



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 28, 2015

WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-4303556, 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.

James Martin
Chief

Operator's Well No: E. G. GRIFFITH 179

Farm Name: MCCLURE, JAMES R.

API Well Number: 47-4303556

Permit Type: Secondary Recovery Well

Date Issued: 12/28/2015

Promoting a healthy environment.

01/01/2016

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.

FORM WW-3 (B)
1/12



1) Date: 11/02/2015
 2) Operator's Well No. E. G. Griffith 179
 3) API Well No.: 47 - Lincoln - s
 State County Permit
 4) UIC Permit No. UIC2R040301AP

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 TYPE: Liquid Injection / Gas Injection (not storage) / Waste Disposal
 6) LOCATION: Elevation: 1075' Watershed: Porter Fork
 District: Duval County Lincoln Quadrangle Griffithsville 7.5'
 7) WELL OPERATOR: HG Energy, LLC 8) DESIGNATED AGENT Diane White
 Address 5260 Dupont Road Address 5260 Dupont Road
 Parkersburg, WV 26101 Parkersburg, WV 26101
 9) OIL & GAS INSPECTOR TO BE NOTIFIED 10) DRILLING CONTRACTOR
 Name Jeremy James Name To Be Determined Upon Approval of Permit
 Address P. O. Box 36 Address
 Clendenin, WV 25045
 11) PROPOSED WELL WORK Drill / Drill deeper / Redrill / Stimulate
 Plug off old formation / Perforate new formation / Convert
 Other physical change in well (specify)
 12) GEOLOGIC TARGET FORMATION Berea Depth 2989 Feet (top) to 3006 Feet (bottom)
 13) Estimated Depth of Completed Well, (or actual depth of existing well): 3230' Feet
 14) Approximate water strata depths: Fresh 455 Feet Salt 1305 Feet
 15) Approximate coal seam depths: 505
 16) Is coal being mined in the area? Yes No
 17) Virgin reservoir pressure in target formation 1250 psig Source Estimated
 18) Estimated reservoir fracture pressure 2650 psig (BHFP)
 19) MAXIMUM PROPOSED INJECTION OPERATIONS: Volume per hour 25 BBL Bottom hole pressure 2400 psi
 20) DETAILED IDENTIFICATION OF MATERIALS TO BE INJECTED, INCLUDING ADDITIVES Fresh water, produced
 water, bactericides and other chemicals as needed to maintain water quality and improve oil recovery.
 21) FILTERS (IF ANY) Cartridge filters and/or coal bed filters
 22) SPECIFICATIONS FOR CATHODIC PROTECTION AND OTHER CORROSION CONTROL

23) CASING AND TUBING PROGRAM

CASING OR TUBING TYPE	SPECIFICATIONS					FOOTAGE INTERVALS		CEMENT FILL -UP OR SACKS (CU. FT.)	PACKERS
	Size	Grade	Weight per ft.	New	Used	For Drilling	Left In Well		
Conductor									Kinds
Fresh Water	7"	LS	17#	X		605'	605'	CTS	
Coal									Sizes
Intermediate									2.375" x 4.5"
Production	4 1/2"	J-55	10.5#	X		3180'	3180'	150 sks	Depths set
Tubing	2 3/8"	J-55	4.6#	X		2789'	2789'		2650'
Liners									Perforations
									Top Bottom

RECEIVED

24) APPLICANT'S OPERATING RIGHTS were acquired from E. G. Griffith et al. Office of Oil and Gas
 by deed / lease / other contract / dated 00/00/1908 of record in the
 Lincoln County Clerk's office in Lease Book 39 Page 462
 DEC 07 2015

WV Department of Environmental Protection
 01/01/2016

WW-2B1
(5-12)

Well No. E. G. Griffith 179

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	<u>Sturm Environmental</u>
Sampling Contractor	<u>Sturm Environmental</u>

Well Operator	<u>HG Energy, LLC</u>
Address	<u>5260 Dupont Road</u>
	<u>Parkersburg, WV 26101</u>
Telephone	<u>304-420-1119</u>

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 Sheet -

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Office of Oil and Gas

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WV Department of
Environmental Protection 01/01/2016

WW-2B1
Page 2 - Continued

Well No. E G Griffith 179

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.

