

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 10, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-1706308, issued to DIVERSIFIED RESOURCES, 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

Chief

Operator's Well No: D-182

Farm Name: FLUHARTY, MICHAEL D, ET. AL

API Well Number: 47-1706308
Permit Type: Vertical Well

Date Issued: 07/10/2013

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

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 within 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 20 mil thickness synthetic liner.

WW - 2B (Rev. 8/10)

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

		V	VELL VVOICITIE	INVITE ALL LIC	MITON	06	511
1) Well Operato	or: Diver	sified Res	sources, Inc.	305996	Doddridge	New Milton	New Milton
				Operator ID	County	District	Quadrangle
2) Operator's V	Vell Numb	per: <u>D-182</u>			3) Elevation:	1110.16'	
4) Well Type: (a	a) Oil <u>×</u>	or Ga	ıs <u>x</u>				
()	o) If Gas:	Produ	ction × / Unc	lerground Sto	rage		
		Deep	/ S	hallow <u>×</u>			
5) Proposed Ta 6) Proposed To 7) Approximate 3) Approximate	fresh wa	iter strata	Feet Fa depths: 110'	Formation at F	Proposed Tar Proposed Tota	get Depth: 3 al Depth: Ballt	0680' own
) Approximate	coal sea	m depths	s: <u>105'</u>				
(0) Approximat	te void de	pths,(coa	al, Karst, other):	n/a		***	- DCN
1) Does land	contain co	oal seam	s tributary to act	ive mine? _ne	0		
			nd fracturing meth	ods in detail (a	ttach additiona	I sheets if ne	eded)
rill and stimulate	new produ	ction	***************************************				
13)		C.A	ASING AND TUE	SING PROGR	ΔM		
370	SPECIFIC			FOOTAGE	Take Abornous and a second con-	CEME	<u>NT</u>
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	. Ft.)
Conductor							
Fresh Water	95/8	ERW	26#	145'	145'	CTS	6
Coal							
Intermediate	7	ERW	20#	1260'	1260'	CTS	3
Production	41/2	ERW	9.5#	3680'	3680'	225sl	KS.
Tubing						Brown.	
Liners						Hec	eived
Packers: Kind							
Size	es:					JUN 2	6 2013
D	the Cat						
Dep	ths Set				, 100 100 100 100 100 100 100 100 100 100	Office of C	Dil and Gas Dinmental <mark>0</mark> 7dd 2/2

Check # 1421

WW-2	2A
(Rev.	6-07)

Oil and Gas Privacy Notice

1). Date: February 22, 2013

2.) Operator's Well Number D-182
State County Permit

3.) API Well No.:

47-

06308

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

	ner(s) to be served		5) (a) Coal Operator		
(a) Name	Michael Fluharty	W	Name		
Address			Address		_
(b) Name			(h) Coal Owner(s) with Declaration	_
Address	•		Name	3) Will Deciaration	
Address			Address		_
			Address		-
(c) Name			Name		_
Address			Address		_
0) 1	The second secon			W. D. slavetice	- N
6) Inspector	Sam Ward		` ' '	with Declaration	1. 1
Address	PO Box 2327		Name	P	6"
	Buckhannon, WV 26201		Address		_
Telephone	304-389-7583		_		_
			MED ABOVE TAKE I		
	e lease or leases or	other continuing	contract or contracts by	which I hold the right to extract oil and gas	
<u>OR</u>	5				
				of the Code of West Virginia (see page 2)	
				ode I have served copies of this notice and	
application, a loca				on the above named parties by:	
	Personal Service		al receipt attached)		
X		tice of Publication			
I have res				e to the terms and conditions of any permit	
issued under this		napter 22-0 and	133 CSIN 4, and I agre	e to the terms and conditions of any permit	
		that I have pers	onally examined and ar	n familiar with the information submitted on	
				ose individuals immediately responsible for	
			is true, accurate and co		
	re that there are sigr	ificant penalties	for submitting false info	ormation, including the possibility of fine and	
imprisonment.			A Ann	_	
			Diversified Resources, Inc.	/	
		By:			_
		Its:	President	Contraction of the Contraction o	_
		Address	100 Corporate Ridge, Suite 100		-
		Talanhana	Birmingham, AL 35242		<u> </u>
Cubacribad and a	worn before me this	Telephone	205-408-0909		<u>-</u> -
Subscribed and S		$\frac{\cancel{8}}{\cancel{8}}$ day of	February	, 2013	- '
	Fren N. Caro			_ Notary Public	1
My Commission E	expires	114,2015		3 V/ V 1	20

