

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

January 20, 2016

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-3906378, 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.

Operator's Well No: HARMON 2A

Farm Name: THE COURTLAND COMPANY

API Well Number: 47-3906378

Permit Type: Vertical Well

Date Issued: 01/20/2016

Promoting a healthy environment.

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. Failure to adhere to the specified permit conditions may result in enforcement action.

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 with 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 of 20 mil thickness synthetic liner.
- 5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
- 6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours
- 7. Well work activities shall not constitute a hazard to the safety of persons.
- 8. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced, drilling ceased, completion of any other permitted well work and completion of the well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

39-6378 CK# 9858 \$6500

WW - 2B (Rev. 8/10)

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

) Well Operato	r: Reser	ve Oil &	Gas, Inc.	310-324	Kanawha	South Charleston	Charleston West
				Operator ID	County	District	Quadrangle
?) Operator's W	ell Numb	er: Harmo	on #2 A		3) Elevation:	600	
) Well Type: (a	a) Oil	_ or Ga	s <u>x</u>				
(b) If Gas:	Produ	ction × / Unc	derground Stor	rage		
			/ S		_		
5) Proposed Ta5) Proposed To7) Approximate8) Approximate	tal Depth fresh wat	er strata	depths: 200	ron/Rhinestreet Formation at F	Proposed Tar Proposed Tota	get Depth: <u>4</u> al Depth: <u>Lower</u>	300 r Huron/Rhinestreet
9) Approximate	coal sear	m depths	S: None				
0) Approximat	e void de	pths,(coa	al, Karst, other):	N/A			_
1) Does land	contain co	al seam	s tributary to act	ive mine? N	o		
						1 -1 4- 15	\
2) Describe pro	posed we	ll work ar	nd fracturing meth	iods in detail (a	ttach additiona	I sneets if ne	eaea)
rill and complete		feet-	le well with 2 stage			Jocq Five)
	00	reel	11001 31191	Ta pocar	A) /	Ma
		0.1	CINC AND THE	DINC BROCK	AM MU	my d	15-16
13) TYPE S	SPECIFIC	A STATE OF THE STA	ASING AND TUI	FOOTAGE	INTERVALS	/	
1112	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	ı. Ft.)
Conductor	13 3/8"			20'		CTS	S
Fresh Water	9 5/8"			270336	1	CTS x40%	excess
Coal							
Intermediate	7"			1800'		CTS x 30%	excess
Production	4 1/2"			4300'		120 s	sks
Tubing		1					
Liners							
Packers: Kin	d:						
Siz						Recei	ved
Dep	oths Set					11660	4 00 00

		Operator's Wel	I Number	Harmor	n #2A
			State 47-	County 39	Permit - 6378
		3.) API Well No.:	47-	37	05/0
	STATE	OF WEST VIRGINIA			
DEP	ARTMENT OF ENVIRONMENT		ICE OF	OIL AND	GAS
	NOTICE AND APPLICA				
	wner(s) to be served:	5) (a) Coal Operator			
(a) Name	The Courtland Company	Name			
Address	114 Monongalia Street	Address			
	Charleston, WV 25302	_			
(b) Name		(b) Coal Owner(s) wit	th Declara	ition	
Address		Name			
		Address			
(c) Name		Name			
Address		Address			
Addicas					
6) Inspector	Terry Urban	(c) Coal Lessee with	Declaration	on	
Address	P.O. Box 1207	Name			
	Clendenin, WV 25045	Address			
Telephone	304-549-5915				
	TO THE PERSONS NA	MED ABOVE TAKE NOTI	CE THAT	<u>:</u>	
	the lease or leases or other continuing	contract or contracts by which	h I hold the	e right to extr	act oil and gas
<u>OR</u>					
	the information required by Chapter 22				
	that as required under Chapter 22-6				
application, a loc	cation plat, and accompanying docum		the above	named partie	s by:
<u>X</u>	Personal Service (Affidavit atta Certified Mail (Postmarked pos				
-	Publication (Notice of Publication				
I have re	ead and understand Chapter 22-6 and		the terms	and condition	ns of any permit
issued under this		a co con i, ana i agree te		arra corranto.	io or any ponini
	under penalty of law that I have pers	sonally examined and am fan	niliar with t	he information	on submitted on
this application	form and all attachments, and that be	ased on my inquiry of those i	individuals	immediately	responsible for
	ormation, I believe that the information				
	are that there are significant penalties	s for submitting false informat	ion, includi	ng the possi	oility of fine and
imprisonment.	W-II 0	Dhama Oil e dan In-			
		Reserve Oil & Gas. Inc)		
,	OFFICIAL SEAL BY:				
STATE STATE	E OF WEST VINGING }	929 Charleston Road			
(14) 图像正规定 [2]	uc 75 Box 410	Spencer, WV 25276			
My Commiss	Chloe: WY 25235 son Expires December 10, 2017	304-927-5228			
	, o opinono.	ddouglass@rasaryaail	andaac a	om	