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:

* Christopher & Bethany Dotson
4701 Midway Road
Yawkey, WV 25573

* James & Carolyn McClure
4705 Midway Road
Yawkey, WV 25573

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WV Department of
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01/01/2016

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 494497948

Watershed Porter Fork Quadrangle Griffithsville 7.5'

Elevation 1075' County Lincoln District Duval

Description of anticipated Pit Waste: Fluids accumulated while drilling the subject well

Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes _____ No X

Will a synthetic liner be used in the pit? Yes. If so, what mil.? 30 mil

Proposed Disposal Method For Treated Pit Wastes:

- Land Application
- Underground Injection (UIC Permit Number _____)
- Reuse (at API Number _____)
- Off Site Disposal (Supply form WW-9 for disposal location)
- Other (Explain _____)

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air, Fresh Water

-If oil based, what type? Synthetic, petroleum, etc. NA

Additives to be used? Water, Soap, KCl

Will closed loop system be used? No

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in pit

-If left in pit and plan to solidify what medium will be used? Cement, lime, sawdust Native soil, cement and lime

-Landfill or offsite name/permit number? _____

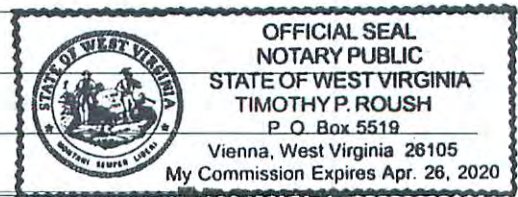
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto 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 or imprisonment.

Company Official Signature Diane White

Company Official (Typed Name) Diane White

Company Official Title Agent



Subscribed and sworn before me this 2nd day of November

[Handwritten Signature]

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Office of Oil and Gas

DEC 07 2015
Notary Public

My commission expires 4/26/2020

WV Department of Environmental Protection
01/01/2016

LEGEND

- Property Boundary
- Road
- Existing Fence
- Planned Fence
- Stream
- Open Ditch
- Rock
- North
- Buildings
- Water wells
- Drill site

- Diversion
- Spring
- Wet Spot
- Drain Pipe with size in inches
- Waterway
- Cross Drain
- Artificial Filter Strip
- Pit: cut walls
- Pit: compacted fill walls
- Area for Land Application of Pit Waste

Proposed Revegetation Treatment: Acres Disturbed 1.6 acres Prevegetation pH _____
 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

Area I		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 application.

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by:

Comments: ~~seed~~ ~~mulch~~ ~~seed~~ ~~mulch~~ ^{All slopes} seed + mulch prior to drilling

