

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street, S.E. Charleston, WV 25304 (304) 926-0450 fax: (304) 926-0452

Austin Caperton, Cabinet Secretary www.dep.wv.gov

Thursday, January 7, 2021 PERMIT MODIFICATION APPROVAL Horizontal 6A / New Drill

HG ENERGY II APPALACHIA, LLC 5260 DUPONT ROAD

PARKERSBURG, WV 26101

Re: Permit Modification Approval for ANTONIO 1206 N-5H 47-033-05982-00-00

Lengthen Surface casing 75'

HG ENERGY II APPALACHIA, LLC

The Office of Oil and Gas has reviewed the attached permit modification for the above referenced permit. The attached modification has been approved and well work may begin. Please be reminded that the oil and gas inspector is to be notified twenty-four (24) hours before permitted well work is commenced.

If there are any questions, please feel free to contact me at (304) 926-0450.

James A. Martin Chief

Operator's Well Number: ANTONIO 1206 N-5H Farm Name: CHARLES R. & FRANKLIN L. SUTTON U.S. WELL NUMBER: 47-033-05982-00-00 Horizontal 6A New Drill Date Modification Issued: 1/7/2021

Promoting a healthy environment.

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

| 1) Well Operat | or: HG En | ergy II Appa | lachia, 🛔 | 494519932 | Harrison | Grant | West Milford 7.5' |
|----------------------------------|--------------------------------|-------------------------------------|-------------------------|--------------------|--------------------------------|-------------------|--|
| | | | | Operator ID | County | District | Quadrangle |
| 2) Operator's V | Well Number | r: Antonio 12 | 206 N-5H | Well P | ad Name: A | ntonio 1206 | |
| | | | | | oad Access: | Hackers Cre | ek Rd @ SR 19 |
| 4) Elevation, c | urrent groun | d: <u>1364'</u> | El | evation, propose | d post-constr | ruction: 1350 | |
| 5) Well Type | (a) Gas | <u>X</u> | _ Oil | Un | derground St | orage | |
| | Other | | | | | | |
| | (b)If Gas | Shallow | <u>x</u> | Deep | <u> </u> | | - |
| | 1 77 57 | Horizontal | <u>x</u> | | | | |
| 6) Existing Pac | | | | • • 1001•1 | | d Droggure (a) | |
| 7) Proposed Ta Marcellus at | arget Format 7081'/7260' | tion(s), Depth and 179' in thi | (s), Antic ckness. A | ipated Thickness | s and Expecte ure at 4314#. | | |
| 8) Proposed To | otal Vertical | Depth: 725 | 2' | | | | |
| 9) Formation a | | | Marcellus | 6 | | | |
| 10) Proposed 7 | Fotal Measu | red Depth: | 20,980' | | | | |
| 11) Proposed I | Horizontal L | eg Length: | 12,131' | | | | |
| 12) Approxim | ate Fresh W | ater Strata De | pths: | 135', 480', 63 | 7', 731' | | |
| 13) Method to | Determine 1 | Fresh Water I | Depths: | Nearest offset v | vell data | | |
| 14) Approxim | | | o S/W dept | hs found on WR-35 | for offset wells | , salt water expe | cted to be below elevation |
| 15) Approxim | | | 23', 1010 |)' to 1015' | | | |
| | | | | ine, karst, other) | : None | | |
| 17) Does Prop directly overly | oosed well lo ving or adjac | ocation contain cent to an activ | n coal sea ve mine? | ms Yes | | No X | DECENTO |
| (a) If Yes, pi | rovide Mine | Info: Name | • | | | | RECEIVED Office of Oil and Gas |
| (a) if res, pi | | Depth | | | | | NOV 16 2020 |
| | | Seam | | | | | WV Department of Environmental Protection |
| | | Owne | er: | | | | |

API NO. 47- 033 _ 05982

OPERATOR WELL NO. Antonio 1206 N-5H Well Pad Name: Antonio 1206

18)

