

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: 47-3305769, 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: 4HM

Farm Name: DOMINECK PALETTA ESTATE

API Well Number: 47-3305769

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 conditions may result in enforcement action.</u>

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

					33	0	x 35
1) Well Operator:	PDC Mou	ntaineer LLC		494494839	Harrison	Union	Mount Clare 7.5'
				Operator ID	County	District	Quadrangle
2) Operator's Well	Number	: 4 HM		V	Well Pad Nan	ne: Paletta	
3 Elevation, currer	nt ground	1155	Ele	evation, proposed	post-construc	etion:	1161'
	Other		Oil	_			
(b) I	f Gas:	Shallow Horizonta	1	Deep			5DW 5/30/2013
5) Existing Pad? Y	es or No	. No					3/30/200
6) Proposed Target Marcellus Shale, 7280'				ted Thicknesses an		Pressure(s):	
7) Proposed Total	Vertical l	Depth:	7280'				
8) Formation at To	tal Vertic	cal Depth:	Marcellus Shale				
9) Proposed Total I	Measure	d Depth:		12,203'			
10) Approximate F	resh Wa	ter Strata D	epths: 6	1', 131', 196', 284', & 504'			
11) Method to Dete	ermine F	resh Water	Depth: R	eported wells: 47-033-0473	39, 04575, 04599, 0	4407, 04629, & 051	93.
12) Approximate S	altwater	Depths:	842', 2022', 2335	'			
13) Approximate C	oal Sear	n Depths:	53', 232', & 74	3'			
14) Approximate D	epth to l	Possible Vo	id (coal mine,	karst, other):	Not Known.		
15) Does land cont	ain coal	seams tribu	tary or adjacer	nt to, active mine?	No		
16) Describe propo	sed well	work:	Drill & stimulate a n	ew horizontal Marcellus we	Il following all State	& Federal guideline	s.
			ralizers will be used co	entingent upon final log of we	II. Production string	cement will be at lea	st
100 feet into the interme	diate string. (Cement will be AP	I grade.				
17) Describe fractu				tely 10,000 bbl of water and	40,000 pounds of sa	ınd.	
Frac additives, chemical							
-							
	V						
18) Total area to be	e disturb	ed, includin	g roads, stock	pile area, pits, etc,	(acres):	33.1	ied Gas
19) Area to be dist	urbed for	well pad o	nly, less acces	s road (acres):	9.48	Place of C	311 -

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#	12,203'	12,203	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:	wed Gas
Sizes:	Rece of Oil &
Depths Set:	O.M.O.

21) Describe centralizer placement for each casing string.
Conductor: None
Surface 13 3/8": 1 Centralizer every 90' of pipe & 1 Basket
Intermediate 9 5/8": Centralizers every 7 joints & 1 Basket
Production 5 1/2": Centralizers every 12 joints in the vertical section & every 2 joints in the horizontal section.
22) Describe all cement additives associated with each cement type.
See additional sheet for description of additives
/ Conductor: Type 1 Cement
√ Surface: Type 1 Cement + 2% CaCl + 1/4 #/sack Cello Flake.
Intermediate: Pre-Flush - Mud Clean 1 ahead of Type 1 cement + 2% CaCl + 1/4 #/sack Cello Flake.
Production: Pre-Flush - Mud Clean 1 ahead of Lead Cement Type 1 + 0.4% bwoc R-3 + 0.3% bwoc CD-32 +
1% bwoc FL-62 + 0.15% bwoc ASA-301 + 50.5% Fresh Water & followed by a
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
23) 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.

*Note: Attach additional sheets as needed.

Office of Oil & Gas

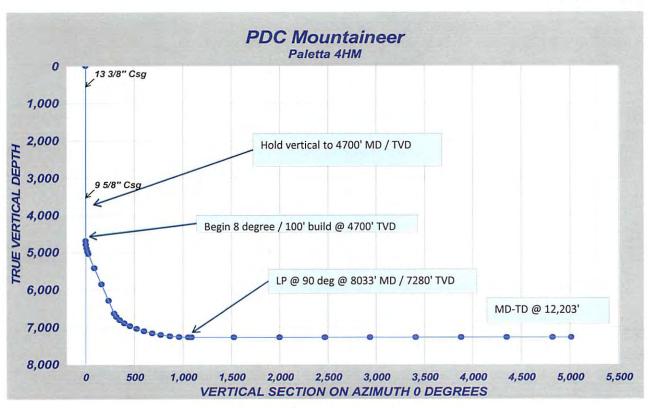
22) Description of Cement Additives (Continued)

