



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

July 16, 2013

WELL WORK PERMIT

Fracture

This permit, API Well Number: 47-10301708, 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: L. S. HOYT 105
Farm Name: DALLISON LUMBER , INC.
API Well Number: 47-10301708
Permit Type: Fracture
Date Issued: 07/16/2013

Promoting a healthy environment.

07/19/2013

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. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
2. 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.

State of West Virginia
Division of Environmental Protection
Section of Oil and Gas

Well Operator's Report of Well Work

Well name: Dallison Lumber Co.

Operator Well No.: L.S. Hoyt #105

LOCATION: Elevation: 1,176.00

Quadrangle: Pine Grove

District: Grant

County: Wetzel

Latitude: 7,050 Feet south of

39 Deg 37 Min 30 Sec.

Longitude: 6,650 Feet west of

80 Deg 37 Min 0 Sec.

Company: PENNZOIL PRODUCTS COMPANY
P.O. BOX 5519
VIENNA, WV 26105-5519

Agent: PHILIP S. ONDRUSEK

Inspector: Randal Mick

Permit Issued: 8/20/96

Well work Commenced: 11/20/96

Well work Completed: 12/16/96

Perforal plugging

Perforation granted on:

Rotary Cable Rig

Total Depth (feet) 3208'

Fresh water depths (ft) NA

Alt water depths (ft) NA

Coal being mined in area (Y/N) N

Coal Depths (ft): NA

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
8-5/8"	1078'	1078'	460 Sacks
4 1/2"	3154.05'	3154.05'	275 Sacks

RECEIVED
Office of Oil & Gas
Permitting
APR 09 2013
WV Department of
Environmental Protection

OPEN FLOW DATA

*Well was drilled as a waterflood injection well. No open flow data was obtained

Producing formation Gordon Pay zone depth (ft) 3,055'
 Gas: Initial open flow * MCF/d Oil: Initial open flow * Bbl/d
 Final open flow * MCF/d Final open flow * Bbl/d
 Time of open flow between initial and final tests * Hours
 Static rock pressure * psig (surface pressure) after Hours

Second producing formation Pay zone depth (ft)
 Gas: Initial open flow MCF/d Oil: Initial open flow Bbl/d
 Final open flow MCF/d Final open flow Bbl/d
 Time of open flow between initial and final tests Hours
 Static rock pressure psig (surface pressure) after Hours

NOTE: ON BACK OF THIS FORM, PUT THE FOLLOWING: 1) DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2) THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE.

Received

JUN 26 2013

For: PENNZOIL PRODUCTS COMPANY
 By: [Signature]
 Date: 3/17/98

Treatment :

Perforated Gordon sand with 16 holes from 3089'-3093' K.B. Fractured with 300 gals 15% HCL and 220 bbls gelled water and 10,600 lbs. 20/40 sand

Well Log :

All depth are relative to K.B.

0	952 Sand and Shale
952	1016 sand
1016	1196 <u>Shale</u>
1196	1232 sand
1232	1546 Shale
1546	1556 sand
1556	1700 Shale
1700	1758 sand
1758	2122 Shale
2122	2198 sand
2198	2342 Big Lime
2342	2492 Big Injun
2492	3043 Shale
3043	3055 Gordon Stray
3055	3072 Gordon
3072	3158 Shale

Received

JUN 26 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

103-01708F



CONSOL Energy Inc.

Ohio Valley Operations
6126 Energy Road
Moundsville, WV 26041

phone: 304/843-3529

fax: 304/843-3546

e-mail: EricShereda@consolenergy.com

web: www.consolenergy.com

J. ERIC SHEREDA

Manager Engineering

July 2, 2013


Mr. James Martin
West Virginia Department of Environmental Protection
601 57th Street
Office of Oil & Gas
Charleston, West Virginia 25304

RE: HG Energy LLC Proposed L.S. HOYT 104, L.S. HOYT 105, L.S. HOYT 106, and
L.S. HOYT 108 Wells

Dear Mr. Martin,

RESERVE COAL PROPERTIES COMPANY does not object to the proposed well work for the above referenced wells. Attached are the signed coal waiver forms WW-2A approving the well work of the above referenced wells. If you have any questions or require additional information, please contact me at 304-843-3529.