1). Date:

WW-2A

(Rev. 6-14)

Subscribed and sworn before me this

My Commission Expires
Oil and Gas Privacy Notice

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

January

day of

JAN 1 5 2016

Notary Public

WW-2A Surface Waiver

SURFACE OWNER WAIVER

County	Kanawha	Operator	Reserve Oil & Gas, Inc.	
		Operator well number	Harmon #2	

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

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

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

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

Time Limits and methods for filing comments. The law requires these materials to be served on or before the date the operator files his Application. You have FIFTEEN (15) DAYS after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure a dequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Comments must be in writing. Your comments must include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

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

- 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.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

Company
Name
By
Its

Print Name

Print Name

Signature

Date

FOR EXECUTION BY A CORPORATION, ETC.

Company
Name
By
Its

The Courtland Company
Its

Date

VICE PIZES.

Signature

Date

39-6378

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

Operator's Well Number	Harmon #2 A
OAL OPERATOR, OWNER	R, OR LESSEE
see named on page WW2	P-A. You are hereby notified that 22-6-15, 16 or 17, must be filed filer the receipt of this application
WAIVER	
to the mine map. The und	/ of the coal under this well sts which covers the area of well ersigned has no objection to the has complied with all applicable s.
FOR EXECU	UTION BY A CORPORATION, ETC.
Company Name By	
Its	Date
Signat	ure Date
	walver walver walver / owner / lessee _ cation. If a mine map exist to the mine map. The under to the governing regulations for exercise to the governing regulations are governed to the governed to t

No Known owner, operator, or lessee of workable coalbed/scam on this tract.

Received 01/22/2016

JAN 15 2016

Office of Oil and Gas WV Dept. oi Environmental Protection WW-2A Coal Waiver

39-6378

COAL OPERATOR, OWNER, OR LESSEE WAIVER

Operator Reserve Oil & Gas, Inc.	Operator's Well Num	ber H	Harmon #2
To the coal operator, owner, or any objection you wish to make or are	required to make by WV (VW2-A.	x. You are hereby notified t 22-6-15, 16 or 17, must be fi
with the Chief of the Office of Oil and by the Office. Mail objections to:	Gas within fifteen (15) day	ys after	er the receipt of this applicat
Chief, Office of Oil and Gas Department of Environmental Protection 601 57 th St. SE Charleston, WV 25304 (304) 926-0499 extension 1654	'n		
	WAIVER		
The undersigned coal operator location has examined this proposed w location, the well location has been ad work proposed to be done at this locat requirements of the West Virginia Code	vell location. If a mine ma ded to the mine map. The ion, provided, the well ope e and the governing regula	p exists e under erator h ations.	is which covers the area of we rsigned has no objection to has complied with all applica
FOR EXECUTION BY A NATURAL PERSON	FOR	EXECUT	TION BY A CORPORATION, ETC
Da	Company Name		
Signature	By Its		Da
	-	Signatu	ure Da

No Known owner, operator, or lessee of workable coalbed/scam on this tract.

Received

JAN 15 2016 01/22/2016

39-6378

WW-2A1 (Rev. 1/11)

Operator's Well Number Harmon #2A

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
The Courtland Company	Reserve Oil & Gas Inc	1/8	LB 262/338

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 authority before the affected activity is initiated.

Well Operator:

By: Its:

Reserve Oil & Gas, Inc

Vice President

Paceiv@1/22/2016

JAN 1 5 2016

Office of Oil and Gas
WV Dept. of Environmental Protection

WW-2B1 (5-12) Well No. Harmon #2 A

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

Well Operator
Address

Page Charleston Road
Spencer, WV 25276

Telephone

ALS Environmental Lab

ALS Environmental Lab

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 water well within 2000 feet. Only water sources are Davis Creek.



