

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: 47-3906360, issued to RESERVE OIL & GAS, 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: WALLACE #1

Farm Name: WALLACE, MATTHEW M.

API Well Number: 47-3906360

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 30 mil thickness synthetic liner.

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WW - 2B (Rev. 8/10)

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

					34	09	5-
1) Well Operato	r: Reser	ve Oil &	Gas, Inc.	310-324	Kanawha	Union	Pocatalico
				Operator ID	County	District	Quadrangle
2) Operator's W	/ell Numb	er:_Walla	ce #1		3) Elevation:	736	ž.
4) Well Type: (a	ı) Oil	or Ga	s <u>x</u>				
(b) If Gas:	Produ	ction × / Und	derground Sto	rage		
		Deep	/ S	Shallow <u>×</u>	<u> </u>		
5) Proposed Ta 6) Proposed To 7) Approximate 8) Approximate	tal Depth fresh wa	: <u>⁴⁸⁰⁰</u> ter strata	depths: 200	ron/Rhinestreet Formation at I	Proposed Tar Proposed Tota	get Depth: 4 al Depth: Base	700 of Lower Huron
9) Approximate	coal sea	m depths	S: None				
10) Approximate	e void de	pths,(coa	al, Karst, other):	None			
11) Does land o	contain co	al seam	s tributary to act	tive mine? N	lo		
	•		nd fracturing meth le well with a 2 stag	20	ittach additiona	1	July
						Amy.	1-13
13)		CA	SING AND TUI		 ,	11 (4	
TYPE S	PECIFIC	ATIONS		FOOTAGE	INTERVALS	S CEMEI	<u>NT</u>
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	<u>. Ft.)</u>
Conductor	13 3/8			20'		CTS	3
Fresh Water	9 5/8			330'		CTS X 40%	excess
Coal							
Intermediate	7			1800'		CTS x 30% exce	ess of hole
Production	4 1/2			4650'		120 s	ks
Tubing						Vis	ec
Liners						Peceil	1013
Packers: Kind						1111 S	ce of Wir/12/2013
Size	s: ths Set					20	of oil and the stall
Бер						Offi Offi	៓៶[៙]៸៸៓៸ 12/2013
						MOON	

WW-2A (Rev. 6-07)	1). [
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	3.) A
	STATE OF WEST \

Date: Operator's Well Number Wallace #1 State County Permit 47-API Well No .:

VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

	NOTICE AN	ID APPLICAT	TION FOR A V	VELL WORK PERMIT	Check#52
4) Surface Owr	ner(s) to be served		5) (a) Coal Ope	erator	Check#52
(a) Name	Matthew M. Wallace	W	Name	None	
Address	881 Chester Road		Address		
7144.000	Charleston, WV 25302				
(b) Name			(b) Coal O	wner(s) with Declaration	
Address			Name	None	
/ tadi coo			Address		
			_ /\ddicoo		
(c) Name			Name		
Address			Address		
, , , , , , , , , , , , , , , , , , , ,					-
6) Inspector	Terry Urban		(c) Coal Le	essee with Declaration	
Address	P.O. Box 1207		Name	None	
	Clendenin, WV 25045		Address		
Telephone	304-549-5915				
	TO THE I	PERSONS NAI	MED ABOVE TA	AKE NOTICE THAT:	
Included is the	e lease or leases or	other continuing	contract or contra	acts by which I hold the right t	o extract oil and gas
OR					
				n 8(d) of the Code of West Vi	
				inia Code I have served cop	
application, a loca		panying docume ce (Affidavit attac		ugh on the above named	parties by:
<u>x</u>			al receipt attache	d)	
-		tice of Publicatio		u)	
I have rea				I agree to the terms and co	nditions of any permit
issued under this		napior 22 o ano	roo oort i, and	. agree to the terms and se	iditions of diff porting
		that I have perse	onally examined	and am familiar with the info	rmation submitted on
				y of those individuals immed	iately responsible for
	mation, I believe tha				
	re that there are sigr	ificant penalties	for submitting fal	se information, including the	possibility of fine and
imprisonment.		Well Operator	Reserve Oil & Gas, Inc		
	TAL SEAL	By:	J. Scott Freshwater	The Name	
STATE OF V	WEST VIRGINIA RY PUBLIC	Its:	Vice President	The state of the s	
David David	N. Brannon	Address	929 Charleston Road	U	
Chloe,	WV 25235 pires December 10, 2017		Spencer, WV 25276		
My Collinission Ex	J	Telephone	304-927-5228		-9
Subscribed and so	worn before me this	//# day of	June	, 2013	.10
1/2 -1	1 R			0	14
Hurd 1/	- / Sianna		10	Notary Public	N3
My Commission E		nby 10, 20	11/	000	Jo.
Oil and Gas Privacy N	Notice		, no	Notary Public	2 And Gas Protection

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

07/12/20

07/12/2013

SURFACE OWNER WAIVER

County	Kanawha	Operator	Reserve Oil & Gas, Inc.
•		Operator well number	Wallace #1

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

D EVECUTION BY A MATURAL DEDCOM

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:

- 1) The proposed well work will constitute a hazard to the safety of persons.
- 2) 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.

