



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

May 08, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-7700603, issued to ENERPLUS RESOURCES (USA) CORPORATION, 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: COLEBANK 1-7HG
Farm Name: COLEBANK, FRANCIS E. & VER.
API Well Number: 47- 7700603
Permit Type: Horizontal 6A Well
Date Issued: 05/08/2014

Promoting a healthy environment.

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. Failure to adhere to the specified permit conditions may result in enforcement action.

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.



west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.org

March 13, 2014

Department of Environmental Protection
Office of Oil and Gas
Charleston, WV 25304

RE: Application for Deep Well Permit – API #47-077-00603

COMPANY: Enerplus Resources USA Corporation

FARM: Colebank #1-7HG

COUNTY: Preston DISTRICT: Reno QUAD: Fellowsville

The deep well review of the application for the above company is **APPROVED NEEDMORE – MARCELLUS COMPLETION**. If operator wishes to drill deeper than the POINT PLEASANT, additional approval must be obtained from the OGCC.

The applicant has complied with the provision of Chapter 22C-9, of the Code of West Virginia, nineteen hundred and thirty-one (1931), as amended, Oil and Gas Conservation Commission as follows:

1. Provided a certified copy of duly acknowledged and recorded consent and easement form from all surface owners; yes
2. Provided a tabulation of all deep wells within one mile of the proposed location, including the API number of all deep wells, well name, and the name and address of the operator; none
3. Provided a plat showing that the proposed location is a distance of 400+ feet from the nearest lease line or unit boundary and showing the following wells drilled to or capable of producing from the objective formation within 3,000 feet of the proposed location.

Sincerely,

Cindy Raines
Executive Assistant

To avoid enforcement action and per 39CSR1.4.6 and 4.10 filing of wells logs and directional surveys are due within 90 days of completion of a deep well.

WW-6B
(9/13)

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

77 06 347

1) Well Operator: Enerplus Resources (USA) Corp.

<u>49449649</u>	<u>Preston</u>	<u>Reno</u>	<u>Fellowsville</u>
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Operator ID County District Quadrangle

2) Operator's Well Number: Colebank 1-7HG Well Pad Name: Colebank

3) Farm Name/Surface Owner: Colebank Public Road Access: Sinclair Colebanks Road

4) Elevation, current ground: 1614.0' Elevation, proposed post-construction: 1614.0'

5) Well Type (a) Gas Oil Underground Storage

Other

(b) If Gas Shallow Deep

Horizontal

6) Existing Pad: Yes or No Yes

7) Proposed Target Formation(s), Depth(s), Anticipated Thickness and Associated Pressure(s):

Target Formation: Marcellus, Depth: 8070 - 8175' TVD, Thickness: 105', Max Pressure: 4170psi

SDW 12/16/13
[Signature] 12/16/13

8) Proposed Total Vertical Depth: 8,156.5' for lateral, 8,275' ft for pilot

9) Formation at Total Vertical Depth: Marcellus

10) Proposed Total Measured Depth: 12,952'

11) Proposed Horizontal Leg Length: 4,795.5'

12) Approximate Fresh Water Strata Depths: 0 - 365 ft

13) Method to Determine Fresh Water Depths: Deepest wells and lowest springs in the area suggest <250ft

14) Approximate Saltwater Depths: _____

15) Approximate Coal Seam Depths: ~300 (UK) and ~450 (LK) based upon WVGES Datum

16) Approximate Depth to Possible Void (coal mine, karst, other): no known voids that underlie the proposed site ✓

17) Does Proposed well location contain coal seams directly overlying or adjacent to an active mine? Yes No

(a) If Yes, provide Mine Info: Name: _____
Depth: _____
Seam: _____
Owner: _____

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WW-6B
(9/13)

18)

CASING AND TUBING PROGRAM

<u>TYPE</u>	<u>Size</u>	<u>New or Used</u>	<u>Grade</u>	<u>Weight per ft. (lb/ft)</u>	<u>FOOTAGE: For Drilling</u>	<u>INTERVALS: Left in Well</u>	<u>CEMENT: Fill-up (Cu. Ft.)</u>
Conductor	20"		K-55	-	40'	40'	
Fresh Water	13 3/8"		J-55	54.5 lb	850-465'	850-465'	Cement to surface
Coal							
Intermediate	9 5/8"		L-80	36 lb	2,500'	2,500'	Cement to surface
Production	5 1/2"		P-110	20 lb	12,952'	12,952'	Cement to 2000'
Tubing	2 3/8"		J-55	4.7 lb			
Liners	N/A						

MM 1/9/14

SDW 12/16/13

AS 12/16/13

<u>TYPE</u>	<u>Size</u>	<u>Wellbore Diameter</u>	<u>Wall Thickness</u>	<u>Burst Pressure</u>	<u>Cement Type</u>	<u>Cement Yield (cu. ft./k)</u>
Conductor	20"		.438	2110	NA	NA
Fresh Water	13 3/8"	15.375	.380	2730	Type 1 +2%CC +1M# Flocks	1.27
Coal						
Intermediate	9 5/8"	11.625	.352	3520	Gas Block	1.29 ft3/sk
Production	5 1/2"	7.050	.361	12640	Type 1	1.37
Tubing						
Liners						

PACKERS

Kind:				
Sizes:				
Depths Set:				

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(9/13)

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

Drill a Marcellus shale gas well into the 100 ft below the base of the Marcellus (Needmore Fm), plug back the vertical to specified depth and commence horizontal drilling into the Marcellus shale unit. The plug will be solid cement from the T.D. back up the hole to some point above the kickoff point. This point will be designated in the field at the time of drilling and plug back. Evaluate the well. Run and cement production casing. Demobilize the rig.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

Mobilize completion equipment. Complete well: perforate, fracture, stimulate, clean out, run tubing, unload and test the gas well. Reclaim the site.

21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 15.65

22) Area to be disturbed for well pad only, less access road (acres): 3.07

23) Describe centralizer placement for each casing string:

1. Fresh Water Coal (13-3/8"): 1 per joint on bottom 3 jts., then every 3rd jt. to surface.
2. Intermediate (9-5/8"): 1 per joint on bottom 3 jts., then every 3rd jt. to surface.
3. Production (5-1/2"): Every joint f/ float shoe - top of curve, then every 4th jt to intermediate casing.

