

#### 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

June 29, 2015

#### WELL WORK PERMIT

#### Vertical Well

This permit, API Well Number: 47-4303498, issued to HG ENERGY, LLC, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

Chien /

Operator's Well No: NATHANIEL MASON 223

Farm Name: BRUMFIELD, JOSHUA D.

API Well Number: 47-4303498 Permit Type: Vertical Well

Date Issued: 06/29/2015

### 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.
- 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 on this 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: HG E	nergy, L	LC	494497948	Lincoln	Duval	Griffithsville 7.5'
		·		Operator ID	County	District	Quadrangle
2) Operator's W	/ell Numb	er: <u>Natha</u>	aniel Mason 223	3	3) Elevation:	910'	-
4) Well Type: (a	a) Oil <u>X</u>	or Ga	ıs				
(b	) If Gas:	Produ	iction/ Und	derground Sto	rage		
		Deep	o/ S	Shallow X			
5) Proposed Ta 6) Proposed To 7) Approximate 8) Approximate	tal Depth fresh wa	: 2565' TV ter strata		Formation at I	Proposed Tar Proposed Tota	get Depth: 2 al Depth: _Be	2565' TVD rea
9) Approximate	coal sea	m depth:	s: <u>350'</u>				
10) Approximat	e void de	pths,(coa	al, Karst, other):	NA			
11) Does land o	contain co	al seam	s tributary to ac	tive mine? $N$	IA	<del>-</del> -	
12) Describe pro Drill and stimula	-		nd fracturing meth in the Big Injun				
			· · · · · · · · · · · · · · · · · · ·				· · · · · · · · · · · · · · · · · · ·
13)		C.A	ASING AND TU	BING PROGR	AM		
•	<u>PECIFIC</u>		•	FOOTAGE		CEME	<u>NT</u>
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	ı. Ft.)
Conductor							1
Fresh Water	7"	LS	17#	450'	450'	CTS	3 PO 5 1111
Coal							
Intermediate							
Production	4 1/2"	J-55	10.5#	2515'	2515'	150 s	sks
Tubing						REC	EIVED
Liners						Office of C	Oil and Gas
Packers: Kind: MAY 1 9 2015							
Size						<del></del>	artment of
neb	ths Set _				<del></del>		ntah 779tastipp

WW-2A		
(Rev. 6-14)		1). Date:
		2.) Operator's Well Number Nathaniel Mason 22 State County Permit
		3.) API Well No.: 47- <u>Lincoln</u> -
	STATE	OF WEST VIRGINIA
DEP	ARTMENT OF ENVIRONMENT	TAL PROTECTION, OFFICE OF OIL AND GAS TION FOR A WELL WORK PERMIT
	ner(s) to be served:	5) (a) Coal Operator
(a) Name	Joshua Brumfield (	Name NA
Address	31 Vandalia Drive	Address
	Yawkey, WV 25573	
(b) Name	Arthur & Romaline White	(b) Coal Owner(s) with Declaration
Address	7564 Plum Orchard Road	Name NA
	Munith, MI 49295	Address
(c) Name	Justin White	Name
Address	53 Bear Fork Road	Address
7 1001 000	Yawkey, WV 25573	
6) Inspector	Ralph Triplett	(c) Coal Lessee with Declaration
Address	5539 McClellan Hwy	Name NA
7.44.555	Branchland, WV 25506	Address
Telephone	304-389-0350	7.001000
vere transfer		MED ABOVE TAKE NOTICE THAT:
Included is the		contract or contracts by which I hold the right to extract oil and gas
OR		
		2, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
I certify	that as required under Chapter 22-6	of the West Virginia Code I have served copies of this notice and
application, a loc		ents pages 1 through on the above named parties by:
_	Personal Service (Affidavit attac Certified Mail (Postmarked post	
_	Publication (Notice of Publication	
I have re		d 35 CSR 4, and I agree to the terms and conditions of any permit
issued under this		· · · · · · · · · · · · · · · ·
		sonally examined and am familiar with the information submitted on
		ased on my inquiry of those individuals immediately responsible for
	ormation, I believe that the information	
imprisonment.	are that there are significant penalties	s for submitting false information, including the possibility of fine and
imprisorii iciti.		HG Energy, LLC
WEST	OFFICIAL SEAL BY	-1 11 11 11
Star a Co	NOTARY PUBLIC Its:	Agent
1 经基础	S. DIANNE DULANEY Address:	5260 Dupont Road BECEIVED
	5260 Dupont Road	Parkersburg, WV 26101
Neat it	Parkersburg West Virginia 2610 elephone: My Commission Expires Oct. 4, 2016 Empile	
Subscribed and	Lilidii.	dwhite@hgenergyllc.com f May . 2016AY 1 9 2015
TIME THE STATE OF	sworn before me this 5th day of	f May , 2016AY 1 9 2015
00	Parine Culory	Notary Public Department of
My Commission	1	Environmental Protection
Oll and Gas Privacy	Notice	Elivilonine mai i rotostion

