



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. Huffinan, Cabinet Secretary
www.dep.wv.gov

December 17, 2014

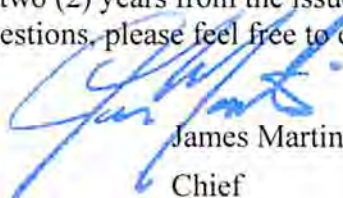
WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-8704749, 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: SB KINKEAD 108
Farm Name: SNODGRASS, REVA ET AL
API Well Number: 47-8704749
Permit Type: Secondary Recovery Well
Date Issued: 12/17/2014

Promoting a healthy environment.

12/19/2014

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.



1) Date: 10/21/2014
2) Operator's Well No. S. B. Kinkead 108
3) API Well No.: 47 - Roane - s
State County Permit
4) UIC Permit No. UIC2R08704AP

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: 1110' Watershed: Rush Creek of Henrys Fork
District: Smithfield 5 County Roane Quadrangle Looneyville 7.5' 444
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 Ed Gainer Name To Be Determined Upon Approval of Permit
Address P. O. Box 821 Address
Spencer WV 25276

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 Big Injun Depth 2140 Feet (top) to 2150 Feet (bottom)
13) Estimated Depth of Completed Well, (or actual depth of existing well): 2240' TVD 2660' TMD Feet
14) Approximate water strata depths: Fresh 405 Feet Salt 1640 Feet
15) Approximate coal seam depths: NA
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/or coal bed filters
22) SPECIFICATIONS FOR CATHODIC PROTECTION AND OTHER CORROSION CONTROL

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 ST&C	17#	X		530'	530'	CTS	
Coal									Sizes
Intermediate									2.375" x 4.5"
Production	4 1/2"	J-55	10.5#	X		2630'	2630'	200	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 S. B. and M. C. Kinkead
by deed / lease X / other contract / dated 09/20/1906 of record in the
Roane County Clerk's office in Lease Book 10 Page 204

Received
Office of Oil & Gas
OCT 29 2014

87047495

7013 2630 0001 9028 9119

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

WASHINGTON DC
 OCT 29 2014
 Postmark Here

SBK 108

Sent To: Reva Snodgrass ✓
 Street, Apt. No., or PO Box No.: 3740 Tranquility Dr.
 City, State, ZIP+4: Melbourne FL 32934

PS Form 3800, August 2006 See Reverse for Instructions.

Received
 Office of Oil & Gas
 OCT 29 2014

12/19/2014

WW-2B1
(5-12)

Well No. S. B. Kinkead 108

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 contractor chosen to collect sample.

Certified Laboratory Name Sturn Environmental Lab
Sampling Contractor Sturn Environmental Lab

Well Operator HG Energy, LLC
Address 5260 Dupont Road
Parkersburg, WV 26101
Telephone 304-420-1119

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.

Surface Owners With Water Sources Identified for Sampling and Analysis:

* John R. McClain
41 Clay Road
Spencer WV 25276

• James Shamblin
4292 Clay Road
Spencer WV 25276

• Caroline Miller
4326 Clay Road
Spencer WV
25276

• Holly Cottrell
89 Edgle Fork Road
Spencer WV 25276

* Reva Snodgrass
3740 Tranquility Dr.
Melbourne FL 32934

* Sampled and Tested

12/19/2014

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 Name HG Energy, LLC OP Code 494497948

Watershed Rush Creek of Henrys Fork Quadrangle Looneyville 7.5'

Elevation 1110' County Roane District Smithfield

Description of anticipated Pit Waste: Fluids encountered while drilling subject well

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

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

Proposed Disposal Method For Treated Pit Wastes:

- Land Application
- Underground Injection (UIC Permit Number 25-561)
- Reuse (at API Number _____)
- Off Site Disposal (Supply form WW-9 for disposal location)
- Other (Explain _____)

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air, Fresh Water
-If oil based, what type? Synthetic, petroleum, etc. NA