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

1. Fresh Water Coal (Surface): 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake
2. Intermediate: 2% bwoc Calcium Chloride + 0.3% bwoc CR-3 (retarder / dispersant)
3. Production: Lead slurry - 2% bwoc Bentonite + 0.5% bwoc CFL-117 (fluid loss) + 0.5% CR-3 (retarder) + 0.3% defoamer
Tail slurry - 100% ASE-325 (solubility enhancer) + 3% bwoc bentonite + 0.75% CR-3 + 0.75% CFL-117

25) Proposed borehole conditioning procedures:

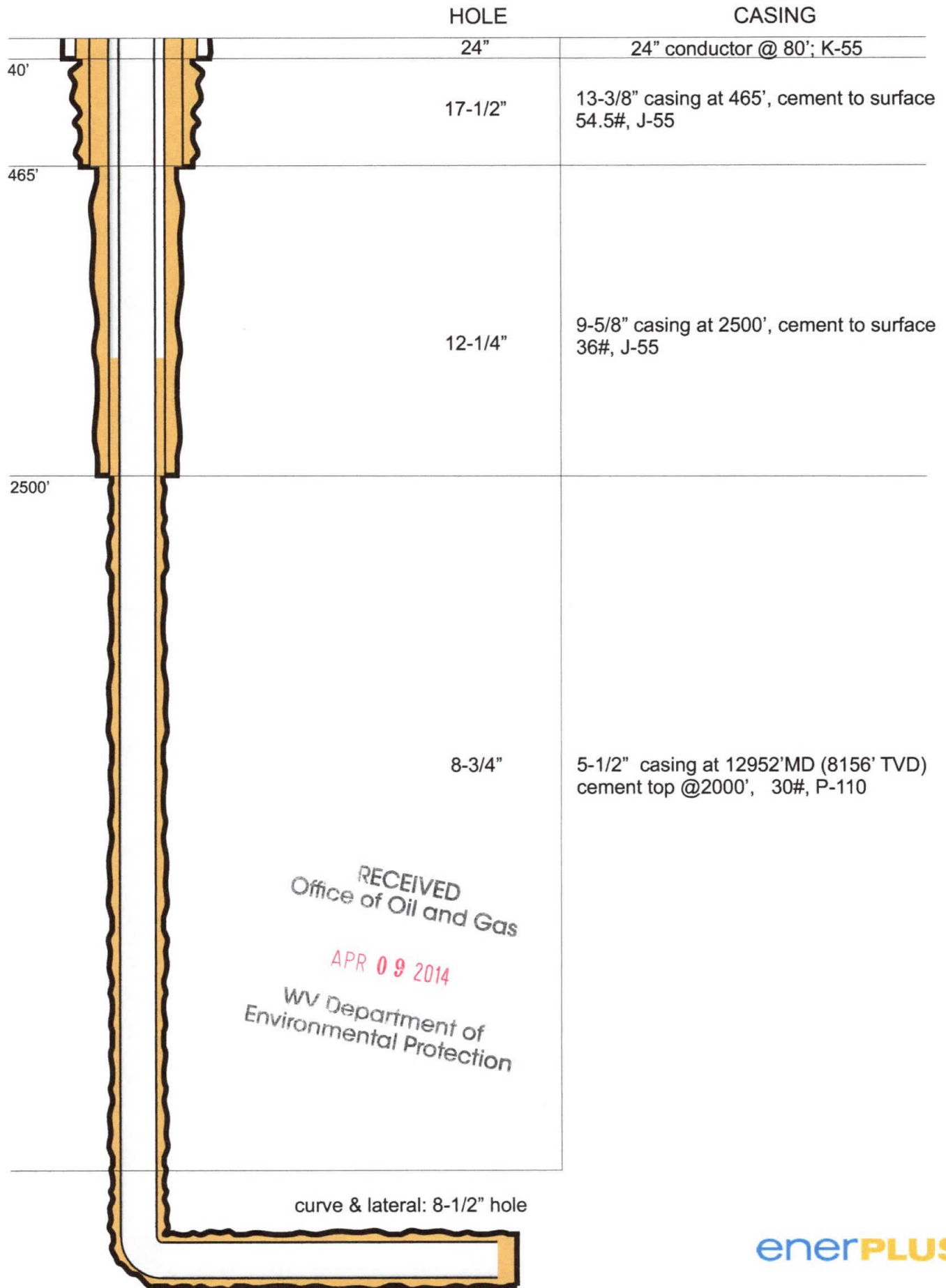
1. Surface: Circulate minimum of 2 bottoms-up with water to confirm full circulation and returns to surface prior to cementing.
2. Intermediate: Circulate minimum of 1.5 bottoms-up prior to logging to determine if hole is taking fluid. Prior to cementing, circulate min. 2 x hole volume at the max rate planned for during the cementing operation to ensure no lost circulation.
3. Production: At vertical TD, circulate at least 1 bottoms-up (or swap hole from air over to brine) in preparation for running wireline logs. At lateral TD, circulate min 2 x hole volume. Add LCM if necessary to heal losses.

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*Note: Attach additional sheets as needed.

ENERPLUS Colebank 1-7H
Casing plan

County: Preston Co., WV
Prepared by: jpk
Date: April 2014



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WW-9
(9/13)

API Number 47 - 077 - 00586
Operator's Well No. Colebanks 1-71G

WV Department of Environmental Protection

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Enerplus Resources (USA) Corporation OP Code 49449549

Watershed (HUC 10) Sandy Creek Quadrangle Fellowsville

Elevation 1614.0' County Preston District Reno

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: flowback fluids

Will a synthetic liner be used in the pit? Yes No If so, what ml.? 40 mil to 60 mil 40 mil (As-built)

Proposed Disposal Method For Treated Pit Wastes:

- Land Application
- Underground Injection (UIC Permit Number _____)
- Reuse (at API Number next well on pad)
- Off Site Disposal (Supply form WW-9 for disposal location)
- Other (Explain _____)

DV 4/9/14

Will closed loop system be used? If so, describe: For cuttings closed loop SDW 12/16/13

Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. SDW 12/16/13

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

Additives to be used in drilling medium? see attached

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. removed offsite Closed loop SDW

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) not applicable

-Landfill or offsite name/permit number? WSI-Mosteller Landfill in Vinlandale, Somerset County PA

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.

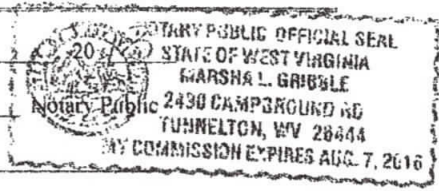
Company Official Signature [Signature]

Company Official (Typed Name) Timothy Miller

Company Official Title Landman

Subscribed and sworn before me this 20 day of November

[Signature]
My commission expires August 7, 2016



Form WW-9

Operator's Well No. Colebanks 1-7HG

Enerplus Resources (USA) Corporation

Proposed Revegetation Treatment: Acres Disturbed 15.65 Prevegetation pH 6.5

Lime 6 Tons/acre or to correct to pH 6.5

Fertilizer type 10-20-20 or equivalent

Fertilizer amount 500 lbs/acre

Mulch 2 to 3 Tons/acre

Seed Mixtures

Temporary		Permanent	
Seed Type	lbs/acre	Seed Type	lbs/acre
Tall fescue	40	Tall fescue	40
Annual rye	10	Annual rye	10
Ladino clover	5	Ladino clover	5
Birdsfoot trefoil	10	Birdsfoot trefoil	10

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.

