
NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION
FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

5) WELL TYPE: Liquid Injection X Gas Injection (not storage) Waste Disposal
6) LOCATION: Elevation 1,347' Watershed Branch of Lick Run
District Tenmile County Harrison Quadrangle Salem 7.5'
7) WELL OPERATOR: HG Energy, LLC 494497948 8) DESIGNATED AGENT: Mike Kirsch
5260 Dupont Road 5260 Dupont Road
Parkersburg, WV 26101 Parkersburg, WV 26101
9) OIL & GAS INSPECTOR TO BE NOTIFIED: 10) DRILLING CONTRACTOR:
Name Sam Ward Name
Address P. O. Box 2327 Address
Buckhannon, WV 26201
11) PROPOSED WELL WORK: Drill X Drill Deeper Redrill Stimulate X
Plug Off Old Formation Perforate New Formation Convert
Other Physical Change in Well (specify)
12) Geological target formation Fifth Sand Depth 3,208 Ft. (Top) to 3,215 Ft. (Bottom)
13) Estimated depth of completed well (or actual depth of existing well) 3,350 Ft.
14) Approximate water strata depths: Fresh 225 Ft. Salt 1,446 Ft.
15) Approximate coal seam depths: 700 Ft.
16) Is coal being mined in the area? Yes X No
17) Virgin reservoir pressure in target formation: 1,250 psig. Source Estimated
18) Estimated reservoir fracture pressure: 2,650 psig.
19) MAXIMUM PROPOSED INJECTION OPERATIONS: Volume per hour 62 BBL Bottom Hole Pressure 2,400 psi
20) DETAILED IDENTIFICATION OF MATERIALS TO BE INJECTED, INCLUDING ADDITIVES Fresh water, produced water, bactericides
and other chemicals as needed to maintain water quality and improve oil recovery.
21) FILTERS (IF ANY) Cartridge filters and/or coal bed filters
22) SPECIFICATION FOR CATHODIC PROTECTION AND OTHER CORROSION CONTROL

23) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILLUP OR SACKS (CU. FT.)	PACKERS
	Size	Grade	Weight	New	Used	For Drilling	Left in Well		
Conductor									Kinds
Fresh Water	7"	L.S.	17#	X		775'	775'	Cement To	Tension
Coal								Surface	Sizes
Intermediate									2" X 4"
Production	4 1/2"	J-55	10.5#	X		3350'	3350'	150 Sacks <u>CTS</u>	Depths Set
Tubing	2 3/8"	J-55	4.6#	X		3050'	3050'		2950'
Liners									Perforations
									Top <u> </u> Bottom <u> </u>

SDW
5/23/2013

Office of Oil & Gas

24) APPLICANT'S OPERATING RIGHTS were acquired from John M. Fultz
by Deed Lease X Other Contract Dated August 15, 1896 of record in the 2013
Harrison County Clerk's Office in Book 92 at Page 47

33057595

WW-3A
10/07



1) Date: May 20, 2013

2) Operator's Well No. J.M Fultz No.117 Revised

3) API Well No. 47 033 -

State County Permit

4) UIC Permit No. UIC2R03301AP

STATE OF WEST VIRGINIA
NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION
FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

Check # 2220
\$ 650.⁰⁰

5) Surface Owner(s) To Be Served

(a) Name Edgar Lee Myers Jr. ✓
 Address Route 4, Box 532
Salem, WV 26426

(b) Name Earl & Belva Junkins ✓
 Address RR 5, Box 1226
Salem, WV 26426

(c) Name _____
 Address _____

6) Inspector Sam Ward
 Address P. O. Box 2327
Buckhannon, WV 26201
 Telephone 304-389-7583

7 (a) Coal Operator
 Name NA
 Address _____

7 (b) Coal Owner(s) With Declaration Of Record
 Name NA
 Address _____

Name _____
 Address _____

7(c) Coal Lessee With Declaration Of Record
Wolf Run Mining Co. ✓
2708 Cranberry Square
Morgantown, WV 26505

TO THE PERSON(S) NAMED ABOVE: You should have received this form and the following documents:

- (1) The Application for a Liquid Injection or Waste Disposal Well Work Permit on Form WW-3(B), which sets out the parties involved in the drilling or other work;
- (2) The plat (surveyor's map) showing the well location on Form WW-6; and
- (3) The Construction and Reclamation Plan on Form WW-9 (unless the well work is only to plug a well), which sets out the plan for erosion and sediment control and for reclamation for the site and access road.