JAN 15 2016

6378

WW-9 (2/15) API Number 47 - 39 - 6378
Operator's Well No. Harmon #2A

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

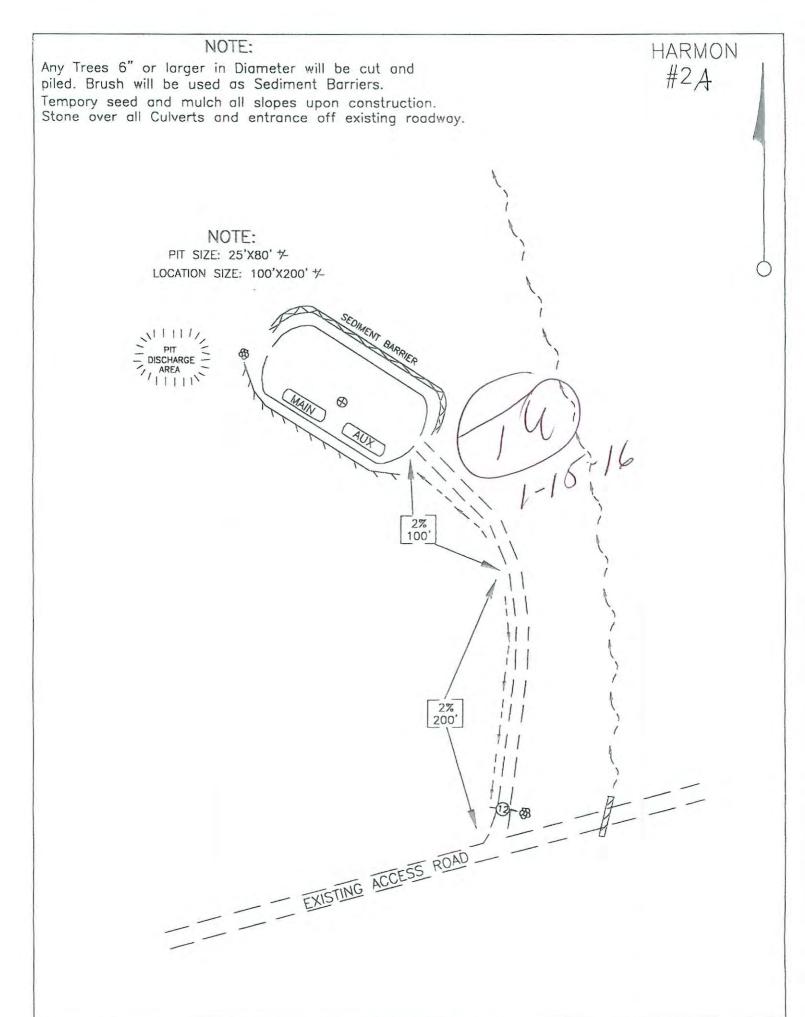
Operator Name Reserve Oil & Gas, Inc.	OP Code 310-324
Watershed (HUC 10) Davis Creek Quadrangle	Charleston West
Do you anticipate using more than 5,000 bbls of water to complete the proposed	well work? Yes No V
Will a pit be used? Yes V No	
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes No I	f so, what ml.? 20
	1-15-16
Land Application	1-1310
Reuse (at API NumberOff Site Disposal (Supply form WW-9 for disposal to	ocation)
0.1 (7)	
Will closed loop system be used? If so, describe: N/A	
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwa	ater, oil based, etc. Air, Gel, Brinewater
-If oil based, what type? Synthetic, petroleum, etc	
Additives to be used in drilling medium? Gilsonite, Mil-Flake, Airfoam HD	
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Lea	ve in pit
-If left in pit and plan to solidify what medium will be used? (cement,	
-Landfill or offsite name/permit number?	And the second s
Permittee shall provide written notice to the Office of Oil and Gas of any load of West Virginia solid waste facility. The notice shall be provided within 24 hours	
where it was properly disposed.	or rejection and the permittee shall also disclose
I certify that I understand and agree to the terms and conditions of the on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department provisions of the permit are enforceable by law. Violations of any term or conclaw or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined and application form and all attachments thereto and that, based on my inquiry obtaining the information, I believe that the information is true, accurate, an penalties for submitting false information, including the possibility of fine or improved the possibility of the possibility of the or improved the possibility of the possibility of the or improved the possibility of the possibili	and of Environmental Protection. I understand that the indition of the general permit and/or other applicable arm familiar with the information submitted on this of those individuals immediately responsible for d complete. I am aware that there are significant
Company Official (Typed Name) . Scott Freshwater	
Company Official Title Vice President	Office of Oil and Gas WV Dept. of Environmental Protection
Subscribed and sworn before me this 14 day of January Havid M. Brannen My commission expires Huember 10 2017	, 20_ <i>16</i>
Havid 11. 18 rannen	Notary Public
Museuminian miner 1810 mm loss 10 2017	- Anna & Actual
My commission expires Hulmun 10, 2011	04/22/2016

