

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 Jim Justice , Governor Austin Caperton , Cabinet Secretary www.dep.wv.gov

Monday, December 04, 2017 WELL WORK PERMIT Vertical / New Drill

RESERVE OIL & GAS, INC. 929 CHARLESTON ROAD

SPENCER, WV 252760000

Re: Permit approval for CLEARON 1

47-039-06387-00-00

This well work permit 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 any additional specific 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 of 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.

Per 35 CSR 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) 926-0450.

James A. Martin

Chief?

Operator's Well Number: CLEARON 1

Farm Name: CLEARON CORP.

U.S. WELL NUMBER: 47-039-06387-00-00

Vertical / New Drill

Date Issued: 12/4/2017

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.

WW - 2B (Rev. 8/10)

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

1) Well Operator	r: Rese	rve Oil &	Gas, Inc.	310-324	Kanawha	South Charleston	Charleston West
				Operator ID	County	District	Quadrangle
2) Operator's W	ell Numb	er:Clear	on #1		3) Elevation:	585	_
4) Well Type: (a) Oil	or Ga	as <u>x</u>				
(b)) If Gas:	Produ	ction X/ Un	derground Sto	rage		
		Deep	o/ \$	Shallow x			
5) Proposed Tar 6) Proposed Tot 7) Approximate 8) Approximate	tal Depth fresh wa	: <u>4650</u> ter strata	Feet a depths: 200	on/Rhinestreet Formation at I	Proposed Tar Proposed Tot	rget Depth: al Depth: 🚾	4600 ver Huron/Rhinestreet
9) Approximate	coal sea	m depth:	s: None				RECEIVED Office of Oil and Ga
10\ Approximate	void do	nthe (co	al Karet other)	N/A			NOV 2 9 2017
10) Approximate	voiu de	piris,(co	ai, Naist, Other).	1471			WV Department o
11) Does land co	ontain co	al seam	s tributary to ac	tive mine? N	lo		Environmental Protec
12) Describe prop	oosed we	ll work ar	nd fracturing meth	nods in detail (a	ttach additiona	al sheets if n	eeded)
						1/	10
				/	/ Ku	y whe	M.
13)		CA	SING AND TU	BING PROGR	AM /	11-22-1	7
	PECIFIC	A STATE OF THE PARTY OF THE PAR		FOOTAGE	INTERVALS	S CEMI	<u>ENT</u>
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (C	<u>u. Ft.)</u>
Conductor	13 3/8"			20' 4		СТ	S
Fresh Water	9 5/8"			336		CTS x 40%	% excess
Coal							
Intermediate	7"			1800'		CTS x 30%	% excess
Production							
Tubing	4 1/2"			4600'		120	sks
Liners							
Packers: Kind: Sizes Depti							

Operator's	Well	Number	Clearon #
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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
Clearon Corp.	Reserve Oil & Gas, Inc.	1/8	LB 263/943

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 hereby 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:

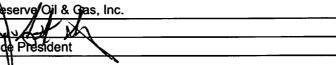
- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service

RECEIVED
Office of Oil and Gas NOV 29 2017 WV Department of Environmental Protection

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 appr opriate aut hority before the affected activity is initiated.

> Well Operator: By:Its:



WW-2B1	
(5-12)	

Well No	Clearon #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 Labora	atory Name	ALS Environmental Lab	Office of Oil and Gas
Sampling Contractor			Office of Oil all
			NOV 29 2017
Well Operator	Reserve Oil &	Gas, Inc.	WV Department of Environmental Protection
Address	929 Charlesto	n Road	Environmo
	Spencer, WV	25276	
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 water well within 2000 feet. Only water Sources are Kanawha River.

