

#### 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

December 02, 2015

#### WELL WORK PERMIT

#### Vertical Well

This permit, API Well Number: 47-4303553, 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.

1

Operator's Well No: E.G. GRIFFITH 257

Farm Name: MCCLURE, JAMES R.

**API Well Number: 47-4303553** 

Permit Type: Vertical Well Date Issued: 12/02/2015

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. <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 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.

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

1) Well Operat	or: ng	⊏nergy,	LLC	494497948	Lincoln	Duvai	Grimthsville 7.5
				Operator ID	County	District	Quadrangle
2) Operator's V	Vell Num	per:E_	G Griffith 257		3) Elevation:	910'	_
4) Well Type: (	a) Oil>	or G	as				
(	b) If Gas:	Produ	uction / Un	derground Sto	rage		
		Dee	p/ \$	Shallow	<u>X</u>		
6) Proposed To	otal Depth fresh wa	1: <u>3143'</u> Iter strata	): <u>Berea</u> Feet a depths: <u>290'</u> s: <u>1140'</u>	Formation at I	Proposed Ta Proposed Tot	al Depth:	Shale
9) Approximate	e coal sea	m depth	s: <u>340'</u>				
10) Approxima	te void de	pths,(co	al, Karst, other):	NA			
11) Does land	contain co	oal seam	s tributary to ac	tive mine? _	No		
•	-		nd fracturing methwell in the Ber	•			•
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wir nie-							
13)			ASING AND TU				
TYPE S	SPECIFIC	<u>ATIONS</u>	T	FOOTAGE	INTERVALS	CEMEI	<u>VT</u>
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	<u>Left in Well</u>	Fill -up (Cu.	<u>. Ft.)</u>
Conductor							
Fresh Water	7"	LS	17#	440'	440'	Cement to	Surfac
Coal						1707	7/15
Intermediate					· · · · · · · · · · · · · · · · · · ·	•	7-5
Production	4 1/2"	J-55	10.5#	3093'	3093'	Office of O	IVED Kand Gas
Tubing						NOV <b>0</b>	<u>0 2015</u>
Liners							
Packers: Kind	i:				F	WV Depa	rtment of al Protection
Size					-		<del>2/04/2</del> 015
Dep	ths Set					•	_,,

WW-2A
(Rev. 6-14)

October 15, 2015 1). Date:

2.) Operator's Well Number

E G Griffith 257

State

County

Permit

3.) API Well No .:

47-

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

4)	Surface Ov	wner(s) to be served:	5) (a) Coal Op	perator
1	(a) Name	James R. McClure	Name	NA
	Address	4705 Midway Road	Address	
		Yawkey, WV 25573	=	
	(b) Name	Earl & Peggy Ryan	(b) Coal (	Owner(s) with Declaration
	Address	4797 Midway Road	Name	NA
		Yawkey, WV 25573	- Address	
		/	-	
	(c) Name	Jerry & Sharon Wade 🗸	Name	
	Address	36 Wade Road	Address	
		Yawkey, WV 25573	5	\(\frac{1}{2}\)
6) 1	nspector	Ralph Triplett	(c) Coal L	Lessee with Declaration
	Address	5539 McClellan Highway	Name	NA
7		Branchland, WV 25521	Address	147 (
-	Telephone	304-389-0350		
	. otopito	TO THE PERSONS NAI	MED ABOVE 1	TAKE NOTICE THAT:
	Included is t			racts by which I hold the right to extract oil and gas
OR		and read of reader of sure, community		radio 2) milan mala tra ngin ta antata an ana gas
	Included is t	the information required by Chapter 22	, Article 6, Section	on 8(d) of the Code of West Virginia (see page 2)
	I certify	that as required under Chapter 22-6	of the West Virg	ginia Code I have served copies of this notice and
app	lication, a loc			ough on the above named parties by:
		Personal Service (Affidavit attac		
	-	X Certified Mail (Postmarked post		ed)
	14 0 T S	Publication (Notice of Publication		
iccu		ead and understand Chapter 22-6  and s application.	135 CSR 4, and	d I agree to the terms and conditions of any permit
155u			onally examined	d and am familiar with the information submitted on
this				riry of those individuals immediately responsible for
		ormation, I believe that the information		
strene				alse information, including the possibility of fine and
impi	risonment.	OFFICIAL SEAL		
3/	4		HG Energy.	
\$ (	200	S DIANNE DULANEY	Diane White	Diane White
31			Agent	t Dood
3	And Stores Line	My Commission Expires Oct. 4, 2016	5260 Dupont Parkersburg	
Just		Telephone:	304-420-111	
			dwhite@hge	
Sub	scribed and	sworn before me this 15 th day of		, 2015 NOV 0 9 2015
	00,1000 0110			
		thouse we	long	Notary Public V Denartm
Му	Commission	Expires Ont. 4 00%		Environment of
Oil ar	nd Gas Privacy	Notice	V	Notary Public V Department of Environmental Protection
Tho	Office of Oil on	d Gas processes your personal information	euch se nama add	lress and phone number, as a part of our regulatory duties.
THE C	onice of Oil and	a das processes your personal information,	Such as manie, add	ness and priorie 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

