

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

March 28, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-103329, issued to MOUNTAINEER KEYSTONE, 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: EDGE 203

Farm Name: EDGE, JOHN W.

API Well Number: 47-103329

Permit Type: Horizontal 6A Well

Date Issued: 03/28/2014

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 (USACOE). Through this permit, you are hereby being advised to consult with USACOE 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.



Gene Smith, Assistant Chief Office of Oil and Gas 601 57th Street SE Charleston, WV 25304

Dear Assistant Chief:

Pursuant to your request, we submit the following letter regarding our pending well permit application for the proposed Marcellus Shale drilling location (Edge 201-208) in Barbour County, West Virginia. The proposed drilling location will be located approximately 1,500 feet from the Kasson Elementary School. We have spoken with Principal Jennifer Swift from Kasson Elementary School and would like to express our willingness to meet with officials from the Barbour County Board of Education prior to commencement of construction or operations on our proposed well pad. The purpose of this discussion would be to provide the Board of Education and school officials details of Mountaineer Keystone's current and proposed health, safety, environmental and operational policies and procedures.

Mountaineer Keystone has prepared the following supplemental safety procedures specifically for the proposed location near Kasson Elementary School:

 MK will inform all of its contractors, subcontractors and vendors that there are to be no commercial vehicles of three axles or more traveling to or from the MK

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Office of Oil and Gest site on school district roadways during the busing curfew hours of 7:00AM-

MAR 27 2014

8:30AM and 2:30PM-4:00PM while school is in session. The current school year ends June 11, 2014 and the 2014-2015 school calendar has not been finalized.

- MK will instruct its contractors, subcontractors and vendors that hazard flashers
 are to be utilized on all vehicles of three axles or more along SR92 at least one
 mile prior to approaching the school zone.
- MK will provide a flagman at the well site access road entrance along Campbell
 Dairy Road on days when school is in session during school operating hours.
- MK will provide a flagman along the access road to assist commercial vehicle traffic traveling the access road behind Kasson Elementary School.
- MK will utilize escort vehicles as required by the State of West Virginia.
- MK will install a guide rail on the downhill side of the access road along the expanse where it travels directly behind Kasson Elementary School.

Should you have any questions or concerns, please do not hesitate to contact me.

With Kind Regards

Anthony Aulicino

Director of Health, Safety and Environmental

Mountaineer Keystone, LLC

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WV Department of Environmental Protection

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

1) Well Operator: Mountaine	er Keystone, LLC	494501227	Barbour	Cove	Colebank, WV 7.5'
		Operator ID	County	District	Quadrangle
2) Operator's Well Number: E	dge 203	Well Pa	d Name: Edge	201-208	
3) Farm Name/Surface Owner	John W. Edge	Public Ro	ad Access: Sta	ate Route 92	13
4) Elevation, current ground:	1854.0' Ele	evation, proposed	post-construct	ion: 1851.	25'
5) Well Type (a) Gas	oil	Und	erground Stora	ige	
Other					
****	nallow _	Deep			
	orizontal				
6) Existing Pad: Yes or No N	Marchael Value 1915	and much	-	D (1)	
 Proposed Target Formation (Marcellus Shale, ~8115 TVD, - 	The state of the s	pated Thickness	and Associated	Pressure(s)	[[
8) Proposed Total Vertical Dep	oth: 8196.0'				
9) Formation at Total Vertical	Depth: Marcellus S	Shale			
10) Proposed Total Measured I	Depth: 12668'				
11) Proposed Horizontal Leg I	Length: 4766.1'				
12) Approximate Fresh Water	Strata Depths:	~480'			
13) Method to Determine Fresh	h Water Depths: C	Offset drilled well red	cords		
14) Approximate Saltwater De	pths: 800' - 1200'				
15) Approximate Coal Seam D	epths: 361', 461', 5	41', 586', 661', 741'	, 761'		
16) Approximate Depth to Pos	sible Void (coal mir	ne, karst, other):	None		
17) Does Proposed well location directly overlying or adjacent t		Yes	No.		
(a) If Yes, provide Mine Info	: Name:				
	Depth:			DEO	FILE
	Seam:		(Office of	EIVED Dil and Gas
	Owner:				NAME OF STREET

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CASING AND TUBING PROGRAM

ТҮРЕ	<u>Size</u>	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	H-40	94#	120'	120'	Grout
Fresh Water	13.375*	New	J-55	54.5#	600'	600'	CTS
Coal							
Intermediate	9.625"	New	J-55	36#	1600'	1600'	CTS
Production	5.5"	New	P-110	20#	12,668'	12,668'	TOC@1,400'
Tubing							
Liners							