WW-2A		
(Rev. 6-14)		1). Date: <u>11/21/2017</u>
(**************************************		2.) Operator's Well Number Clearon #1
		State County Permit
		3.) API Well No.: 47- Kanawha -
	STATE OF	F WEST VIRGINIA
DEF	PARTMENT OF ENVIRONMENTA	AL PROTECTION, OFFICE OF OIL AND GAS
	NOTICE AND APPLICATION	ION FOR A WELL WORK PERMIT
	• • • • • • • • • • • • • • • • • • • •	5) (a) Coal Operator
(a) Name		Name Clearon Corp.
Address	95 MacCorkle Ave. SW	Address
(h) Nama	South Charleston, WV 25303	(b) Cool Owner(a) with Declaration
(b) Name		(b) Coal Owner(s) with Declaration
Address		Name
		Address
(a) Alama		Name
(c) Name		Address
Address		Address
6) Inspector	Terry Urban	(c) Coal Lessee with Declaration RECEIVED
Address	P.O. Box 1207	_ (c) Coal Lessee with Declaration Office of Oil and Gas Name
Addicss	Clendenin, WV 25045	Address NOV 2 9 2017
Telephone		
•		IED ABOVE TAKE NOTICE THAT: WV Department of
x Included is	the lease or leases or other continuing or	Sontract or contracts by which I hold the right to extract oil and gas
OR	3	,
		Article 6, Section 8(d) of the Code of West Virginia (see page 2)
		of the West Virginia Code I have served copies of this notice and
		nts pages 1 through on the above named parties by:
2	Certified Mail (Postmarked postal	
-	Publication (Notice of Publication	· · · · · · · · · · · · · · · · · · ·
I have i		35 CSR 4, and I agree to the terms and conditions of any permit
issued under th	is application.	
		nally examined and am familiar with the information submitted on
		ed on my inquiry of those individuals immediately responsible for
	formation, I believe that the information is	for submitting false information, including the possibility of fine and
imprisonment.	valo trat troio are significant periatios it	of dubinitating falso information, including the possibility of time and
	Operator Espirator	Reserve, Oil & Gas. Inc. OFFICIAL SEAL
/ S2276 /	M'HEONEUS BY:	STATE OF WEST VIRGINI
/ RL 22AJDU		VICE President WILLIAM TOOUGLASS
■ AINIBRIV T:	SEW TO STATE OF WEEK SET AND WOOLESS: 3	
SEAL		Spencer, WV 25276 My Commission Expires June 13, 304-927-5228
	Fmail: C	ddouglass@reserveoilandgas.com
Subscribed and	I sworn before me this 30th day of	Novembre 2017, Reserve Oil & Gas, Inc.

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 2/08/2017 depprivacyofficer@wv.gov

My Commission Expires
Oil and Gas Privacy Notice

Notary Public

CK# 1001 39.06387 Amt & USD.W Date 11/24/17

WW-2A Surface Waiver (4/16)

SURFACE OWNER WAIVER

County	Kanawha	Operator Operator	Reserve Oil & Gas, Inc.	
		Operator well number	Clearon #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:

RECEIVED Office of Oil and Gas

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

WV Department of Environmental Protection

NOV 2 9 2017

<u>Time Limits and methods for filing comments.</u> 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 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.

<u>Comments must be in writing.</u> 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.

<u>List of Water Testing Laboratories</u>. 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 Form WW2-B, a survey plat, WW-9, and a soil 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.		
	Date	Company Name	Clearon Corp.	
Signature		By Its	DIR, BUS OPER/SP	11/27/17 Date PPORT Sucs.
Print Name			Signature	11/27/17 Date

