



west virginia department of environmental protection

Office of Oil and Gas
601 57th Street, S.E.
Charleston, WV 25304
(304) 926-0450
fax: (304) 926-0452

Austin Caperton, Cabinet Secretary
www.dep.wv.gov

Wednesday, November 28, 2018

WELL WORK PERMIT
Vertical / New Drill

HG ENERGY, LLC
5260 DUPONT ROAD

PARKERSBURG, WV 26101

Re: Permit approval for E. J. MAY 148 REV
47-043-03590-00-00

This well work permit 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 any additional specific 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 of 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.

Per 35 CSR 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- 0450.

James A. Martin
Chief

A handwritten signature in blue ink, appearing to read 'James A. Martin', is written over a light blue circular stamp.

Operator's Well Number: E. J. MAY 148 REV
Farm Name: JUDY R. SMITH
U.S. WELL NUMBER: 47-043-03590-00-00
Vertical New Drill
Date Issued: 11/28/2018

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 with 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.
8. 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.

FORM WW-3 (B)
1/12



- 1) Date: 10/08/2018
- 2) Operator's Well No. EJ May 148 Rev
- 3) API Well No.: 47 - 043 - 503590
State County Permit
- 4) UIC Permit No. UIC2R04302AP

**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 / Gas Injection (not storage) / Waste Disposal
- 6) LOCATION: Elevation: 840' Watershed: Bear Fork
District: Duval County Lincoln Quadrangle Griffithsville 7.5'
- 7) WELL OPERATOR: HG Energy, LLC 8) DESIGNATED AGENT Diane White
Address 5260 Dupont Road Address 5260 Dupont Road
Parkersburg, WV 26101 Parkersburg, WV 26101
- 9) OIL & GAS INSPECTOR TO BE NOTIFIED 10) DRILLING CONTRACTOR
Name Jeffery Smith Name To Be Determined Upon Approval of the Permit
Address 5369 Big Tyler Road Address _____
Cross Lanes, WV 25313

- 11) PROPOSED WELL WORK Drill / Drill deeper / Redrill / Stimulate
Plug off old formation / Perforate new formation Convert
Other physical change in well (specify) _____
- 12) GEOLOGIC TARGET FORMATION Berea Depth 2490 Feet (top) to 2513 Feet (bottom)
- 13) Estimated Depth of Completed Well, (or actual depth of existing well): 2625' MD, 2450 TVD Feet
- 14) Approximate water strata depths: Fresh 200 Feet Salt 1000 Feet
- 15) Approximate coal seam depths: 385'
- 16) Is coal being mined in the area? Yes No
- 17) Virgin reservoir pressure in target formation 1250 psig Source Estimated
- 18) Estimated reservoir fracture pressure 2650 psig (BHFP)
- 19) MAXIMUM PROPOSED INJECTION OPERATIONS: Volume per hour 25 BBL Bottom hole pressure 2400 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 charcoal bed filters
- 22) SPECIFICATIONS FOR CATHODIC PROTECTION AND OTHER CORROSION CONTROL NA

23) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILL-UP OR SACKS (CU. FT.)	PACKERS
	Size	Grade	Weight per ft.	New	Used	For Drilling	Left In Well		
Conductor									Kinds
Fresh Water	7"	LS	17#	x		450'	450'	CTS	
Coal									Sizes
Intermediate									2.375"
Production	4 1/2"	J-55	10.5#	x		2625'	2625'	150 sks	Depths set
Tubing	2 3/8"	J-55	4.6#	x		2400'	2400'		2300'
Liners									Perforations
									Top Bottom

- 24) APPLICANT'S OPERATING RIGHTS were acquired from EJ May
by deed _____ / lease x / other contract _____ / dated 02/07/1983 of record in the
Lincoln County Clerk's office in Lease Book 35 Page 154

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OCT 22 2018

WV Department of
Environmental Protection

WW-2B1
(5-12)

Well No. EJ May 148 Revised

West Virginia Department of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

Be advised, you have the right to sample and analyze any water supply at your own expense.