ТҮРЕ	<u>Size</u>	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	20"	0.417"	1530	Grout	Grout
Fresh Water	13.375"	17.5"	0.38"	2730	Typo 1-2% Cad + 0.75 EC-1	1.24
Coal						
Intermediate	9.625"	12.25"	0.352"	3520	Typo 1-2% Cacl + 0.75 EC-1	1.27
Production	5.5"	7.875"	0.361"	14360	50/50 - Type 1	1.19
Tubing						
Liners						

PACKERS

Kind:	n/a	 	
Sizes:	n/a		
Depths Set:	n/a		at off WED one
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CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	H-40	94#	120'	120'	121 600
Fresh Water	13.375"	New	J-55	54.5#	600'	600'	492 CTS
Coal			177				CIJ
Intermediate	9.625"	New	J-55	36#	1600'	1600'	503 CTS
Production	5.5"	New	P-110	20#	12,668	12,668'	toce1400'
Tubing					10.100	111/1022	2 0/100
Liners							V -

ТҮРЕ	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type GROUT	Cement Yield (cu. ft./k)
Conductor	20"	20"	0.417"	1530	None	-None
Fresh Water	13.375"	17.5"	0.38"	2730	Type 1-2% Cacl + 0.75 EC-1	1.24
Coal						
Intermediate	9.625"	12.25"	0.352"	3520	Type 1-2% Cacl + 0.75 EC-1	1.27
Production	5.5"	7.875"	0.361"	14360	50/50 - Type 1	1.19
Tubing						
Liners						

B.O. H. 11-5-13

PACKERS

Kind:	n/a	
Sizes:	n/a	
Depths Set:	n/a	mergiVED .

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WW-6B (9/13)

19) Describe proposed well work, including the drilling and plugging back of any	pilot hole:
Hydraulic Stimulation	
20) Describe fracturing/stimulating methods in detail, including anticipated max	pressure and max rate:
Perform a multi-stage plug and perf slickwater hydraulic stimulation utilizing approximately lbs of sand per stage.	
·	
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):	10.6
22) Area to be disturbed for well pad only, less access road (acres): 4.66	
23) Describe centralizer placement for each casing string: *See attached sheet	
See attached sheet	
24) Describe all cement additives associated with each cement type:	
*See attached sheet	
25) Proposed borehole conditioning procedures:	
*See attached sheet	RECEIVED
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	WV Department of Environmental Protection
*Note: Attach additional sheets as needed	Fnyironmental Flotoss



WW-6B Edge 201 - 208

Centralizer Placement For Each Casing String:

- 20" No centralizers
- 13 3/8" one bow spring centralizer on every other joint.
- 95/8" one bow spring centralizer every third joint from TD to surface
- 5 %" one semi-rigid centralizer on every other joint from TD of casing to end of curve. Then every other joint to KOP.
- Every third joint from KOP to 1,400 TOC will be 1,400'; there will be no centralizers from 1/400' to surface.