The date proposed for the first injection or waste disposal is _____

THE REASON YOU RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON FORM WW-3(A) DESIGNATED TO YOU. HOWEVER YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT ALL.

Take notice that under Chapter 22-6 of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a Well Work Permit with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental Protection, with respect to a well at the location described on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, the Application, the plat, and the Construction and Reclamation Plan have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of the mailing or delivery to the Chief.

The person signing this document shall make the following certification:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments 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 and imprisonment."

Well Operator HG Energy, LLC
 Address 5260 Dupont Road
Parkersburg, WV 26101

By: _____
 Its: Accountant

Signature Diane C White

Received
Office of Oil & Gas

Oil and Gas Privacy Notice

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at: depprivacyofficer@wv.gov

MAY 27 2013

33057595

Form WW-9
Rev. 10/94

Page 3 of 3
API Number 47- 033 -
Operator's Well No. J.M Fultz No.117 Revised

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

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator HG Energy, LLC OP Code 494497948
Watershed Branch of Lick Run Quadrangle Salem 7.5'
Elevation 1,347' County Harrison District Tenmile
Description of anticipated Pit Waste: Fluids encountered in drilling and stimulating new well.

Do you anticipate more than 5,000 bbls of water to complete the proposed well work Yes No X

Will a synthetic liner be used in pit? Yes If so, what mil.? 10 MIL. 20 MIL.

Proposed Disposal Method For Treated Pit Wastes:
 Land Application
 Underground Injection (UIC Permit Number)
 Reuse (at API Number)
 Off Site Disposal (Supply Form WW-9 for disposal location)
 Other (Explain)

SDW
5/23/2013

Drilling medium anticipated for this well? Air, fresh water, oil based, etc. Air
- If oilbased, what type? Synthetic, petroleum, etc.

Additives to be used? Water, soap, KCl

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in Pit
- If left in pit and plan to solidify, what medium will be used? Cement, lime, sawdust Native soil, cement, lime
- Landfill or offsite name/permit number?

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 Diane C White
Company Official (Typed Name) Diane C. White
Company Official Title Accountant