Sincerely,


J. Eric Shereda
Manager Engineering

Received

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Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

County: Wetzel

Operator: HG Energy LLC

Operator's Well #: L.S. HOYT 105

INSTRUCTIONS TO COAL OPERATOR, OWNER, OR LESSEE

To the coal operator, owner, or lessee named on page WW2-A. You are hereby notified that any objection you wish to make or are required to make by Code 22-6-15, 16 or 17, must be filed with the Chief of the Office of Oil and Gas within fifteen (15) days after the receipt of this application by the Office.

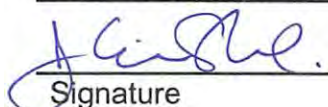
WAIVER

The undersigned coal operator ____/ owner X/ lessee ____/ of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

RESERVE COAL PROPERTIES COMPANY approves and authorizes the well work represented by this well work application, provided that HG Energy LLC performs this work on the well located at the WV North NAD27 coordinates of North 404,715.579, East 1,676,369.632.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

		Company Name	RESERVE COAL PROPERTIES COMPANY	
Signature	Date	By	J. Eric Shereda	
		Its	Manager - Engineering	
			Ohio Valley Operations	
				
			Signature	Date
				7-2-2013

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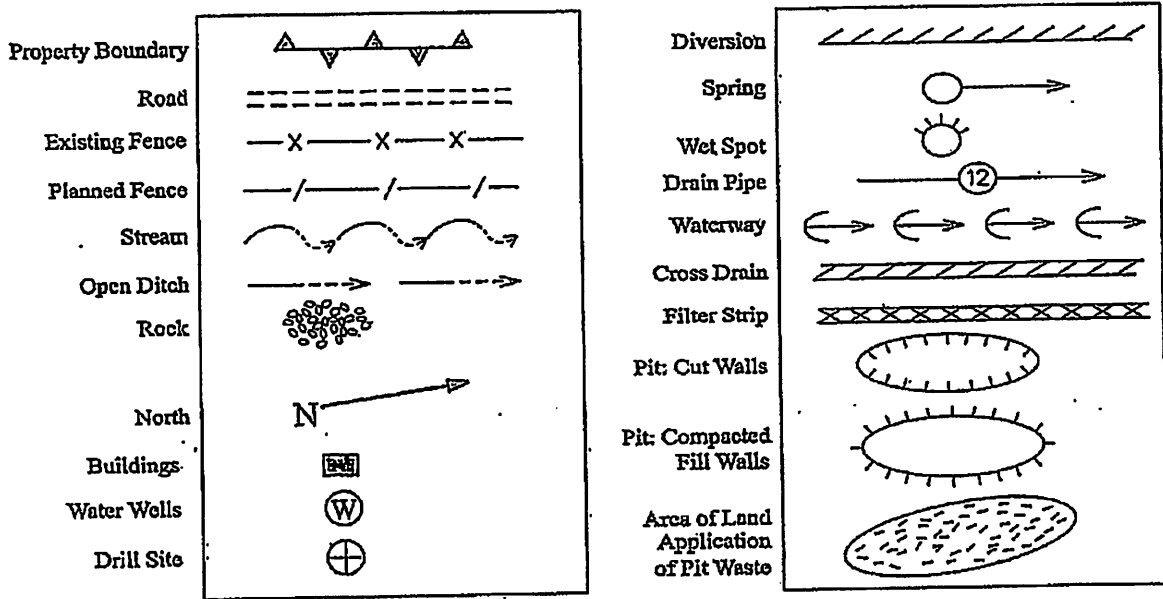
JUL 8 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

07/19/2013

WW9-Back

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I Approx. 0.2 Ac. Prevegetation pH _____

Area II
Approx. 0.1 Ac.

