

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

September 20, 2013

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-3305768, issued to PDC MOUNTAINEER 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: 3HM

Farm Name: DOMINECK PALETTA ESTATE

API Well Number: 47-3305768

Permit Type: Horizontal 6A Well

Date Issued: 09/20/2013

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</u> 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 fill material shall be within plus or minus 2% of the optimum moisture content as determined by the standard proctor density test, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort. Each lift must meet 95 % compaction of the optimum density based on results from the standard proctor density test of the actual soils used in specific engineered fill sites. 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.

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS W.VA. CODE §22-6A - WELL WORK PERMIT APPLICATION

			337	0	488
1) Well Operator:	PDC Mountaineer LLC	494494839	Harrison	Union	Mount Clare 7.5
		Operator ID	County	District	Quadrangle
2) Operator's Well	Number: 3 HM		Vell Pad Nan	ne: Paletta	
3 Elevation, currer	at ground: E	Elevation, proposed	post-construc	ction:	1161'
	Other				
(b) 1	f Gas: Shallow Horizontal	Deep			SDW
5) Existing Pad? Y	es or No: No				2/30/2018
	Formation(s), Depth(s), Anticipative, Approximately 100 feet thick, 7280' x 0.594 ps			Pressure(s):	
7) Proposed Total	Vertical Depth: 7280'				
8) Formation at To		ale			
9) Proposed Total !	Measured Depth:	11.924'			
		61', 131', 196', 284', & 504'			
	[2] : [1] [1] [2] : [1] [2] [2] [2] [2] [2] [2] [2] [2] [2] [2	Reported wells: 47-033-0473	9, 04575, 04599, 0	4407, 04629, & 051	93.
12) Approximate S	그렇게 많아 사이에 있는 것이 얼마나 가는 것이 없는 것이 없는 그 사람이 되었다. 그렇게 되었다. 그렇게 되었다.				
13) Approximate C		743'			
	Pepth to Possible Void (coal mine		Not Known.		
	ain coal seams tributary or adjace		No	·	
16) Describe propo	[2] [2] - [10] [2] [1] [4] [2] [1] [2] [2] [2] [2] [2] [2] [2] [2] [2] [2	new horizontal Marcellus wel		& Federal guideline	·s.
^ 그림생생 이 시나가 쓰다면 하면 되었다.	libore will be new casing. Centralizers will be used	WYEND TO BE A STREET OF THE STREET			
-	diate string. Cement will be API grade.				
-					
	ring/stimulating methods in deta		40,000 pounds of sa	nd.	
Frac additives, chemical	names, and CAS #'s are provided on the next page	9.			
19) Total area to be	disturbed including reads -t	Imila aran mita ata	(namas):	20.1	
16) Total area to be	e disturbed, including roads, stock	kpiie area, pits, etc,	(acres):	33.1	
19) Area to be distr	urbed for well pad only, less acce	ess road (acres):	9.48	Office of Oil 8	Gag
				Office of Ull	

20)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	H-40	94#	65'	65'	Cement to Surface
Fresh Water	13 3/8"	New	J-55	54.5#	550'	550'560'	Cement to Surface
Coal							
Intermediate	9 5/8"	New	J-55	40#	2600'	2600'	Cement to Surface
Production	5 1/2"	New	P-110	20#	11,924'	11,924"	2600 minimum
Tubing							
Liners							

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	24"	0.756	1500	1	1.06
Fresh Water	13 3/8"	17 1/2"	0.66	1730	1	1.18
Coal						
Intermediate	9 5/8"	12 1/4"	0.704	3520	1	1.18
Production	5 1/2"	8.5"/8.75"	0.722	12,460	Н	1.18
Tubing						
Liners						