FUR EXECUTION BY A NATURAL PERSON	10	IN EXECUTIO	N D I A COM C	Willow, Elo.
Matthew Wallace Print Name	Company Name By Its		sceived	Date Date Date O7/12/201
			My Dept. of Env	07/12/201

FOR EVECUTION BY A CORROBATION ETC

Carret Kanawha

COAL OPERATOR, OWNER, OR LESSEE WAIVER

Operator Reserve Oil & Gas, Inc.	Operator's Well Number	Wallace #1
INSTRUCTIONS TO CO	OAL OPERATOR, OWNER	R, OR LESSEE
To the coal operator, owner, or les any objection you wish to make or are req with the Chief of the Office of Oil and Gas by the Office. Mail objections to:	uired to make by WV Cod	e 22-6-15, 16 or 17, must be filed
Chief, Office of Oil and Gas Department of Environmental Protection 601 57 th St. SE Charleston, WV 25304 (304) 926-0499 extension 1654		
	WAIVER	
The undersigned coal operatorlocation has examined this proposed well location, the well location has been added work proposed to be done at this location, requirements of the West Virginia Code ar	location. If a mine map ex to the mine map. The un provided, the well operato	cists which covers the area of well dersigned has no objection to the or has complied with all applicable
FOR EXECUTION BY A NATURAL PERSON	FOR EXE	CUTION BY A CORPORATION, ETC.
Date Signature	Company Name By	
	lts	Date
	Sign	ature Date

No Known operator, owner, or lesser of workable control Seam on this tract. Received 2013

Office of Oil and Gas Protection
Office of Oil and Gas Protection
Office of Oil and Gas Protection
O7/12/2013

Operator's Well Number Wallace #1

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
Matthew M. Wallace	Reserve Oil & Gas, Inc.	1/8	See Attached

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 he reby 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:

Reserve Oil & Gas, Inc.

J. Scott Freshwater

Vice President

o^{ffico}Err^{ut} 07/12/2013



WW-2B1	
(5-12)	

Well No.	Wallace #1

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		ALS Environmental Lab
Camping Community		
Well Operator	Reserve Oil & G	as, Inc.
Address	929 Charleston Road	
	Spencer, WV 25	276
Telephone	304-927-5228	

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.

No Known wells within 1,000 for of location. Notices previously

provided for Burdette # 1 2 2 2013

in area - See attached - 0.77, 112/2013

WW-9 (5/13)

	Page	of
API Number 47 -	-	
Operator's Wel	No. Wallace #1	

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name	Reserve Oil & Gas, Inc.	OP Code
Watershed (HUC	10)_Landers Creek of Tyler Creek	Quadrangle Pocatalico
Elevation 736	County_Kanawha	District_Union
Will a pit be used	for drill cuttings? Yes x No No nese describe anticipated pit waste: Inthetic liner be used in the pit? Yes x No	the proposed well work? Yes No _x
	Reuse (at API Number Off Site Disposal (Supply form WW-9	
Will closed loop s	ystem be used? No	
Drilling medium a	nticipated for this well? Air, freshwater, oil base	ed, etc. Air, Gel, Freshwater
-If oil bas	sed, what type? Synthetic, petroleum, etc	
Additives to be us	ed in drilling medium?	
Drill cuttings disp	osal method? Leave in pit, landfill, removed offs	site, etc. Leave in pit
-If left in	pit and plan to solidify what medium will be use	ed? (cement, lime, sawdust) Soil/Dirt
on August 1, 2005 provisions of the law or regulation of I certify application form obtaining the info penalties for subm Company Official	by the Office of Oil and Gas of the West Virging permit are enforceable by law. Violations of an ean lead to enforcement action. under penalty of law that I have personally example and all attachments thereto and that, based or mation, I believe that the information is true, itting false information, including the possibility Signature (Typed Name) J. Scott Freshwater	eceiveo.
Company Official	Title_Vice President	24 20
Subscribed and sy **Lavic My commission e	rorn before me this 11th day of I of Ronnon Expires Accember 10, 201	Notary Public Notary Public State Of West Vinginia

Form WW-9	Operators Well No. WALLACE #1
·. LEC	EEND
Property Boundary	Diversion
Road	Spring
Existing FenceXXXX	Wet Spot
Planned Fence —/——/——/——	Drain Pipe with size in inches
Stream	Waterway C- C- C-
Open Ditch	Cross Drain
Rock &	Artificial Filter Strip
North N	Pit: cut wails
Buildings	Pit: compacted fill walls
Water Well (W)	Area for Land Application of Pit Waste
Drill Site	
Proposed Revegetation Treatment: Acres Disturbed	
Lime3Tons/acre or to correct to pH6.5	
Fetilizer (10-20-20 or equivalent) 0.25	_ lbs/acre(500 lbs minimum)
Mulch HAY 2 Tons/ac	ere
—— Seed Mixtures—	
Area I	Area II
Seed Type Ibs/acre	Seed Type lbs/acre
Orchard Grass 25	Ladino Clover 5
Red Top Clover 15	Ky_3140
Attach:	
Drawing(s) of road, location, pit and proposed area for	· land application.
Photocopied section of involved 7.5' topographic sheet.	
A. ulluh	
Plan Approved by: New WWW	
Comments:	Date: CMO Received
1 A a	COLV
Title: Inspecto OleCens	Date: CMB DE 2013
Field Reviewed? () Yes () No	Dote: CURS POPE 2013
	wee of Outpream