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

SEED MIXTURES

<u>Area I (Location)</u>	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

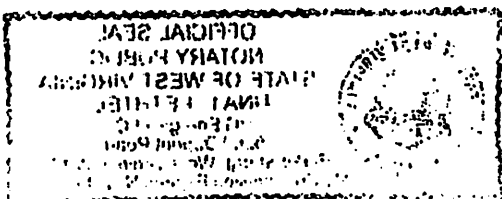
<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

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: _____

Title: Oil & Gas Inspector Date: 6-23-13

Field Reviewed? () Yes () No



Received

JUN 26 2013

Office of Oil and Gas
WV Dept. of Environmental Protection 07/19/2013

Reclamation Plan For: L.S. Hoyt No. 105

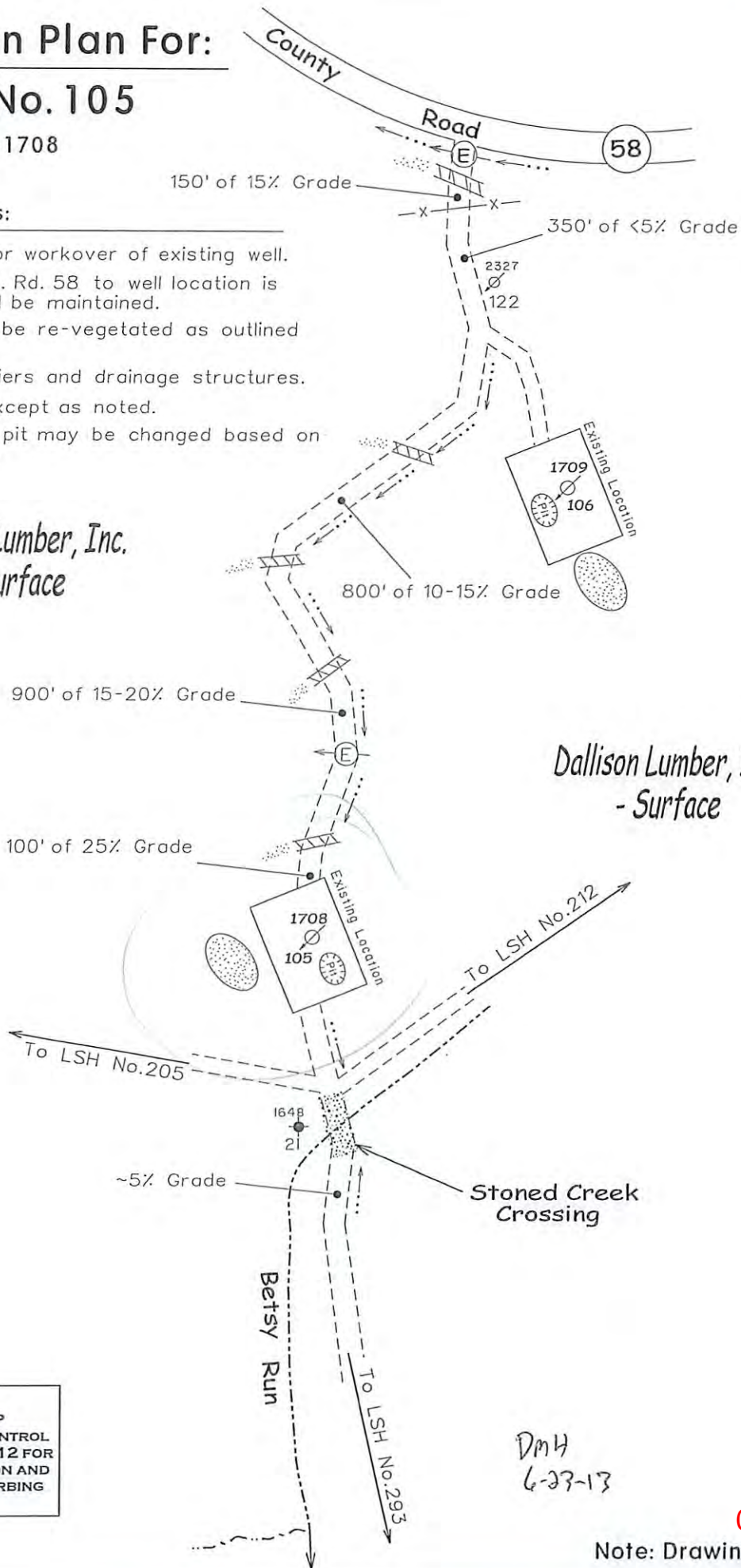
47-103-1708

Notes:

- Requested permit is for workover of existing well.
- Access road from Co. Rd. 58 to well location is existing. Structures will be maintained.
- 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 work-over pit may be changed based on as-built considerations.