PACKERS

Kind:	
Sizes:	Received Gas
Depths Set:	Office of Oil &
	2013

UKC

1)	Describe centralizer placement for each casing string.
C	Conductor: None
5	Surface 13 3/8": 1 Centralizer every 90' of pipe & 1 Basket
lı	ntermediate 9 5/8": Centralizers every 7 joints & 1 Basket
F	Production 5 1/2": Centralizers every 12 joints in the vertical section & every 2 joints in the horizontal section.
_	
.2)	Describe all cement additives associated with each cement type.
	See additional sheet for description of additives
<i>(</i> ζ	Conductor: Type 1 Cement
5	Surface: Type 1 Cement + 2% CaCl + 1/4 #/sack Cello Flake.
- I	ntermediate: Pre-Flush - Mud Clean 1 ahead of Type 1 cement + 2% CaCl + 1/4 #/sack Cello Flake.
F	Production: Pre-Flush - Mud Clean 1 ahead of Lead Cement Type 1 + 0.4% bwoc R-3 + 0.3% bwoc CD-32 +
1	1% bwoc FL-62 + 0.15% bwoc ASA-301 + 50.5% Fresh Water & followed by a
7	Tail Cement Class H + 0.1% bwoc R-3 CD-32 + 1.2% bwoc FL-62 +0.1% bwoc ASA-301+ 0.4% bwoc
-	Sodium Metasilicate + 50.5% Fresh Water
•	Proposed borehole conditioning procedures.
_	Surface and intermediate holes are cleaned with air. Production hole is circulated with mud for at least 4 hours with high
_	viscosity sweeps ran occasionally.
_	
_	
_	
_	
_	

Received Office of Oil & Gas

22) Description of Cement Additives (Continued)

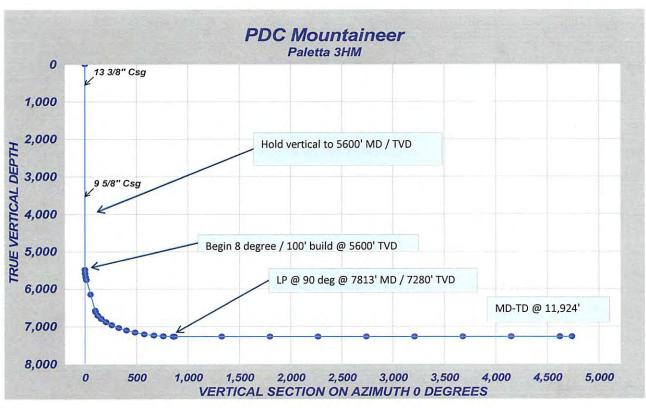
CaCl – Calcium Chloride – Accelerator
Cello Flake – Lost circulation control agent
R-3 – Retarder
CD-32 – Dispersant
FL-62 – Fluid – loss control agent
ASA-301 – Sodium Metasillicate – Free water control + Solid Suspension

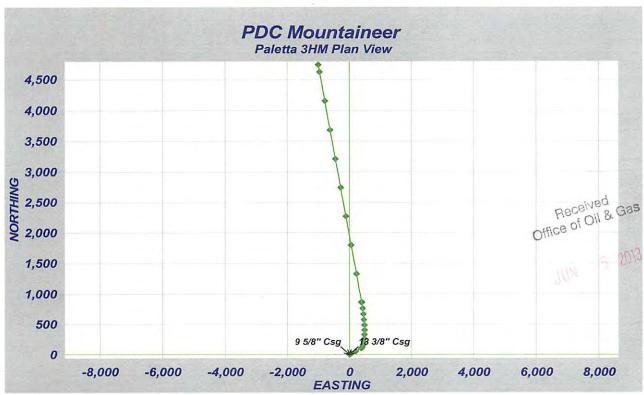
Received Office of Oil & Gas

× 501;