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Laboratory Name	<u>Sturm Environmental Lab</u>
Sampling Contractor	<u>Sturm Environmental Lab</u>

Well Operator	<u>HG Energy, LLC</u>
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Address	<u>5260 Dupont Road</u>
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	<u>Parkersburg, WV 26101</u>
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Telephone	<u>304-420-1119</u>
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FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

**** See Attached Sheet ****

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Surface Owners Identified With Water Sources to be Sampled and Tested:

- | | |
|---|--|
| * Linda L. Owsley
PO Box 246
Griffithsville, WV 25521 | * David Lawson
54 Bear Fork Road
Yawkey, WV 25573 |
| * Gregory & Sheila Brisendine
12452 Havana Avenue
New Port Richey, FL 34654 | * John & Judith Chandler
PO Box 1291
Scott Depot, WV 25560 |
| * Herbert & Tammy Morgan Jr.
72 Bear Fork Road
Yawkey, WV 25573 | * Lester & Sherry Smith
82 Bear Fork Road
Yawkey, WV 25573 |
| * Michael Saul
90 Bear Fork Road
Yawkey, WV 25573 | * Ronald & Debra Tawney
91 Pond Gap
Yawkey, WV 25573 |
| * Justin White
90 Bear Fork Road
Yawkey, WV 25573 | * Ruth Jones
PO Box 172
Griffithsville, WV 25521 |
| * David Adkins
5115 Straight Fork
Griffithsville, WV 25521 | * Leonard McCormick
16 Bear Fork Road
Yawkey, WV 25573 |
| * Judy Smith
25 Pond Gap
Yawkey, WV 25573 | * Russel & Kathryn Wright
135 Bay Ridge Road
Hampstead, NC 28443 |

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WW-9
(2/15)

API Number 47 - 043 - _____
Operator's Well No. EJ May 148 Rev _____

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy, LLC OP Code 494497948

Watershed (HUC 10) Bear Fork Quadrangle Griffithsville 7.5'

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

Will a pit be used? Yes No

If so, please describe anticipated pit waste: Fluids encountered while drilling the well

Will a synthetic liner be used in the pit? Yes No If so, what ml.? 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 _____)

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Will closed loop system be used? If so, describe: No

Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Air, Freshwater

-If oil based, what type? Synthetic, petroleum, etc. NA

Additives to be used in drilling medium? Water, soap, KCl

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Remove offsite

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) NA

-Landfill or offsite name/permit number? To Be Determined Upon Approval of the Permit

Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associated waste rejected at any West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the permittee shall also disclose where it was properly disposed.

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 White

Company Official (Typed Name) Diane White

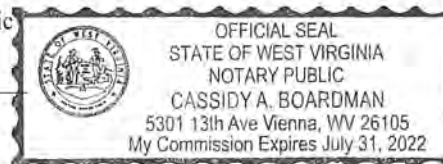
Company Official Title Agent

Subscribed and sworn before me this 8th day of October, 20 18

Cassidy A. Boardman

Notary Public

My commission expires 7/31/2022



HG Energy, LLC

Proposed Revegetation Treatment: Acres Disturbed 0.6 acres Prevegetation pH _____

Lime 3 Tons/acre or to correct to pH 6.5

Fertilizer type 10-20-20

Fertilizer amount 500 lbs/acre

Mulch Straw 2 Tons/acre

Seed Mixtures

Temporary		Permanent	
Seed Type	lbs/acre	Seed Type	lbs/acre
<u>Tall Fescue</u>	<u>40</u>	<u>Tall Fescue</u>	<u>40</u>
<u>Ladino Clover</u>	<u>5</u>	<u>Ladino Clover</u>	<u>5</u>