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 07/03/2015 depprivacyofficer@wv.gov

WW-2A1 (Rev. 1/11)

Operator's Well Number	Nathaniel Mason	223
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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

\*\* See Attached Sheet \*\*

## 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

RECEIVED

The applicant further acknowledges that any Office of Oil and Gas permit in no way five nice of oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in no way five nice oil and Gas permit in nice oil and Gas per

Well Operator:

By: Its:

Diane White

Environmental Protection

Agent

Form	WW-2A(1)
(10/10	<b>)</b> )

Operator's Well No.	Nathaniel Mason 223	
Operator's Well No.	Nathaniel Mason 223	

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- (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
Nathaniel and Rhoda Mason	South Penn Oil Company	1/8	39/123

Merger and Conveyance dated July 3, 1963, from South Penn Oil Company to Penzoil Company, Kanawha County, Book 153, Page 35,

Assignment, Conveyance and Bill of Sale dated December 28, 1998, from Pennzoil Company to Pennz Energy Exploration and Production, Wetzel County, Book 12, Page 177.

Certificate of Merger filed with the WV Secretary of State, December 31, 1999, whereby Pennz Energy Exploration and Production, successor in interest to; to Penzoil Company, merged with Devon Energy Production Company, LP, Wetzel County, Book 12, Page 278.

Deed, Assignment and Bill of Sale dated June 1, 2000, from Devon Energy Production Company, LP to East Resources, Inc., recorded in Wetzel County, Book 370, Page 580.

Assignment, Conveyance and Bill of Sale, dated January 1, 2011, from East Resources, Inc., to HG Energy, LLC, Wetzel County, Book 118A, Page 253.

Upon information and belief, Operator's lease and/or other real property rights permit it to conduct drillingerations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

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Office of Oil and Gas

WV Division of Water and Waste Management WV Division of Natural Resources WV Division of Highways U.S. Army Corps of Engineers US Fish and Wildlife Service County Floodplain Coordinator

MAY 1 9 2015

WV Department of Environmental Protection

Well Operator:	HG Energy, LLC	
Ву:	Diane C. White	Diane CWhite
Its:	Agent	

WW-2B1 (5-12)

Well No. Nathaniel Ma	ason 223
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#### 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 Sturm Environmental Labs

Sampling Contractor

Sturm Environmental Labs

Well Operator HG Energy, LLC

Address

5260 Dupont Road

Parkersburg, WV 26101

Telephone

304-420-1119

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 siteRECEIVED

Office of Oil and Gas

- See Attached Sheet-

MAY 1 9 2015

WV Department of **Environmental Protection**  WW-2B1 Well No. Nathaniel Mason 223

Page 2 - Continued

## West Virginia Department of Environmental Protection Office of Oil and Gas

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#### Surface Owners Identified With Water Sources to be Sampled and Tested:

Joshua Brumfield
 31 Vandalia Drive
 Yawkey, WV 25573

\* Arthur & Romaline White 7564 Plum Orchard Road Munith, MI 49259

RECEIVED
Office of Oil and Gas

MAY 1 9 2015

WV Department of Environmental Protection

WW-9
(5/13)