Cement Additives

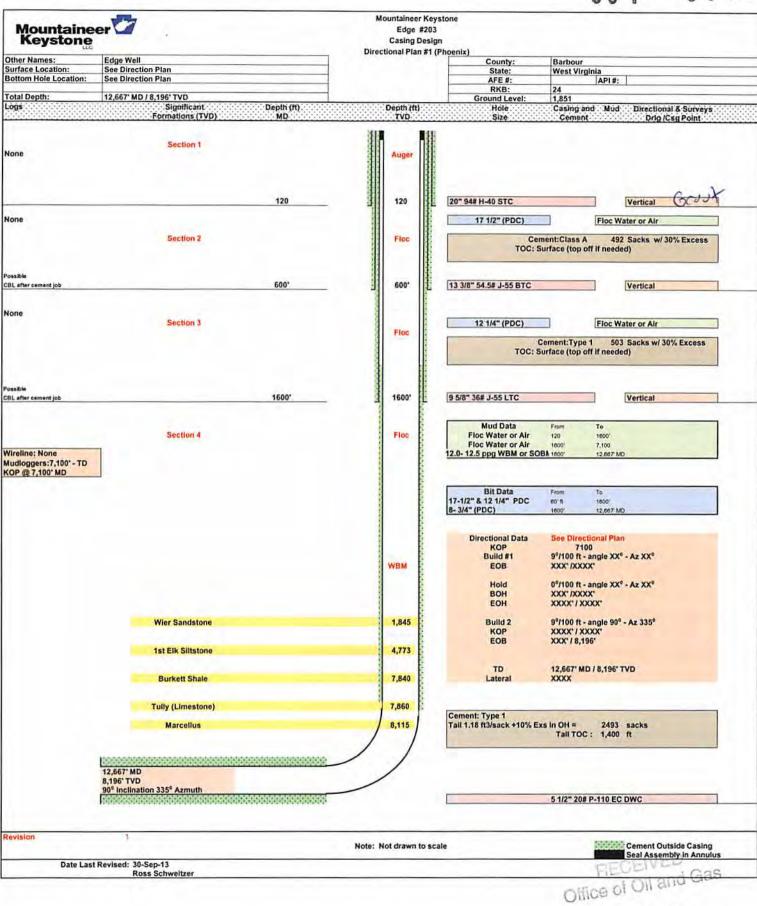
- 20" is drive pipe.
- The 13-3/8" casing will be cemented to surface with Class A cement and no greater than 3% CaCl (Calcium Chloride).
- The 9-5/8" casing will be cemented to surface with Type 1 cement and no greater than 3% calcium choride.
- The 5-1/2" production string will be cemented back to 1750' (+/- 200' above the casing shoe for the 9-5/8") with Type 1 or Class A cement retarter (to extend pumpability) cellophane flaked for fluid loss, Bentonite gel as an extender (increased pumpability and fluid loss), a defoaming agent to decrease cement foaming during mixing to insure the cement is of proper weight to placement and possibly a gypsum gas blocking additive to aid in blocking/gas migration (in combination with other additives mentioned here, helps cement achieve a "right-angle" set) during the plastic phase of the cement set-up.

Proposed Borehole Conditioning Procedures:

• Top holes will be drilled on fluid to KOP. At KOP, the wellbore will be loaded with salt-water based, or 50 BM barite-weighted mud system with such properties as to build a filter-cake on the face to the bore-hole. This will provide lubricity as well as stabilizing the well bore. We will begin rotating the drill string and mud will be cirecuated upon reaching TD until no further cuttings are observed coming across the shaker screens. Once clean mud is circulated back to surface, we will put three strands of drill pipe, load the hole, pull three strands and load the hole. The weight indicator on the rig will be monitored for any occurences of drag and if any are noticed, we will re-run the previous strand of pipe

pulled across and circulate 2X bottoms up while watching the shakers for signs of cuttings. Once at the base of the curve, the string will be continuously rotoated wihile pumping 2X bottoms up. We will pull three strands and fill the hole until we reach the vertical setion of the well.





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Environmental Protection 03/28/2014

My commission expires

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03/28/2014

Operator's Well No. Edge 201 - 208

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Mountaineer	Keystone, LLC		OP Code 494501227	
Watershed (HUC 10)_Racc	oon Creek	Quadrangle _	Colebank, WV 7.5'	
Elevation 1854.0	County_Barbour		DistrictCove	
Do you anticipate using mo Will a pit be used? Yes _	re than 5,000 bbls of water to com	plete the proposed we	ell work? Yes 🔽 N	о
	be anticipated pit waste:			
Will a synthetic lin	er be used in the pit? Yes	No If s	o, what ml.?	
Proposed Disposal	Method For Treated Pit Wastes:			
t	and Application Underground Injection (UIC Perm Leuse (at API Number Off Site Disposal (Supply form W Other (Explain Cuttings hauled off	W-9 for disposal loca	tion))
Will closed loop system be	used? If so, describe:yes			
Drilling medium anticipated	for this well (vertical and horizon	ntal)? Air, freshwater	, oil based, etc. freshwater - vert	ical, oil - horizontal
	type? Synthetic, petroleum, etc.syr		752 (322)	
Additives to be used in drill				
	od? Leave in pit, landfill, removed	d offsite, etc. landfill		
	an to solidify what medium will b		e cawdust)	
	name/permit number?Meadowfill La		c, surriday_	
on August 1, 2005, by the C provisions of the permit are law or regulation can lead to I certify under per application form and all a obtaining the information,	erstand and agree to the terms and office of Oil and Gas of the West Verenforceable by law. Violations of enforcement action. The process of law that I have personal trachments thereto and that, bas I believe that the information is e information, including the possil	Virginia Department of of any term or condi by examined and am ed on my inquiry of true, accurate, and	of Environmental Protection. tion of the general permit ar familiar with the informati f those individuals immedi complete. I am aware that sonment.	I understand that the nd/or other applicable ion submitted on this ately responsible for there are significant
Company Official Signature	A A		11011	INU Glas
Company Official (Typed I			Ollica of Aut	7013
Company Official Title_De	esignated Agent		MONTE	to Impact
Subscribed and sworn befor	1 0 11	November	, 2013 Notary Publi	Official Seal Notary Public, State Of West Virginia Arry L Miller 1111 Van Voorhis Road Suite G Morgantown WV 26505
My commission expires	3-15-2022			My commission expires March 15, 2022