Additives to be used? Water, soap, KCl

Will closed loop system be used? No

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 White

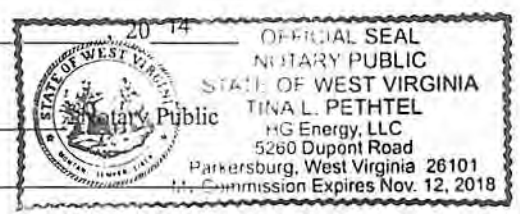
Company Official (Typed Name) Diane White

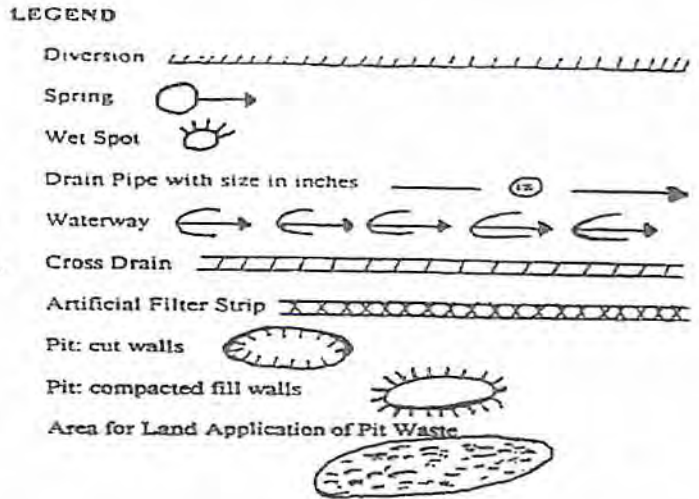
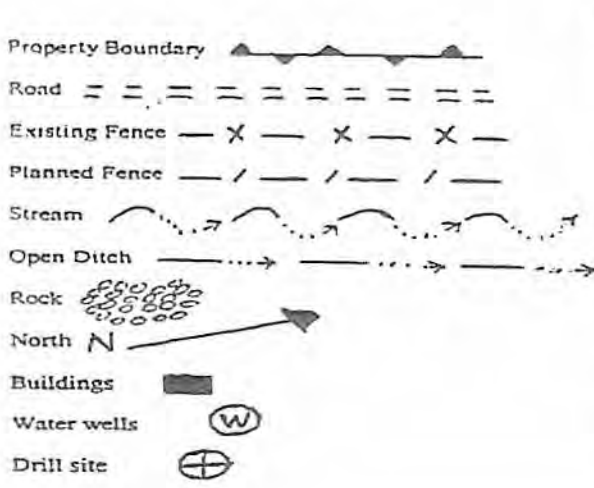
Company Official Title Agent

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Office of Oil & Gas
OCT 29 2014

Subscribed and sworn before me this 21 day of October

Tina L Pethel
My commission expires Nov 12, 2018






Proposed Revegetation Treatment: Acres Disturbed 1.7 acres Prevegetation pH _____
 Lime 2 Tons/acre or to correct to pH 6.5
 Fertilizer (10-20-20 or equivalent) 500 lbs/acre (500 lbs minimum)
 Mulch Straw 2 Tons/acre

