

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

September 14, 2015

WELL WORK PERMIT

Secondary Recovery Well

This permit, API Well Number: 47-4303528, 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.

Operator's Well No: AUSTIN GRIFFITH 164

Farm Name: H. G. ENERGY, LLC

API Well Number: 47-4303528

Permit Type: Secondary Recovery Well

Date Issued: 09/14/2015

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. 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 on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

FORM WW-3 (B) 1/12



1)	Date:	08/04/20	15						
2)	Operator	's Well	No.	Aus	stin Griffith 16	64			
	API Wel		47	-	Lincoln		s		
			State	_	County	_		Permit	

4) UIC Permit No. UIC2R04301AP

STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

5) WELL			id Injection: 851'	on v	1		ction (not stora	ige)	_ / W	aste Disposal
6) LOCA'			: Duval				unty Lincoln	raight i on	Quadran	gle Griffithsville 7.5'
7) WIZE I			-	11.0		Co	8) DESIGNA	TED AGE		
/) WELL	OPERATO	-	G Energy, 260 Dupon				6) DESIGNA	Addres	-	pont Road
	Addres	-		, WV 2610	1			Addies	-	ourg, WV 26101
0) OH 9.	GAS INSP	-				_	10) DRILLIN	IG CONTE		Jang, VVV 20101
Name	Ralph Trip		K 10 bi	MOTIFI	ED					roval of Permit
Address	5539 McC		lighway				Address	De Doterrin	ica openi i ippi	over our our
Addiess	Branchlan						71001033			
	POSED WE				hysical	nation [well (specify)	/ Recorate new for	ormation	/ Stimulate / Convert
	LOGIC TA					enth of arrio	ting well): 30	2789	Feet (top)) to 2806 Feet (bottom)
	oximate wa		•		esh 276		Feet 50.	Salt		Feet
	oximate wa			326	270		_ rect	Sait _	1120	_ rect
	l being min					No				
	reservoir				on 10E/	-	g Source	Estimated		
	ated reserve				-		g Source	Estimated		psig (BHFP)
					2650		Zalisma mar ha	25 DDI	Dottom I	
	IMUM PRO						olume per hor			ole pressure 2400 psi S Fresh water, produced
							quality and impro			S Fresh Water, produced
	ERS (IF AN						idanty and impro	ive on recove	·y.	
and the second second							OTHER COR	POSIONO	CONTROL	
22) 51 150	ITICATIO	NOTO	K CAIII	ODICTI	OIEC.	ION AND	OTHER COR	MOSION C	CONTROL	-
23) CASIN	G AND TU	BING	PROGRAI	M	-					
CASINO	FOR	SPECIFICATIONS				FOOTAGE II	NTERVALS	CEMENT	PACKERS	
TUBING		Size	Grade	Weight	New	Used	For Drilling		FILL-UP	FACKERS
				per ft.				Well	OR SACKS (CU. FT.)	ROY 15
Conductor										Kinds 8
Fresh Wate	r	7"	LS	17#	×		426'	426'	Cement to Surface	
Coal										Sizes
Intermediat	te									2.375" x 4.5"
Production		1 1/2"	J-55	10.5#	x		2977'	2977'	150 sks	Depths set
Tubing	1	2 3/8"	J-55	4.6#	×		2589'	2589'		2425'
Liners										Perforations
					7					Top Bottom
									BF	CEIVED
24) APPL	ICANT'S	OPER	ATING R	IGHTS v	vere acq	uired from	Austin and E	lizabeth Griff	ith Office o	Oil and Gas
by dee			ease	ounty Cle	other co	ontract		1 -08/05/201	5 12/19 Book 39	of record in the 2 4 2015 Page 333
				July Ch	ork a off	100 111	7		DOOR OF	

FORM WW-3 (A) 1/12



1) Date:	August 5,	2015				
2) Operate	or's Well	No.	Austin	Griffith 16	4	
3) API W	ell No.:	47	-		187	
		State		County		Permit
4) UIC Per	rmit No.	UIC2F	204301	AP		

STATE OF WEST VIRGINIA
NOTICE OF LIQUID INJECTION OF WASTE DISPOSAL WELL WORK PERMIT APPLICATION
FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS,

