

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

February 18, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-9502216, issued to STATOIL USA ONSHORE PROPERTIES, INC., 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

Operator's Well No: BLIZZARD 2H

Farm Name: BLIZZARD, ROGER D. & SPENCI

API Well Number: 47-9502216

Permit Type: Horizontal 6A Well

Date Issued: 02/18/2015

API Number: 4709502216

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. <u>Failure to adhere to the specified permit conditions may result in enforcement action.</u>

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.

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

l) Well Operat	tor: Statoil U	SA Onshore Pro	perties Inc.	494505083	Tyler	Filsworth	Shirley-Sec. 1
•	-			Operator ID	County	District	Quadrangle
2) Operator's V	Well Numbe	r: Blizzard 2H		Well Pa	d Name: Bliz		Quadrangic
3) Farm Name	/Surface Ow	ner: Bkzzard FarnvRogo	er D. Bilizzard & Ruti	hE Spencer Public Ro			ad
4) Elevation, c				evation, proposed			
5) Well Type	(a) Gas Other	8	Oil		erground Stor		
	(b)If Gas	Shallow	A	Deep			
		Horizontal	23				\
6) Existing Pad							i mor
7) Proposed Ta Marcellus, Fo	rget Formati rmation Top 6	on(s), Depth(s	s), Antici lick. 4195	pated Thickness a psi, *Intermediate (- and Associated Casing MASP 2:	d Pressure(s):	vienos
8) Proposed To				,	osnig MASE 2.	oo psi	
9) Formation at			arcellus S	hale			
10) Proposed To			3,921' MD				
11) Proposed H	orizontal Le	g Length: 69	74.5'				
12) Approximat			hs:	388' TVD			
13) Method to D		_	-	ffset well data			
14) Approximat	e Saltwater I	Depths: 110					
15) Approximat	e Coal Seam	Depths: 202	.', 232'	· · · · · · · · · · · · · · · · · · ·			
				e, karst, other):	NA		
17) Does Propos directly overlyin	sed well loca	tion contain c	oal seam		No		
(a) If Yes, prov	vide Mine In	fo: Name:					
		Depth:					
		Seam:					
		Owner:					

WW-6B (9/13)

18)

CASING AND TUBING PROGRAM

TYPE	Size	New	Grade	Weight per ft.	FOOTAGE: For	INTERVALS:	CEMENT:
		or Used		(lb/ft)	Drilling	Left in Well	Fill-up (Cu. Ft.)
Conductor	20"	New	H-40	94#	80'	80'	Cmt to surface-120 cu ft
Fresh Water	13.375"	New	J-55	54.4#	500'	500'	Cmt to surface-373 cuft
Coal							om to sanace-of 5 can
Intermediate	9.625"	New	J-55	36#	2400'	2400'	Cmt to surface-840 cuft
Production	5.5"	New	P-110	20#	13921'	13921'	Cmt to 1900'-3285' cuft
Tubing							220 0410
Liners							

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	26"	.438"	1530 psi	Class A	1.3 cu ft/sk
Fresh Water	13.375"	17.5"	.380"	2730 psi	Class A	1.29 cu ft/sk
Coal						1.20 00 10 SK
Intermediate	9.625"	12.25"	.352"	*3520 psi	Class A	1.29 cu ft/sk
Production	5.5	8.5"	.361"	12640 psi	Class A	2.42 cu ft/sk
Tubing						
Liners			 			

PACKERS

Kind:		
Sizes:		
Depths Set:		

WW-6B (9/13)