Seed Mixtures

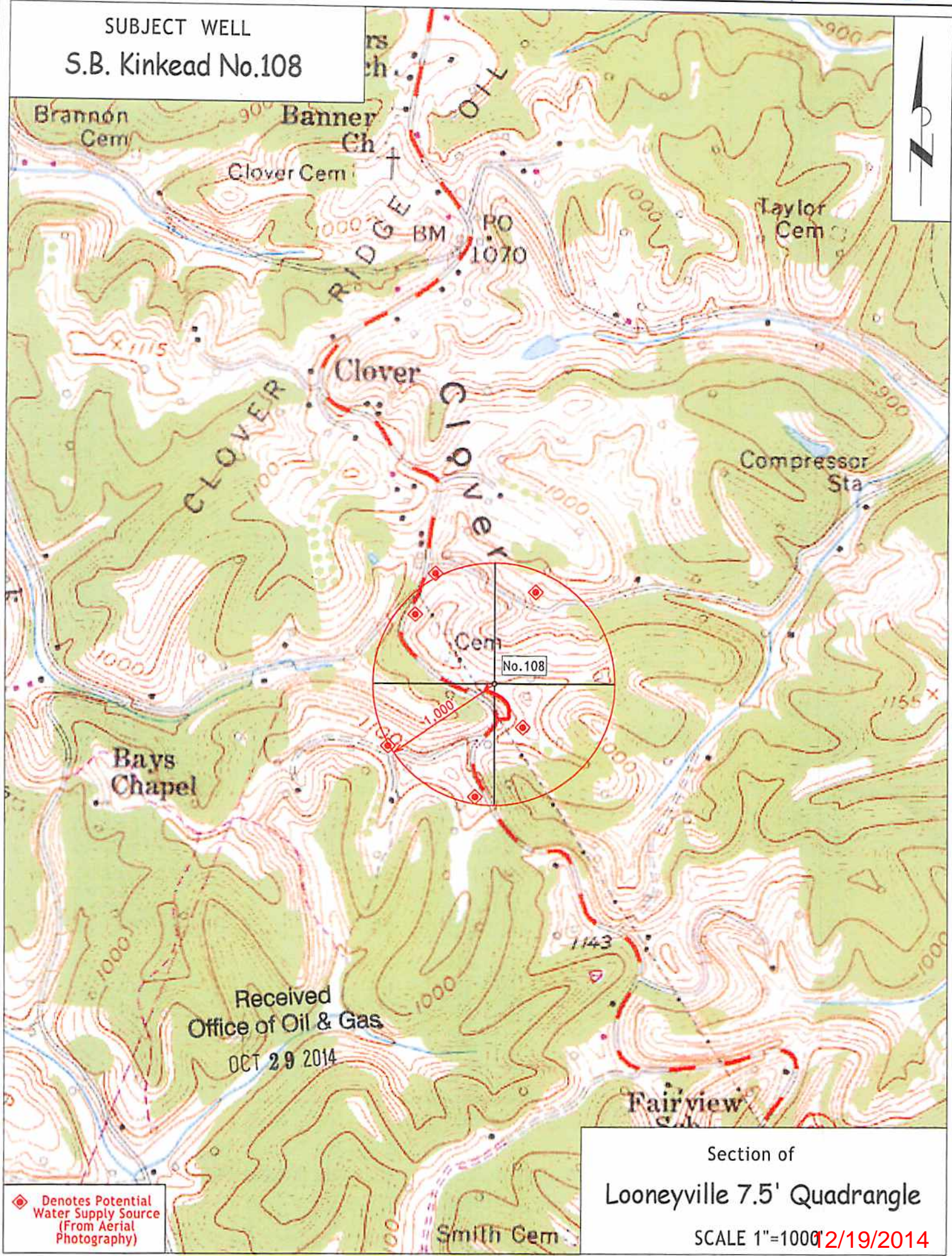
Seed Type	Area I	lbs/acre	Seed Type	Area II	lbs/acre
Tall Fescue		40	Tall Fescue		40
Ladino Clover		5	Ladino Clover		5

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

Plan Approved by: 
 Comments: Sediment control to be in place at all times

Title: Inspector Date: 10/23/14 Received _____
 Office of Oil & Gas
 Field Reviewed? Yes No
 OCT 29 2014

SUBJECT WELL
S.B. Kinkead No.108



Received
Office of Oil & Gas
OCT 29 2014

◆ Denotes Potential
Water Supply Source
(From Aerial
Photography)

Section of
Looneyville 7.5' Quadrangle

SCALE 1"=1000' 2/19/2014

(BOT. HL: LON:-81°17'08.8")

LON: -81°17'04.1"