*Dallison Lumber, Inc.
- Surface*

*Dallison Lumber, Inc.
- Surface*



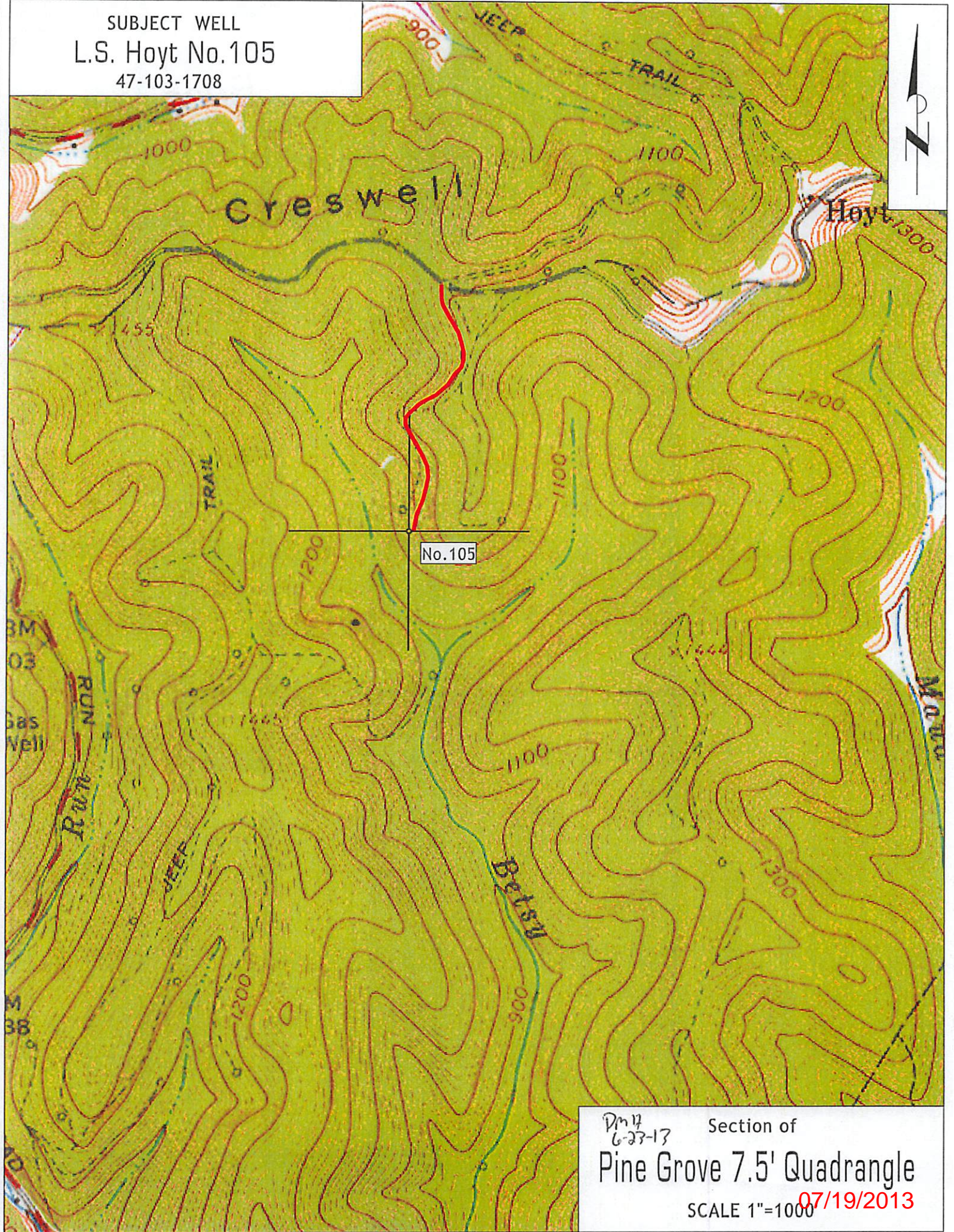
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMPs CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.