PDC Mountaineer
Paletta 3HM Well Plan
Harrison County, WV







API No. 47 - 033 - 0576 %
Operator's Well No. 3HM

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 PDC Mountaineer, LLC.		OP Code 494494839	-
Watershed West Fork River	Quadrangle _	Mount Clare	
Elevation Pad = 1161.4, Pit: Top = 1161.1, Bottom = 1146.4 Cou	anty_Harrison	District_Union	
Description of anticipated Pit Waste:	Flowback		
Do you anticipate using more than 5,000 bbls of	water to complete the proposed	well work? Yes X No	
Will a synthetic liner be used in the pit? Yes	. If so, what mil.?	60	
Proposed Disposal Method For Treated Pit Wast Land Application			5DW 5/30/2013
	n (UIC Permit Number		
Reuse (at API Number Off Site Disposal (Su Other (Explain	er_ upply form WW-9 for disposal l	ocation)	
Drilling medium anticipated for this well? Air, f -If oil based, what type? Synthetic, petr Additives to be used? No		etic Mud	
Will closed loop system be used ? Yes			
Drill cuttings disposal method? Leave in pit, lan -If left in pit and plan to solidify what n -Landfill or offsite name/permit number	nedium will be used? Cement,	lime, NA	
I certify that I understand and agree to on August 1, 2005, by the Office of Oil and Gas provisions of the permit are enforceable by law. or regulation can lead to enforcement action. I certify under penalty of law that I application form and all attachments thereto and the information, I believe that the information submitting false information, including the possi	s of the West Virginia Departm Violations of any term or cond have personally examined and I that, based on my inquiry of the is true, accurate, and complete	ent of Environmental Protection dition of the general permit and/of am familiar with the informations those individuals immediately res	. I understand that the or other applicable law tion submitted on this sponsible for obtaining
Company Official Signature		AH Sea	
Company Official (Typed Name) Jamie Haga			
Company Official Title Designated Agent			Received Gas
			Ottico
Subscribed and sworn before me this 25	day of April	, 20 13	WW.
Dachel Wyc	Koth	Notary Public	
My commission expires March 1	4,2022	OFFICIA	I SEAL
		Notary Public, Stat RACHEL V 120 Genesi	e Of West Virginia VYCKOFF s Boulevard

Disposal Well Information Sheet (Including Lat./Long. , Operator, and API #)

DISPOSAL WELL NAMF Ohio Oil Gathering Corp. — Bells Run Long Run Disposal Well Newell Run Disposal Well	APT WELL # 34-167-2-9395 34-167-2-9658 34-167-2-9685	STATE Ohio Ohio Ohio	COUNTY Washington Washington Washington	TWP Newport Newport Newport
Operator: Ohio Oil Gathering Corp.				
DISPOSAL WELL MAME BW # 4 Greens Run	API WELL # 47-073-02523 47-073-02540	State WV WVV	COUNTY Pleasants Pleasants	TWF

Operator: Appalachian Oil Purchasers

Coordinates
Ohio Oil Gathering Corp. Bells Run
Long Run Disposal Well
Newell Run Disposal Well
BW# 4
Greens Run

Lat /Long 39.387 N, -81.289 W 39.391 N, -81.317 W 39.399 N, -81.273 W 39 22'20.55 N, -81 14'47.70"

Received Gas

Property Boundary

Road = = = = =	==== Spring	
Existing Fence ———————————————————————————————————		may
Planned Fence//	Drain Pipe	
Stream	w/ size in inches	
Open Ditch	Waterway —	→ ← →
Rock OSOO	Cross Drain 77777	
†	Artificial Filter Strip XXXX	XXXXXXXXXXXXXXXXXXX
North N	Pit: Cut Walls	ELL TIME
Buildings	Pit: Compacted Fill Walls	Transition of the same of the
Water Wells W	Area for Land Application	(0.0000)
Drill Sites	of Pit Waste	
Proposed Revegetation Treatment: Acres Disturb	bed 33.1 Prevegetati	ion pH
Lime 3 Tons/acre or to	correct to pH 6.5	
Fertilizer (10-20-20 or equivalent) 10-20	10.00 10.00 lbs (5.00 lbs minimum)	
Fertilizer (10-20-20 or equivalent) 10-20	los/acre (500 los minimum)	
Mulch 2	Tons/acre	
	Seed Mixtures	
Aron I		Area II
Area I Seed Type lbs/acre	Seed Type	lbs/acre
KY-31 Tall Fescue 50		
- 1 /	-	
Timothy GRASS 40		
Onchard GRASS 12		
Red Top Clover 5		
Attach:	Carland annibasion	
Drawing(s) of road, location,pit and proposed are	ea for land application.	
Photocopied section of involved 7.5' topographic	sheet.	
Plan Approved by: 5 D Ward	II.	
Comments: Pre-saed/mulch alldis	sturbon area as soon as 1	easonably possible.
Upgrade Ets as necessa	ry	aived ass
Title: Oj/ + Gas Inspector	Date: 5/30/201	Received Gas
Field Reviewed? (Y) Yes	() No	7013

Diversion

west virginia department of environmental protection



Water Management Plan: Primary Water Sources



WMP-01387

API/ID Number:

047-033-05768

Operator:

PDC Mountaineer

Paletta 3HM

Important:

For each proposed primary water source (including source intakes for purchased water sources) identified in your water management plan, and summarized herein, DEP has made an evaluation concerning water availability over the specified date range. DEP's assessment is based on the following considerations:

- •Statistical analysis of historical USGS stream gauge data (transferred to un-gauged locations as necessary);
- •Identification of sensitive aquatic life (endangered species, mussels, etc.);
- Quantification of known existing demands on the water supply (Large Quantity Users);
- •Minimum flows required by the Army Corps of Engineers; and
- · Designated stream uses.