See the attached Fellowsville, WV 7.5' USGS Topographic map.

Plan Approved by: [Signature]

Comments: ~~Proposed~~ SDW Existing location. Upgrade E&S as necessary per WV DEP E&S manual

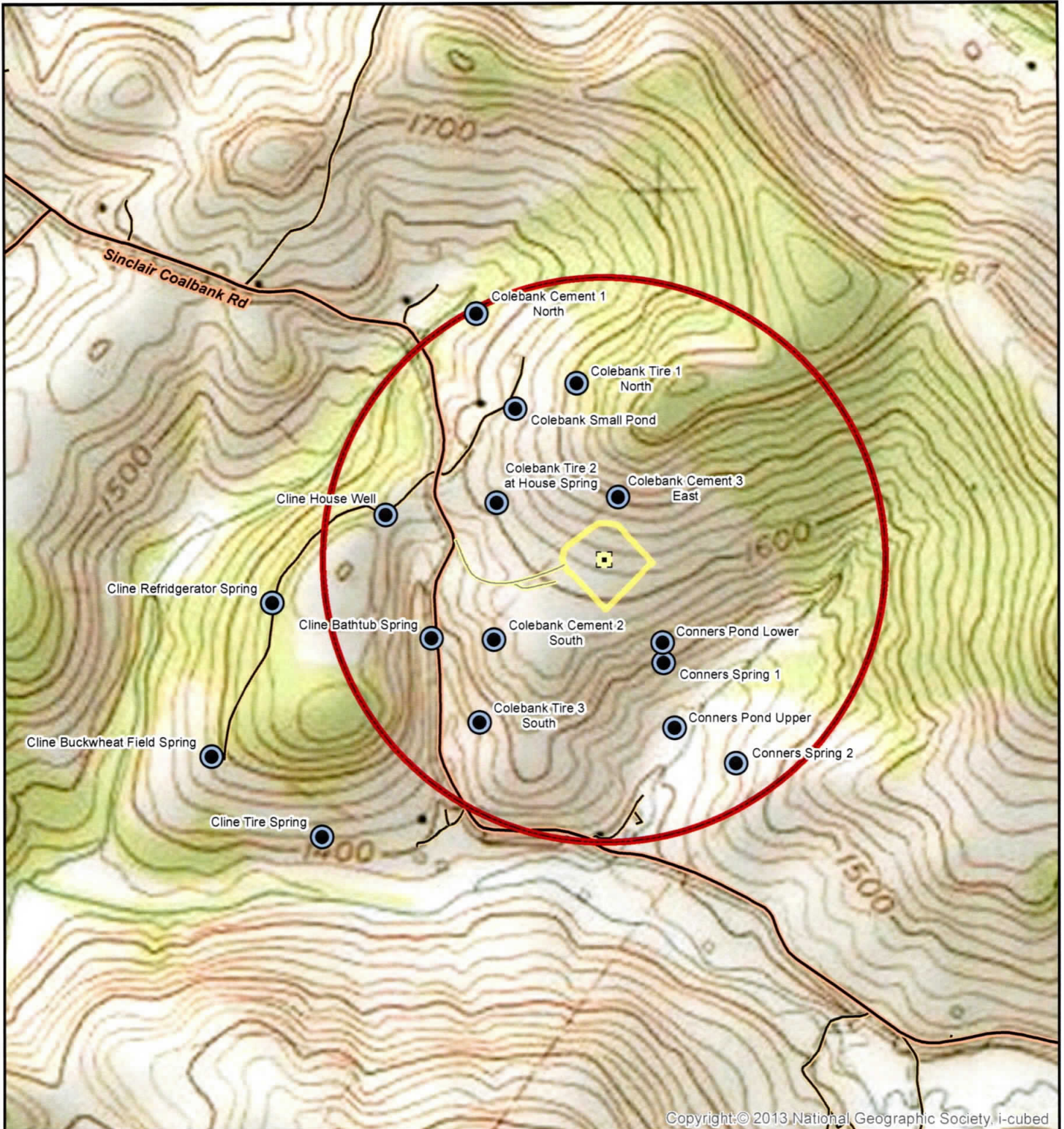
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Title: Oil Gas Inspector

Date: 12/16/2013 DEC 19 2013

Field Reviewed? (X) Yes () No

WV Department of
Environmental Protection



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Colebank 1-7HG

- Water Well
- State Roads
- Secondary Roads
- 1,500' Buffer
- Pad Center
17 N 0600538 4349193
- Pad Access
- Well Pad



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DISCLAIMER: This Geographic Information System (GIS) and its components are designed as a source of reference for answering inquiries, for planning and for modeling. GIS is not intended, nor does it replace legal description information in the chain of title and other information contained in official government records such as the County Clerk and Recorder's office or the courts. In addition, the representations of locations in this GIS cannot be substituted for actual legal surveys.

Author: M Spinelli

 Feet HIL COMPLIANCE SOLUTIONS, INC.

NOTES:

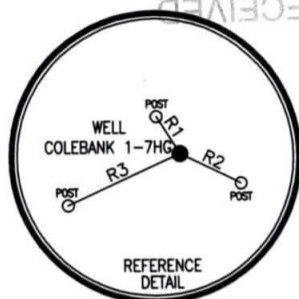
1. There are no water wells or developed springs within 250' of proposed well.
2. There are no existing buildings within 625' of proposed well.
3. Proposed well is greater than 100' from perennial stream, wetland, pond, reservoir or lake.
4. There are no native trout streams within 300' of proposed well.
5. Proposed well is greater than 1000' from surface/groundwater intake or public water supply.
6. It is not the purpose or intention of this plat to represent surveyed locations of the surface or mineral parcels depicted hereon. The location of the boundary lines, as shown, are based on record deed descriptions, field evidence found and/or tax map position, unless otherwise noted.