Subscribed and sworn before me this 20 day of MAY 2013

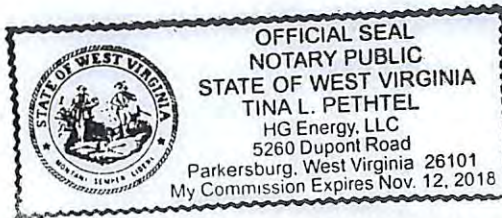
Tina L. Pethtel Notary Public

Received
Office of Oil & Gas

My commission expires NOV 12 2018

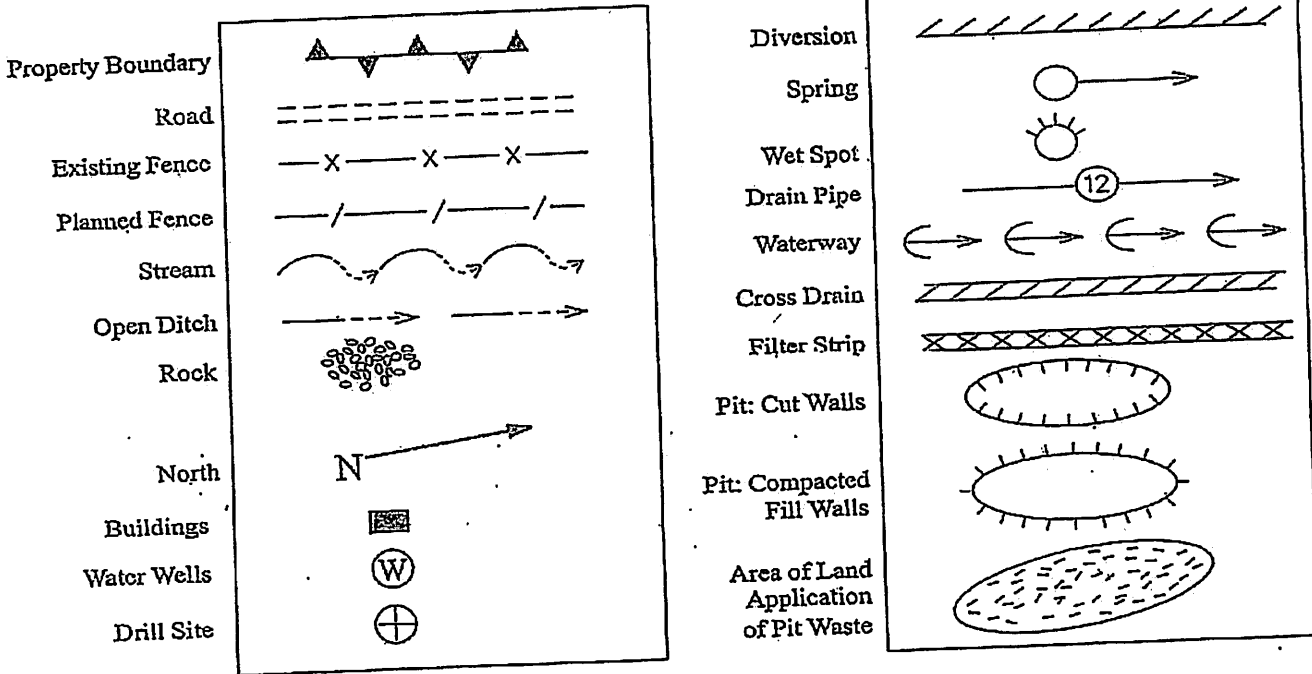
Form WW-9

MAY 27 2013



WVDEP Form

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I
 Approx. 1.0 Ac. Prevegetation pH _____

Area II
 Approx. 0.5 Ac.

Lime 2 Tons/Acre or Correct to pH 6.5
 Fertilizer (10-20-20 or Equivalent) 500 Lbs./Acre (500 lbs. Minimum)
 Mulch Straw 2 Tons/Acre

SEED MIXTURES

<u>Area I (Location)</u>	
Seed Type	Lbs./Ac.
Hall's Deer Forage Mix	50

<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.
Hall's Deer Forage Mix	50

Attach:
 Drawing(s) of road, location, pit and proposed area for land application
 Photocopied section of involved 7.5' topographic sheet.