****Sediment Control Will Be Maintained At All Times****

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: Jeffrey Smith

Comments: All sediment control to be removed prior to release

Title: Oil & Gas Inspector Date: 10-15-18

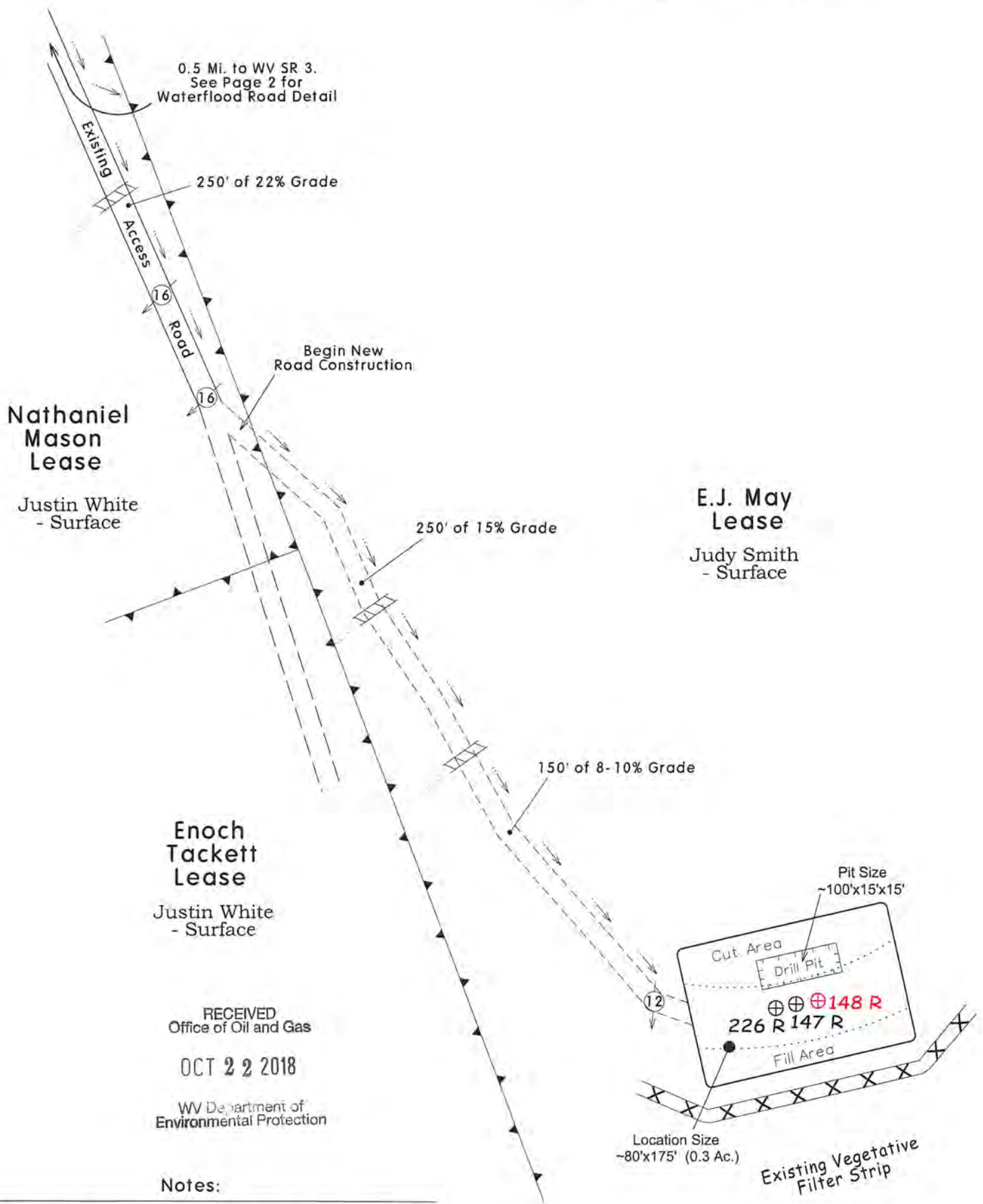
Field Reviewed? Yes No

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Reclamation Plan For:

E.J. May No. 147 Rev.
E.J. May No. 148 Rev.
 E.J. May No. 226 Rev.