CASING AND TUBING PROGRAM

| TYPE | Size (in) | <u>New</u> <u>or</u> <u>Used</u> | Grade | <u>Weight per ft.</u> <u>(lb/ft)</u> | <u>FOOTAGE: For</u> <u>Drilling (ft)</u> | INTERVALS: Left in Well (ft) | <u>CEMENT:</u> <u>Fill-up</u> (Cu. Ft.)/CTS |
|------------------|--------------|--|-------|---|---|------------------------------------|---|
| Conductor | 30" | New | LS | 157.5 | 125' | 125' | Drilled In |
| Fresh Water/Coal | 20" | NEW | J-55 | 94 | 1175' | 1175' | 40% excess,CTS |
| Intermediate I | 13 3/8" | NEW | J-55 | 68 | 2200' | 2200' | 40% excess,CTS |
| Intermediate 2 | 9 5/8" | NEW | J-55 | 40 | 3000' | 3000' | 40% excess tail, CTS |
| Production | 5 1/2" | NEW | P-110 | 23 | 20980' | 20980' | 20% excess tail, CTS |
| Tubing | | 1.50 | | | | | |
| Liners | | | | | | | |

| TYPE | Size (in) | <u>Wellbore</u> <u>Diameter (in)</u> | <u>Wall</u> <u>Thickness</u> <u>(in)</u> | <u>Burst Pressure</u> (psi) | Anticipated Max. Internal Pressure (psi) | <u>Cement</u> <u>Type</u> | <u>Cement</u> <u>Yield</u> (cu. ft./k) |
|------------------|-----------|---|--|--------------------------------|--|------------------------------|--|
| Conductor | 30" | 30" | .500 | |] | | Drilled In |
| Fresh Water/Coal | 20" | 24" | .438 | 2110 | 1200 | Type 1, Class A | 40 % excess yield = 1.20, CTS |
| Intermediate1 | 13 3/8" | 17 1/2" | .480 | 3450 | | Type 1/Class A | Load 40% excess, Tail 0% excess |
| Intermediate 2 | 9 5/8" | 12 1/4" | .395 | 3950 | | Type 1/Class A | Least 45% estern, Tail 6% Esterns Lev |
| Production | 5 1/2" | 8 1/2" | .415 | 16240 | 12500 | Type 1/ClassA | 20% excuts yield = 1.10, tail yield 1.01 0 |
| Tubing | | | | | | | |
| Liners | | | | | | | |

PACKERS

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| Tr. 1 | Office of On and |
|-------------|--|
| Kind: | NOV 1 6 2020 |
| Sizes: | WV Department of Environmental Protection |
| Depths Set: | |
| | |

WW-6B

(04/15)

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:

Drill the vertical depth to the Marcellus at an estimated total vertical depth of approximately 7252 feet. Drill horizontal leg to estimated 12,131' lateral length, 20,980' TMD. Hydraulically fracture stimulate and be capable of producing from the Marcellus Formation. Should we encounter an unanticipated void in the coal, we will install a minimum of 20' of casing below the void but not more than 100' below the void, set a basket and grout to surface. We plan to run an ECP above the Gantz/Dominion Storage interval to aid in sealing off and isolating the storage interval.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

The stimulation will be completed with multiple stages divided over the lateral length of the well. Stage spacing is dependent upon engineering design. Slickwater fracturing technique will be utilized on each stage using sand, water, and chemicals. See attached list. Maximum pressure not to exceed 12,500 psi.