9840'

LON: 81°15'00"

12215'

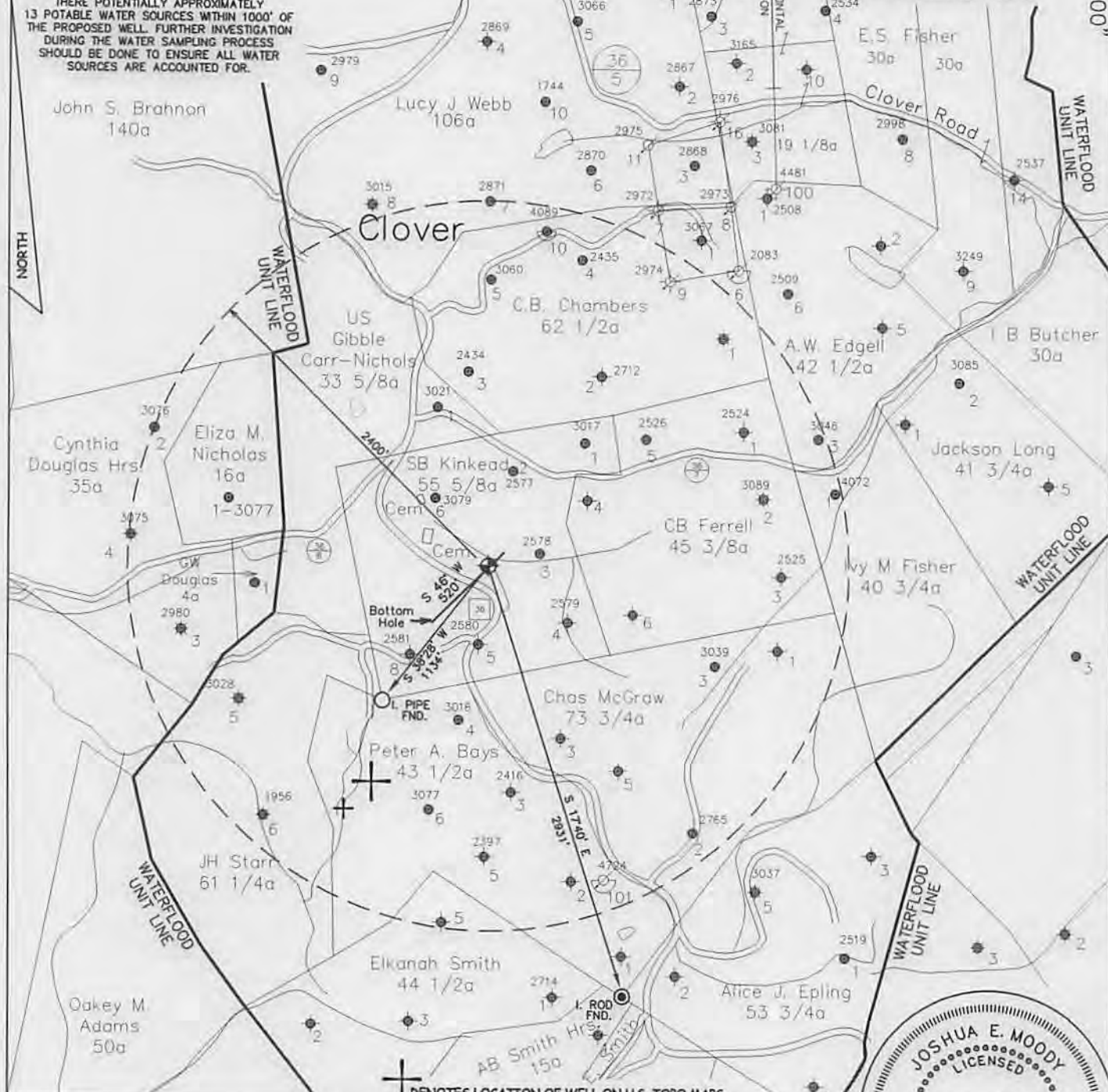
LAT: 38°42'59.3" (BOTTOM HOLE: LAT: 38°42'55.7")

- SURVEY NOTES**
- 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 1983).
 - 2 - Surface owners, adjoiners information, Lease names existing wells, & 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.