DMH
6-27-13

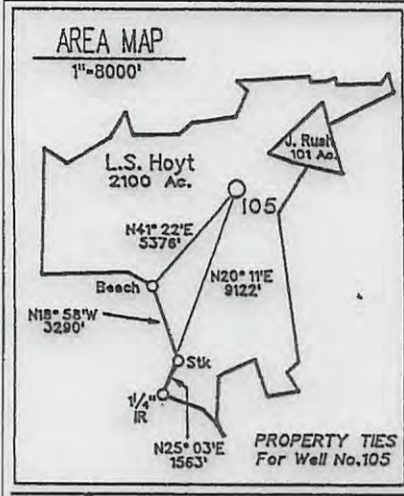
07/19/2013

Note: Drawing not to Scale

SUBJECT WELL
L.S. Hoyt No.105
47-103-1708

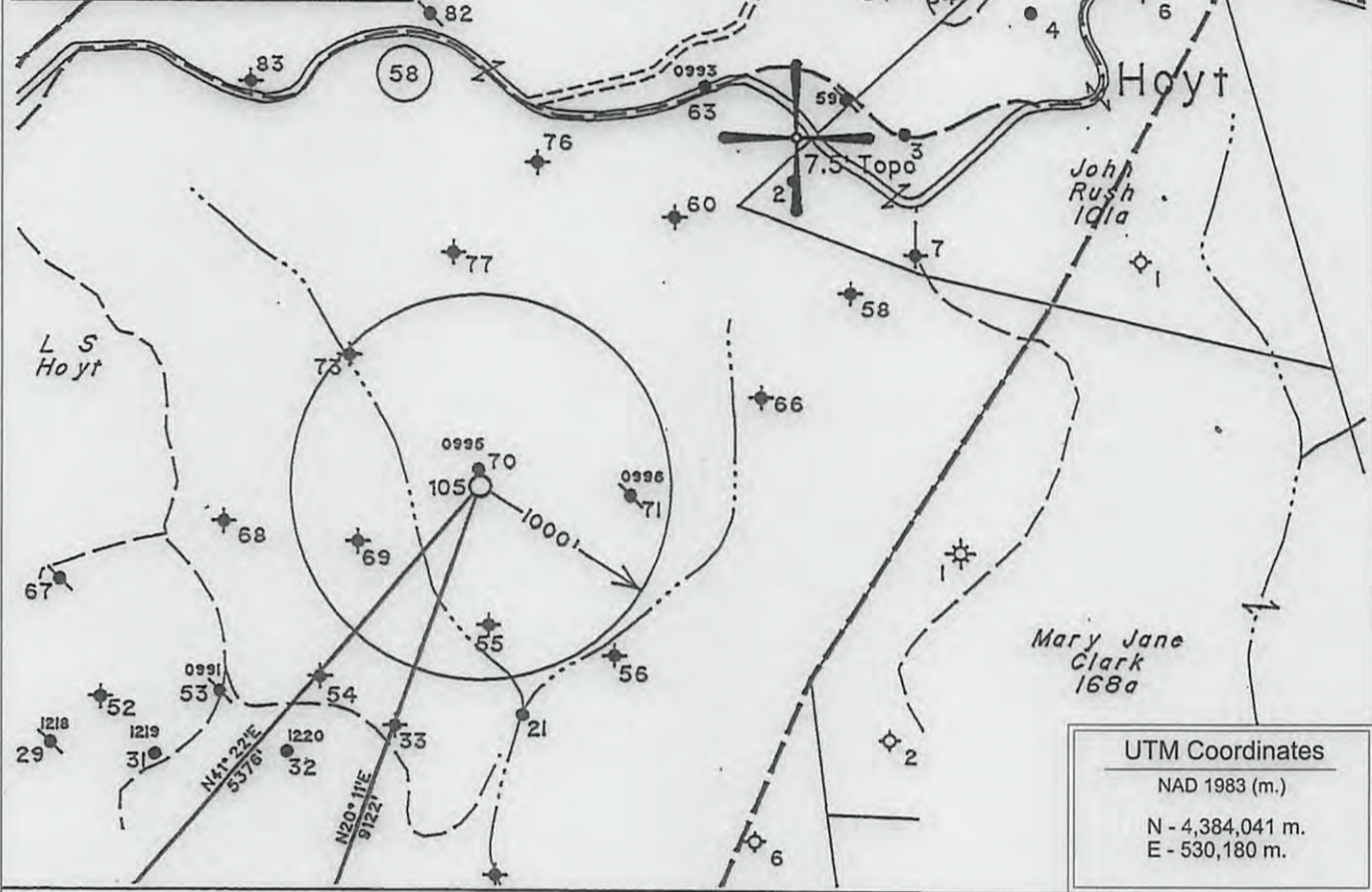


Dm 17
6-27-13 Section of
Pine Grove 7.5' Quadrangle
SCALE 1"=1000 07/19/2013



PLAT NOTES

- The drawing shown hereon is from the original drilling permit plat dated 7/30/96.
- This plat has been updated to show current surface ownership and as-drilled Latitude & Longitude.
- Latitude & Longitude shown are measured by DGPS - Sub-Meter Mapping Grade (NAD 1927)



UTM Coordinates
NAD 1983 (m.)
N - 4,384,041 m.
E - 530,180 m.

✦ DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. _____
MAP NO. _____ N _____ S _____ E _____ W _____
SCALE _____ 1" = 1000'
MINIMUM DEGREE OF ACCURACY _____ Sub-Meter
PROVEN SOURCE OF ELEVATION WVDEP Records

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 MINES.