21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 68.187 acres

| 22) | Area to be disturbed | l for well pac | l only, less | access road | (acres): | 11.058 acres |
|------|----------------------|----------------|---------------|-------------|----------|--------------|
| Z.Z. | | | 1 OIII / 1000 | | (| |

23) Describe centralizer placement for each casing string:

No centralizers will be used with conductor casing Freshwater - centralized every 3 joints to surface. Coal - Bow Spring on every joint, will also be runn every joint, will also be running ACP for isolating storage zone oring on first 2 joints then every third joint to 100° from surface. e. Run 1 spiral centralizer every 3 k

24) Describe all cement additives associated with each cement type:

Conductor -N/A, Casing to be drilled in w/ Dual Rotary Rig. Fresh Water - 15.6 ppg PNE-1 + 3% bwoc CaCl, 40% Exc Jater - 158 ppg PIK=1 + 3% bwoc Lold, Avp Excess 7 Lab. C13 diate 1 - Lab. 154 ppg PIK=1 + 25% bwoc CACHAR Excess 7 Lab. C13 diate 2 - Lab. 154 ppg PIK=1 + 25% bwoc CACHAR Excess 7 Lab. 159 ppg PIK=1 + 2.5% bwoc CACH 200% Excess. C15* diate 2 - Lab. 154 ppg PIX=1 + 25% bwoc CACHAR Excess 7 Lab. 159 ppg PIK=1 + 2.5% bwoc CACH 200% Excess. C15* diate 3 - Lab. 154 ppg PIX=1 + 2.5% bwoc CACHAR Excess 7 Lab. 159 ppg PIX=1 + 2.5% bwoc CACHAR Excess. C15* diate 3 - Lab. 154 ppg PIX=1 + 2.5% bwoc CACHAR Excess 7 Lab. 159 ppg PIX=1 + 2.5% bwoc CACHAR Excess. C15* diate 3 - Lab. 154 ppg PIX=1 + 2.5% bwoc CACHAR Excess 7 Lab. 159 ppg PIX=1 + 2.5% bwoc CACHAR Excess. C15* diate 3 - Lab. 154 ppg PIX=1 + 2.5% bwoc CACHAR Excess 7 Lab. 159 ppg PIX=1 + 2.5% bwoc CACHAR Excess. C15* diate 3 - Lab. 154 ppg PIX=1 + 2.5% bwoc CACHAR Excess 7 Lab. 159 ppg PIX=1 + 2.5% bwoc CACHAR Excess 1 - Lab. 154 ppg PIX=1 + 0.5% bwoc CA -

25) Proposed borehole conditioning procedures:

Conductor - Ensure the hole is clean at TD. Fresh Water - Once cashing is a stating depth, circulate a minimum of one hole volume with Fresh Water prior to pumping cement. Coal - Once cashing is at setting depth, Circulate and condition at TD. Circulate a minimum of one hole volume prior to pumping cement. Intermediate - Once cashing is at setting depth, Circulate and and condition mud at TD. Circulate a minimum of one hole volume prior to pumping cement. Production - Once cashing is at setting depth, Circulate and condition mud at TD. Circulate a minimum of one hole volume prior to pumping cement. Production - Once on bottom/TD with cashing, circulate at max allowable pump rate for at least 2X bottoms up, or until returns and pump pressures indicate the hole is clean. Circulate a

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*Note: Attach additional sheets as needed.