Latitude: 39°17'30"

COORDINATES:
253' WEST
1,990' SOUTH

Longitude: 79°50'00"

GAS LESSORS		
TAX MAP	PARCEL	OIL & GAS ROYALTY OWNERS
4-23	34	FRANCIS E. & VERA C. COLEBANK
4-23	38	FRANCIS E. & VERA C. COLEBANK
4-29	6.1	GARY & KAREN CONNER
4-29	7	JUDITH FAYE BEWLEY
4-29	7	CAROLE ANN KELLER
4-29	8	JUNIOR R. & BARBARA J. BOLYARD
4-29	8	WILMA JEAN BOLYARD



REFERENCE LINES		
LINE	BEARING	DISTANCE
R1	N 32°23'59" W	226.95'
R2	S 63°59'39" E	355.56'
R3	S 65°11'41" W	641.59'
R4	S 40°22'27" W	1374.24'
R5	N 28°35'08" E	783.79'
R6	S 56°46'04" W	1085.98'

LEGEND	
	- TOPO MAP POINT
	- WELL
	- ALL ARE POINTS UNLESS OTHERWISE NOTED.
	- WATER SOURCE
	- MINERAL TRACT BOUNDARY
	- PARCEL LINES
	- WELL REFERENCE
	- PROPOSED HORIZONTAL WELL
	- ROAD
	- STREAM CENTER LINE

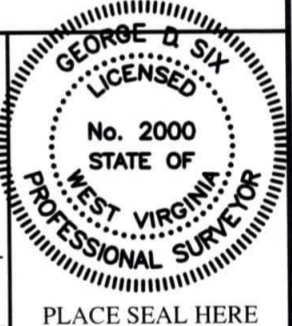
SURFACE HOLE LOCATION (SHL)		BOTTOM HOLE LOCATION (BHL)	
UTM 17-NAD83	N:4340186.844	UTM 17-NAD83	N:4347879.781
	E:600540.893		E:601324.376
NAD83_WV NORTH	N:286537.1325	NAD83_WV NORTH	N:282206.6300
	E:1873901.9319		E:1876402.1300
LAT/LON DATUM-WGS84	LAT:39°17'10.38"	LAT/LON DATUM-WGS84	LAT:39°16'27.66"
	LON:79°50'03.17"		LON:79°49'31.18"

Blue Mountain Inc.
11023 MASON DIXON HIGHWAY
BURTON, WV 26562
PHONE: (304) 662-6486

FILE #: COLEBANK 1-7HG
DRAWING #: COLEBANK 1-7HG
SCALE: 1" = 2000'
MINIMUM DEGREE OF ACCURACY: 1/2500
PROVEN SOURCE OF ELEVATION: U.S.G.S. MONUMENT THOMAS 1498.81'

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]*
R.P.E.: _____ L.L.S.: P.S. No. 2000



(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS WVDEP
OFFICE OF OIL & GAS
601 57TH STREET
CHARLESTON, WV 25304



DATE: MARCH 31, 2014
OPERATOR'S WELL #: COLEBANK 1-7HG
API WELL #: 47 077 00603
STATE COUNTY PERMIT

Well Type: Oil Waste Disposal Production Deep
 Gas Liquid Injection Storage Shallow

WATERSHED: UNNAMED TRIBUTARY TO SANDY CREEK ELEVATION: 1615.00'
COUNTY/DISTRICT: PRESTON / RENO QUADRANGLE: FELLOWSVILLE, WV 7.5'
SURFACE OWNER: FRANCIS E. & VERA C. COLEBANK ACREAGE: 59.42±
OIL & GAS ROYALTY OWNER: SEE ABOVE GAS LESSORS CHART ACREAGE: 485.70±

DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE
PLUG OFF OLD FORMATION PERFORATE NEW FORMATION PLUG & ABANDON
CLEAN OUT & REPLUG OTHER CHANGE (SPECIFY): _____

TARGET FORMATION: MARCELLUS ESTIMATED DEPTH: TVD: 8,156.5'± TMD: 12,952'±
WELL OPERATOR: ENERPLUS RESOURCES (USA) CORPORATION DESIGNATED AGENT: TERRY STAMPER
Address: 1700 LINCOLN STREET, SUITE 1300 Address: 5400 D BIG TYLER ROAD
City: DENVER State: CO Zip Code: 80203 City: CHARLESTON State: WV Zip Code: 25313

enerPLUS

U.S. Operations – Eastern Business Unit
Appalachian District
950 17th Street, Suite 2200
Denver, CO 80202
(720) 279-5500

SITE SAFETY PLAN

LAUREL PROJECT – WEST VIRGINIA

Colebank 1-7HG

Cindy Raines
3/12/2014

December 10, 2013
REV 2

full copy available on Q://OIL GAS
-LKC

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**STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE CERTIFICATION**

Date of Notice Certification: _____

API No. 47- 077 ~~00586~~ **00603**
 Operator's Well No. Colebank 1-7HG
 Well Pad Name: Laurel Pad 2 - Colebank

Notice has been given:

Pursuant to the provisions in West Virginia Code § 22-6A, the Operator has provided the required parties with the Notice Forms listed below for the tract of land as follows:

State: <u>West Virginia</u>	UTM NAD 83 Easting: <u>600540 893</u>
County: <u>Preston</u>	UTM NAD 83 Northing: <u>4349186 844</u>
District: <u>Reno</u>	Public Road Access: <u>Sindair Colebank road</u>
Quadrangle: <u>Fellowsville</u>	Generally used farm name: <u>Colebank</u>
Watershed: <u>Sandy creek</u>	

Pursuant to West Virginia Code § 22-6A-7(b), every permit application filed under this section shall be on a form as may be prescribed by the secretary, shall be verified and shall contain the following information: (14) A certification from the operator that (i) it has provided the owners of the surface described in subdivisions (1), (2) and (4), subsection (b), section ten of this article, the information required by subsections (b) and (c), section sixteen of this article; (ii) that the requirement was deemed satisfied as a result of giving the surface owner notice of entry to survey pursuant to subsection (a), section ten of this article six-a; or (iii) the notice requirements of subsection (b), section sixteen of this article were waived in writing by the surface owner; and Pursuant to West Virginia Code § 22-6A-11(b), the applicant shall tender proof of and certify to the secretary that the notice requirements of section ten of this article have been completed by the applicant.

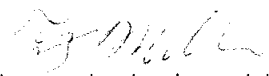
<p>Pursuant to West Virginia Code § 22-6A, the Operator has attached proof to this Notice Certification that the Operator has properly served the required parties with the following:</p> <p>*PLEASE CHECK ALL THAT APPLY</p> <p><input type="checkbox"/> 1. NOTICE OF SEISMIC ACTIVITY or <input checked="" type="checkbox"/> NOTICE NOT REQUIRED BECAUSE NO SEISMIC ACTIVITY WAS CONDUCTED</p> <p><input type="checkbox"/> 2. NOTICE OF ENTRY FOR PLAT SURVEY or <input checked="" type="checkbox"/> NO PLAT SURVEY WAS CONDUCTED</p> <p><input checked="" type="checkbox"/> 3. NOTICE OF INTENT TO DRILL or <input type="checkbox"/> NOTICE NOT REQUIRED BECAUSE NOTICE OF ENTRY FOR PLAT SURVEY WAS CONDUCTED or <i>Sent 12/2/13</i></p> <p><input checked="" type="checkbox"/> WRITTEN WAIVER BY SURFACE OWNER (PLEASE ATTACH)</p> <p><input checked="" type="checkbox"/> 4. NOTICE OF PLANNED OPERATION</p> <p><input checked="" type="checkbox"/> 5. PUBLIC NOTICE</p> <p><input checked="" type="checkbox"/> 6. NOTICE OF APPLICATION</p>	<p>OOG OFFICE USE ONLY</p> <p><input type="checkbox"/> RECEIVED/ NOT REQUIRED</p> <p><input type="checkbox"/> RECEIVED</p> <p><input checked="" type="checkbox"/> RECEIVED/ NOT REQUIRED</p> <p><input checked="" type="checkbox"/> RECEIVED</p> <p><input checked="" type="checkbox"/> RECEIVED</p> <p><input checked="" type="checkbox"/> RECEIVED</p>
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Required Attachments:

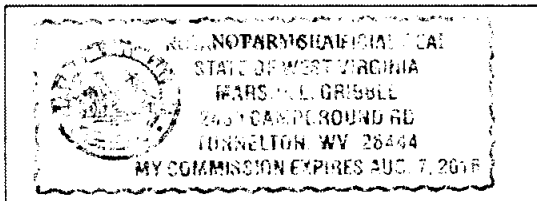
The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to the required parties and/or any associated written waivers. For the Public Notice, the operator shall attach a copy of the Class II Legal Advertisement with publication date verification or the associated Affidavit of Publication. The attached Notice Forms and Certifications of Notice shall serve as proof that the required parties have been noticed as required under West Virginia Code § 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made by affidavit of personal service, the return receipt card or other postal receipt for certified mailing.

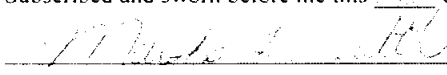
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Certification of Notice is hereby given:

THEREFORE, I Tim Miller  have read and understand the notice requirements within West Virginia Code § 22-6A. I certify that as required under West Virginia Code § 22-6A, I have served the attached copies of the Notice Forms, identified above, to the required parties through personal service, by registered mail or by any method of delivery that requires a receipt or signature confirmation. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this Notice Certification 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:	<u>Enerplus Resources (USA) Corporation</u>	Address:	<u>950 17th street, suite 2200</u>
By:	<u>Tim Miller</u>		<u>Denver, CO 80202-2805</u>
Its:	<u>Landman</u>	Facsimile:	<u>720-279-5550</u>
Telephone:	<u>720-279-5500</u>	Email:	<u>TMiller@Enerplus.com</u>



Subscribed and sworn before me this 19 day of December, 2013.

 _____ Notary Public
 My Commission Expires August 7, 2016

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal 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 deprivacyofficer@wv.gov.

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STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE OF APPLICATION

Notice Time Requirement: notice shall be provided no later than the filing date of permit application.

Date of Notice: 12/2/13 Date Permit Application Filed: 12/16/13

Notice of:

- PERMIT FOR ANY WELL WORK
- CERTIFICATE OF APPROVAL FOR THE CONSTRUCTION OF AN IMPOUNDMENT OR PIT

Delivery method pursuant to West Virginia Code § 22-6A-10(b)

- PERSONAL SERVICE
- REGISTERED MAIL
- METHOD OF DELIVERY THAT REQUIRES A RECEIPT OR SIGNATURE CONFIRMATION

Pursuant to W. Va. Code § 22-6A-10(b) no later than the filing date of the application, the applicant for a permit for any well work or for a certificate of approval for the construction of an impoundment or pit as required by this article shall deliver, by personal service or by registered mail or by any method of delivery that requires a receipt or signature confirmation, copies of the application, the erosion and sediment control plan required by section seven of this article, and the well plat to each of the following persons: (1) The owners of record of the surface of the tract on which the well is or is proposed to be located; (2) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for roads or other land disturbance as described in the erosion and sediment control plan submitted pursuant to subsection (c), section seven of this article; (3) The coal owner, operator or lessee, in the event the tract of land on which the well proposed to be drilled is located [sic] is known to be underlain by one or more coal seams; (4) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed impoundment or pit as described in section nine of this article; (5) Any surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within one thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestic animals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) If more than three tenants in common or other co-owners of interests described in subsection (b) of this section hold interests in the lands, the applicant may serve the documents required upon the person described in the records of the sheriff required to be maintained pursuant to section eight, article one, chapter eleven-a of this code. (2) Notwithstanding any provision of this article to the contrary, notice to a lien holder is not notice to a landowner, unless the lien holder is the landowner. W. Va. Code R. § 35-8-5.7.a requires, in part, that the operator shall also provide the Well Site Safety Plan ("WSSP") to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Application Notice WSSP Notice E&S Plan Notice Well Plat Notice is hereby provided to:

SURFACE OWNER(s)
Name: Francis and Vera Colebank
Address: 4416 Sinclair Road
Moatsville WV 26405

Name: _____
Address: _____

SURFACE OWNER(s) (Road and/or Other Disturbance)
Name: Francis and Vera Colebank
Address: 4416 Sinclair Road
Moatsville WV 26405

Name: _____
Address: _____

SURFACE OWNER(s) (Impoundments or Pits)
Name: Francis and Vera Colebank
Address: 4416 Sinclair Road
Moatsville WV 26405

Name: _____
Address: _____

COAL OWNER OR LESSEE
Name: Donald F. Frazee Trust and Edward G. Frazee
Address: 316 E Main St. PO 520 Kingwood, WV 26537

COAL OPERATOR
Name: _____
Address: _____

SURFACE OWNER OF WATER WELL AND/OR WATER PURVEYOR(s)
Name: See Attached
Address: See Attached

DV
4/9/14

OPERATOR OF ANY NATURAL GAS STORAGE FIELD
Name: _____
Address: _____

*Please attach additional forms if necessary

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WW-6A Attachment

Surface Owner of Water Well and/or Water Purveyor(s)

Milburn & Pamela Cline
4415 Sinclair Rd
Moatsville, WV 26405

Francis and Vera Colebank
4416 Sinclair Road
Moatsville, WV 26405

Gary and Karen Conner
3926 Sinclair Road
Moatsville, WV 26405

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Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for well work or for a certificate of approval for the construction of an impoundment or pit.

This Notice Shall Include:

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control plan required by section seven of this article; and (3) the well plat.

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3) the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Pursuant to W. Va. Code R. § 35-8-5.7.a, the operator shall provide the Well Site Safety Plan to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Pursuant to W. Va. Code R. § 35-8-15.2.c, this notice shall: (1) contain a statement of the surface owner's and water purveyor's right to request sampling and analysis; (2) advise the surface owner and water purveyor of the rebuttable presumption for contamination or deprivation of a fresh water source or supply; advise the surface owner and water purveyor that refusal to allow the operator to conduct a pre-drilling water well test constitutes a method to rebut the presumption of liability; (3) advise the surface owner and water purveyor of his or her independent right to sample and analyze any water supply at his or her own expense; advise the surface owner and water purveyor whether or not the operator will utilize an independent laboratory to analyze any sample; and (4) advise the surface owner and or water purveyor that he or she can obtain from the Chief a list of water testing laboratories in the subject area capable of and qualified to test water supplies in accordance with standard acceptable methods.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting www.dep.wv.gov/oil-and-gas/pages/default.aspx.