THERE POTENTIALLY APPROXIMATELY 13 POTABLE WATER SOURCES WITHIN 1000' OF THE PROPOSED WELL. FURTHER INVESTIGATION DURING THE WATER SAMPLING PROCESS SHOULD BE DONE TO ENSURE ALL WATER SOURCES ARE ACCOUNTED FOR.

UTM Coordinates (Zone 17N-NAD 1983)		LOCATION REFERENCES	
Surface	N-4,285,361m. E-475,282m.	MAGNETIC BEARING N 75° E 87.0' GAS LINE MARKER N 32° W 122.5' WOOD FENCE POST	
Bottom Hole	N-4,285,251m. E-475,168m.		

LAT: 38°45'00"
**MAP OF
 H.G. ENERGY, LLC
 -WATERFLOOD UNIT-
 SB KINKEAD 108**



⊕ 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 10/17/14
 OPERATOR'S WELL
 SB KINKEAD # 108

JOB # 14-033
 DRAWING # 14CLOVER FOLDER
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY 1/200
 PROVEN SOURCE OF ELEV. MAPPING GRADE GPS

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
 LOCATION: ELEVATION 1110' WATERSHED RUSH CREEK OF HENRYS FORK API WELL # 047495
 DISTRICT SMITHFIELD COUNTY ROANE 47 - 087 STATE COUNTY PERMIT
 QUADRANGLE LOONEYVILLE 7.5'

SURFACE OWNER REVA SNODGRASS ET AL ACREAGE 22 ACRES +/-
 OIL & GAS ROYALTY OWNER APPALACHIAN ROYALTIES ET AL LEASE ACREAGE 56 ACRES +/-
 PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR
 STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW FORMATION
 OTHER PHYSICAL CHANGE IN WELL (SPECIFY) WELL WILL BE DRILLED DIRECTIONALLY (S 46° W 520')
 PLUG & ABANDON CLEAN OUT & REPLUG
 TARGET FORMATION BIG INJUN ESTIMATED DEPTH TVD=2,240' MD=2,660'
 WELL OPERATOR H.G. ENERGY, LLC DESIGNATED AGENT MIKE KIRSCH
 ADDRESS 5260 DuPONT ROAD ADDRESS 5260 DuPONT ROAD
 PARKERSBURG, WV 26101 PARKERSBURG, WV 26101

12/19/2014

87 04749S



HG Energy, LLC
5260 Dupont Road
Parkersburg, WV 26101
(304) 420-1100 - Office
(304) 863-3172 - Fax

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Office of Oil & Gas
OCT 29 2014

October 21, 2014

Mr. Jeff McLaughlin
WVDEP
Division of Oil & Gas
601 57th Street
Charleston, West Virginia 25304

RE: S. B. Kinkead No. 108
Smithfield District, Roane County
West Virginia

Dear Mr. McLaughlin:

Enclosed are Forms WW-3A, WW-3B, WW-9, WW-3(B1), mylar of plat, reclamation plan, topo map and copies of the certified mailing receipts for a permit to drill the above referenced injection well. Also enclosed is our check in the amount of \$650.00 to cover the associated permit fees.