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a 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 depprivacyofficer@wv.gov

WW-2A Surface Waiver

SURFACE OWNER WAIVER

County	DOPPRIASE	Operator		
		Operator well number	D-182	
			10514840 4	

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT. WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION:

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

Time Limits and methods for filing comments. The law requires these materials to be served on or before the date the operator files his Application. You have FIFTEEN (15) 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 a dequate 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.

Comments must be in writing. Your comments must 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.

The Chief has the power to deny or condition a well work permit based on comments on the following grounds:

- The proposed well work will constitute a hazard to the safety of persons.
 The soil erosion and sediment control plan is not adequate or effective;
- 3) Damage would occur to publicly owned lands or resources;
- 4) The proposed well work fails to protect fresh water sources or supplies;
- 5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation...".

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through including a work order on F orm WW2-B, as urvey plat, and as oil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

	FOR EXECUTION BY A NATURAL PERSON			FO	R EXECUTION BY A CORPORATION	N, ETC.
/	1111 Da	te	6/12/13	Company Name		
	Michael Albert		7	By its	Received	Date
	Print Name			2	Signature JUN 2 6 2013	Date

Office of Oil and Gas WV Dept. of Environmental Protection

WW.	-2A1	
(Rev.	1/11)

0	pera	tor's	Well	Number	D-182
\smile	201 G	tol o	V V C 11	INGILIDO	D 102

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Grover Johnson	George Buff, Jr	12.5%	70/466
Helen Buff	Ila Powell	12.5%	Unrecorded
Ila Powell	P&M Oil	12.5%	162/695-A
P&M Oil	R&K Oil and Gas Inc.	12.5%	190/371
R&K Oil and Gas Inc.	Diversiifed Resources, Inc.	12.5%	Unrecorded Farmout

Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby a cknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the affected activity is initiated.

Well Operator:

By:Its:

President

JUN 2 6 2013

WW-2B1	ĺ
(5-12)	

Well No.	D-182	

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 contactor chosen to collect sample.

Certified Laboratory Name Sampling Contractor		Sturm Environmental	
		Diversified Employee	
Mall Operator	Diversified Dec		
Well Operator	Diversified Res	ources, Inc.	
Address	100 Corporate	Ridge, Suite 100	
	Birmingham, Al	L 35242	
Telephone	205-408-0909		

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.