(SIGNED) *Timothy P. Roush*
TIMOTHY P. ROUSH PS 793

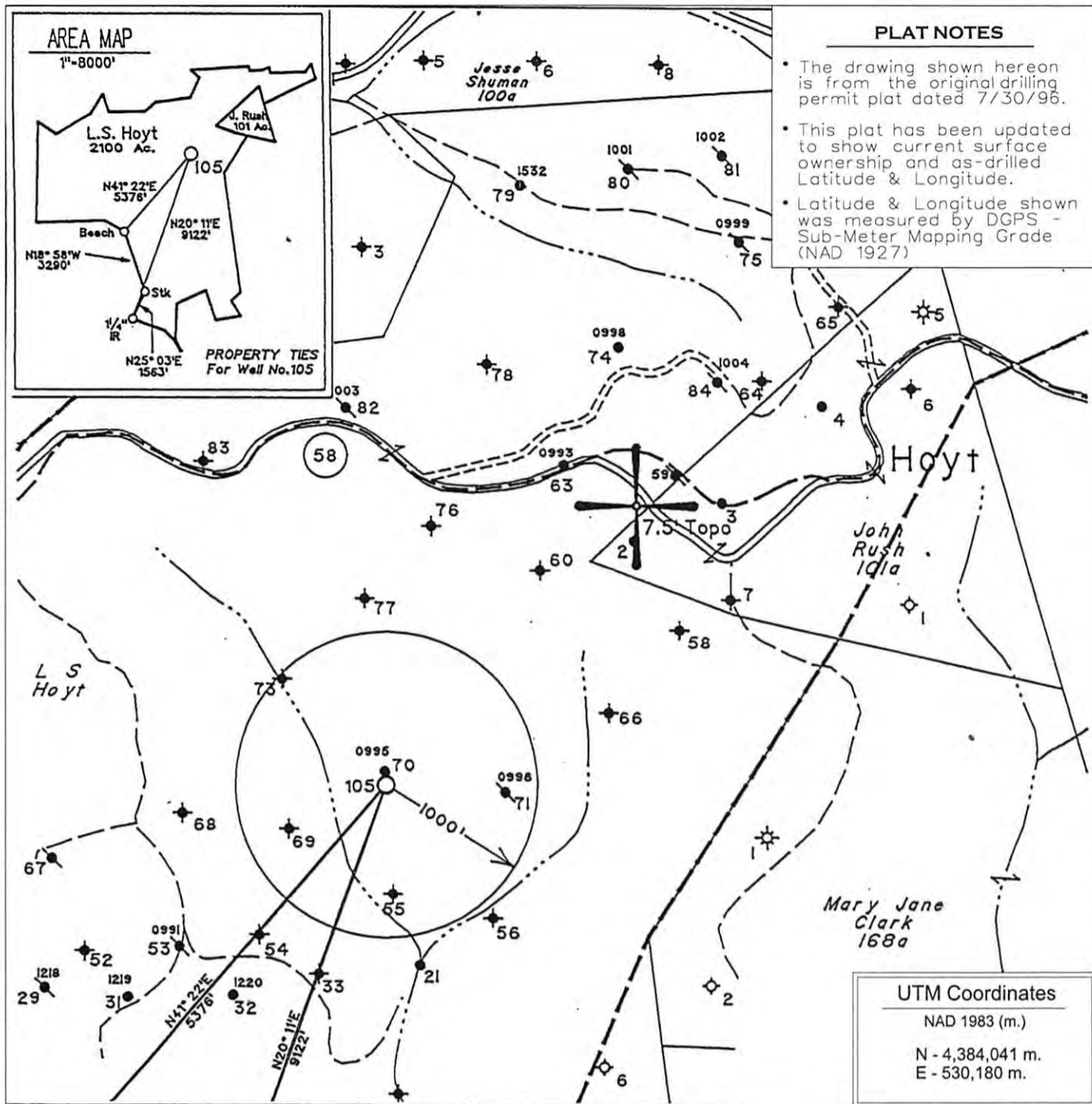


WEST VIRGINIA
Division of Environmental Protection
Office of Oil and Gas
601 57th Street
Charleston, West Virginia 25304



DATE June 5, 2013
FARM L.S. Hoyt No. 105
API WELL NO. 47-103-01708 F

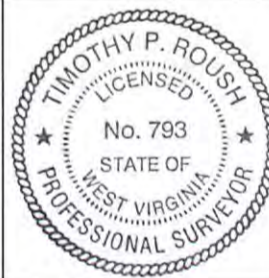
WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION X WASTE DISPOSAL ___
(IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
LOCATION: ELEVATION 1,176' WATERSHED Betsy Run
DISTRICT Grant COUNTY Wetzel
QUADRANGLE Pine Grove 7.5'
SURFACE OWNER Dalison Lumber, Inc. ACREAGE 2099.3 Ac.
OIL & GAS ROYALTY OWNER The Hoyt Foundation LEASE ACREAGE 2,100 Ac. **07/19/2013**
LEASE NO. 52265-50
PROPOSED WORK: DRILL ___ CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE X PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____
PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___
TARGET FORMATION Gordon ESTIMATED DEPTH 3,208'
WELL OPERATOR HG Energy, LLC DESIGNATED AGENT Mike Kirsch
ADDRESS 5260 Dupont Road ADDRESS 5260 Dupont Road
Parkersburg, WV 26101 Parkersburg, WV 26101



FILE NO. _____
 MAP NO. _____ N _____ S _____ E _____ W _____
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY _____ Sub-Meter
 PROVEN SOURCE OF ELEVATION WVDEP Records

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 MINES.

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



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25304



DATE June 5, 2013
 FARM L.S. Hoyt No. 105
 API WELL NO. 47-103-01708F

WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION WASTE DISPOSAL ___
 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
 LOCATION: ELEVATION 1,176' WATERSHED Betsy Run
 DISTRICT Grant COUNTY Wetzel
 QUADRANGLE Pine Grove 7.5'

SURFACE OWNER Dallison Lumber, Inc. ACREAGE 2099.3 Ac.
 OIL & GAS ROYALTY OWNER The Hoyt Foundation LEASE ACREAGE 2,100 Ac. 07/19/2013
 LEASE NO. 52265-50

PROPOSED WORK: DRILL ___ CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

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