Very truly yours,

Diane C White

Diane C. White

Enclosures

cc: Reva Snodgrass - Certified
Ed Gainer - Inspector

Received

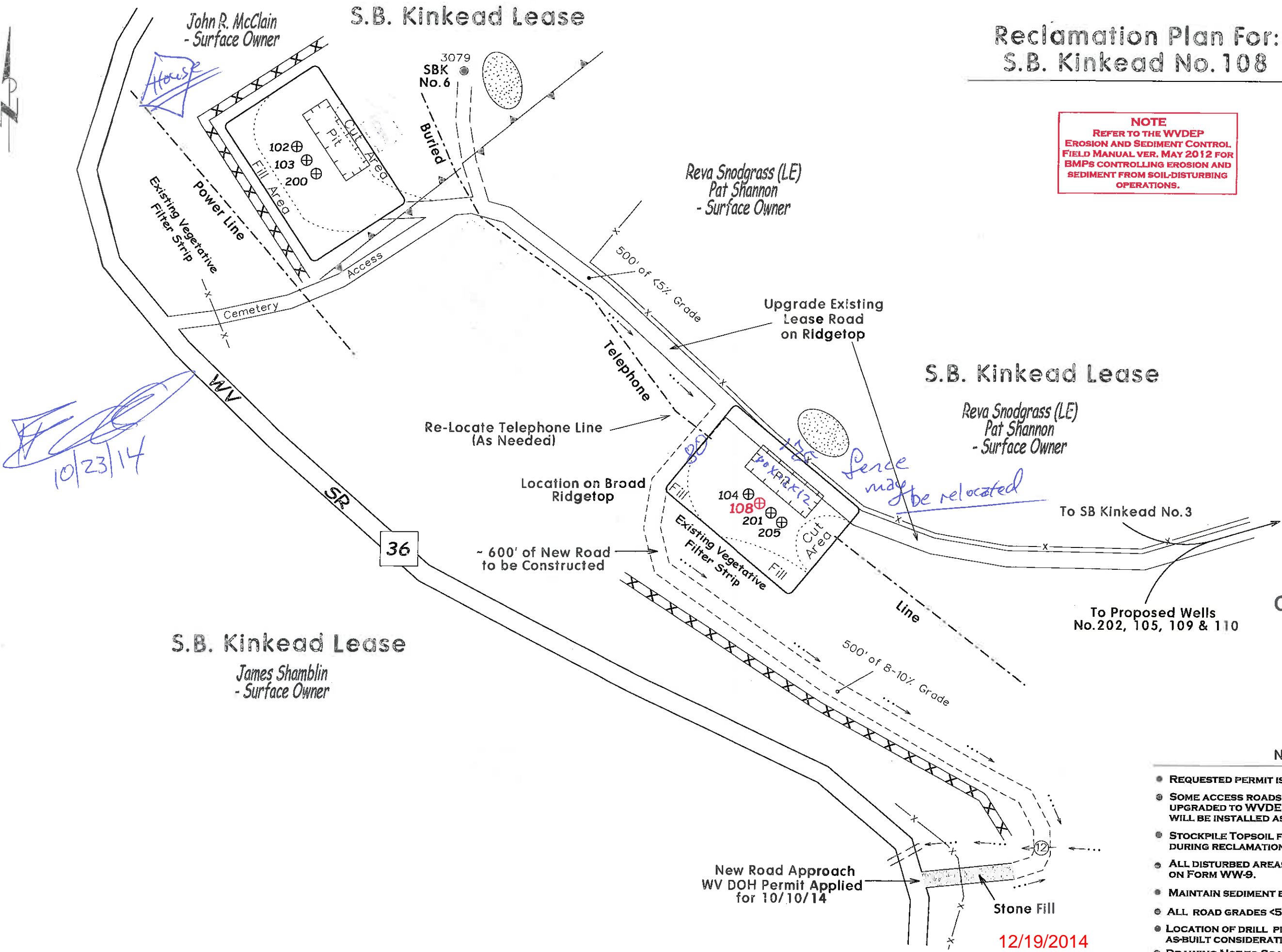
OCT 29 2014

Office of Oil and Gas
WV Dept. of Environmental Protection

12/19/2014

Reclamation Plan For: S.B. Kinkead No. 108

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



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Office of Oil & Gas
OCT 29 2014

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.
- DRAWING NOT TO SCALE.

12/19/2014