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 Office of Oil and Gas

Title: inspector OOG

Date: 11-20-15

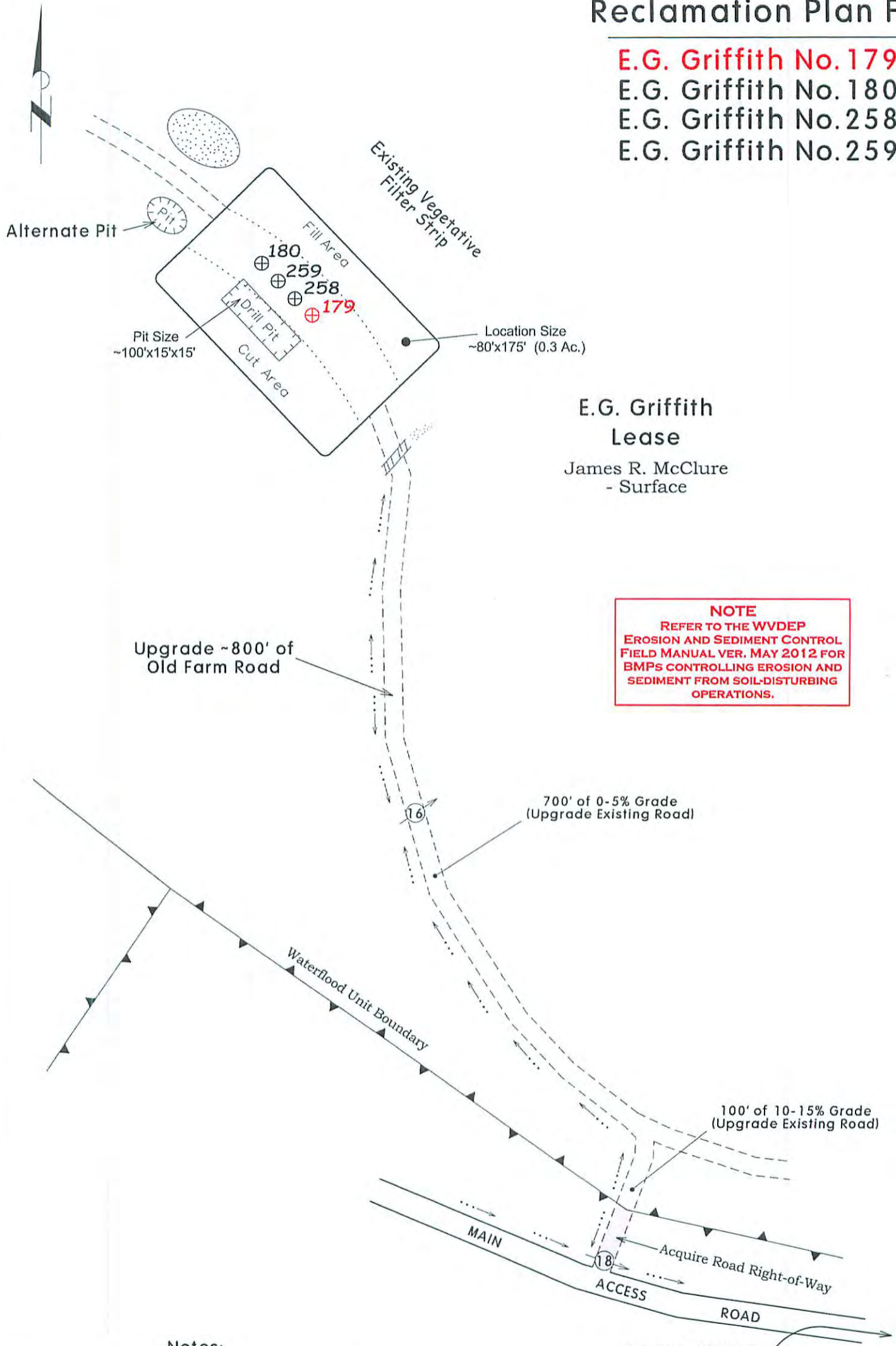
DEC 07 2015

Field Reviewed? Yes No

WV Department of Environmental Protection
 01/01/2016

Reclamation Plan For:

E.G. Griffith No. 179
E.G. Griffith No. 180
E.G. Griffith No. 258
E.G. Griffith No. 259



E.G. Griffith Lease
James R. McClure
- Surface

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

Notes:

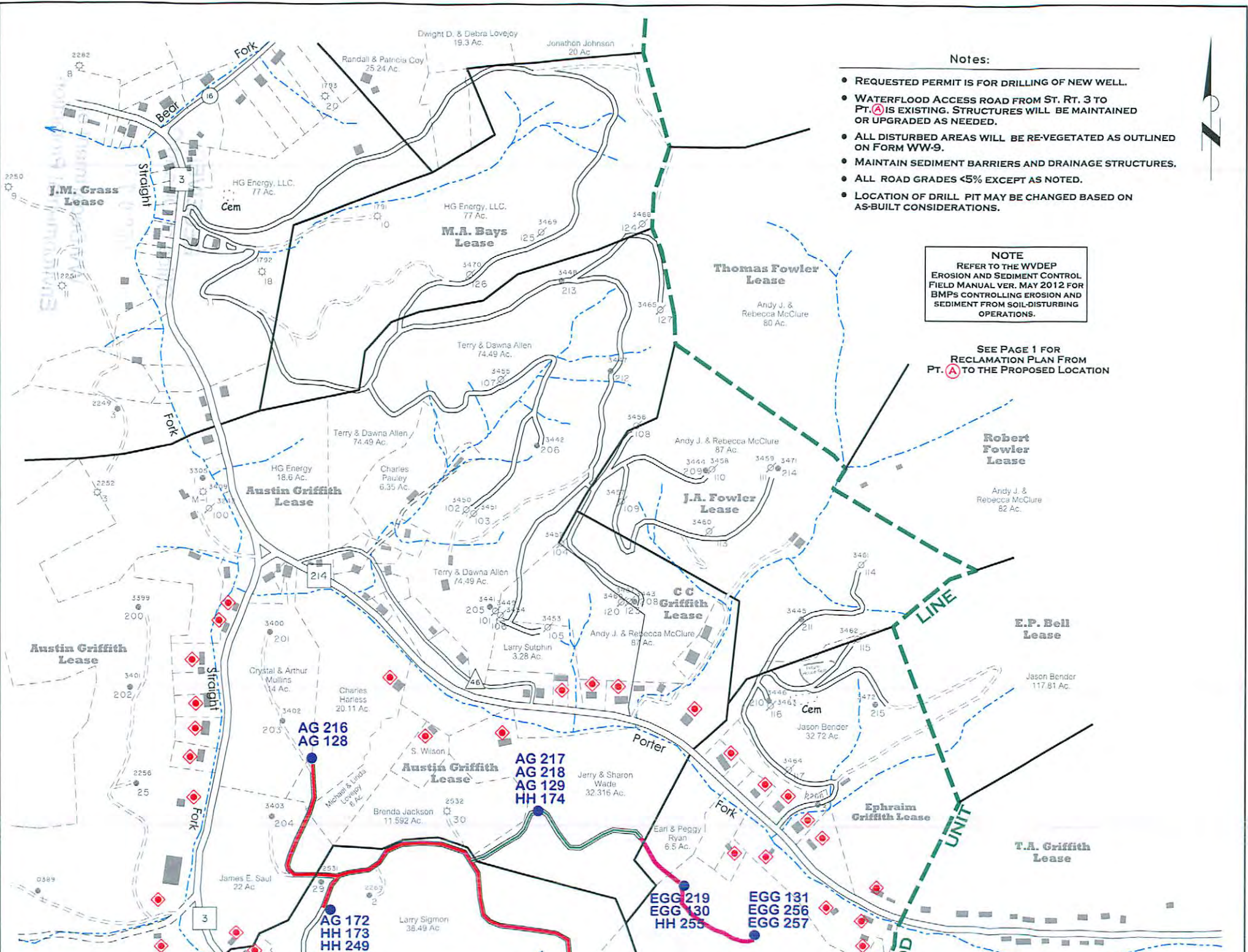
- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- ACCESS ROADS ARE EXISTING AND WILL BE MAINTAINED TO WVDEP STANDARDS.
- STOCKPILE TOPSOIL FOR RE-DRESSING LOCATION DURING RECLAMATION
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <5% EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

01/01/2016

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Joseph W. Stephens
Office of Oil and Gas
Lease
Stephen & Shirley Egnor
- Surface

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WV Department of
Environmental Protection
Page 1