5) Surface Ow	ner(S) To Be Served	7) (a) Coal Op	erator	
(a) Name	HG Energy, LLC	Name	NA	
Address 5260 Dupont Road		Address		
539,000	Parkersburg, WV 26101			
(b) Name		7) (b) Coal Ov	mer(S) With Declaration Of Rec	ord
Address		Name	NA	
		Address	-	
(c) Name		Name		
Address		Address	T-E	
6) Inspector	Ralph Triplett	7) (c) Coal Les	ssee with Declaration Of Record	F
Address	5539 McClellan Highway	Name	NA	
	Branchland, WV 25506	Address	-	
Telephone	304-389-0350			
(2) The plat (3) The Cons	volved in the drilling or other work; (surveyor's map) showing the well location struction and Reclamation Plan on Form prosion and sediment control and for recla	WW-9 (unless the	well work is only to plug a wel	l), which sets out the
The date	proposed for the first injection or wa	ste disposal is _		20 15 .
APPLICATIO	N YOU HAVE RECEIVED THESE IN WHICH ARE SUMMARIZED IN TO ATION [(FORM WW-3(B)] DESIGNA ALL.	HE "INSTRUCTIO	ONS" ON THE REVERSE SID	E OF THE COPY OF
Notice and Ap West Virginia Application an and Reclamation	at under Chapter 22-6 of the West Virgin pplication and accompanying documents Department of Environmental Protection depicted on the attached Form WW-6 on Plan have been mailed by registered in certain circumstances) on or before the	for a Well Work on, with respect Copies of this N or certified mail or	Permit with the Chief of the O to a well at the location description, the Application, the plat, redelivered by hand to the person	ffice of Oil and Gas, ibed on the attached and the Construction

The person signing this document shall make the following certification:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator	HG Energy, LLCRECEIVED				
Address	5260 Dupont Road of Oil and Gas				
	Parkersburg, WV 26101				
By:	Diane White ALIG 2 4 2015				
Its:	Agent				
Signature:	Wy Department of Environmental Protection				

WW-2B1 (5-12)

	Well No.	Austin	Griffith 164
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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
Sampling Contractor
Sturm Environmental

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 site.

- See Attached Form -

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Office of Oil and Gas

AUG 2 4 2015

Austin Griffith 164

WW-2B1
Page 2 - Continued

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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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 underlining which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site please indicate such.

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

- * Timothy Thaxton 4866 Straight Fork Road Yawkey, WV 25573
- Kenneth Egnor
 533 Laurel Fork
 Sumerco, WV 25567
- Merri & Bernie Mallory
 Independent Drive
 Yawkey, WV 25573
- Mark & Jeanie Salmons
 20 Breezy Lane
 Yawkey, WV 25573
- Lyle & Shirley Atkins 1035 Garden Heights Drive Charleston, WV 25309

- Daniel Cooper
 4851 Straight Fork Road
 Yawkey, WV 25573
- John & Debra Hubbard
 21 Independent Drive
 Yawkey, WV 25573
- HG Energy, LLC
 4908 Straight Fork
 Yawkey, WV 25573
- Harold Farley
 21 Breezy Lane
 Yawkey, WV 25573

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Office of Oil and Gas

AUG 2 4 2015

WV Department of Environmental Projection

WW-9 Rev. 5/10

	Page 333	of	
API Number 47	Andre		
Operator's Well 1	No. Austin Grif	fith 164	

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

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name HG Energy, LLC		OP Code 49449794	48
Watershed Straight Fork	Qu	adrangle Griffithsville 7.5'	
Elevation 851'	County Lincoln	District_Duval	
Description of anticipated Pit W	aste: Fluids encountered while drilling	the subject well	
Do you anticipate using more th	an 5,000 bbls of water to complete the	e proposed well work? Yes	No_x
Will a synthetic liner be used in	the pit? Yes If so, v	vhat mil.? 30 mil	
Unde Reuse × Off S	Freated Pit Wastes: Application rground Injection (UIC Permit Numle) (at API Number ite Disposal (Supply form WW-9 for (Explain	disposal location) Any well eff	luent must be contained of property
Drilling medium anticipated for	this well? Air, freshwater, oil based,		
	2 Synthetic, petroleum, etc. NA		
Additives to be used? Water, so Will closed loop system be used			
	Leave in pit, landfill, removed offsite o solidify what medium will be used? e/permit number?		
on August 1, 2005, by the Office provisions of the permit are end law or regulation can lead to end I certify under penalty application form and all attack obtaining the information, I be	and and agree to the terms and condition of Oil and Gas of the West Virginia forceable by law. Violations of any torcement action. of law that I have personally examinents thereto and that, based on relieve that the information is true, accormation, including the possibility of	Department of Environmental Pro erm or condition of the general p fined and am familiar with the ir my inquiry of those individuals ecurate, and complete. I am away	tection. I understand that the termit and/or other application formation submitted on the immediately responsible to the technique of the tech
Company Official Signature	Diane White		
Company Official (Typed Name	Diane White		
Company Official Title Accounta			
	int		
	int		RECEIVED-
Subscribed and sworn before me		ST/S S Public	RECEIVED COFFICIAL SEAL GAS NOTARY PUBLIC ATE OF WEST VIRGINIA BINNIND DUZANEY 5260 Dupont Road repurg. West Virginia 26101 India Coffee Por A 2016