19) Describe proposed well work, including the drilling and plugging back See Attached	k or any pilot hole:
20) Describe fracturing/stimulating methods in detail in the line is a least in the line in the line in the line is a least in the line in the line is a least in the line in the line is a least in the line	
20) Describe fracturing/stimulating methods in detail, including anticipate	ed max pressure and max rate:
Well will fractured through the plug-n-perf method with +/- 25 fracturing stages pe 400,000 lbs of sand mixed in 7500 Bbls. of fresh water. The fracturing rate will be lower than a maximum pressure of 10,000 psi.	r well. Each fracturing treatment will have between 80 and 100 bpm at a pressure
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (a	cres). 16.8 acres
22) Area to be disturbed for well pad only, less access road (acres): 8.4	acres
23) Describe centralizer placement for each casing string:	
see attached	
os andoned	
4) Describe all cement additives associated with each cement type:	
ee attached	
5) Proposed borehole conditioning procedures:	
urface - Drilled with fresh water to section total depth. Prior to tripping help with	rculated clean of outlines at
ack-reamed if necessary.	rediated clean of cuttings and
termediate – Drilled with 9.0 ppg 5% KCL Polymer Water Based Mud (WBM) to sump 40bbl viscous pill and circulate hole clean.	ection total depth. At section total depth
Oduction - Drilled with 12 5-13 0 ppg Synthetic Beand Mark (CDA)	
oduction - Drilled with 12.5-13.0 ppg Synthetic Based Mud (SBM) to section total bbl heavy weighted pill sweeps to transport excess cutting from the hole until elec-	depth. At section total depth pump 2-3

20bbl heavy weighted pill sweeps to transport excess cutting from the hole until clean. Pump rates will be maintained in excess of 600 GPM, and rotation in excess of 100 RPM to assist cuttings transport. A 60 bbl tuned weighted spacer will be

pumped ahead of the cement to assist in mud cake removal and water wett both casing and formation.

*Note: Attach additional sheets as needed.

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

20" conductor will be pre-set prior to start of operations and cemented in place to surface at approximately 100ft. A 17 ½" surface hole will be drilled with fresh water to approximately 500'md/tvd. 13 3/8" surface casing will be installed and cemented to surface in order to isolate fresh water zones and provide a competent shoe for well control while drilling deeper horizons. A 12 ½" intermediate hole section will be drilled with 5% KCL Polymer (WBM) and a conventional mud motor to approximately 2400'md/tvd through the base of the Big Injun formation. 9 5/8" Intermediate casing will be installed and cemented to surface in order to isolate the Red Beds and Big Injun formation from lower hydrocarbon bearing zones while providing a competent shoe for well control. An 8 ½" vertical hole section will be to planned kick-off point using Synthetic Based Mud (SBM) and a conventional mud motor. The wellbore will be deviated from vertical and landed horizontally in the Marcellus Target horizon, and extended laterally to total depth of 13,921' MD/6544' VD using SBM and conventional mud motors. A 5 ½" production casing will be installed and cemented so estimated top of cement is at least 300ft inside the previous casing shoe. The Drilling Rig will then be released to the next well.

23) Describe centralizer placement for each casing string

Surface - 1 centralizer w/ stop collar 10 ft above float shoe. One Single Bow every joint to 100ft below surface.

Intermediate – 1 centralizer w/ stop collar 10 ft above float shoe. 1 centralizer w/ stop collar 10 ft above float collar. 1 centralizer every joint for the first 15 joints. One centralizer every 3 jnts to 100ft below surface.

Production - 1 centralizer w/ stop collar 10ft above shoe. 1 centralizer 10ft above float collar. 1 centralizer every joint (floating) until KOP. 1 centralizer every 3 joints (floating) until 200ft inside intermediate shoe. 1 centralizer 50ft below mandrel hanger.

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

Surface - Class A + 3% CaCl2

Intermediate - Class A cmt, 0.05% Retarder, 0.25% Defoamer, 1% Accelerator, 0.25% Dispersant, 0.65% Retarder, 9.10 gal/sk Fresh Water.

Production - Class A cmt, 10% bwow Dispersent, 0.6% bwoc Fluid Loss, 0.4% bwoc Retarder, 0.1% bwoc Free water control agent, 0.25% bwoc Defoamer, 0.1% bwoc Fluid Loss, 6.32 gal/sk Fresh Water.

Received
Office of Oil & Gas

NOV 05 2014

CEMENT ADDITIVES

Surface - Class A + 3% CaCl2

Intermediate - Class A cmt, 0.05% Retarder, 0.25% Defoamer, 1% Accelerator, 0.25% Dispersant, 0.65% Retarder, 9.10 gal/sk Fresh Water.

Production - Class A cmt, 10% bwow Dispersent, 0.6% bwoc Fluid Loss, 0.4% bwoc Retarder, 0.1% bwoc Free water control agent, 0.25% bwoc Defoamer, 0.1% bwoc Fluid Loss, 6.32 gal/sk Fresh Water.