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Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- SOME ACCESS ROADS ARE EXISTING AND WILL BE UPGRADED TO WVDEP STANDARDS. NEW STRUCTURES WILL BE INSTALLED AS SHOWN.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <5% EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- STACK BRUSH BELOW DISTURBED AREAS FOR SEDIMENTATION CONTROL.
- DRAWING NOT TO SCALE.

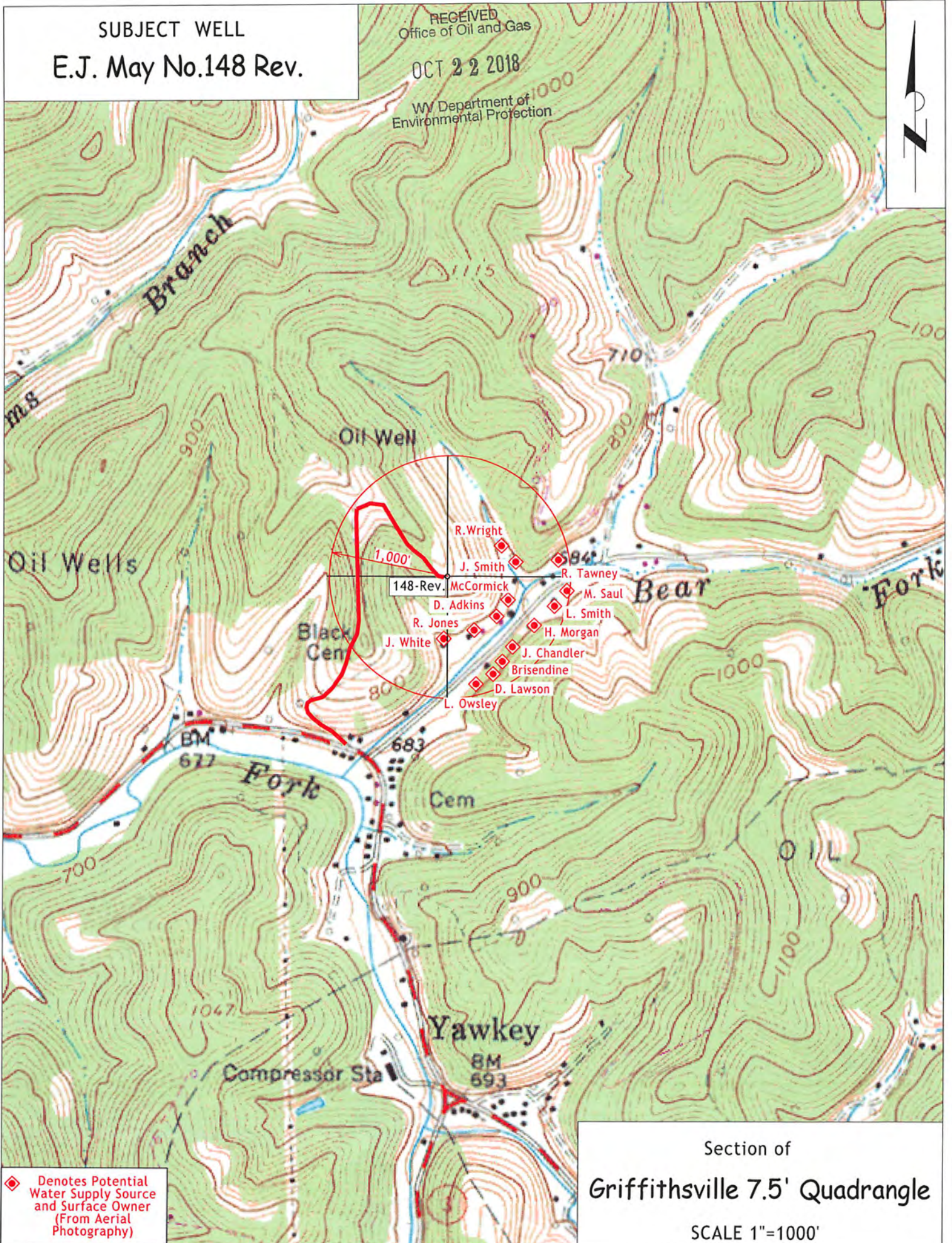
NOTE
 REFER TO THE WVDEP
 EROSION AND SEDIMENT CONTROL
 FIELD MANUAL VER. MAY 2012 FOR
 BMPs CONTROLLING EROSION AND
 SEDIMENT FROM SOIL-DISTURBING
 OPERATIONS.