	Page	of	
API Number 47	:		
Operator's V	Well No. Nathaniel Ma	sen 223	

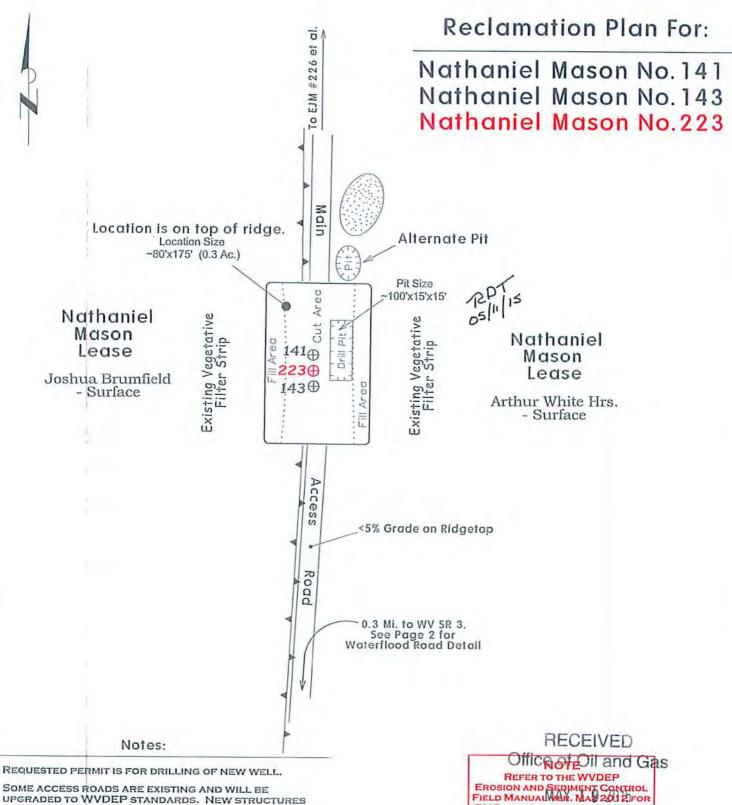
#### STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

#### FLUIDS/CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_HG Energy, L	LC	OP Code	494497948
Watershed (HUC 10) Straigh	it & Bear Fork	Quadrangle Griffithsville	e 7.5'
Elevation 910'	County_Lincoln	District	Duval
Will a pit be used for drill cutting of the second	han 5,000 bbls of water to complete ngs? Yes X No anticipated pit waste: Fluids enco be used in the pit? Yes X No ethod For Treated Pit Wastes: d Application erground Injection ( UIC Permit N se (at API Number Site Disposal (Supply form WW-9 er (Explain	untered while drilling sub lo If so, what ml. umber for disposal location)	ject well ?
Drilling medium anticipated for -If oil based, what typ Additives to be used in drilling Drill cuttings disposal method? -If left in pit and plan	d? No  r this well? Air, freshwater, oil bas e? Synthetic, petroleum, etc. NA medium? Water, Soap, KCI Leave in pit, landfill, removed off to solidify what medium will be use me/permit number?	ed, etc. Air, Fresh Water Site, etc. Leave in pit ed? (cement, lime, sawdust	Native soil, cement, lime
on August 1, 2005, by the Offi- provisions of the permit are er law or regulation can lead to er I certify under penalt application form and all attac obtaining the information, I be penalties for submitting false in Company Official Signature	ce of Oil and Gas of the West Virginforceable by law. Violations of an officement action.  y of law that I have personally exchiments thereto and that, based of elieve that the information is true information, including the possibility.	nia Department of Environr ny term or condition of the camined and am familiar v n my inquiry of those in , accurate, and complete.	vater Pollution Permit issued mental Protection. I understand that the general permit and/or other applicable with the information submitted on this dividuals immediately responsible for I am aware that there are significant
Company Official (Typed Nar Company Official Title Agen			Office of Annie Office
Subscribed and sworn before n	Buildella		My Commission Expires Oct. 4, 2018  20-13 WY Bepartment of  Environmental Protection  ary Public
My commission expires O	7.4 2016	U	07/03/201