Form WW-9

Operator's Well No. Edge 201 - 208

Lime 2 Tons/acre or to correct to pH 7.0 Fertilizer type 500 Ibs/acre Mulch hay or straw at 2 Tons/acre Seed Mixtures Temporary Permanent Seed Type Ibs/acre Seed Type Ibs/acre Seed attached sheet Seed Type Ibs/acre Seed Type Ibs/acre Seed Type Ibs/acre Seed Type Ibs/acre Adaptable Adapt	Mountaineer Keystone, LLC	8.5
Fertilizer type Fertilizer amount Mulch hay or straw at 2 Tons/acre Seed Mixtures Temporary Seed Type Ibs/acre Seed Type Seed Type Seed Type Ibs/acre Seed Mixtures Ide Seed Type Ibs/acre Seed Mixtures Ide Seed Type Ibs/acre Seed Mixtures Ide Seed Type Ibs/acre Ide Seed Mixtures Ide Seed Type Ibs/acre Ide Ide Ide Ide Ide Ide Ide I	Toposed Revegetation Treatment: Acres Disturbed	Prevegetation pH 6.5
Fertilizer amount 500 Ibs/acre Mulch hay or straw at 2 Tons/acre Seed Mixtures Temporary Permanent Seed Type Ibs/acre Seed Type Ibs/acre See attached sheet Itach: an Approved by: Augus D. Hours Date: 16-5-63 NOV 14-64 The seed Type Ibs/acre Seed Type Ibs/acre		<u>/.U</u>
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eld Reviewed? (X) Yes (Date: 1/-5-/3 NOV 12 WV DOPE		- Colland
eld Reviewed? Yes No WY Department	,	Office of Oil and
nraen	itle: O. / Cas Inspedon	Date:/(-5-/3 NOV 1 & 2013
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Edge 201 - 208 Seed Mixtures

Area i

Seed Type	lbs/acre
Annual Ryegrass	40
Spring Oats	96
Rye Grain	140
Annual Ryegrass	26
Spring Oats	64

Area II

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5
Tall Fescue	30
Birdsfoot Trefoil	10
Tall Fescue	30
Crownvetch	10
Orchardgrass	12
Birdsfoot Trefoil	10
Orchardgrass	12
Ladino	3
Kentucky Bluegrass	20
Redtop	5
White Clover	2
Kentucky Bluegrass	20
Redshirt	5
Birdsfoot Trefoil	10

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Office of Oil and Gas

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WV Department of Environmental Protection 03/28/2014



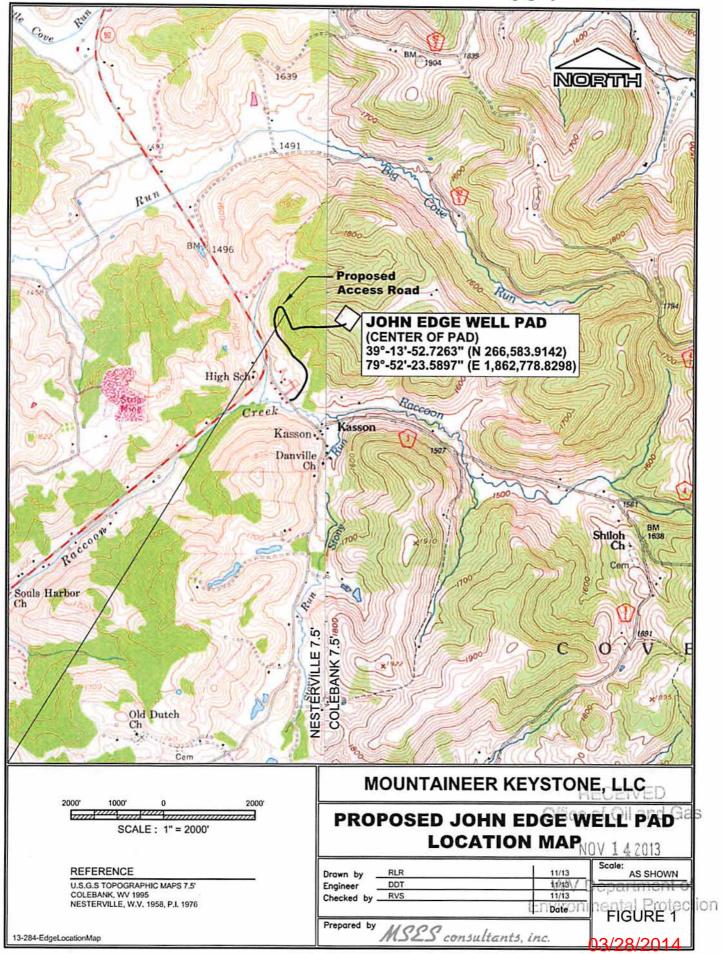
Delivery Acknowlegement for
Site Specific
Safety and Environmental Plan
For
Edge Pad 201-208
Barbour County, WV