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

	Operator's Well Num	ber Olcaion #1
Operator Reserve Oil & Gas, Inc.		Clearon #1
INSTRUCTIONS	O COAL OPERATOR, OW	NER, OR LESSEE
any objection you wish to make or a	e required to make by WV	WW2-A. You are hereby notified that Code 22-6-15, 16 or 17, must be filed sys after the receipt of this application
Chief, Office of Oil and Gas Department of Environmental Protec 601 57 th St. SE	tion	
: [1] [1] [1] [1] [1] [1] [1] [1] [1] [1]		
Charleston, WV 25304 (304) 926-0499 extension 1654	WAIVER	
The undersigned coal operate location has examined this proposed location, the well location has been work proposed to be done at this location.	or/ owner/ less well location. If a mine mandded to the mine map. The ation, provided, the well ope	see/ of the coal under this well up exists which covers the area of well e undersigned has no objection to the erator has complied with all applicable ations.
The undersigned coal operate location has examined this proposed location, the well location has been work proposed to be done at this location has of the West Virginia Co	or/ owner/ less well location. If a mine mandded to the mine map. The ation, provided, the well open de and the governing regul	p exists which covers the area of well e undersigned has no objection to the erator has complied with all applicable
The undersigned coal operate location has examined this proposed location, the well location has been a work proposed to be done at this location the well west Virginia Corequirements of the West Virginia Core	well location. If a mine mandded to the mine map. The ation, provided, the well opede and the governing regulation. FOR Company Name	p exists which covers the area of well e undersigned has no objection to the erator has complied with all applicable ations. EXECUTION BY A CORPORATION, ETC.
(304) 926-0499 extension 1654 The undersigned coal operate location has examined this proposed location, the well location has been a	or/ owner/ less well location. If a mine mandded to the mine map. The ation, provided, the well ope de and the governing regul N FOR Company	p exists which covers the area of well e undersigned has no objection to the erator has complied with all applicable ations. EXECUTION BY A CORPORATION, ETC. RECEIVED Office of Oil and Gas

or lessee of workable

Coalbed/Scam on this tract.

WW-9 (5/16)

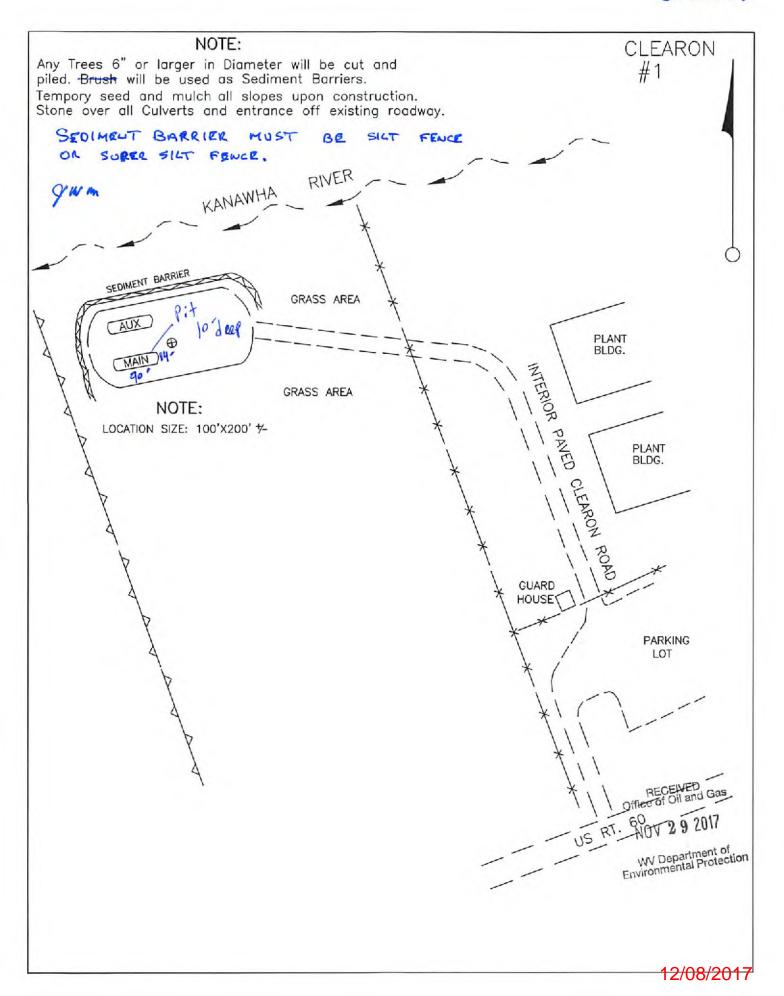
API Number	47		
Operator's W	ell No.	Clearon #1	Τ