Received

JUN 2 6 2013

FORM WW-9 Rev. 10/94

STATE OF WEST VIRGINIA

DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM

Page	of	
API NUMBER 47-	017	
Operator's Well No.	D-182	

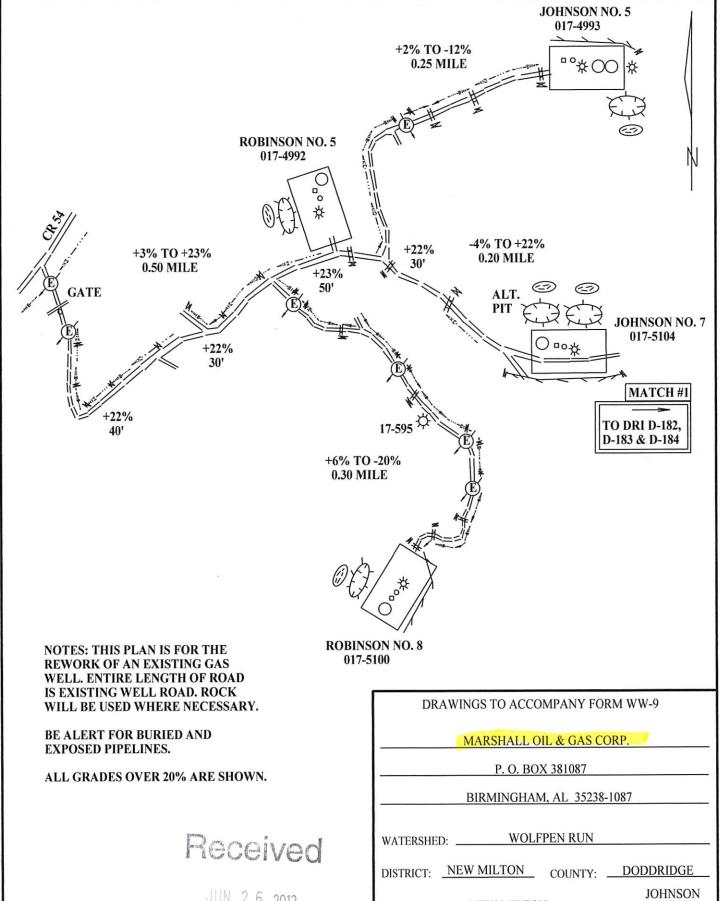
•	THE PERSON	Bi mini i i i o i i i		DITE HE	0114111011111111	
	GENERAL	PERMIT FOR	OIL AND	GAS PIT W	ASTE DISCHARG	E

Operator Name _	DIVE	RSIFIED RES	OURCES, INC.			OP Code _		
Watershed	WOLFP	EN RUN	in the second		Quadrangle _		NEW MILTON	
Elevation	1110.16'	_ County _	DODDRID	GE	_ District		NEW MILTON	
Description of ant	icipated Pit Waste:		FLUIDS ASSOC	IATED W	/ITH THE DE	ULLING OF N	EW OIL & GAS WE	LLS
Will a synthetic line be used in the pit? YES 20 mil							10	
Proposed Disposa	al Method For Treated	Pit Wastes:						DC 201
-	X La	and Application						J
)			tion (UIC Permit Nu					
-	R	euse (at API Nu	mber)
-			(Supply for WW-9 fo	150				
	0	other (Explain)						
Proposed Work F	or Which Pit Will Be	Used:						
	Х Г	Drilling	-		Sv	vabbing		
		Workover			Pl	ugging		
-	(Other (Explain)	11			d of ter		
				Principle 1				
ur	I certify that I sued on June 14, 1994, derstand that the prov ermit and/or other appl	, by the Office o	mit are enforceable by	West Virgin y law. Viola	ia Division of En ations of any terr	nvironmental Prot	ection. I	
tl fo s	I certify unden nis application form ar or obtaining the inform ignificant penalties for	nd all_attachment	that I have personally s thereto and that, bas that the information is information, includi	sed on my in	nauiry of those i	ndividuals immed	iately responsible	
Company Official	Signature	15	30,1		C		5.08	13 0.1.178 1
Company Official	(Typed Name)	Kober	KIMIS	son d				.1, 17
Company Official	Title	resident			.4044.941	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		June 19 (a) State of Co
Subscribed and sw	vorn before me this	28°	day of	Febr	uary	, 20 <u>\</u>	Rec	eived
My commission e	xpiresAo	n14,20						
			- William .					6 2013
					- C . 3 .		Office of O WV Dept. of Environ	il and Gas nn07di12/201