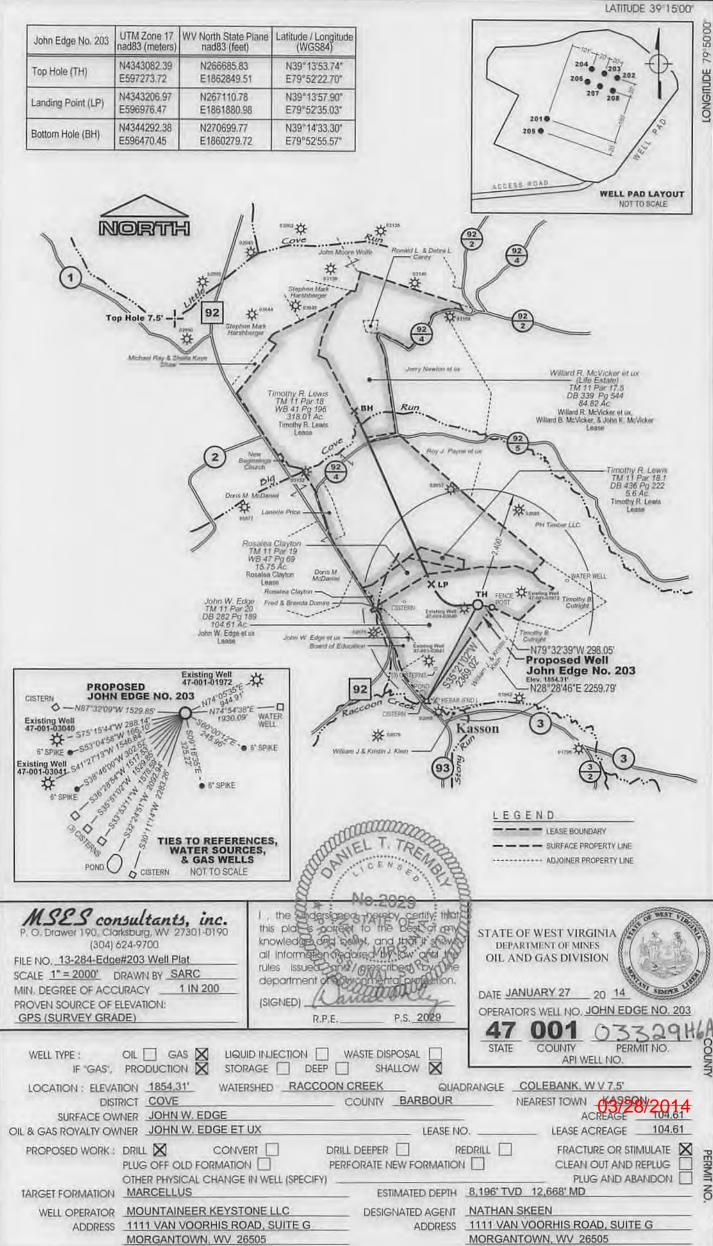
Date Prepared: 10/22/2013

Alla Le	Tement L. Sugarech
Mounatineer Keystone	WV Oil and Gas Inspector
Director of HSE	
Title	Title
11/5/2013	3-5-14 RECEIVED Office of Oil and Gas
Date	bate
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WV Department of Environmental 28/2014pn





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