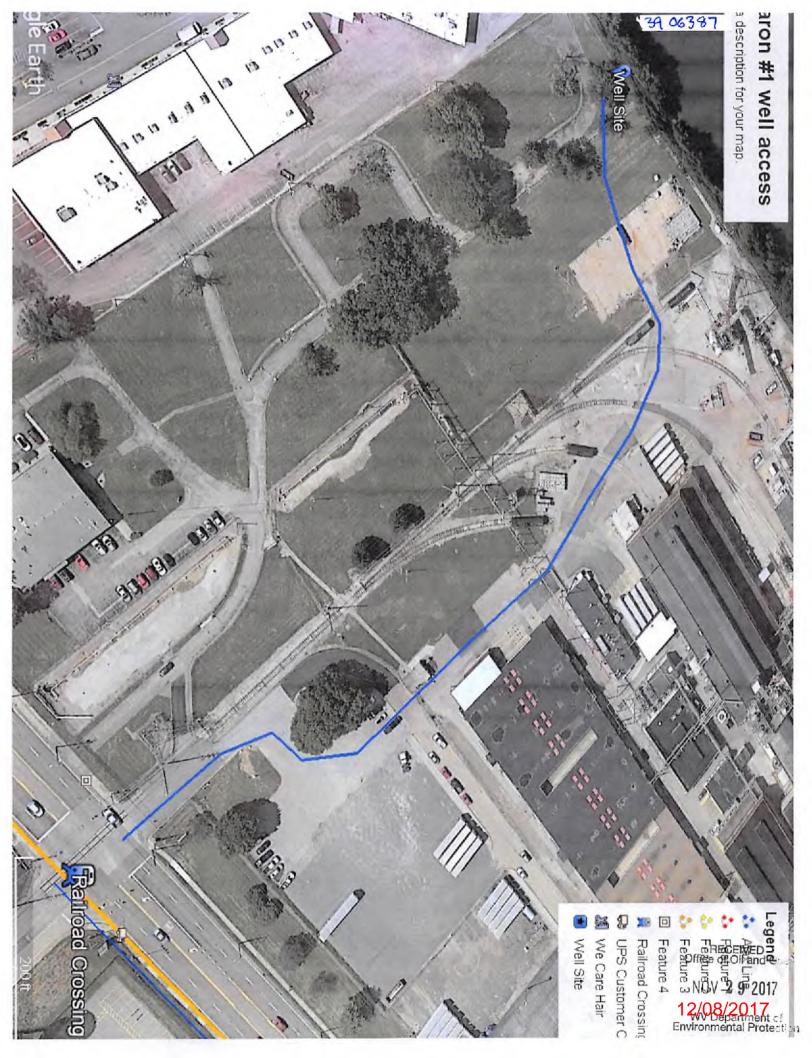
STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