LEGEND

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Property Boundary				Diversion	
Road		========		Spring	\longrightarrow
Existing Fence	-* 	**		Wet Spot	Ö
Planned Fence	/			Drain Pipe with	n size in inches ————————————————————————————————————
Stream	\7 ·	Z		Waterway	€>€>€> €>
Open Ditch		>		Cross Drain	
Rock	88			Artificial Filte	r Strip
North	North			Pit: cut walls	
Water wells	w			Pit: compacted	I fill walls
Drill Site	\bigoplus			Area for Land	Application of Pit Waste
Proposed Revegetat		10 A TT 4 4	1.50	Prevegetation pH	
6.	Lime	according to pri test	······································	•	
6.	,	-20-20 or equivalent)	500		bs minimum)
6.	,			·	bs minimum)
τ,	Fertilizer (10	-20-20 or equivalent)		lbs/acre (500 l	bs minimum)
ς,	Fertilizer (10	-20-20 or equivalent)	500	lbs/acre (500 l	bs minimum) Area II
Seed Type	Fertilizer (10 Mulch	-20-20 or equivalent)	500	lbs/acre (500 l	
	Fertilizer (10 Mulch Area 1	-20-20 or equivalent) HAY OR STRAW	500	lbs/acre (500 l 2 Tons/acre	Area II lbs/acre
Seed Type	Fertilizer (10 Mulch Area 1	-20-20 or equivalent) HAY OR STRAW Ibs/acre	500	lbs/acre (500 l 2 Tons/acre s Seed Type	Area II Ibs/acre S 25
Seed Type ORCHARD	Fertilizer (10 Mulch Area 1 CORRASS	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25	500	lbs/acre (500 l 2 Tons/acre s Seed Type ORCHARDGRAS	Area II lbs/acre S
Seed Type ORCHARD BIRDSFOO	Fertilizer (10 Mulch Area 1 CORRASS	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25	Seed Mixture	lbs/acre (500 l 2 Tons/acre Seed Type ORCHARDGRAS: BIRDSFOOT TREFO LADINO CLOVE	Area II lbs/acre S
Seed Type ORCHARD BIRDSFOO LADINO C	Fertilizer (10 Mulch Area 1 E OGRASS T TREFOIL CLOVER	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25	Seed Mixture	lbs/acre (500 l 2 Tons/acre s Seed Type ORCHARDGRAS: BIRDSFOOT TREFO	Area II lbs/acre S
Seed Type ORCHARD BIRDSFOO LADINO C Attach: Drawing(s) of road	Fertilizer (10 Mulch Area 1 E OGRASS T TREFOIL CLOVER d, location, pit and	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25 15	Seed Mixture Re	lbs/acre (500 l 2 Tons/acre Seed Type ORCHARDGRAS: BIRDSFOOT TREFO LADINO CLOVE	Area II lbs/acre
Seed Type ORCHARD BIRDSFOO LADINO C Attach: Drawing(s) of road	Fertilizer (10 Mulch Area 1 BOGRASS TTREFOIL CLOVER d, location, pit and on of involved 7.5	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25 15 10 proposed area for land application	Seed Mixture Re	lbs/acre (500 l) 2 Tons/acre Seed Type ORCHARDGRAS: BIRDSFOOT TREFO LADINO CLOVE CCIVEO N 2 6 2013 e of Oil and Gas	Area II lbs/acre
Seed Type ORCHARD BIRDSFOO LADINO C Attach: Drawing(s) of road	Fertilizer (10 Mulch Area 1 BOGRASS TTREFOIL CLOVER d, location, pit and on of involved 7.5	-20-20 or equivalent) HAY OR STRAW Ibs/acre 25 15 10 proposed area for land application	Seed Mixture Re	lbs/acre (500 l 2 Tons/acre Seed Type ORCHARDGRAS: BIRDSFOOT TREFO LADINO CLOVE CCIVEO N 2 6 2013 e of Oil and Gas Environmental Protection	Area II lbs/acre