#### 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

The applicant further acknowledges that any Office of Oil and Gas permit in no way ever destroyed, or nullifies the need for other permits/approvals that may be necessary and further affilms that may be necessary and further affilms that amended permits/approvals should be ac quired from the appropriate authority before the affected activity is initiated.

Well Operator: By:Its:

HG Energy, LLC

Diane White, Agent

WV Department of
Environmental Protection

Operator's Well No.	E G Griffith 257
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Grantor, Lessor, etc.	Grantee, Lessec, etc.	Royalty	Book/Page
Ephraim and Nancy Griffith	South Penn Oil Company	1/8	36/81

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.

## Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

Well Operator: HG Energy, LLC

The permit applicant for the proposed well work addressed in this application hereby ackowledges 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 US Fish and Wildlife Service County Floodplain Coordinator

RECEIVED
Office of Oil and Gas

NOV 0 9 2015

WV Department of Environmental Protection

Ву:	Diane C. White	Diane White	12/04/2015
lts:	Accountant		12/04/2013

WW-2B1	
(5-12)	

Well No. E G Griffith 257

#### 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 Services Sampling Contractor

Sturm Environmental Services

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 -

RECEIVED Office of Oil and Gas

NOV **0 9** 2015

WV Department of Environmental Protection 12/04/2015

E G Griffith 257

WW-2B1 Well No.

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:

- /\* Jackie & Sandra Stowers 4818 Midway Road Yawkey, WV 25573
- Matthew & Jessica Pauley 5710 MacCorkle Avenue, SE Charleston, WV 25304
- DAVIS Brothers, LLC P. O. Box 11 Sumerco, WV 25567
- James & Carolyn McClure 4705 Midway Road Yawkey, WV 25573
- Christopher & Bethany Dotson 4701 Midway Road Yawkey, WV 25573
- \* JoAnn McMellon 4642 Midway Road Yawkey, WV 25573

- Jeremy & Sarah McClung
   1754 Midway Road
   Yawkey, WV 25573
- Jason & Ashley Bender 4794 Midway Road Yawkey, WV 25573
- \* Wanda Bird & Charles Clark (2) 1400 Bedford Road Charleston, WV 25314
- '\* George & Ruby Adkins Midway Road Yawkey, WV 25573
- \* Earl & Peggy Ryan (2)4797 Midway RoadYawkey, WV 25573

RECEIVED
Office of Oil and Gas

NOV **0 9** 2015

WV Department of Environmental Protection

12/04/2015

12/04/2015

API Number 47 -		-	
Operator's Well	No.	E	Griffith 257

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

#### FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy, LLC	OP Code 494497948
Watershed (HUC 10) Porter Fork	Quadrangle Griffithsville 7.5'
Do you anticipate using more than 5,000 bbls of water to complet	
Will a pit be used? Yes No No	
If so, please describe anticipated pit waste: Fluids end	countered while drilling subject well
Will a synthetic liner be used in the pit? Yes	No If so, what ml.? 30 mil
Proposed Disposal Method For Treated Pit Wastes:	
Land Application	
Underground Injection ( UIC Permit N Reuse (at API Number	Number)
Off Site Disposal (Supply form WW-9	for disposal location)
Will closed loop system be used? If so, describe: No	
Drilling medium anticipated for this well (vertical and horizontal)	? Air, freshwater, oil based, etc. Air, Fresh Water
-If oil based, what type? Synthetic, petroleum, etc. NA	
Additives to be used in drilling medium? Water, soap, KCI	
Drill cuttings disposal method? Leave in pit, landfill, removed of	fsite, etc Leave in pit
-If left in pit and plan to solidify what medium will be us	ed? (cement, lime, sawdust) Native soil, cement, lime
-Landfill or offsite name/permit number?	
Permittee shall provide written notice to the Office of Oil and Gas West Virginia solid waste facility. The notice shall be provided w where it was properly disposed.	
on August 1, 2005, by the Office of Oil and Gas of the West Virg provisions of the permit are enforceable by law. Violations of a law or regulation can lead to enforcement action.  I certify under penalty of law that I have personally e application form and all attachments thereto and that, based of	xamined and am familiar with the information submitted on this on my inquiry of those individuals immediately responsible for e, accurate, and complete. I am aware that there are significant
Company Official Signature	
Company Official (Typed Name) Diane White	Cofficial Seal and Gas
Company Official Title Agent	NOTARY PUBLIC  STATE OF WEST VIRGINIA S. DIANNELDULANEY U15
Subscribed and sworn before me this 15 th day of Octo	ober Parkerspurg, West Virginia 26101  Wy Commission Expires Oct: 472016 Tof
Join pulony	Notary Public Formental Profection
My commission expires Oct. 4, 2016	12/04/201