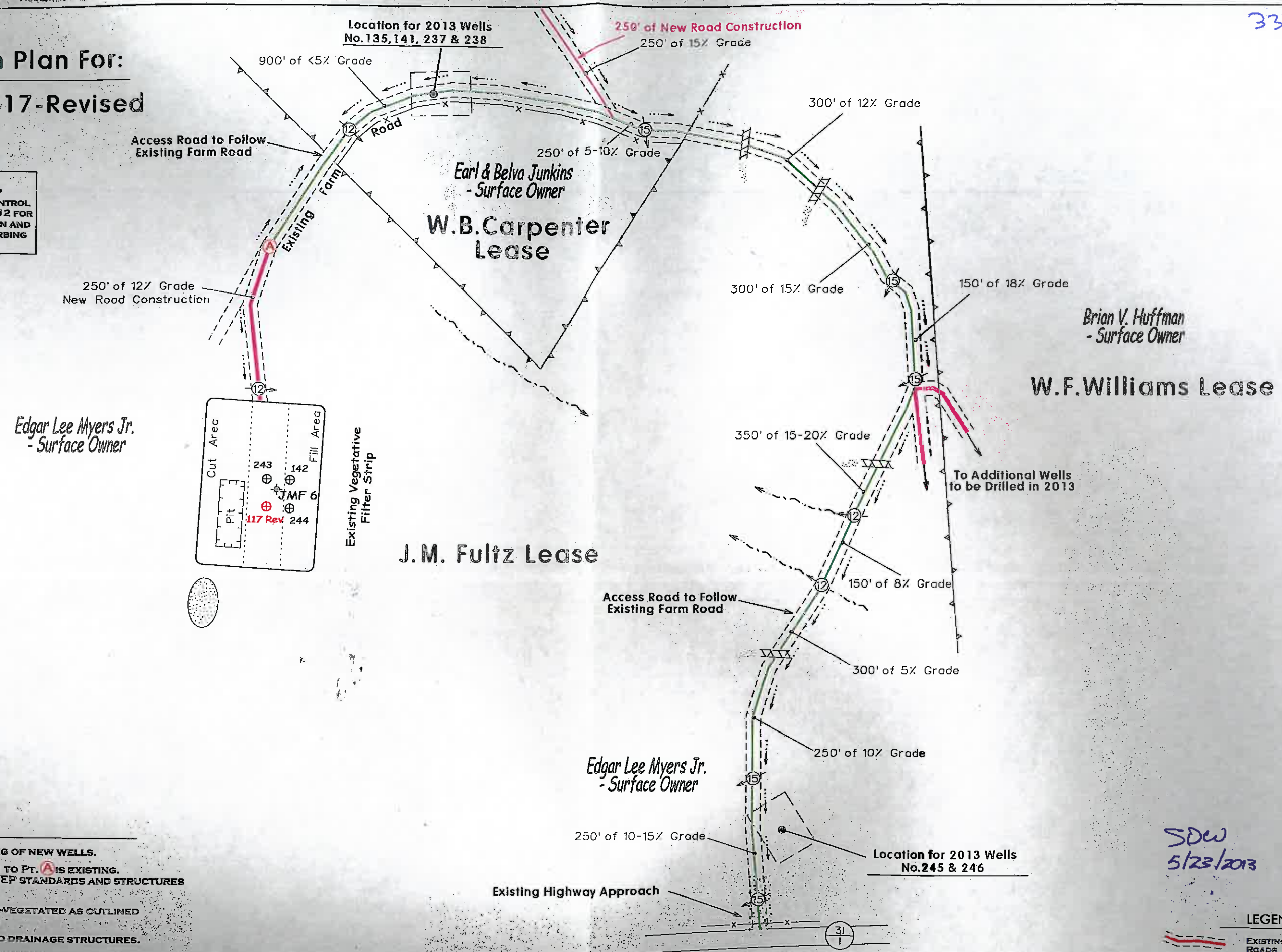
Plan approved by: S. D. Ward III
 Comments: Pre-seed & mulch, Upgrade EIS as necessary per WKDEP EIS manual

Title: Oil & Gas Inspector Date: 5/23/2013

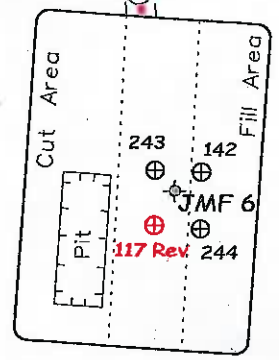
Field Reviewed? Yes No

Reclamation Plan For: J.M. Fultz No. 117- Revised

NOTE
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMPs CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.