Well Location Restrictions

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the wellhead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted zone as referenced in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple well pad if at least one of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report to the Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of wells. (f) The secretary shall, by December 31, 2012, report to the Legislature on the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the items

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examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well. The operator shall provide an analysis to such surface landowner or water purveyor at their request.

Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments. A surface owner and water purveyor has an independent right to sample and analyze any water supply at his or her own expense. The laboratory utilized by the operator shall be approved by the agency as being certified and capable of performing sample analyses in accordance with this section.

Rebuttable Presumption for Contamination or Deprivation of a Fresh Water Source or Supply:

W. Va. Code § 22-6A-18 requires that (b) unless rebutted by one of the defenses established in subsection (c) of this section, in any action for contamination or deprivation of a fresh water source or supply within one thousand five hundred feet of the center of the well pad for horizontal well, there is a rebuttable presumption that the drilling and the oil or gas well or either was the proximate cause of the contamination or deprivation of the fresh water source or supply. (c) In order to rebut the presumption of liability established in subsection (b) of this section, the operator must prove by a preponderance of the evidence one of the following defenses: (1) The pollution existed prior to the drilling or alteration activity as determined by a predrilling or prealteration water well test. (2) The landowner or water purveyor refused to allow the operator access to the property to conduct a predrilling or prealteration water well test. (3) The water supply is not within one thousand five hundred feet of the well. (4) The pollution occurred more than six months after completion of drilling or alteration activities. (5) The pollution occurred as the result of some cause other than the drilling or alteration activity. (d) Any operator electing to preserve its defenses under subdivision (1), subsection (c) of this section shall retain the services of an independent certified laboratory to conduct the predrilling or prealteration water well test. A copy of the results of the test shall be submitted to the department and the surface owner or water purveyor in a manner prescribed by the secretary. (e) Any operator shall replace the water supply of an owner of interest in real property who obtains all or part of that owner's supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source with a comparable water supply where the secretary determines that the water supply has been affected by contamination, diminution or interruption proximately caused by the oil or gas operation, unless waived in writing by that owner. (f) The secretary may order the operator conducting the oil or gas operation to: (1) Provide an emergency drinking water supply within twenty-four hours; (2) Provide temporary water supply within seventy-two hours; (3) Within thirty days begin activities to establish a permanent water supply or submit a proposal to the secretary outlining the measures and timetables to be used in establishing a permanent supply. The total time in providing a permanent water supply may not exceed two years. If the operator demonstrates that providing a permanent replacement water supply cannot be completed within two years, the secretary may extend the time frame on case-by-case basis; and (4) Pay all reasonable costs incurred by the real property owner in securing a water supply. (g) A person as described in subsection (b) of this section aggrieved under the provisions of subsections (b), (e) or (f) of this section may seek relief in court... (i) Notwithstanding the denial of the operator of responsibility for the damage to the real property owner's water supply or the status of any appeal on determination of liability for the damage to the real property owner's water supply, the operator may not discontinue providing the required water service until authorized to do so by the secretary or a court of competent jurisdiction.

Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

Chief, Office of Oil and Gas
Department of Environmental Protection
601 57th St. SE
Charleston, WV 25304
(304) 926-0450

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. **NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.**

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Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have **THIRTY (30) DAYS** after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Pursuant to West Virginia Code § 22-6A-11(c)(2). Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

Comment Requirements

Your comments must be in writing and include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

Disclaimer: All comments received will be placed on our web site <http://www.dep.wv.gov/oil-and-gas/Horizontal-Permits/Pages/default.aspx> and the applicant will automatically be forwarded an email notice that such comments have been submitted. The applicant will be expected to provide a response to comments submitted by any surface owner, water purveyor or natural gas storage operator noticed within the application.

Permit Denial or Condition

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director determines that:

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, including the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

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WW-6A
(8-13)

API NO. 47- 077 - 00586
OPERATOR WELL NO. Colebank 1-7HG
Well Pad Name: Laurel Pad 2 - Colebank

Notice is hereby given by:

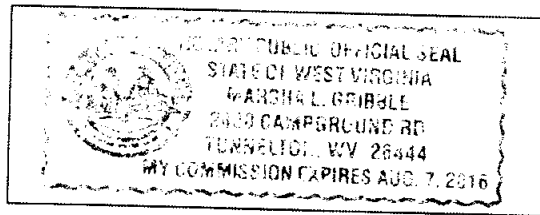
Well Operator: Enerplus Resources (USA) Corporation
Telephone: 720-279-5500
Email: TMiller@enerplus.com

Address: 950 17th street, suite 2200
Denver, CO 80202-2805
Facsimile: 720-279-5550

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal 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 or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

Timothy Miller by *Mark*



Subscribed and sworn before me this 19 day of Nov. 2013

Mark L. Gribble Notary Public

My Commission Expires August 7, 2016

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STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE OF PLANNED OPERATION

Notice Time Requirement: notice shall be provided no later than the **filing date of permit application.**

Date of Notice: 12/2/13 **Date Permit Application Filed:** 12/16/13

Delivery method pursuant to West Virginia Code § 22-6A-16(c)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED HAND
DELIVERY

Pursuant to W. Va. Code § 22-6A-16(c), no later than the date for filing the permit application, an operator shall, by certified mail return receipt requested or hand delivery, give the surface owner whose land will be used for the drilling of a horizontal well notice of the planned operation. The notice required by this subsection shall include: (1) A copy of this code section; (2) The information required to be provided by subsection (b), section ten of this article to a surface owner whose land will be used in conjunction with the drilling of a horizontal well; and (3) A proposed surface use and compensation agreement containing an offer of compensation for damages to the surface affected by oil and gas operations to the extent the damages are compensable under article six-b of this chapter. (d) The notices required by this section shall be given to the surface owner at the address listed in the records of the sheriff at the time of notice.

Notice is hereby provided to the SURFACE OWNER(s)

(at the address listed in the records of the sheriff at the time of notice):

Name: Francis and Vera Colebank ✓ Name: _____
Address: 4416 Sinclair Road Address: _____
Moatsville, WV 26405

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-16(c), notice is hereby given that the undersigned well operator has developed a planned operation on the surface owner's land for the purpose of drilling a horizontal well on the tract of land as follows:

State: West Virginia UTM NAD 83 Easting: 600540.893
County: Preston Northing: 4349186.844
District: Reno Public Road Access: Sinclair Colebank Road
Quadrangle: Fellowsville Generally used farm name: Colebank
Watershed: Sandy Creek

This Notice Shall Include:

Pursuant to West Virginia Code § 22-6A-16(c), this notice shall include: (1) A copy of this code section; (2) The information required to be provided by **W. Va. Code § 22-6A-10(b)** to a surface owner whose land will be used in conjunction with the drilling of a horizontal well; and (3) A proposed surface use and compensation agreement containing an offer of compensation for damages to the surface affected by oil and gas operations to the extent the damages are compensable under article six-b of this chapter. Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting www.dep.wv.gov/oil-and-gas/pages/default.aspx.