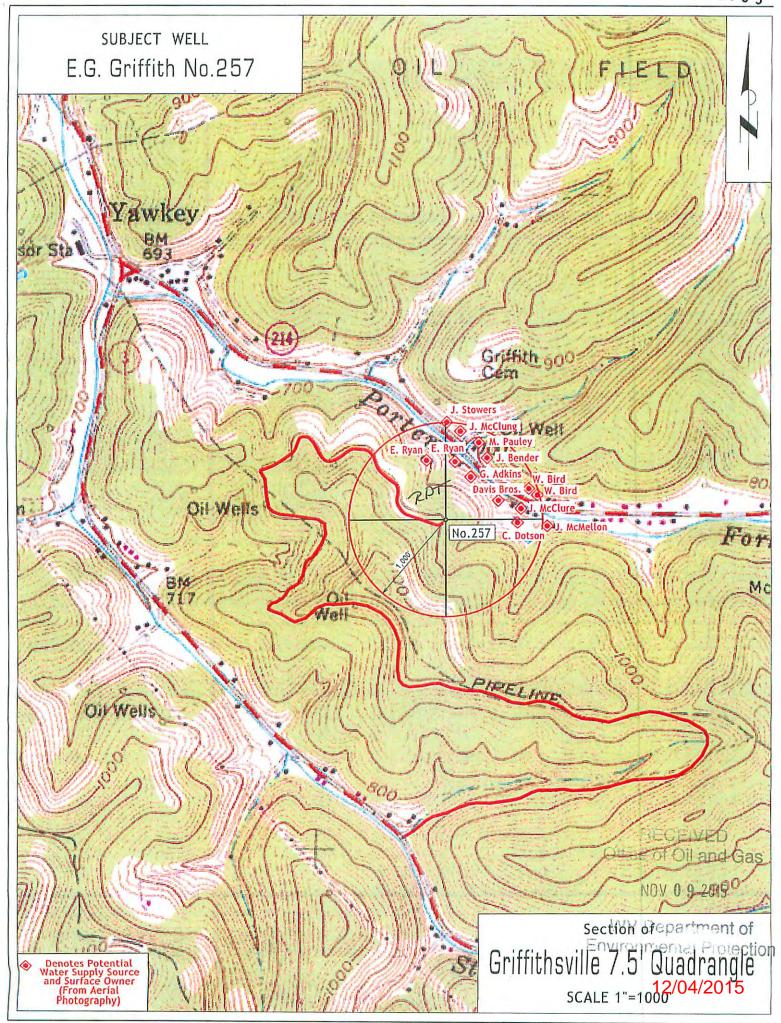
Form WW-9			Operator's	Well No. E G Griffith 257
HG Energy, LLC	· · · · · · · · · · · · · · · · · · ·		<u>*</u>	
Proposed Revegetation Treat  Lime  Fertilizer type 1	3 Tons/acre or to c		Prevegetation p	ъН
Fertilizer amount_		500 lbs/acre		
Mulch Straw	2	Tons/acre		•
		Seed Mixtures		
Т	emporary		Perm	anent
Seed Type	lbs/acre		Seed Type	lbs/acre
Tall Fescue	40	Tall F	escue	40
Ladino Clover	5	Ladin	o Clover	5
provided)  Photocopied section of invo				ncluding this info have been
Plan Approved by: Raco	RD. Triplet	}		
Comments:			· · · · · · · · · · · · · · · · · · ·	
			<u> </u>	
Title: District &	nspectok	Date:	Offi October 27	RECEIVED ce of Oil and Gas , 20/5 NOV 0 9 2015
				140 A A 5012