07/03/2015

Lime 3 Tons/acre or to correct to pH 6.5  Fertilizer (10-20-20 or equivalent) 500 lbs/acre (500 lbs minimum)  Mulch Straw 2 Tons/acre  Seed Mixtures	Well No
Frevegetation Treatment: Acres Disturbed  Lime3Tons/acre or to correct to pH6.5  Fertilizer (10-20-20 or equivalent)500lbs/acre (500 lbs minimum)  MulchStraw2	рН
Fertilizer (10-20-20 or equivalent) 500   Ibs/acre (500 lbs minimum)	μιι
Seed Mixtures  Area I Seed Type Tall Fescue Ladino Clover  ** Sediment Contol should be in place at all times  Attach: Drawing(s) of road, location,pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.	
Seed Mixtures  Area I  Seed Type   Ibs/acre   Seed Type  Tall Fescue   40   Tall Fescue  Ladino Clover   5   Ladino Clover  ** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.	
Seed Type Ibs/acre Seed Type  Tall Fescue Ladino Clover  ** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.	
Tall Fescue  Ladino Clover  ** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location,pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.	
Tall Fescue  Ladino Clover  ** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.	Area II
Ladino Clover  ** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.  Plan Approved by: Rappl & Trupted	1bs/acre
** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.  Plan Approved by: Ralph & Truptell	40
** Sediment Contol should be in place at all times **  Attach: Drawing(s) of road, location, pit and proposed area for land application.  Photocopied section of involved 7.5' topographic sheet.  Plan Approved by: Ralph D. Truptell	5
Comments:	
Title: District Inspector Date: May 11, 20	RECEIVED Office of Oil and Ga MAY 1 9 2015



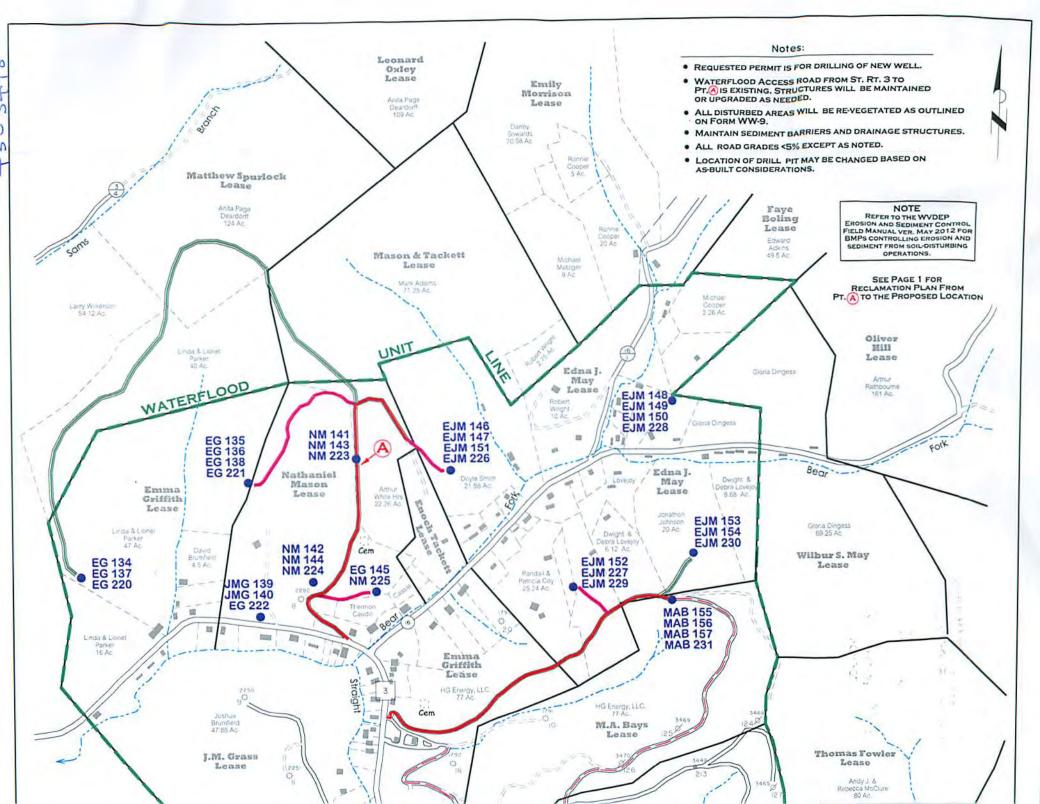
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- UPGRADED TO WVDEP STANDARDS. NEW STRUCTURES WILL BE INSTALLED AS SHOWN.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <5% EXCEPT AS NOTED.</li>
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- STACK BRUSH BELOW DISTURBED AREAS FOR SEDIMENTATION CONTROL.
- DRAWING NOT TO SCALE.