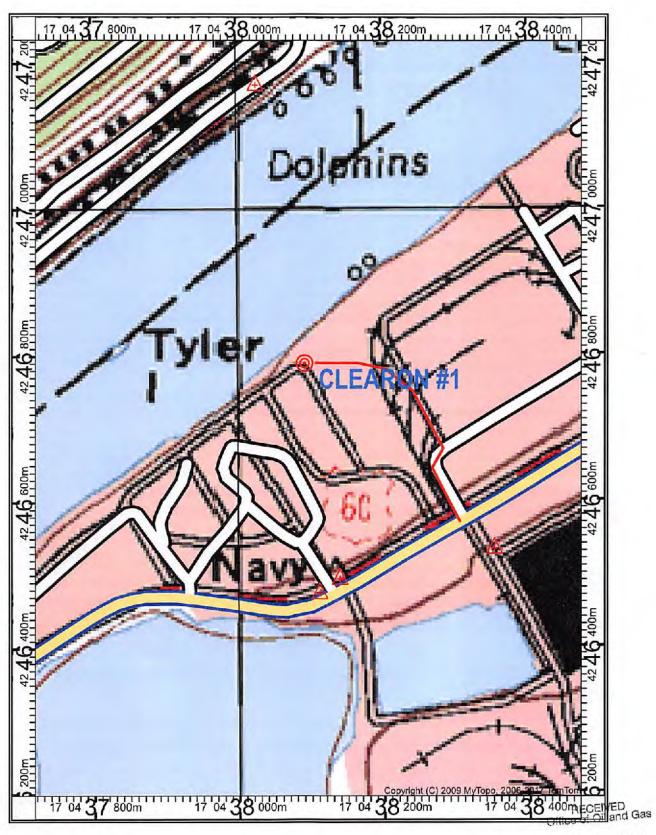
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_Reserve Oil & Gas, Inc.	OP Code 310-324
	irangle Charleston West
Do you anticipate using more than 5,000 bbls of water to complete the pro	
Will a pit be used? Yes No No	
If so, please describe anticipated pit waste: brine water, drill co	uttings, fresh water
Will a synthetic liner be used in the pit? Yes No	If so, what ml.? 30
Proposed Disposal Method For Treated Pit Wastes:	(M) vi-224
Land Application (if selected provide a complet	ed form WW/9-GPP)
Underground Injection (UIC Permit Number_	
Reuse (at API Number TBD or offiste disposal Off Site Disposal (Supply form WW-9 for disp	osal location)
Other (Explain_	
Will closed loop systembe used? If so, describe: N/A	
Drilling medium anticipated for this well (vertical and horizontal)? Air, fr	eshwater, 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	RECEIVED Gas Office of Oil and Gas
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc.	Leave in pit Office of 5.17
-If left in pit and plan to solidify what medium will be used? (cer	nent, lime, sawdust) Soil/dirt; cement NOV 2 9 2017
-Landfill or offsite name/permit number?	wv Department of Environmental Protection
Permittee shall provide written notice to the Office of Oil and Gas of any le	
West Virginia solid waste facility. The notice shall be provided within 24 l where it was properly disposed.	
I certify that I understand and agree to the terms and conditions of on April 1, 2016, by the Office of Oil and Gas of the West Virginia Depa provisions of the permit are enforceable by law. Violations of any term or or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined application form and all attachments thereto and that, based on my inquiry the information, I believe that the information is true, accurate, and comsubmitting false information, including the possibility of fine or imprisonment Company Official Signature Company Official Title Vice President	rtment of Environmental Protection. I understand that the condition of the general permit and/or other applicable law and am familiar with the information submitted on this of those individuals immediately responsible for o btaining plete. I am aware that there are significant penalties for
Subscribed and swom before me this 30th day of Novem	Notary William T Douglass
My commission expires June 13, 2072	146 CHARLES FORK ROA

		Operator's	Well No. Clearon #1
Proposed Revegetation Treat	ment: Acres Disturbed	1 Preveg etation	_{pH} 5.5
Lime 3	Tons/acre or to con	rect to pH 6.t	
Fertilizer type			
Fertilizer amount 0.	.25	lbs/acre	
_{Mulch} Hay	2	Tons/acre	
		Seed Mixtures	
Temporary		Permanent	
Seed Type	lbs/acre	Seed Type	lbs/acre
Orchard Grass	25	Ladino Clover	5
Red Top Clover	15	KY 31	40
	pit will be land applied, p	and application (unless engineered plans inclorovide water volume, include dimensions (l	
provided). If water from the p (L, W), and area in acres, of the photocopied section of involving the photocopied section of the photocopied section of involving the photocopied section of the photocopied section	pit will be land applied, p the land application area.	provide water volume, include dimensions (l	
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SCALE 1:5000

1000
FEET

NOV 2 9 2017

WV Department of Environmental Protection