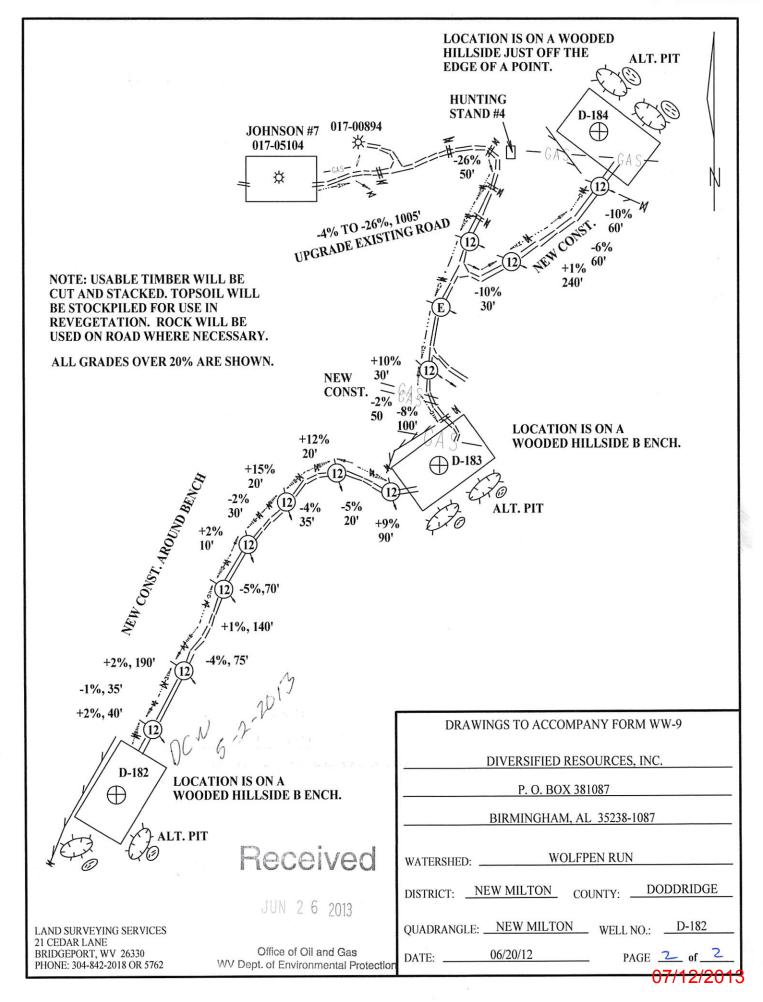


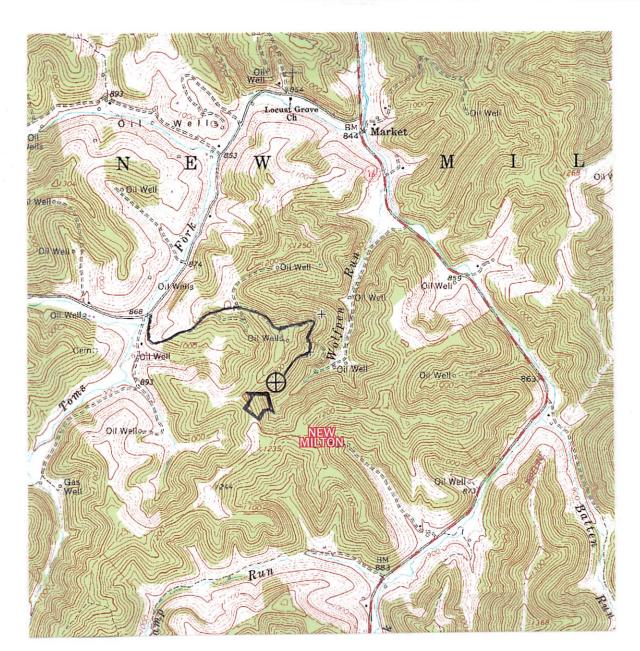
LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 OR 5762

JUN 2 6 2013

Office of Oil and Gas

QUADRANGLE: NEW MILTON WELL NO.: NO. 7 11/07/11 DATE: _____ PAGE ____





DCN 1013

Received

JUN 2 6 2013

LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 OR 5762

Office of Oil and Gas
WV Dept. of Environmental Protection

DRAWINGS T	ГО А	CCOMP	PANY	FORM	WW-9
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DIVERSIFIED RESOURCES, INC.

P. O. BOX 381087

BIRMINGHAM, AL 35238-1087

WATERSHED: WOLFPEN RUN

DISTRICT: NEW MILTON COUNTY: DODDRIDGE

 QUADRANGLE:
 NEW MILTON
 WELL NO.:
 D-182

 DATE:
 06/20/12
 PAGE
 of

07/12/2013