Based on these factors, DEP has provided, for each intake location (and origination point for purchased water), a reference gauge location and discharge flow reading which must be surpassed prior to withdrawals. Additionally, DEP has established a minimum passby flow at the withdrawal location which must also be surpassed prior to withdrawals. These thresholds are considered terms of the permit and are enforceable as such.

DEP is aware that some intake points will be used for mutiple wells and well sites. In these cases, the thresholds set by the Water Management Plan are to be interepreted as total withdrawal limits for each location over the specified date range regardless of how many wells are supported by that intake.

For all purchased water intakes, determinations of water availability are made at the original source intake location. It is the responsibility of the Oil and Gas Operator, not the seller, to cease withdrawal of water from the seller when flows are less than the minimum gauge reading at the stream gauge referenced by the Water Management Plan in order to protect stream uses.

Note that the determinations made herein are based on the best available data, but it is impossible to predict water availability in the future. While the DEP has carefully established these minimum withdrawal thresholds, it remains the operator's responsibility to protect aquatic life at all times. Approval to withdrawal is contingent upon permission from the land owner. It is the responsibility of the operator to secure and maintain permission prior to any withdrawals.

The operator is reminded that 24-48 hours prior to withdrawing (or purchasing) water, DEP must be notified by email at DEP.water.use@wv.gov.

APPROVED AUG 2 2 YOL

Source Summary

WMP-01387

API Number:

047-033-05768

Operator:

PDC Mountaineer

Paletta 3HM

Stream/River

West Fork River @ Lynch Farms, LLC Withdrawal Site Source

Harrison

Owner:

WBM Heirs Properties

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

Intake Latitude: Intake Longitude:

6/30/2015

6/30/2016

5,880,000

39.223184

-80.374736

Regulated Stream? Stonewall Jackson Dam Ref. Gauge ID:

3061000

WEST FORK RIVER AT ENTERPRISE, WV

Max. Pump rate (gpm):

2.000

Min. Gauge Reading (cfs):

175.94

Min. Passby (cfs)

111.68

DEP Comments:

This location has been previously referred to as "West Fork River @ WBM Heirs

Properties Withdrawal Site"

Source

Tygart Valley River @ Hart Withdrawal Site

Tygart Valley Dam

Taylor

Owner:

James & Lori Hart

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

39.341057

Intake Latitude: Intake Longitude: -80.042391

6/30/2015

6/30/2016

5,880,000

3057000

TYGART VALLEY RIVER AT COLFAX, WV

Max. Pump rate (gpm):

Regulated Stream?

2,000

Min. Gauge Reading (cfs):

Ref. Gauge ID:

402.51

Min. Passby (cfs)

397.66

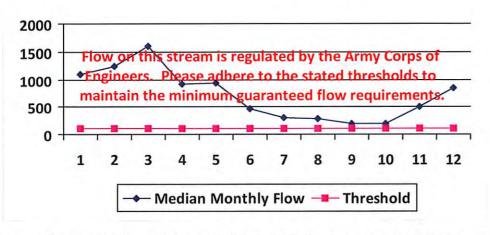
DEP Comments:

Source Detail

WMP-013	387	API/ID Number:	047-033-05768	Operator:	PDC Mou	ntaineer
		Pale	tta 3HM			
Source ID: 23043 Source		t Fork River @ Lynch Fa 1 Heirs Properties	rms, LLC Withdrawal s	Site Source Lo	Latitude.	23184 374736
HUC-8 Code: Drainage Area (so Endangered Species? Trout Stream? ✓ Regulated Stream? Proximate PSD? ✓ Gauged Stream?	✓ Mussel S		larrison Ant		l end date: ource (gal):	1,000
Reference Gaug Drainage Area (sq. r	3061000 mi.) 75	WEST FORK RIVER A	AT ENTERPRISE, WV	Gauge Thro	eshold (cfs):	234