Edgar Lee Myers Jr.
- Surface Owner



Existing Vegetative
Filter Strip

J.M. Fultz Lease

Edgar Lee Myers Jr.
- Surface Owner

Location for 2013 Wells
No. 245 & 246

SDW
5/23/2013

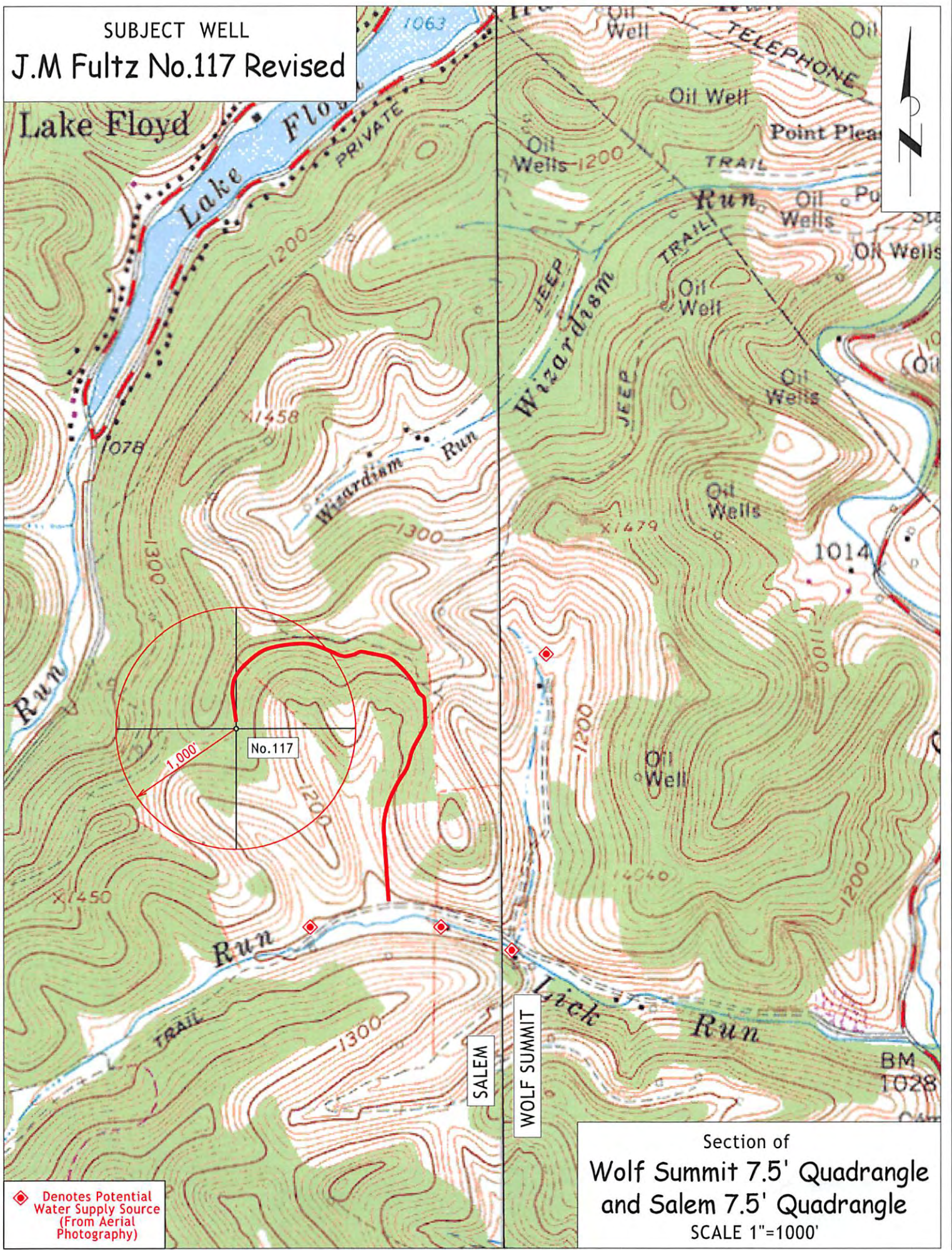
Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
- ACCESS ROAD FROM Co. Rd. 31/1 TO Pt. A IS EXISTING. ROAD WILL BE UPGRADED TO WVDEP STANDARDS AND STRUCTURES INSTALLED AS SHOWN.
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <math><5\%</math> EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