| | | HERGY | | | | | | 1206 N Marcellus Shal Harrison Co | e Horizontal ounty, WV | |
|------------------|----------------------------|------------------------|-------------------------|---------------------------------------|-----------------------|---------------------|--|---|---|---|
| | | | 1 | | 1206 N | -5H SH | L | 14: | 220788.57N 181553 | 34.19E |
| | | 1350' | | | 1206 1 | N-5H LF | | 14 | 221878.1N 181831 | 7.46E |
| Ground Elevation | | | | | 1206 N | 1202000 | | 14 | 233312.11N 181427 | 7.11E |
| Azm | | 340.53 | CONTRACTOR OF THE | | 1 | | CEMENT | CENTRALIZERS | CONDITIONING | COMMENTS |
| WELLBORE DIAGRAM | HOLE | CASING | GEOLOGY | TOP | BASE | MUD | CEMENT | GENTIALIZENG | Serie, Detroit | |
| in inte | | | | | | | and the second second | | Former the help in place of | Conductor casing = 0.5" wa |
| | 30" | 30" 157.5# | | | 1.00 | AIR | N/A, Casing to be drilled in w/ Dual Rotary Rig | N/A | Ensure the hole is clean at TD. | thickness |
| c X | | LS | Conductor | 0 | 125 | | A STREET OF T | | | |
| | | | Fresh Water | 0 | 135, 480, 637, 731 | | 15.6 ppg PNE-1 + 3% | | Once casing is at setting depth, circulate a minimum | Surface casing = 0,438" wa |
| | 24" | 20" | Coal | 1010 | 1015 | AIR | bwoc CaCl | Centralized every 3 joints to surface | of one hole volume with | thickness |
| × | 24 | 94# J-55 | 1 | | | | 40% Excess Yield=1.20 / CTS | joints to surface | Fresh Water prior to pumping cement. | Burst=2110 psi |
| x x | 1. | | Surface / FW | 0 | 1175 | | | | | |
| | | | | | | | Lead: 15.4 ppg PNE-1 + 2.5% bwoc CaCl | Bow Spring on every | Once casing is at setting depth, Circulate and | Intermediate casing = 0.480" |
| | 4-7 10 | 13-3/8" 68# | Little/Big Lime | 1555 / 1596 | Terrer terre | AIR / KCL Salt | 40% Excess / Tail: 15.9 | joint will also be running | condition at TD. Circulate a minimum of one hole | wall thickness |
| X X | 17.5" | J-55 BTC | Injun / Gantz (Storage) | 1658 / 1985 | 1770 / 2050 | Polymer | ppg PNE-1 + 2.5% bwoc CaCl | ACP for isolating storage zone* | volume prior to pumping | Burst=3450 psi |
| | | | Intermediate 1 | 0 | 2200 | | zero% Excess. CTS | Storage zone | cement. | |
| x | | | Fifty / Thirty Foot | 2095/2182 | 2157 / 2200 | | Lead: 15.4 ppg PNE-1 + | Bow Spring on first 2 joints then every third | Once casing is at setting | Intermediate casing = 0.395" |
| | | Sec. in | Gordon Stray / Gordon | 2232 / 2272 | 2272 / 2385 | AIR / KCL | 2.5% bwoc CaCl 40% Excess / Tail: 15.9 | | depth, Circulate and condition mud at TD. | |
| | 12.25" | 9-5/8" 40# J-55 BTC | 5th Sand | 2515 | 2527 | Salt Polymer | ppg PNE-1 + 2.5% bwoc | joint to 100' form | Circulate a minimum of one | wall thickness Burst=3950 psi |
| x x | | 1.00 0.00 | Bayard / Warren | 2591 / 2891 | 2601 / 2931 | Polymer | CaCl zero% Excess, CTS | surface | hole volume prior to pumping cement. | |
| | | 1 | Intermediate 2 | 0 | 3000 | - | Latera Excesser 919 | | | |
| X X | | | Speechley | 3204 | 3224 | | | Run 1 spiral centralizer | | |
| | 8.5" Vertical | | Balltown | 3438 | 3448 | 9.0ppg SOBM | Lead: 14.5 ppg | every 5 joints from the top of the curve to | | |
| | | 1 | Benson | 4505 | 4525 | SODW | POZ:PNE-1 + 0.3% | surface. | | |
| | | | | 1 | | | bwoc R3 + 1% bwoc EC1 + 0.75 gal/sk | | Once on bottom/TD with | |
| | | | Rhinestreet | 6395 | 6651 | | FP13L + 0.3% bwoc MPA170 | | casing, circulate at max allowable pump rate for at | Production casing = 0.415 |
| | | 5-1/2" | Cashaqua | 6651 | 6751 | - | Tail: 14.8 ppg PNE-1 + | | least 2x bottoms up, or unti | wall thickness |
| X X | | 23# | Middlesex | 6751 | 6854 | 11.5ppg- 12.5ppg | | | returns and pump pressures indicate the hole | Burst=16240 psi Note:Actual centralizer |
| | 8.5" Curve | P-110 HP CDC HTQ | West River Burkett | 6854 | 6864 | SOBM | bwoc ASCA1 + 0.5% | Run 1 spiral centralizer | is clean. Circulate a | schedules may be change Que to hole conditions |
| | | | Tully Limestone | 6864 | 6972 | | bwoc MPA170 20% Excess | every 3 joints from the 1st 5.5" long joint to the | | Wironm D |
| | | | Hamilton | 6972 | 7081 | | Lead Yield=1.19 | top of the curve. | cement. | NDe OV |
| | | - | Marcellus | 7081 | 7260 | 1 | Tail Yield=1.94 CTS | | | FOIL FOIL spart |
| | | | TMD / TVD | 20980 | 7252 | 11.5ppg 12.5ppg | | | | |
| | 8.5" Lateral | | (Production) | | 1454 | SOBM | | | | and Ga 2020 Protec |
| x x | x | × | Onondaga X | 7260 X | _ | | X | X | X X | |
| LP @ | X 7252' TVD / 884 MD | | | 8.5" Hole - Cemen 5-1/2" 23# P-110 | | g | | +/-12 | 131' ft Lateral | TD @ +/-7252' TVD +/-20980' MD |
| × | X | X | X | X | | X | X | X | X | X=centralizers |



HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax

December 5, 2020

Charles R. Sutton 593 Long Run Road Lost Creek, WV 26385

RE: Antonio 1206 N-1H thru S-10H Well Work Permit Applications - Notifications Modification Request to Extend Surface Casing 75' to 1175' to Cover an Additional Seam of Coal Grant District, Harrison County, West Virginia

Dear Mr. Sutton:

Enclosed are copies of various application papers that we will be filing with the West Virginia Department of Environmental Protection (WVDEP), Office of Oil and Gas. A well work permit modification is being requested for the above-referenced well to extend the FW casing 75 feet to 1175' to cover an additional seam of coal.

Pursuant to WV Code Chapter 22B, Article 6, you are receiving copies of this correspondence because the well or other anticipated disturbance is located on your surface property. Your rights as a surface owner (road) are detailed in the enclosed permit application papers.

No action on your part is required. If you have any questions or comments regarding this notification, you may call this office at (304) 420-1119 or <u>mailto:dwhite@hgenergyllc.com</u> dwhite@hgenergyllc.com.

Very truly yours, Diane white

Diane C. White

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DEC 1 0 2020

WV Department of Environmental Protection

Enclosures



HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax

December 5, 2020

Antonio PLLC c/o Mike Ross P. O. Box 219 Coalton, WV 26257

RE: Antonio 1206 N-1H thru S-10H Well Work Permit Applications - Notifications Modification Request to Extend Surface Casing 75' to 1175' to Cover an Additional Seam of Coal Grant District, Harrison County, West Virginia

Dear Mr. Ross:

Enclosed are copies of various application papers that we will be filing with the West Virginia Department of Environmental Protection (WVDEP), Office of Oil and Gas. A well work permit modification is being requested for the above-referenced well to extend the FW casing 75 feet to 1175' to cover an additional seam of coal.