Well Operator: Enerplus Resources (USA) Corporation Address: 950 17th street, suite 2200
Telephone: 720-279-5500 Denver, CO 80202-2805
Email: TMiller@Enerplus.com Facsimile: 720-279-5550

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal 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 or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

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MAINTENANCE DIVISION

**OIL AND GAS ROAD
DISTRICT WIDE BONDING AGREEMENT**

THIS AGREEMENT, executed in duplicate, made and entered into this 6 day of July, 2011, by and between the **WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS**, hereinafter called "DEPARTMENT," and ENERGUS Resources (USA) Corp., a Colorado company, hereinafter called "COMPANY."

WITNESSETH:

WHEREAS, Company has vertical gas well drilling operations in certain areas of West Virginia; and

WHEREAS, the Department believes that the frequent and repetitive use of certain sections of highways in the State by Company, its contractors, agents, independent contractors or suppliers of drilling materials or drilling equipment, and employees contributes to increased wear and tear to public roads in the state road system in the State, including local roads ("State Owned Roads"); and,

WHEREAS, the Department and Company have entered into this Agreement to satisfy the requirements of the Department's policy entitled "Oil & Gas Road Policy" dated February 1, 2011, as issued by Paul A. Mattox, Jr., Secretary of Transportation / Commissioner of Highways, and any subsequent related policies, hereinafter called "Policy", a copy of which is made a part of this Bonding Agreement and is identified as Attachment 1.

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter set forth, the parties agree as follows:

I. For purposes of this Bonding Agreement, "Project Transportation Usage" of the Company shall be understood to mean use of one or more State Owned Roads for the delivery and removal of drilling materials and drilling equipment at the site or location of one or more of Company's vertical gas well pad locations. To the extent reasonably practical, prior to commencing use of a State Owned Road for Project Transportation Usage after January 1, 2011, the Company shall submit to the Department a section or sections of current official WVDOH County Highway maps identifying the exact location of the proposed project and the State Owned Roads that the Company will utilize for the Project Transportation Usage.

II. Company and Department shall within 2 days of the Company's submittal, agree to a list of these sections of State Owned Roads, hereinafter called "Project Roads List", to be utilized for each of Company's projects, identified by route number and milepost; at a time to be mutually agreed to by the parties prior to initial commencement of Project Transportation Usage of a particular State Owned Road on a Project Roads List, the Company and Department will jointly review the condition of the roads and bridges on the Project Roads List. The Department will document the road type and surface condition and general right-of-way width of each section of road on the Project Road List. Either party may supplement this documentation with photographs, video or other evidence of the present condition of the road surface, shoulders, ditches, culverts, bridges or other structures or appurtenances of roads on the Project Road List, as well as approaches to the roads, utility facilities located within or along the right-of-way, or any other condition, including third-party activities, that may affect the duties and responsibilities of the parties under this Agreement. A copy of any such documentation must be made and provided to the other party within ten business days after the joint review of the roads on the Project Roads List.

III. Department shall issue a Project Agreement or Project Permit, as applicable, to the Company to use State Owned Roads and may include any minor or major improvements required of Company prior to, during or after Project with the assignment of responsibilities of

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both parties prior to, during and after the operator has completed well fracturing.

IV. In the Project Agreement/Project Permit, the Department shall not require the use of State Owned Roads other than the roads proposed by Company unless the Department has safety concerns as to the Company's proposed roads. A failure to agree on roads that may otherwise be lawfully used for a particular Project Transportation Usage shall result in the designation of the State Owned Roads proposed by Company, with milepost determinations as designated by Department. This Agreement shall only cover portions of State Owned Roads designated on the Project Roads List.

V. For the duration of Company's Project Transportation Usage of the Stated Owned Roads on the Project Roads List, whether by the Company, its contractors (while working on behalf of Company), agents, independent contractors or suppliers of drilling materials or drilling equipment, or employees, the Company agrees to pay for all reasonable maintenance and repair costs incurred by the Department to repair areas of the State Owned Roads included in the Project Roads List that were directly damaged by Company's Project Transportation Usage, as determined to be reasonably necessary and appropriate by the Department. The Department shall keep a record of all labor performed by Department employees and contractors for such maintenance and repairs and shall send an invoice for the same to Company.

VI. Company shall be responsible for the cost of all maintenance and repairs reasonably necessary to put the existing roadways, bridges and appurtenances on the Project Roads List utilized for the Project Transportation Usage in the condition that existed immediately prior to the Project Transportation Usage. Company shall not be required to pay for maintenance or repairs to put any areas of such roadways, bridges and appurtenances on the Project Roads List in a condition better than the condition that existed immediately prior to the Project Transportation Usage. Company shall also not be required to pay for maintenance or repairs to any areas of these roadways, bridges or appurtenances on the Project Roads List that are not actually utilized for the Project Transportation Usage or for damage not caused by Project Transportation Usage.

VII. Company shall notify the Department in writing of Company's final completion of Project Transportation Usage for particular roadways, bridges and appurtenances on the Project Roads List. Within fourteen days after its receipt of written notification of the completion of the Project Transportation Usage for all roads on a Project Roads List, the Department will review the condition of the roadways, bridges and appurtenances on the Project Roads List actually utilized for the Project Transportation Usage and advise Company of any final repairs reasonably necessary to leave these roads, bridges and appurtenances in a condition reasonably deemed by Department to be equal to their condition prior to commencement of Project Transportation Usage; and, upon completion of all such final repairs by or on behalf of Company and acceptance by Department, the Company shall be released from all further liability for maintenance or repairs to roads, bridges, or appurtenances on said Project Roads List. Any maintenance or repair work under the Project Agreement/Project Permit for roads, bridges or appurtenances on the Project Roads List may be performed by a contractor directly chosen by the Company as approved by the Department, the Department's workforce, or a private contractor hired by the Department through the public bid process in accordance with state law, all of which work shall be subject to the standards and specifications of the Department.