SUBJECT WELL
E.J. May No.148 Rev.

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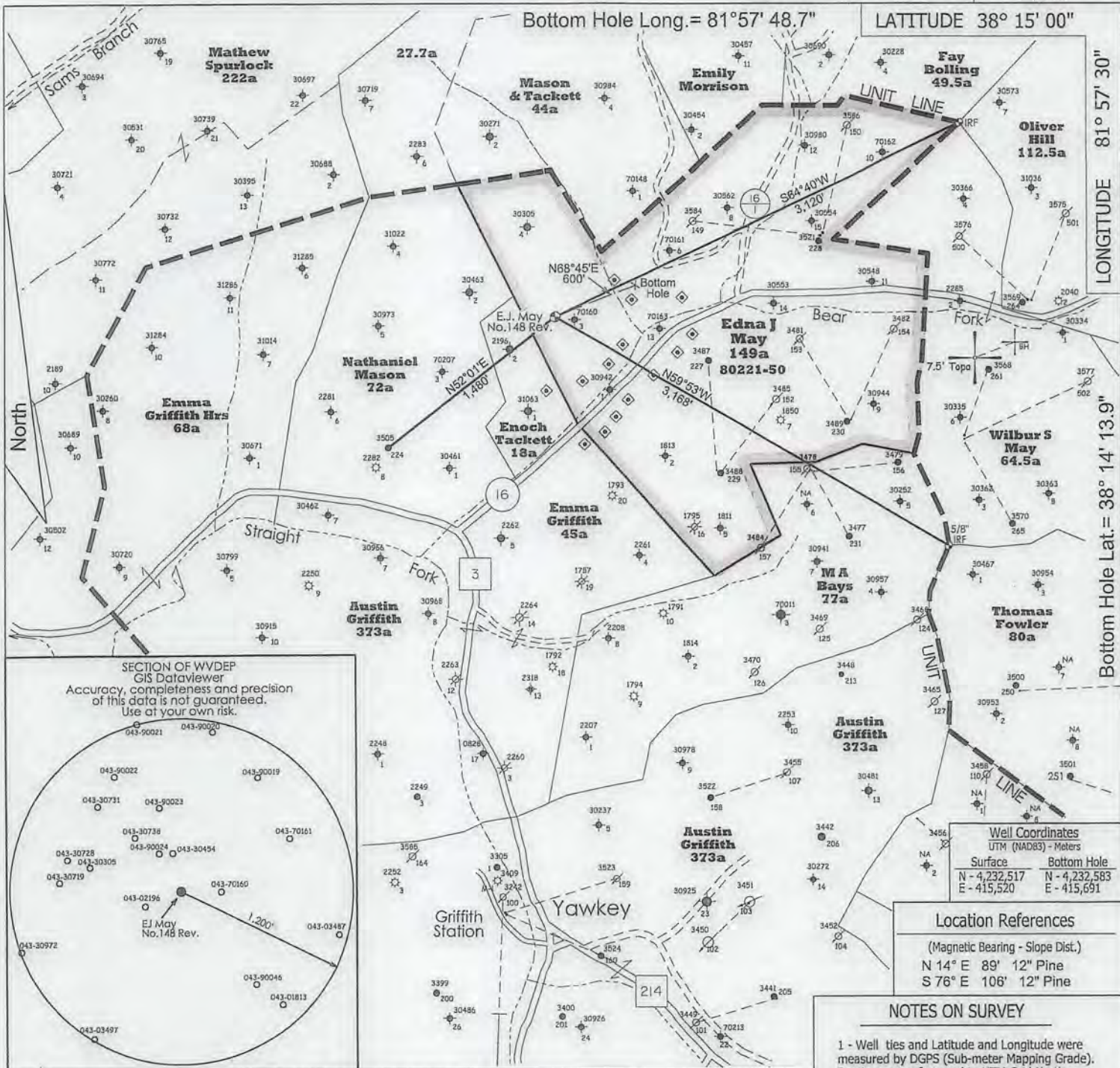
WV Department of
Environmental Protection