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Very truly yours,

Diane White

Diane C. White

RECEIVED Office of Oil and Gas

DEC 1 0 2020

WV Department of Environmental Protection

Enclosures

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS <u>NOTICE OF APPLICATION</u>

Notice Time Requirement: notice shall be provided no later than the filing date of permit application.

| Date | e of Notice: <u>12/07/20</u> | _ Date Permit Applica | tion Filed: <u>11/30/20</u> | |
|---------------|--|---------------------------|--|--|
| Noti | ice of: PERMIT FOR AN WELL WORK | | CATE OF APPROVAL FOR THE RUCTION OF AN IMPOUNDMENT OR PIT | RECEIVED Office of Oil and Gas |
| Deli | very method pursu | ant to West Virginia C | ode § 22-6A-10(b) | WV Department of Environmental Protection |
| | PERSONAL SERVICE | REGISTERED MAIL | METHOD OF DELIVERY THAT REQUIR RECEIPT OR SIGNATURE CONFIRMAT | ES A |
| Purs certi | uant to W. Va. Code ficate of approval for | the construction of an im | an the filing date of the application, the applicant for a p poundment or pit as required by this article shall deliver | r, by personal service or by |

registered mail or by any method of delivery that requires a receipt or signature confirmation, copies of the application, the erosion and sediment control plan required by section seven of this article, and the well plat to each of the following persons: (1) The owners of record of the surface of the tract on which the well is or is proposed to be located; (2) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for roads or other land disturbance as described in the erosion and sediment control plan submitted pursuant to subsection (c), section seven of this article; (3) The coal owner, operator or lessee, in the event the tract of land on which the well proposed to be drilled is located [sic] is known to be underlain by one or more coal seams; (4) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for the placement, construction, enlargement, alteration, repair, removal or abandonment of any impoundment or pit as described in section nine of this article; (5) Any surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within one thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestic animals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) If more than three tenants in common or other co-owners of interests described in subsection (b) of this section hold interests in the lands, the applicant may serve the documents required upon the person described in the records of the sheriff required to be maintained pursuant to section eight, article one, chapter eleven-a of this code. (2) Notwithstanding any provision of this article to the contrary, notice to a lien holder is not notice to a landowner, unless the lien holder is the landowner. W. Va. Code R. § 35-8-5.7.a requires, in part, that the operator shall also provide the Well Site Safety Plan ("WSSP") to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

☑ Application Notice □ WSSP Notice □ E&S Plan Notice □ Well Plat Notice is hereby provided to:

| U SURFA | CE OWNER(s) | |
|----------|-------------------------------------|----------|
| Name: | Antonio PLLC, c/o Mike Ross | |
| Address: | P. O. Box 219 | |
| | Coalton, WV 26257 | |
| Name: | Charles R. Sutton | |
| Address: | 593 Long Run Road | |
| | Lost Creek, WV 26385 | |
| USURFA | CE OWNER(s) (Road and/or Other Dist | urbance) |
| Name: | See Above | |
| Address: | | |
| Name: | | |
| Address: | | |
| | ACE OWNER(s) (Impoundments or Pits) | |
| Name: | See Above | |
| Address: | | |
| | | |

| □ COAL OWNER OR LESSEE | |
|---|-----------|
| Name: | |
| Address: | |
| COAL OPERATOR | |
| Name: | |
| Address: | |
| □ SURFACE OWNER OF WATER WELL AND/OR WATER PURVEYOR(s) | |
| Name: | |
| Address: | |
| OPERATOR OF ANY NATURAL GAS STOR | AGE FIELD |
| Name: | |
| Address: | |
| | |

*Please attach additional forms if necessary

API NO. 47-OPERATOR WELL NO. 1206 N-1H to S-10H Well Pad Name: Antonio 1206

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for RECEIVED well work or for a certificate of approval for the construction of an impoundment or pit. Office of Oil and Gas

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control 0 2020 plan required by section seven of this article; and (3) the well plat. WV Department of Environmental Protection