VIII. In order to ensure performance of Company's performance and payment obligations under this Bonding Agreement, the Company shall post a corporate surety bond, hereinafter called "**Master Bond**", with the Department named as the beneficiary, which form of bond shall be subject to the consent of the Department, not to be unreasonably withheld. The amount and form of the bond shall be in accordance with the Policy as set forth above. However, the amount of the Master Bond does not limit the amount of claims that may be made by the Department against the Company under this Bonding Agreement. The Company shall provide the Master Bond to the Department within one (1) month after the execution of this Bonding Agreement. The Master Bond shall secure the good faith performance of all performance obligations of Company under the terms of this Bonding Agreement respecting the roads, bridges and appurtenances on the Project Roads List for each Project Transportation Usage undertaken by the Company, and shall remain in effect until termination of this Agreement. Company shall not be obligated to provide any other bonds, sureties, or other guarantees of performance to the Department for Company's use of State Owned Roads, except as required in this Agreement.

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IX. Company shall maintain Commercial General Liability Insurance in the amount of two million dollars, with a minimum coverage of one million dollars per occurrence, for personal injury or death to persons, or for property damage, resulting from Company's Project Transportation Usage and shall present evidence of such insurance to Department upon request.

X. Company's usage of State Owned Roads under the Project Agreement/Project Permit shall comply with all applicable Federal, State and local laws and regulations including, but not limited to, to the extent applicable, the National Environmental Policy Act, Section 404 of the Clean Water Act, Section 106 of the National Historic Preservation Act, Rare, Threatened and Endangered Species Act, Section 401 Water Quality Certification, and hazardous waste requirements. Further, upon reasonable written request of Department, Company shall furnish Department with acceptable documentation of such compliance which is in the possession of the Company.

XI. Company shall defend, indemnify and hold Department harmless from and against any and all losses, damage, and liability, and from all claims for damages on account of or by reason of bodily injury, including death, which may be sustained, or claimed to be sustained, by any person or persons, including employees of Department, and from and against any and all claims, losses or liabilities for damages to property, arising out of the negligent or willful acts or omissions of Company, its agents, independent contractors and suppliers of drilling materials or drilling equipment, employees and contractors, in the performance of all Project Transportation Usage activities undertaken pursuant to this Agreement (collectively, "claims"). The Company shall not be responsible to indemnify, defend or hold harmless Department for any claims caused by the negligent or willful acts or omissions of the Department or its agents, employees and contractors or third parties not performing work at the direction of Company or delivering drilling equipment or drilling materials, including water, for use by or for company.

XII. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

XIII. Department shall give Company a minimum of thirty days written notice of default under the terms of this Bonding Agreement and the opportunity to cure this default during such thirty-day period. If a default is not cured to the satisfaction of Department, or provision acceptable to Department is not made for a cure, Department may then elect to terminate this Bonding Agreement in whole or in part, and may in addition exercise its rights under the Master Bond or seek any other lawful relief available. Company may terminate this Bonding Agreement upon thirty days written notice to Department for any reason. In the event Company terminates this Agreement for any reason, it shall be liable for the repair and maintenance costs set forth above for prior Project Transportation Usage.

XIV. Nothing herein shall be construed to mean that Company shall have any jurisdiction or control over any public roads in the state road system.

XV. Company, its contractors, agents, employees and suppliers shall at all times be subject to applicable provisions of state and federal law, including without limitation laws requiring operation of vehicles in accordance with legal size and weight restrictions and posted weight limits. Oversize/overweight permits for vehicle or loads not otherwise conforming with law must be obtained in accordance with law; Department agrees to work in good faith with Company to review and grant (where authorized by law) such permits in a timely manner upon request by Company.

XVI. This Bonding Agreement shall be construed and enforced in accordance with the laws of the State of West Virginia, as they may be amended.

XVII. This Bonding Agreement shall be binding upon the successors and assigns of each party hereto.

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IN WITNESS WHEREOF, the parties hereto have caused this Bonding Agreement to be executed by their duly authorized officers effective as of the date first above written.

WEST VIRGINIA DEPARTMENT OF
TRANSPORTATION,
DIVISION OF HIGHWAYS

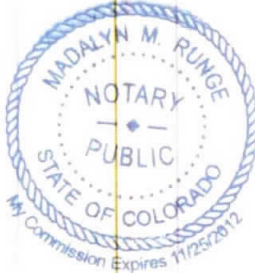
Doreen Baria
Witness Executive Secretary

By: [Signature]
State Highway Engineer

Encompass Resources (USA) Corp.
~~A limited liability company~~
A Corporation

Madalyn M. Runge
Witness

By: [Signature] FOR TY WATSON
Title: Regulatory Coordinator



(To be executed in duplicate)

APPROVED AS TO FORM THIS
29th DAY OF Aug 2011

[Signature]
ATTORNEY LEGAL DIVISION
WEST VIRGINIA DEPARTMENT

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WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Division of Highways

1900 Kanawha Boulevard East • Building Five • Room 110
Charleston, West Virginia 25305-0430 • (304) 558-3505

March 28, 2014

James A. Martin, Chief
Office of Oil and Gas
Department of Environmental Protection
601 57th Street, SE
Charleston, WV 25304

Subject: DOH Permit for the Colebank Well Site (077-00586)

Colebank 1HG	Colebank 2HG	Colebank 3HG	Colebank 4HG
Colebank 5HG	Colebank 6HG	Colebank 7HG	

Dear Mr. Martin,

The West Virginia Division of Highways has issued Permit # 04 -11-0884 for the subject site to Enerplus Resources (USA) Corporation for access to the well site located on Preston County Route 74 SLS.

The operator has signed an OIL AND GAS ROAD MAINTENANCE BONDING AGREEMENT and provided the required Bond. This operator is currently in compliance with the DOH OIL AND GAS POLICY dated January 3, 2012.

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Very Truly Yours,

Gary K. Clayton
Regional Maintenance Engineer
Central Office O&G Coordinator

Cc: David Van der Vieren
Enerplus Resources (USA) Corporation
CH, OM, D-4

**List of Chemical Names and CAS
Numbers for Frac Additives**

ENERPLUS RESOURCES (USA) CORPORATION
Colebank 1-7HG

The following additives may be used for the proposed Colebank 1-7HG Gas Well:

Descriptive Additive Type	CAS Number(s):
Fresh Water	N/A
Sand	68130-15-4
FRP 121 - Water Soluble Polymer	Mixture
ECS6116A - Bromine Based Biocide	3252-43-5, 10222-01-2, 25322-68-3
Scalehib 100 - Water Soluble Polymer	Mixture
Flomax 50 - Non-toxic surfactant	67-63-0
FE OXYCLEAR - O2 Scavenger	Mixture
CMHPG - Modified Guar Gum	68130-15-4
LEB 10X - Polymer breaker	Mixture
HCL - Muriatic Acid	7647-01-0
UniHib A - Corrosion Inhibitor	67-56-1, 68802-97-1, 64741-68-0, 64742-98-6 008-20-6, 64742-81-0, 67-63-0, 95-63-0, 0-00-0, 91-20-3

Note: Additional additives may be required as operations permit.

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