LEGEND

	EXISTING WATERFLOOD ROADS
	EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
	NEW ROADS TO BE CONSTRUCTED

SUBJECT WELL
J.M Fultz No.117 Revised



◆ Denotes Potential Water Supply Source (From Aerial Photography)

Section of
Wolf Summit 7.5' Quadrangle
and Salem 7.5' Quadrangle
SCALE 1"=1000'

(BOTTOM HOLE: LON:-80°30'30.9")

LON:-80°30'27.8"

2185

1 - Well ties and Latitude and Longitude were measured by Topcon Hiper GA survey grade GPS. Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).

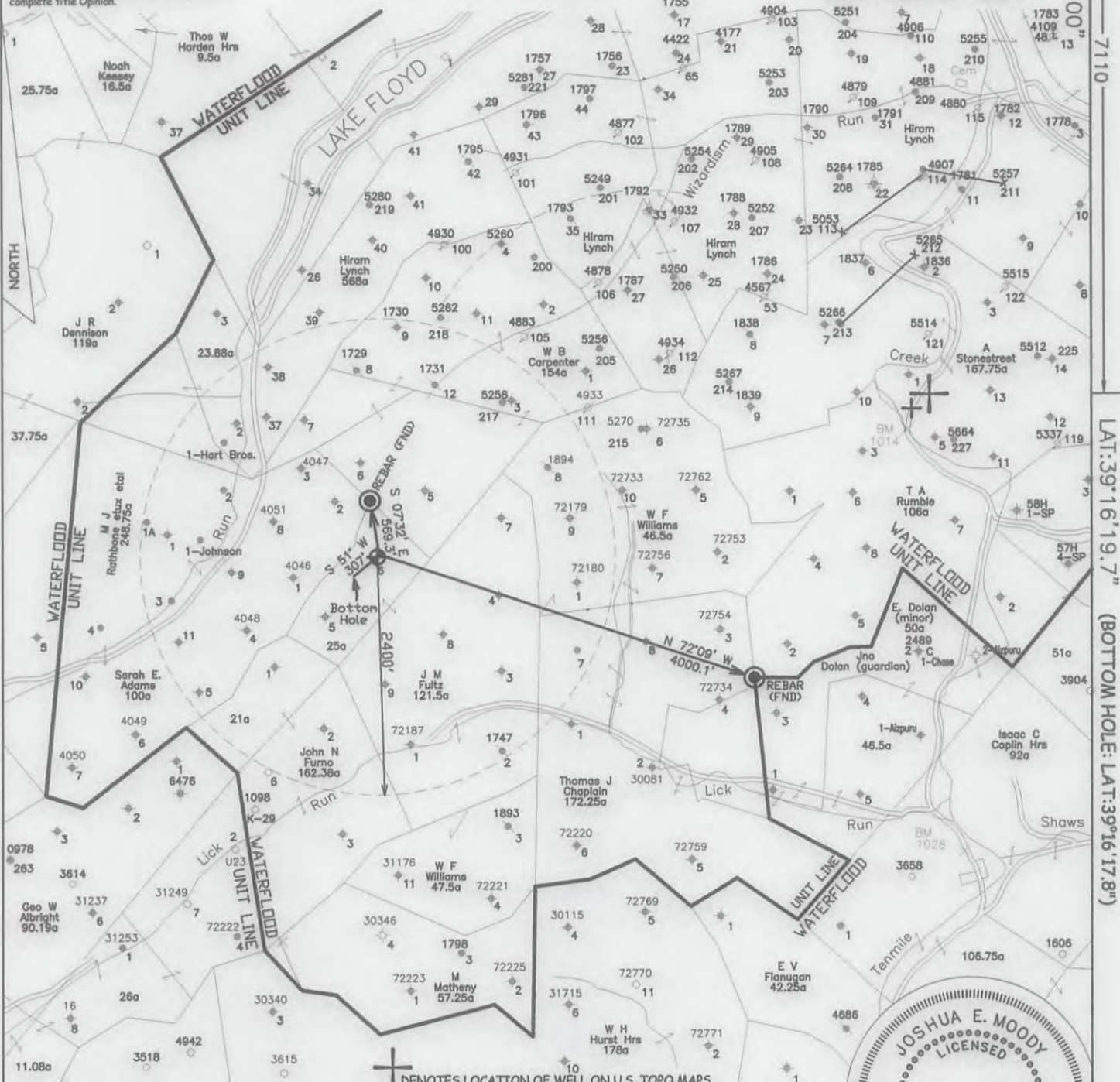
2 - Surface owners, adjoining information, Lease names, & line mapping obtained from HGE GIS system. No survey was performed to determine lines within the Waterflood Unit-reference: HGE GIS system.