Li	ECEND
Property Boundary	Diversion Comments of the Comm
Rond = = = = = = = = = = = = = = = = = = =	Spring O
Existing Fence — X — X — X —	Wet Spot
Planned Fence///	Drain Pipe with size in inches
Stream	Waterway C C C C
Open Ditch	Cross Drain
Rock 33888	Artificial Filter Strip
North N	Pit: cut walls
Buildings	Pit: compacted fill walls
Water wells (W)	Area for Land Application of Pit Waste
Drill site	
Proposed Revegetation Treatment: Acres Disturbed	Prevegetation pH
Lime Tons/acre or to correct to pH	6.5
500	ere (500 lbs minimum)
Strove	sie (500 lbs initilitatis)
Mulch	e
Seed N	Mixtures .
Атеа І	Area II
Seed Type lbs/acre	Seed Type lbs/acre
Tall Fescue 40	Tall Fescue 40
Ladino Clover 5	Ladino Clover 5
** Sediment Control Should Be In Place At	All Times **
Attach: Drawing(s) of road, location,pit and proposed area for land applic	ation.
Photocopied section of involved 7.5' topographic sheet.	
Plan Approved by: Ralph D. Trupest	
Comments:	
	RECEIVED Office of Oil and Gas
Title: Aspected Lincoln Ves	Date: <u>Ougust 11, 2015</u>
Field Reviewed? (Lincoln Yes (WV Department of Environmental Photection 5



Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- ACCESS ROADS ARE EXISTING AND WILL BE MAINTAINED TO WVDEP STANDARDS.
- 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.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

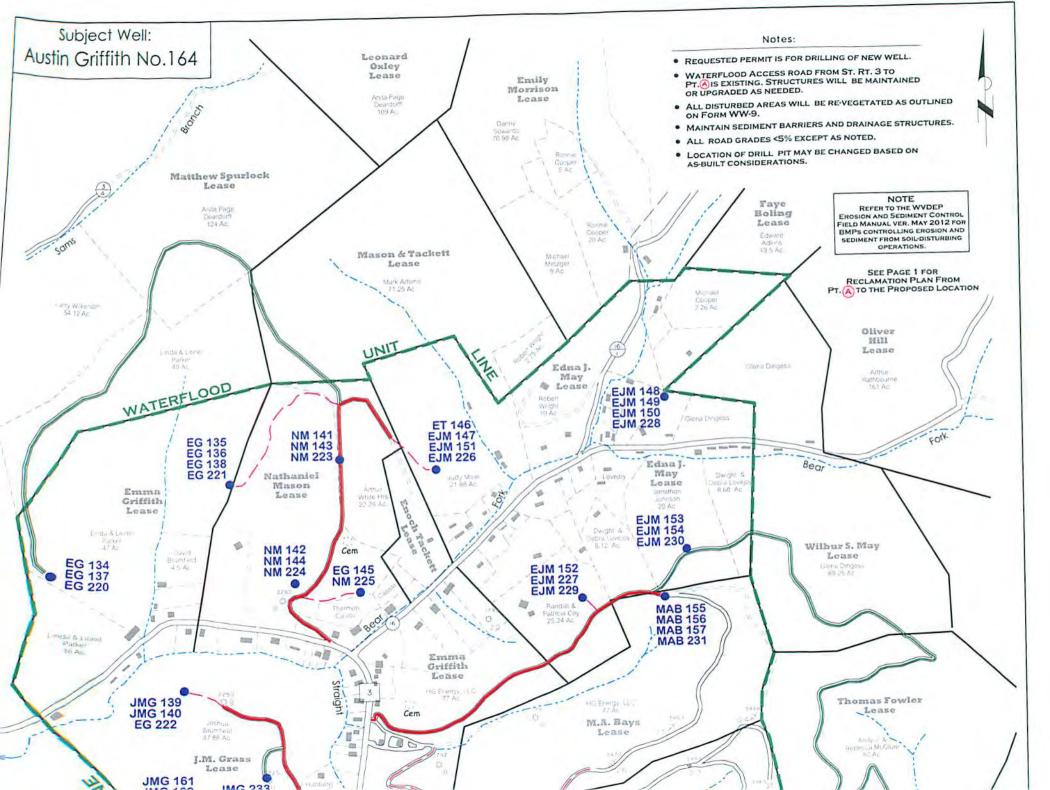
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Office of Oil and Gas

AUG 2 4 2015

WV Department of Environmental Protection

9/18/2015

Page 1





GRIIFTHSVILLE WATERFLOOD

Lincoln County, W.Va.

RECLAMATION PLAN SHOWING ROAD SYSTEMS TO BE USED FOR 2015-16 DRILLING PROGRAM (NORTH)

- 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 ATO 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

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 CONSTRUCTED.

LOCATION FOR PROPOSED WELLS

AG 216

30352

POTENTIAL WATER SUPPLY SOURCE TO BE