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3) the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Pursuant to W. Va. Code R. § 35-8-5.7.a, the operator shall provide the Well Site Safety Plan to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Pursuant to W. Va. Code R. § 35-8-15.2.c, this notice shall: (1) contain a statement of the surface owner's and water purveyor's right to request sampling and analysis; (2) advise the surface owner and water purveyor of the rebuttable presumption for contamination or deprivation of a fresh water source or supply; advise the surface owner and water purveyor that refusal to allow the operator to conduct a pre-drilling water well test constitutes a method to rebut the presumption of liability; (3) advise the surface owner and water purveyor of his or her independent right to sample and analyze any water supply at his or her own expense; advise the surface owner and water purveyor whether or not the operator will utilize an independent laboratory to analyze any sample; and (4) advise the surface owner and or water purveyor that he or she can obtain from the Chief a list of water testing laboratories in the subject area capable of and qualified to test water supplies in accordance with standard acceptable methods.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting www.dep.wv.gov/oiland-gas/pages/default.aspx.

Well Location Restrictions

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the wellhead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted areas referenced in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple well pad if at least one of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report to the Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells as they relate to the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the items

examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well. The operator shall provide an analysis to such surface landowner or water purveyor at their request.

Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments. A surface owner and water purveyor has an independent right to sample and analyze any water supply at his or her own expense. The laboratory utilized by the operator shall be approved by the agency as being certified and capable of performing sample analyses in accordance with this section.

Rebuttable Presumption for Contamination or Deprivation of a Fresh Water Source or Supply:

W. Va. Code § 22-6A-18 requires that (b) unless rebutted by one of the defenses established in subsection (c) of this section, in any action for contamination or deprivation of a fresh water source or supply within one thousand five hundred feet of the center of the well pad for horizontal well, there is a rebuttable presumption that the drilling and the oil or gas well or either was the proximate cause of the contamination or deprivation of the fresh water source or supply. (c) In order to rebut the presumption of liability established in subsection (b) of this section, the operator must prove by a preponderance of the evidence one of the following defenses: (1) The pollution existed prior to the drilling or alteration activity as determined by a predrilling or prealteration water well test. (2) The landowner or water purveyor refused to allow the operator access to the property to conduct a predrilling or prealteration water well test. (3) The water supply is not within one thousand five hundred feet of the well. (4) The pollution occurred more than six months after completion of drilling or alteration activities. (5) The pollution occurred as the result of some cause other than the drilling or alteration activity. (d) Any operator electing to preserve its defenses under subdivision (1), subsection (c) of this section shall retain the services of an independent certified laboratory to conduct the predrilling or prealteration water well test. A copy of the results of the test shall be submitted to the department and the surface owner or water purveyor in a manner prescribed by the secretary. (e) Any operator shall replace the water supply of an owner of interest in real property who obtains all or part of that owner's supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source with a comparable water supply where the secretary determines that the water supply has been affected by contamination, diminution or interruption proximately caused by the oil or gas operation, unless waived in writing by that owner. (f) The secretary may order the operator conducting the oil or gas operation to: (1) Provide an emergency drinking water supply within twenty-four hours; (2) Provide temporary water supply within seventy-two hours; (3) Within thirty days begin activities to establish a permanent water supply or submit a proposal to the secretary outlining the measures and timetables to be used in establishing a permanent supply. The total time in providing a permanent water supply may not exceed two years. If the operator demonstrates that providing a permanent replacement water supply cannot be completed within two years, the secretary may extend the time frame on case-by-case basis; and (4) Pay all reasonable costs incurred by the real property owner in securing a water supply. (g) A person as described in subsection (b) of this section aggrieved under the provisions of subsections (b), (e) or (f) of this section may seek relief in court... (i) Notwithstanding the denial of the operator of responsibility for the damage to the real property owner's water supply or the status of any appeal on determination of liability for the damage to the real property owner's water supply, the operator may not discontinue providing the required water service until authorized to do so by the secretary or a court of competent jurisdiction.

Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

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

DEC 102020

WV Department of Environmental Protection

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

API NO. 47-____ OPERATOR WELL NO. 1206 N-1H to S-10H Well Pad Name: Antonio 1206

Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have **THIRTY (30) 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 adequate 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.

Pursuant to West Virginia Code § 22-6A-11(c)(2), Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

Comment Requirements

Your comments must be in writing and 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.