3 - No Title Opinion was provided to the Surveyor during this survey. This survey is subject to a complete title Opinion.

UTM Coordinates (Zone 17N-NAD 1983)	
Surface	N-4,347,103m. E-542,479m.
Bottom Hole	N-4,347,044m. E-542,406m.

LOCATION REFERENCES	
UTM 27	N 39°38' E 15.0' EX: WELL JMF#6
	S 6°36' E 111.6' 6" MAPLE
	Brg. Direction is prop. well to the ref.

LAT: 39°17'30"
MAP OF
H.G. ENERGY, LLC
-WATERFLOOD UNIT-
J.M. FULTZ 117R



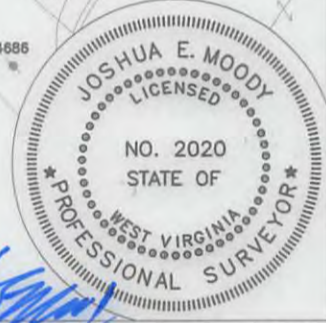
⊕ DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.

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



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

MOODY LAND SURVEYING, LLC
 ST. MARYS, WV 26170



JOSHUA E. MOODY, P.S. 2020
 DATE 4/19/13
 OPERATOR'S WELL
 J.M. FULTZ #117R

JOB # 13-014
 DRAWING # 13LAKEFLOYD FOLDER
 SCALE 1" = 1500'
 MINIMUM DEGREE OF ACCURACY 1/2500
 PROVEN SOURCE OF ELEV. BENCH MARK H-80

WEST VIRGINIA DEPARTMENT
 OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS

WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION X WASTE DISPOSAL ___ HORIZONTAL ___
 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
 LOCATION: ELEVATION 1347' WATERSHED BRANCH OF LICK RUN API WELL #
 DISTRICT TEN MILE COUNTY HARRISON 47 - 033 - 057599
 QUADRANGLE SALEM 7.5' STATE COUNTY PERMIT

SURFACE OWNER EDGAR LEE MYERS JR. ACREAGE 25 ACRES +/-
 OIL & GAS ROYALTY OWNER W.V.A. BAPTIST EDUC. SOC. ET AL LEASE ACREAGE 146 ACRES +/-
 PROPOSED WORK: DRILL X CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR
 STIMULATE X PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___
 OTHER PHYSICAL CHANGE IN WELL (SPECIFY) WILL BE DRILLED DIRECTIONALLY (S 51° W 307')
 PLUG & ABANDON ___ CLEAN OUT & REPLUG ___
 TARGET FORMATION 5TH SAND ESTIMATED DEPTH MD= 3,350'
 WELL OPERATOR H.G. ENERGY, LLC DESIGNATED AGENT MIKE KIRSCH
 ADDRESS 5260 DuPONT ROAD ADDRESS 5260 DuPONT ROAD
 PARKERSBURG, WV 26101 PARKERSBURG, WV 26101

LON: 80°30'00" 7110
 LAT: 39°16'19.7" (BOTTOM HOLE: LAT:39°16'17.8")