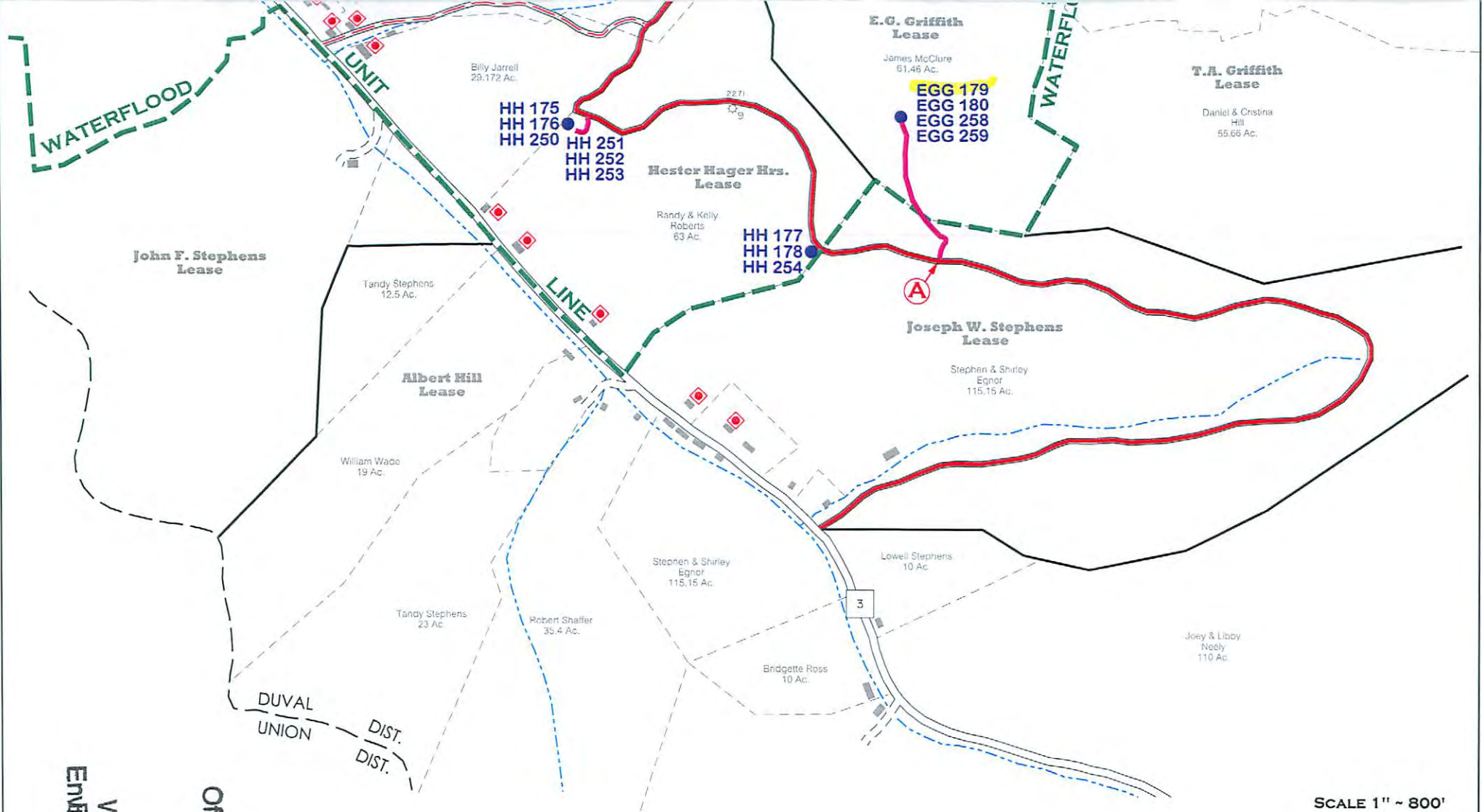
Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- WATERFLOOD ACCESS ROAD FROM ST. RT. 3 TO PT. (A) IS EXISTING. STRUCTURES WILL BE MAINTAINED OR UPGRADED AS NEEDED.
- 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.

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

SEE PAGE 1 FOR
 RECLAMATION PLAN FROM
 PT. (A) TO THE PROPOSED LOCATION





SCALE 1" ~ 800'



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 Division of Oil and Gas

DECEMBER 12, 2015

GRIFTHSVILLE WATERFLOOD








Lincoln County, W.Va.