Disclaimer: All comments received will be placed on our web site http://www.dep.wv.gov/oil-and-gas/Horizontal-

<u>Permits/Pages/default.aspx</u> and the applicant will automatically be forwarded an email notice that such comments have been submitted. The applicant will be expected to provide a response to comments submitted by any surface owner, water purveyor or natural gas storage operator noticed within the application.

Permit Denial or Condition

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director determines that:

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, including the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

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DEC 1 0 2020

API NO. 47-____ OPERATOR WELL NO. 1206 N-1H to S-10H Well Pad Name: Antonio 1206

Notice is hereby given by:

| Well Operator: | HG Energy II Appalachia, LLC | |
|----------------|------------------------------|-------------|
| Telephone: | 304-420-1119 | |
| Email: | dwhite@hgenergyllc.com | Diane White |

| Address: | 5260 Dupont Road | |
|-----------|-----------------------|--|
| | Parkersburg, WV 26101 | |
| Facsimile | : 304-863-3172 | |

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or your personal information, please contact DEP's Chief Privacy Officer at <u>depprivacyofficer@wv.gov</u>.

| TUT | OFFICIAL SEAL |
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| Kit a | STATE OF WEST VIRGINIA |
| 自动程度 | NOTARY PUBLIC |
| 19 | CASSIDY A. BOARDMAN |
| COLUMN . | 5301 13th Ave Vienna, WV 26105 |
| | My Commission Expires July 31, 2022 |

| Subscribed and sworn before n | ne this 5th | day of December, 2020 | <u> </u> |
|-------------------------------|-------------|-----------------------|----------|
| Cassidy A.B | | | Public |
| My Commission Expires 🦳 | 31 2022 | | |

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DEC 1 0 2020

WW6A 1206 NIH-SIDH MOD Certified Notice Receipts

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HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax

November 13, 2020

Mr. Wade Stansberry WVDEP Division of Oil & Gas 601 57th Street Charleston, West Virginia 25304

RE: Antonio 1206 N-1H thru S-10H (47-033-05978,79,80,81,82,83,84,85,86,87)) Modification Request to Extend Surface Casing 75' to Cover an Additional Seam of Coal Grant District, Harrison County, West Virginia

Dear Mr. Stansberry:

Per discussions with Sam Ward and Taylor Brewer, enclosed are revised WW-6B's and casing schematics for the ten permitted laterals on the Antonio 1206 well pad. We request the drill permits be modified to extend the surface casing from 1100' to 1175' to cover an additional seam of coal which was encountered during the drilling process.

Please let me know if you have any questions or require additional information. I can be reached at (304) 420-1119 or <u>dwhite@hgenergyllc.com</u>.

Very truly yours,

Diane White

Diane C. White

Enclosures

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NOV 1 6 2020

Diane White

From: Sent: To: Cc: Subject: Josh Hinton Friday, November 13, 2020 8:07 AM Diane White Dale Fidurko; Lori Barr RE: Permit modification

We will need to make this change to the other (9) wells on this pad. This is Surface Casing/Fresh Water Protection string.

So make TD/Hole Depth 1175' and Casing Shoe Set depth 1145'

From: hgtopholerig1@gmail.com <hgtopholerig1@gmail.com> Sent: Friday, November 13, 2020 8:04 AM To: Dale Fidurko <dfidurko@hgenergyllc.com>; Chip Queen <queenserviceswv@gmail.com>; Josh Hinton <jhinton@hgenergyllc.com>; Lori Barr <lbarr@hgenergyllc.com>; Diane White <dwhite@hgenergyllc.com> Subject: Permit modification

Antonio 1206 N1 H and pad modification TD hole depth 1174', New casing shoe depth 1144', Last coal seam encounter 1126' to 1130' Reason for modification was the coal seam depth Chip has talk to Sam Ward about this modification Thanks Mike

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