Received
Office of Oil & Gas
NOV 0 5 2014

Statoil					Ma	rcellu	s - Dri	illing	Well	Sch	ematic		
Well Name: Field Name: County: API #:	Blizzard Marcellu Tyler Co 0	S				BHL: SHL:		1370025.0 1372112.9				47 (DD) 13210 2 2 1 6 Profile: Horizontal AFE No.: 0	
Formations & Csg Points	MD	Depth, f	t SS	Form. Temp. (F)	Pore Press. (EMW)	Frac Gradient (EMW)	Planned MW	Me	easure Depth (ft))	Program	Details	3.1
Conductor	100	100	924		*		Parent _		100			20" Co	onductor
							Fresh Water				Profile:	Vertical	face
Pittsburgh Coal		0					8.6				Bit Type: BHA:	17-1/2" PDC 9.625 6:7 Lobe 5 Stg	
Red Clay		0									Mud: Surveys:	B.6 ppg Fresh Water n/a	
											Logging: Casing: Centralizers:	n/a 13.375 54.5 J-55 BTC at 500' MD/500' TVD 1 centralizer w/ stop collar 10 ft above float shoe. One Singlevery joint to 100ft below surface.	e Bow
		Approxin	nate Fresh V	Vater Strata	~388'						Cement:	15.8 ppg Tail slurry w/ TOC @ Surface	
											Potential		
Casing Point	500	500	524	65			8.6		500		Drilling Problems:	Stuck Pipe, Floating, Collision,	
Cusing Form	300	300	324	- 05			5% KCI		300	- 17	FIT/LOT: 14.0 p Profile:	pg EMW 12-1/4" Intermed Vertical	iate
							370 NC1				Bit Type:	12-1/4" Kymera 0	
1st Salt Sand		451					9.1				вна:	8in 6:7 Lobe 4.0 Stg 1.5 ABH (0.17 rpg/620 Diff) 0	
2nd Salt Sand 3rd Salt Sand		0				44					Mud: Surveys:	9.1 ppg 5% KCl Gyro SS, MWD - EM Pulse	
Journal of the Control of the Contro											Logging:	n/a	
											Casing/Liner: Csg Hanger:	9.625 36 J-55 BTC at 'MD/'TVD Mandrel Hanger	0. No 1001
Maxton Sand		0									Centralizers:	1 centek centralizer w/ stop collar 10 ft above float shoe. 1 centralizer w/ stop collar 10 ft above float collar. 1 centraliz joint for the first 15 joints. One centralizer every 3 jnts to 10 surface.	er every
Keener Sand		0							TOC @ 1900' MD		Cement:	15.8 ppg Tail slurry w/ TOC @ Surface	
Big Lime		0							1300 1115		cement.		
Big Injun		2,286									Potential Drilling	Hole Meaning , Poor ROP, Buckling.	
Berea Sand		2,618					9.1				Problems:		
Casing Point	2,400	2,400	-1,376	82		>18.0		4	2,400	Ż_	FIT/LOT: 15.8 pj	og EMW 8-1/2" Productio	in
Gordon Sand		3,033					5% KCI 9.1				Profile:	8-1/2* PDC	
ava		5,072					9.1 9.1			k i	Bit Type:	0 6.75in 6/7 lobe 5.0 stg 1.95 FBH .29 rpg 715 DIFF	
Angola		0					9.1 9.1				BHA: Mud:	0 9.1 ppg 5% KCl	
Rhinestreet		0					9.1 9.1			į	Surveys: Logging:	MWD - EM Pulse w/30ft surveys in curve, 100ft surveys in I GR	ateral
Cashaqua		0					9.1 9.1				Casing/Liner:	5.5 20 P110EC VAM TOP HT at ft MD/ft TVD	
							9.1				Csg Hanger:	Mandrel Hanger 1 centek centralizer w/ stop collar 10ft above shoe, 1 centek	
Middlesex		0					9.1				Centralizers:	centralizer 10ft above float collar. 1 centek centralizer every (floating) until KOP. 1 centek centralizer every 3 joints (float 200ft inside intermediate shoe. 1 centek centralizer 50ft bel mandrel hanger.	joint ting) until
КОР	6,106	5,978					12.0				Cement:	15 ppg Tail slurry w/ TOC @ 1900' MD'	
West River		6,343									Potential Drilling	Bit Preservation, Hole Meaning,	
Genesco		6,412			:e:		12.0				Problems:	Bit Freedvalion, Hote Meaning,	
Marcellus		6,453									Notes / Comments:		
Cherry Valley		6,477			1.00 E		12.0			e e			
							12.0						
Landing point	6,991	6,523										TMD: 13,921 TVD: 6,554	
							12.0		The state of the s	Mary Co.			7
Onondaga		6,510	×				A Service				Receive	ed	
					31				0)ffic	e of Oil	& Gas	
ast Revision Date: Revised by:		9/24/201 TB Gilbert					No		are reference ot Drawn to Sc	ed to RKE	В	Cement Outside Casing	
100 at 1 50 at 150		- 100 CONTO						200700000	on, 923420142 TV 782755	N	OV 05 20	H +	