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

NOTES

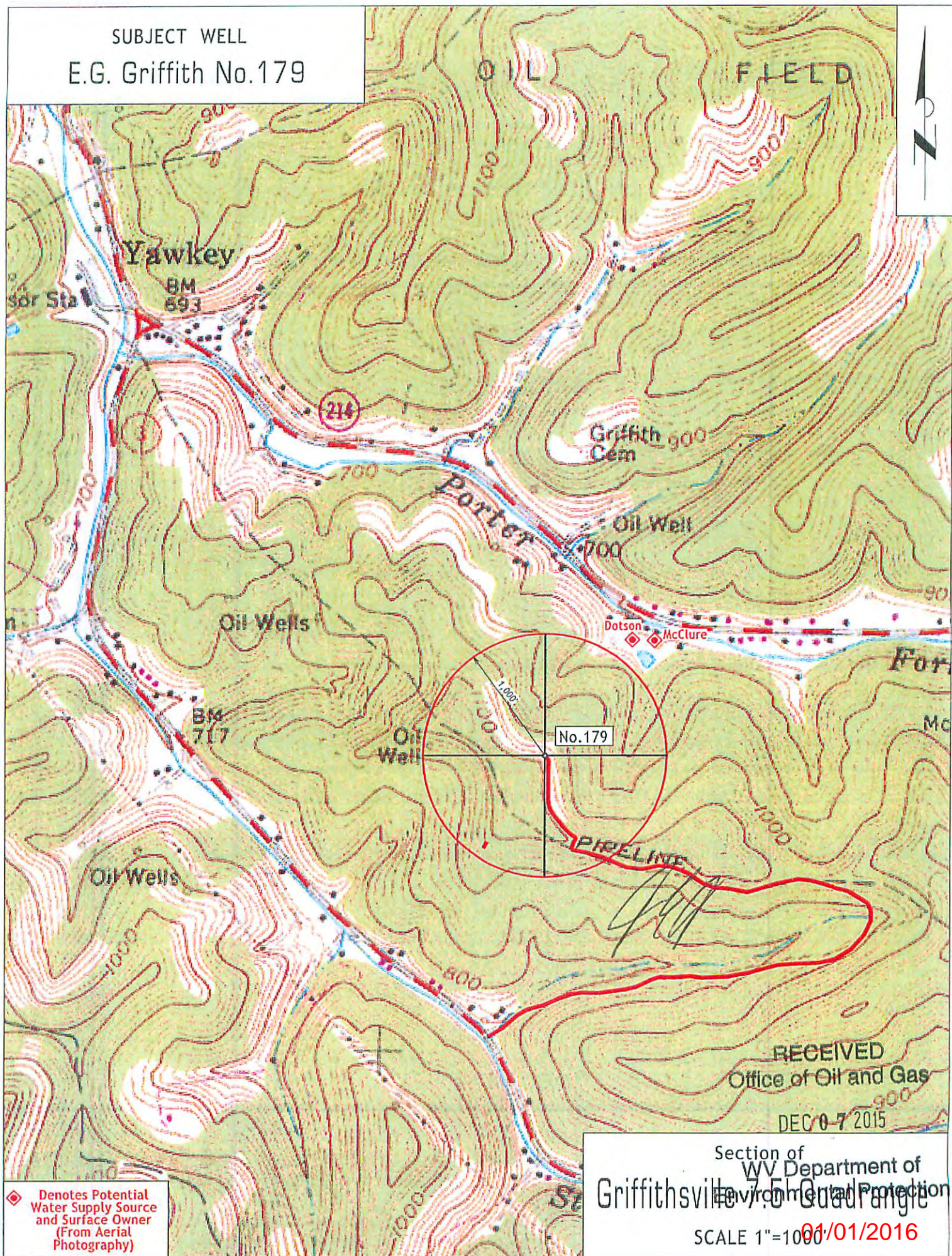
1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING EROSION AND SEDIMENTATION FROM ALL SOIL-DISTURBING OPERATIONS.
2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT **A** TO DRILL SITE LOCATION.
3. 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.)