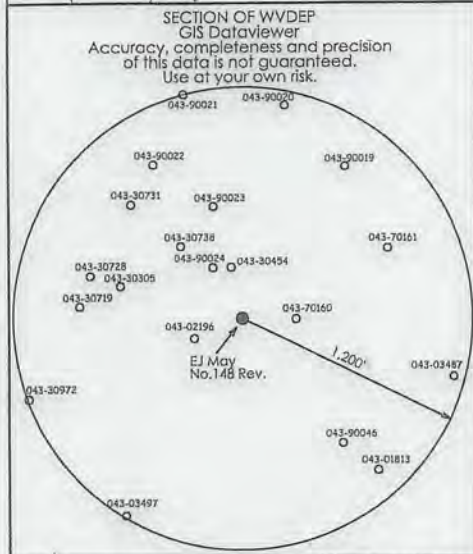
◆ Denotes Potential
Water Supply Source
and Surface Owner
(From Aerial
Photography)

Section of
Griffithsville 7.5' Quadrangle

SCALE 1"=1000'



LONGITUDE 81° 57' 30"
 Bottom Hole Lat. = 38° 14' 13.9"
 Latitude = 38° 14' 11.72"
 4,884'



Well Coordinates	
UTM (NAD83) - Meters	
Surface	Bottom Hole
N - 4,232,517	N - 4,232,583
E - 415,520	E - 415,691

Location References	
(Magnetic Bearing - Slope Dist.)	
N 14° E 89' 12" Pine	
S 76° E 106' 12" Pine	

NOTES ON SURVEY

1 - Well ties and Latitude and Longitude were measured by DGPS (Sub-meter Mapping Grade). Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).

2 - Surface owner information obtained from the Lincoln County Assessor's tax records.

◆ - DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIRCA 2016 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.

⊕ - DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. _____

SCALE 1" = 1000'

MINIMUM DEGREE OF ACCURACY Sub-Meter

PROVEN SOURCE OF ELEVATION DGPS Survey
(Sub-Meter Mapping Grade)

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 PRESCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(SIGNED) *[Signature]*
TIMOTHY P. ROUSH PS 793



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25301

DATE September 25, 2018
 FARM E.J. May No.148 Rev.
 API WELL NO. 47 - 043 - 035905

WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION X WASTE DISPOSAL ___
 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___

LOCATION: ELEVATION 840' WATERSHED Bear Fork
 DISTRICT Duval COUNTY Lincoln
 QUADRANGLE Griffithsville 7.5'

SURFACE OWNER Judy R. Smith ACREAGE 21.88 Ac.
 OIL & GAS ROYALTY OWNER HG Energy, LLC et al. LEASE ACREAGE 149 Ac.
 LEASE NO. 80221-50

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) NOTE: This well will be drilled
directionally as shown on the plat above.

PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
 TARGET FORMATION Berea ESTIMATED DEPTH 2,625' MD

WELL OPERATOR HG Energy LLC. DESIGNATED AGENT Diane White
 ADDRESS 5260 DuPont Road ADDRESS 5260 DuPont Road
Parkersburg, WV 26101 Parkersburg, WV 26101

FORM IV-6