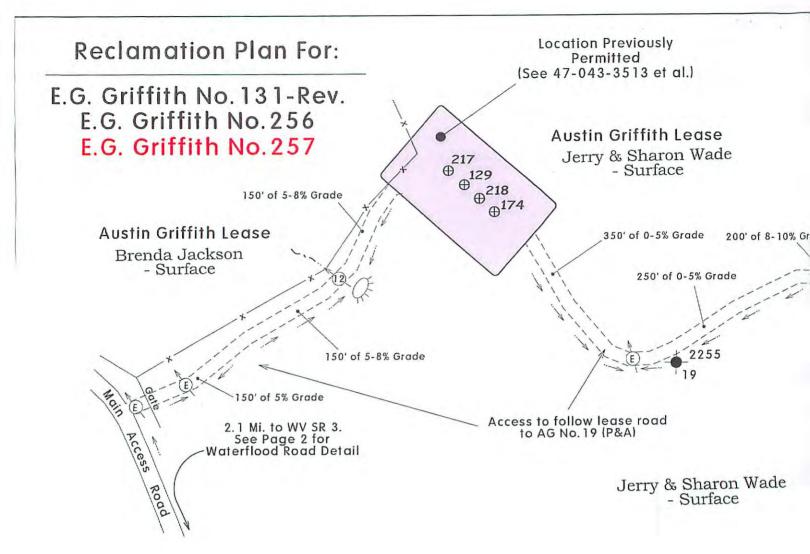
(\_\_\_\_\_) No

Yes

Field Reviewed?