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
David N. Brannon
HC 75 Box 410
Chibe, WV 25235
My Commission Expires December 10, 2017

01/22/2016

Form WW-9

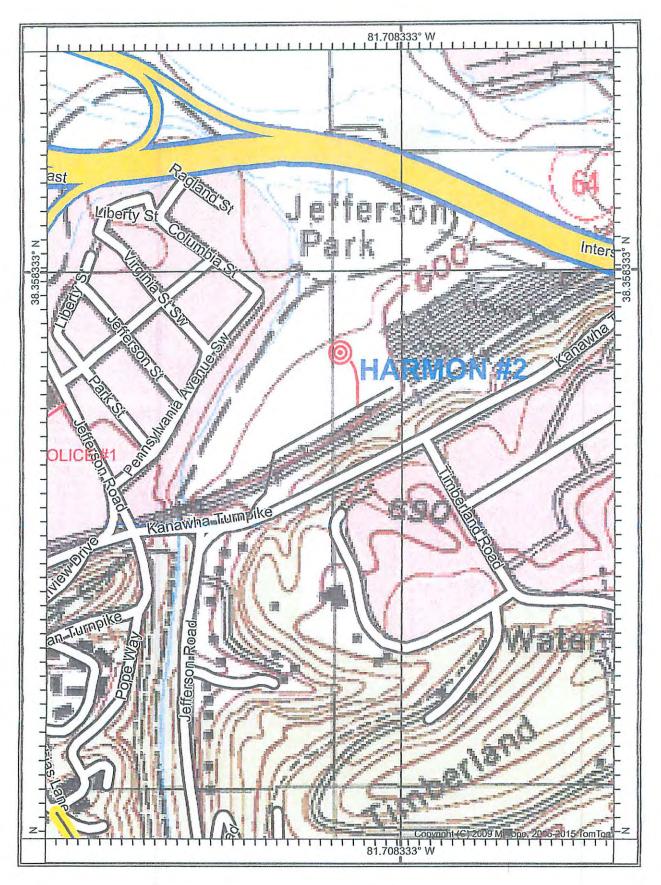
Proposed Revegetation Treatr	nent: Acres Disturbed 2	Prevegetati	on pH 5.5
Lime 3	Tons/acre or to corre	ct to pH 6.5	
Fertilizer type			
Fertilizer amount 0.2	25	lbs/acre	
Mulch_Hay	2	_Tons/acre	
		Seed Mixtures	
Ter	mporary	P	ermanent
Seed Type	lbs/acre	Seed Type	lbs/acre
Orchard Grass	25	Ladino Clover	5
Dad Tan Clause	15	KY 31	40
Attach: Drawing(s) of road, location, provided) Photocopied section of involv	pit and proposed area for	land application (unless engineered pla	
Attach: Drawing(s) of road, location, provided)	pit and proposed area for	land application (unless engineered pla	
Attach: Drawing(s) of road, location, provided) Photocopied section of involv Plan Approved by:	pit and proposed area for	land application (unless engineered pla	
Attach: Drawing(s) of road, location, provided) Photocopied section of involv Plan Approved by:	pit and proposed area for	land application (unless engineered pla	
Attach: Drawing(s) of road, location, provided) Photocopied section of involv Plan Approved by:	pit and proposed area for	land application (unless engineered pla	ns including this info have b

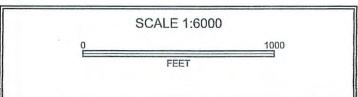


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JAN 15 2016 01/22/2016





59-63B

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Office of Oil and Gas WAY Doot, of Environmental Protection