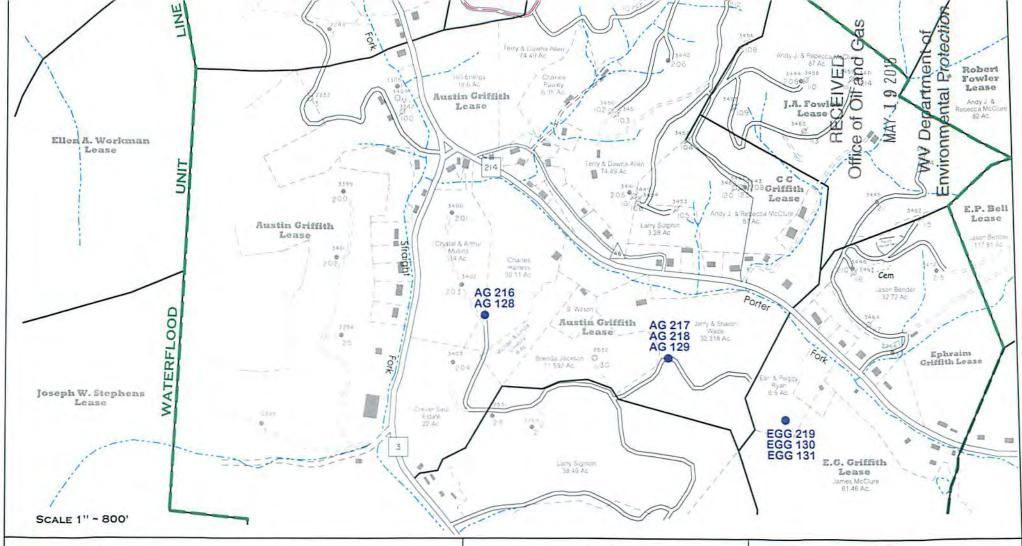
BMPS CONTROLLING EROSION AND

SEDIMENT FROM SOIL-DISTURBING

WY Trepartment of

**Environmental Protection** 







#### GRIIFTHSVILLE WATERFLOOD

Lincoln County, W.Va.

RECLAMATION PLAN
SHOWING ROAD SYSTEMS
TO BE USED FOR 2015
DRILLING PROGRAM
(NORTH)

#### NOTES

- 1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING EROSION AND SEDIMENTATION FROM ALL SOIL-DISTURBING OPERATIONS.
- 2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT A TO DRILL SITE LOCATION.
- 3. EXISTING WATERFLOOD ACCESS ROADS WILL BE MAINTAINED IN PRESENT CONDITION. THESE ROADS WERE CONSTRUCTED UNDER CONDITIONS SET FORTH IN VARIOUS DRILLING PERMITS ISSUED BY WVDEP-OOG PRIOR TO 2015 (AS SHOWN). SEE PERMITS ON FILE FOR MORE DETAIL.

#### LEGEND

AG 216

EXISTING WATERFLOOD ROADS TO BE USED. OTHER EXISTING MAIN WATERFLOOD ROADS (POSSIBLE ACCESS). EXISTING LEASE OR FARM ROADS TO BE UPGRADED.

NEW ROADS TO BE

LOCATION OR PROPOSED WELLS

POTENTI WATER
SUPPLY OURCE TO BE
SAMPLE (LOC. APPROX.)

March 3, 2015

PAGE 2