API Number 47 -	4	7	0	9	5	0	2	2	1	6
Operator's Well No.	Bli	zzard	2H							

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Statoil USA Onshore Properties Inc. OP Code 494505083	
Watershed (HUC 10) Gorrell Run - Middle Island Creek Quadrangle Shirley - Sec. 1	
Elevation 1008' County Tyler District Ellsworth	
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:	
Will a synthetic liner be used in the pit? Yes No If so, what ml.?	
Proposed Disposal Method For Treated Pit Wastes:	MDG 14
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)	10-98
Other (Explain	
Will closed loop system be used? If so, describe: Yes	_
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Alt/Fresh water-vert sec/oil based mud horiz sec	
-If oil based, what type? Synthetic, petroleum, etc.Synthetic	
Additives to be used in drilling medium? emulisifier, food grade, barite, surfactant, calcium carbonate, gilsonite, lubricant, graphite, lime	=-
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Landfill	-:
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) NA	_
-Landfill or offsite name/permit number? Wetzel County Landfill	_; -
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other application can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsion obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are sign penalties for submitting false information, including the possibility of fine or imprisonment.	that the blicable on this ble for
Rec	eived
Company Official Signature Other Withfur Company Official (Typed Name) Bekki Winfree	Oil & Gas
Company Official Title Sr. Regulatory Advisor NOV 0	5 2014
Company Official Title	*
Subscribed and sworn before me this day of October, 20 14 Wally And Notary Public	
My commission expires April 16, 2017 WALLY ANTHON My Commission	102

4709502216 Operator's Well No. Blizzard 2H

Proposed Revegetation Treatme	ent: Agree Disturbed 12.4	Prevegetation pl	Unknown
Lime 3	Tons/acre or to correct to pH		
10-20			
Fertilizer type			
Fertilizer amount_500	J lbs	s/acre	
Mulch 2	Tons/a	cre	
	Seed	Mixtures	
Тет	oorary	Perma	nent
Seed Type	lbs/acre	Seed Type	lbs/acre
Winter Rye - 168 lb	os/acre	Tall Fescue or Orchard	Grass - 40 lbs/acre
Annual Ryegrass - 4	10 lbs/acre	Ladino Clover - 3 lbs	/acre
		Redtop - 3 lbs/acre	
Drawing(s) of road, location, piporovided)		lication (unless engineered plans in	cluding this info have bee
Drawing(s) of road, location, piprovided) Photocopied section of involved		lication (unless engineered plans in	cluding this info have bee
Photocopied section of involved	17.5' topographic sheet.		
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.	disturbed area	as per
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.		as per
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.	disturbed area	as per
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.	disturbed area	as per as necessary
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.	disturbed area	as per as necessary Receive
Drawing(s) of road, location, piprovided) Photocopied section of involved Plan Approved by: Comments:	17.5' topographic sheet.	disturbed area	as per
Drawing(s) of road, location, pirprovided) Photocopied section of involved Plan Approved by:	17.5' topographic sheet. 2 Loff 4 Molch any Maintain & Upo	disturbed area	Receive Office of Oil NOV 0 5 20



Blizzard Pad - Site Safety Plan

Statoil USA Onshore Properties, Inc.

Received Office of Oil & Gas NOV 0 5 2014 Mular 28-14