WV Department of Environmental Protection

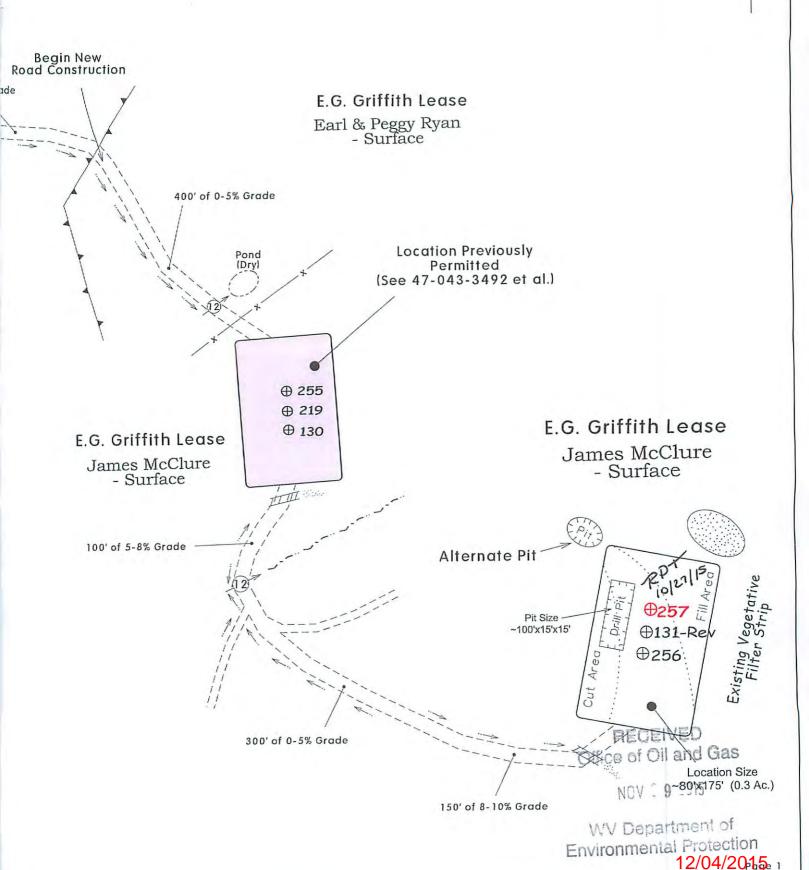


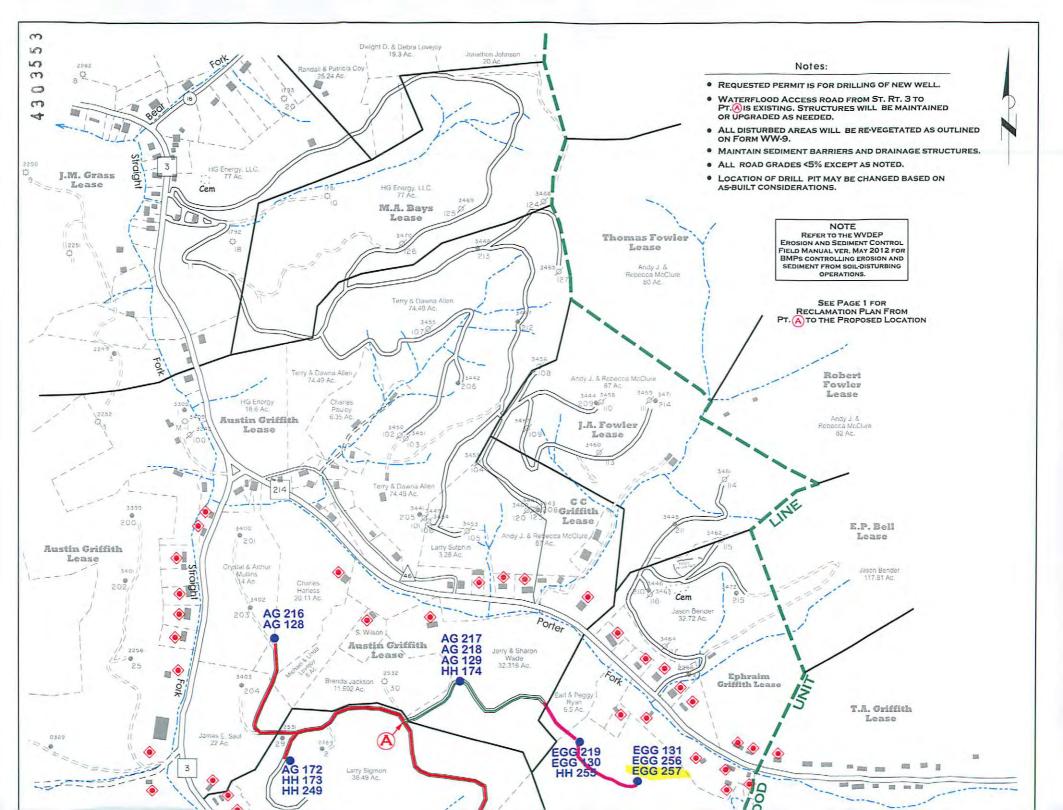


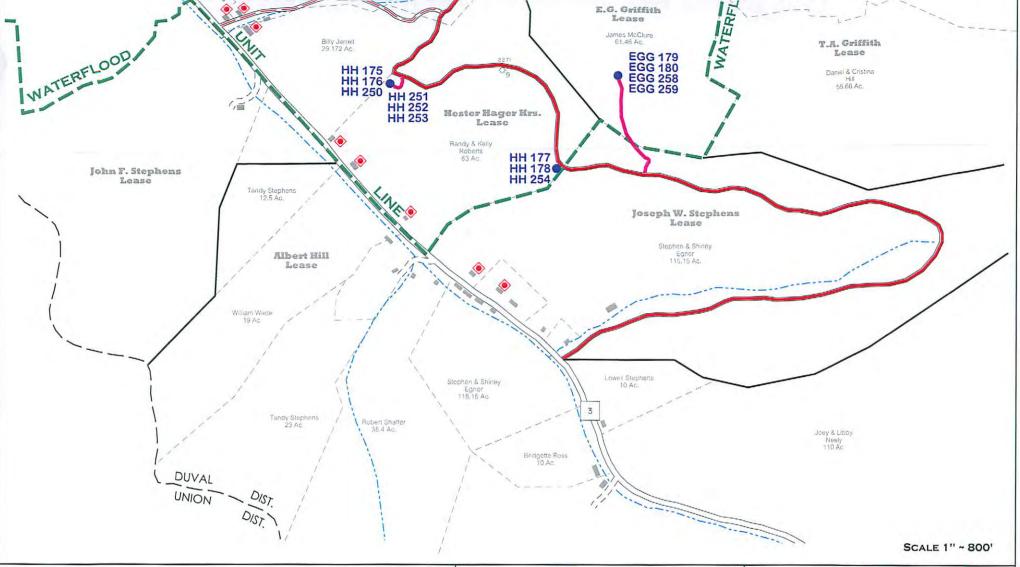
#### Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- SOME ACCESS ROADS ARE EXISTING AND WILL BE 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.

# NOTE REFER TO THE WVDEP EROSION AND SEDIMENT CONTROL FIELD MANUAL VER. MAY 2012 FOR BMPS CONTROLLING EROSION AND SEDIMENT FROM SOIL-DISTURBING OPERATIONS.









#### GRIIFTHSVILLE WATERFLOOD

Lincoln County, W.Va.

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

### 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

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.

AG 172

LOCATION FOR PROPOSED WELLS

POTENTIAL WATER SUPPLY SOURCE TO BE SAMPLED (LOC. APPROX.)

PAGE 2

**SEPTEMBER 16, 2015** 