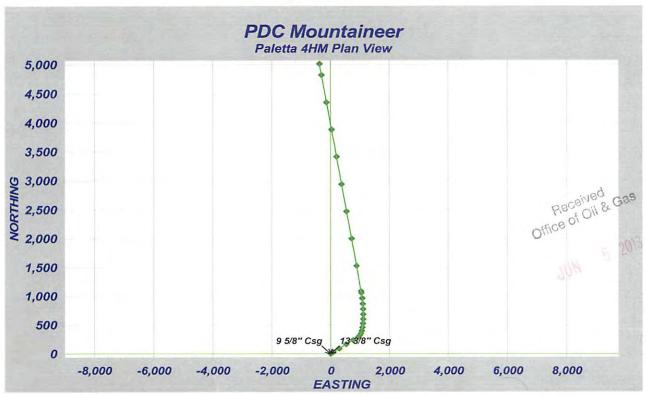
CaCl – Calcium Chloride – Accelerator
Cello Flake – Lost circulation control agent
R-3 – Retarder
CD-32 – Dispersant
FL-62 – Fluid – loss control agent
ASA-301 – Sodium Metasillicate – Free water control + Solid Suspension

Office of Oil & Gas

PDC Mountaineer Paletta 4HM Well Plan Harrison County, WV







API No. 47 - 033 - 05 76 9
Operator's Well No. 4HM

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

Derator Name_ PDC Mountaineer, LLC.	OP Code 494494839
Vatershed West Fork River	Quadrangle Mount Clare
Elevation Pad = 1161.4, Pit: Top = 1161.1, Bottom = 1146.4 County Harrison	District Union
Description of anticipated Pit Waste:	whack
Do you anticipate using more than 5,000 bbls of water to comp	plete 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 Wastes:	If so, what mil.? $\frac{60}{500}$
Land Application	5/30/2015
	it Number)
Reuse (at API Number	
Off Site Disposal (Supply form WV) Other (Explain	W-9 for disposal location)
Deilling modium anticipated for this wall? Air freehyyeter oil	based etc. Synthetic Mud
Orilling medium anticipated for this well? Air, freshwater, oil -If oil based, what type? Synthetic, petroleum, etc. No.	
Additives to be used? No	
Will closed loop system be used ? Yes	
Orill cuttings disposal method? Leave in pit, landfill, removed	offsite etc. Landfill
-If left in pit and plan to solidify what medium will be	
-Landfill or offsite name/permit number? Meadowfill La	
application form and all attachments thereto and that, based on the information, I believe that the information is true, accurate submitting false information, including the possibility of fine of Company Official Signature Company Official (Typed Name) Jamie Haga	Ily examined and am familiar with the information submitted on the new inquiry of those individuals immediately responsible for obtaining the and complete of am aware that there are significant penalties for imprisonment.
Company Official Title Designated Agent	9.70 P
Subscribed and sworn before me this 25th day of	Cyril , 20 13
Jack Wyckoff	Notary Public
My commission expires March 14, 202	7
	OFFICIAL SEAL Notary Public, State Of West Virginia RACHEL WYCKOFF 120 Genesis Boule 09/20/2 Bridgeport, WV 28330 My Commission Expires March 14, 2022

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

DISPOSAL WELL MAME 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

Lai: /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"

> \$6.000 \$1

Property Boundary	Diversion
Road ========	= = = Spring
Existing Fence ———————————————————————————————————	—X— Wet Spot
Planned Fence//	Drain Pipe W/ size in inches
Stream	
Open Ditch	Waterway
Rock ဝို့ဝိုင်္	Cross Drain 777777777777777777777777777777777777
North N	Artificial Filter Strip XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
A. A	Pit: Cut Walls
Buildings	Pit. Compacted Fill Walls
Water Wells (W) Drill Sites	Area for Land Application of Pit Waste
Proposed Revegetation Treatment: Acres Disturbed 33	Prevegetation pH
Lime 3 Tons/acre or to correct	et to pH 6.5
Fertilizer (10-20-20 or equivalent) 10-20-10 @ 1	
	lbs/acre (500 lbs minimum)
Mulch_2	_Tons/acre
	Seed Mixtures
Area I	Area II
Seed Type lbs/acre	Seed Type lbs/acre
KY-31 Tall Fescue 50	
- II. C 110	
Timothy GNASS 40	- 1 1
Orchard GRASS 12	
Realtop Cloved 5	
Attach: Drawing(s) of road, location,pit and proposed area for la	and application
•	and construction
Photocopied section of involved 7.5' topographic sheet.	
Plan Approved by: Sel DWarrott	L
Comments: Pre-seed/mulch all dist	jurbed areas as soon as reasonably possible
Upgrade E+S as necessary	Date: 5/30/2013
Title: Oil & Gas Inspector	Date: 5/30/2013
Field Reviewed? () Yes () No

west virginia department of environmental protection



Water Management Plan: Primary Water Sources



WMP-01388

API/ID Number:

047-033-05769

Operator:

PDC Mountaineer

Paletta 4HM

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 2013

Source Summary

WMP-01388

API Number:

047-033-05769

Operator:

PDC Mountaineer

Paletta 4HM

Stream/River

 Source West Fork River @ Lynch Farms, LLC Withdrawal Site 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

Taylor

Owner:

James & Lori Hart

Start Date

End Date

Total Volume (gal)

Max. daily purchase (gal)

Intake Latitude: Intake Longitude:

-80.042391

6/30/2015

6/30/2016

5,880,000

Tygart Valley Dam Ref. Gauge ID:

3057000

TYGART VALLEY RIVER AT COLFAX, WV

39.341057

Max. Pump rate (gpm):

✓ Regulated Stream?

2,000

Min. Gauge Reading (cfs):

402.51

Min. Passby (cfs)

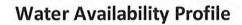
397.66

DEP Comments:

Source Detail

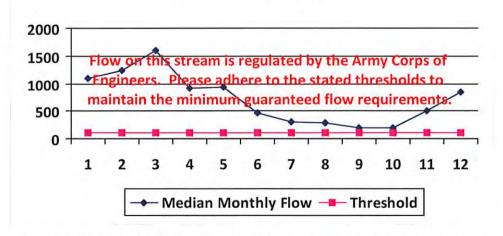
WMP-01388 API/ID Number: 047-033-05769 Operator: PDC Mountaineer Paletta 4HM West Fork River @ Lynch Farms, LLC Withdrawal Site 23046 Source Latitude: 39.223184 Source ID: WBM Heirs Properties Source Longitude: -80.374736 HUC-8 Code: 5020002 Anticipated withdrawal start date: 6/30/2015 Drainage Area (sq. mi.): 361.3 Harrison County: 6/30/2016 Anticipated withdrawal end date: **Endangered Species?** ✓ Mussel Stream? 5,880,000 Total Volume from Source (gal): Trout Stream? ☐ Tier 3? 2,000 Max. Pump rate (gpm): Stonewall Jackson Dam Regulated Stream? Max. Simultaneous Trucks: 1 Proximate PSD? Max. Truck pump rate (gpm) 2000 Gauged Stream? 3061000 WEST FORK RIVER AT ENTERPRISE, WV Reference Gaug

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	11.4	
5	942.54	6	7
6	472.28	-	
7	305.99	1=	1.2
8	292.17		
9	203.29		
10	199.31	*	4
11	500.16	1.4	
12	853.92		



759.00

Drainage Area (sq. mi.)



Gauge Threshold (cfs):

Min. Gauge Reading (cfs): Passby at Location (cfs):	
Ungauged Stream Safety (cfs):	0.00
Headwater Safety (cfs):	27.85
Pump rate (cfs):	4.46
Downstream Demand (cfs):	12.33
Upstream Demand (cfs):	25.23
Base Threshold (cfs):	3

"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.

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Source Detail

WMP-01388	API/ID Number: 047-033-057	769 Operator: PDC Mo	untaineer
	Paletta 4HM		
ource ID: 23047 Source N	ame Tygart Valley River @ Hart Withdrawal Site	Source Latitude: 39.	341057
	James & Lori Hart	Source Longitude: -80	.042391
HUC-8 Code: Drainage Area (sq. m	5020001 i.): 1295.19 County: Taylor	Anticipated withdrawal start date: Anticipated withdrawal end date:	6/30/2015 6/30/2016
☐ Endangered Species? ☐ Trout Stream? ☐	☐ Mussel Stream? ☐ Tier 3?	Total Volume from Source (gal):	5,880,000
✓ Regulated Stream?	Tygart Valley Dam	Max. Pump rate (gpm):	2,000
☐ Proximate PSD?		Max. Simultaneou	is Trucks: 1
✓ Gauged Stream?		Max. Truck pump ra	ite (gpm) 2000

Month	Median monthly flow (cfs)	Threshold (+ pump	Estimated Available water (cfs)
1	2,952.52	1.8	
2	3,564.75	1.2	
3	3,809.27	1.3	4
4	2,177.02	-	-
5	1,366.15	1.00	-
6	691.50		-
7	581.49	4	
8	590.26	- 6	-
9	658.33		
10	751.68	13	1.9
11	1,469.50	1.2	
12	2,889.37		i ė

Water Availability Profile stream is regulated by the Army Corps of Median Monthly Flow — Threshold

W	ater	Availability	Assessment	of	Location
	ucci	LAACHICO SILLE	710000001110116	\sim .	

Base Threshold (cfs):	-
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-01388

API/ID Number

047-033-05769

Operator:

PDC Mountaineer

Paletta 4HM

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: 23048 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:

LEGEND