43035565

SUBJECT WELL
E.G. Griffith No.179



◆ Denotes Potential Water Supply Source and Surface Owner (From Aerial Photography)

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Office of Oil and Gas
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Section of WV Department of Environmental Protection
Griffithsville 7.5 Quad Range

SCALE 1"=1000' 01/01/2016

Longitude = 81°57' 13.21"

10,630'

Bottom Hole Long. = 81°57' 12.1"

LATITUDE 38° 15' 00"

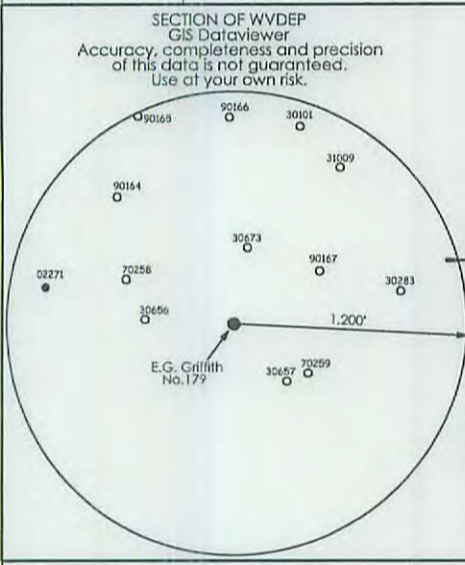
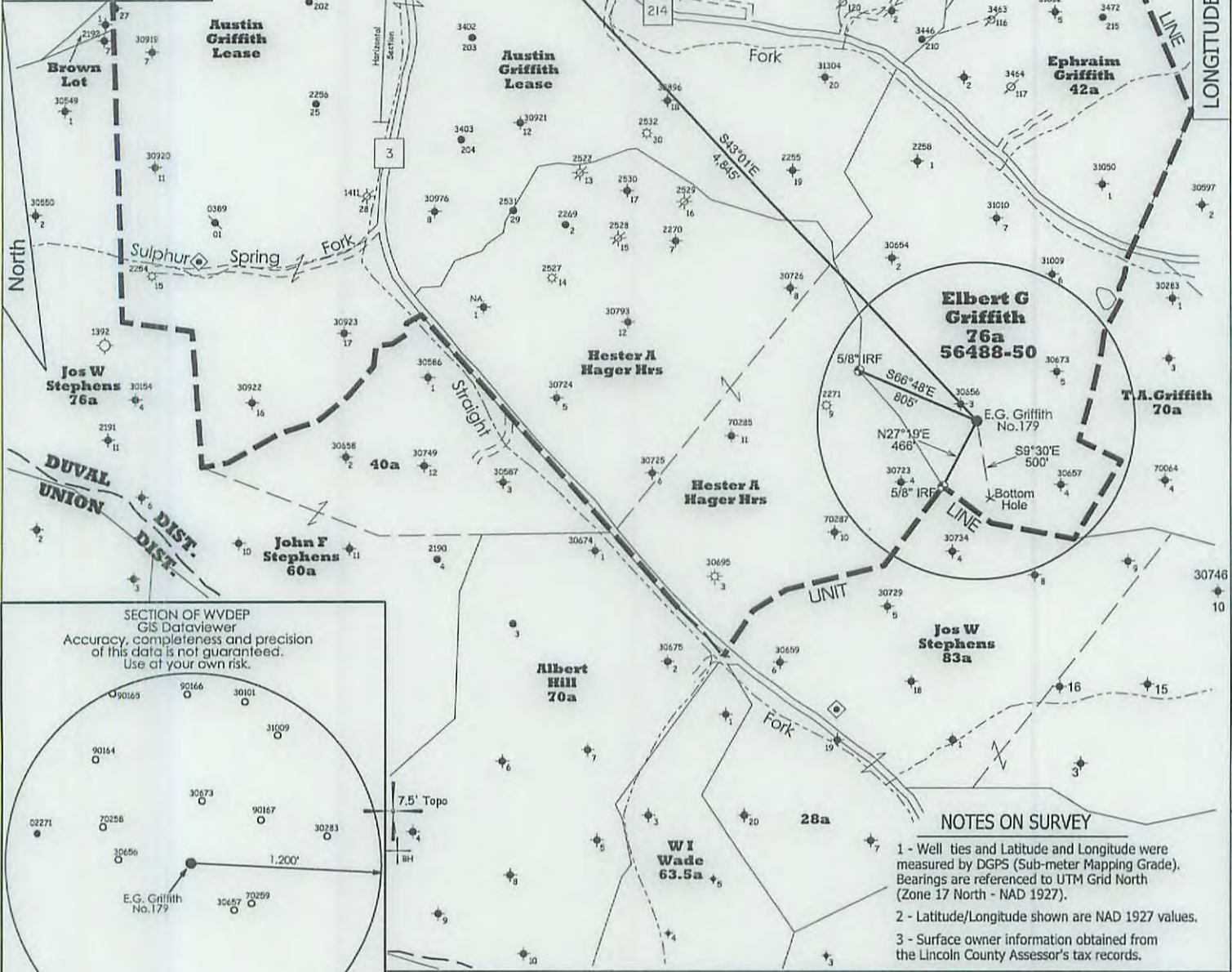
LONGITUDE 81° 55' 00"

12,725'

Latitude = 38° 12' 54.22"

Bottom Hole Lat. = 38° 12' 49.4"

Well Coordinates	
UTM (NAD83) - Meters	
Surface	Bottom Hole
N - 4,230,117 E - 416,527	N - 4,229,967 E - 416,553
Location References	
(Magnetic Bearing - Slope Dist.)	
N60°W 144' 8" Poplar	
S68°W 99' 5" Beech	



NOTES ON SURVEY

- Well ties and Latitude and Longitude were measured by DGPS (Sub-meter Mapping Grade). Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).
- Latitude/Longitude shown are NAD 1927 values.
- Surface owner information obtained from the Lincoln County Assessor's tax records.

- ◊ - DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIRCA 2003 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.
- ⊕ - DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. 1716

SCALE 1" = 1000'

MINIMUM DEGREE OF ACCURACY Sub-Meter

PROVEN SOURCE OF ELEVATION DGPS Survey
(Sub-Meter Mapping Grade)

I, THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(SIGNED) *[Signature]*
TIMOTHY P. ROUSH PS 793



WEST VIRGINIA
Division of Environmental Protection
Office of Oil and Gas
601 57th Street
Charleston, West Virginia 25301



DATE September 10, 2015

FARM E.G. Griffith No.179

API WELL NO. 47 - 043 - 03556S

WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION WASTE DISPOSAL ___
(IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___

LOCATION: ELEVATION 1,075' WATERSHED Porter Fork

DISTRICT Duval COUNTY Lincoln

QUADRANGLE Griffithville 7.5'

SURFACE OWNER James R. McClure ACREAGE 61.46 Ac.

OIL & GAS ROYALTY OWNER HG Energy, LLC., et al LEASE ACREAGE 76 Ac.

LEASE NO. 56488-50 01/01/2016

PROPOSED WORK: DRILL CONVERT ___ DRILL DEEPER ___ REDRILL ___ FRACTURE OR STIMULATE PLUG OFF OLD FORMATION ___ PERFORATE NEW FORMATION ___ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___

TARGET FORMATION Berea ESTIMATED DEPTH 3,230' MD

WELL OPERATOR HG Energy LLC. DESIGNATED AGENT Diane White
ADDRESS 5260 DuPont Road ADDRESS 5260 DuPont Road
Parkersburg, WV 26101 Parkersburg, WV 26101

FORM IV-6