Month	Median monthly flow (cfs)	Threshold (+ pump	Estimated Available water (cfs)
1	1,107.13		-
2	1,246.52		
3	1,605.57	,	÷.
4	918.24		-
5	942.54	(e.)	+
6	472.28		
7	305.99	2	1.2
8	292.17		-
9	203.29	18	
10	199.31	1.9	W. P.
11	500.16		
12	853.92	2	-





Water Availability Assessment of Location

Base Threshold (cfs):	-
Upstream Demand (cfs):	25.23
Downstream Demand (cfs):	12.33
Pump rate (cfs):	4.46
Headwater Safety (cfs):	27.85
Ungauged Stream Safety (cfs):	0.00
Min. Gauge Reading (cfs):	
Passby at Location (cfs):	

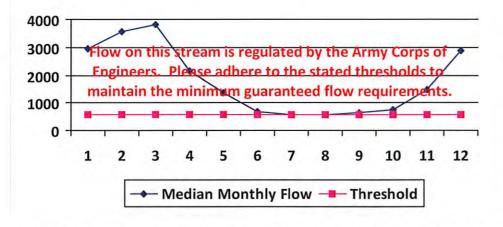
[&]quot;Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.

Source Detail

WMP-01387 API/ID Ni	mber: 047-033-0576 Paletta 3HM	68 Operator: PDC Mo	untaineer
James & Lori Hart	@ Hart Withdrawal Site		341057 0.042391
HUC-8 Code: 5020001 Drainage Area (sq. mi.): 1295.19 Count □ Endangered Species? □ Mussel Stream? □ Trout Stream? □ Tier 3? □ Regulated Stream? Tygart Valley Dam □ Proximate PSD? □ Gauged Stream?	r: Taylor	Anticipated withdrawal start date: Anticipated withdrawal end date: Total Volume from Source (gal): Max. Pump rate (gpm): Max. Simultaneou Max. Truck pump rate	
Reference Gaug 3057000 TYGART V Drainage Area (sq. mi.) 1,363.00	LLEY RIVER AT COLFAX, W	VV Gauge Threshold (cfs):	624

Month	Median monthly flow (cfs)	Threshold (+ pump	Estimated Available water (cfs)	
1	2,952.52		-	
1 2	3,564.75		9	
3	3,809.27	2 -	4	
4	2,177.02		14	
5	1,366.15	Ψ.	3	
6	691.50		11.9	
7	581.49	à l	1.0	
8	590.26	4	2	
9	658.33		1.0	
10	751.68	9	9	
11	1,469.50	3	3	
12	2,889.37	7	2	

Water Availability Profile



Water Availability Assessment of Location

Upstream Demand (cfs):	19.30
Downstream Demand (cfs):	16.67
Pump rate (cfs):	4.46
Headwater Safety (cfs):	0.00
Ungauged Stream Safety (cfs):	0.00
Min. Gauge Reading (cfs):	
Passby at Location (cfs):	

"Threshold", as depicted in the chart above is meant only to indicate the calculated base threshold at the proposed withdrawal location. This value does not include the proposed pump rate or existing demand on the stream. Refer to the monthly breakdown above for a more complete estimation of water availability by month.

west virginia department of environmental protection



Water Management Plan: **Secondary Water Sources**



WMP-01387

API/ID Number

047-033-05768

Operator:

PDC Mountaineer

Paletta 3HM

Important:

For each proposed secondary water source identified in your water management plan (i.e., groundwater well, lake/reservoir, recycled frac water, multi-site impoundment, out-of-state source), DEP makes no estimation of the availability of water. These sources may prove to be unsuitable water supplies. Please review the following notes:

- For groundwater supply wells, DEP recommends that the operator contact the local health department prior to drilling any new well; and reminds the operator that all drinking water wells within 1,500 feet of a water supply well shall be flow- and quality-tested by the operator at the request of the drinking well owner prior to operation of the water supply well.
- For each proposed multi-site impoundment water source identified in your water management plan (if applicable), DEP will review the withdrawal limits established in the referenced Water Management Plan for current suitability and provide to the operator these limits for each identified intake. Note that withdrawal limits may be modified as necessary based on changing demands upon that water supply.

Recycled Frac Water

Source ID: 23045 Source Name

Various

Source start date:

6/30/2015

Source end date:

6/30/2016

Source Lat:

Source Long:

County

Max. Daily Purchase (gal)

Total Volume from Source (gal):

5,880,000

DEP Comments:

