



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

Austin Caperton, Cabinet Secretary
www.dep.wv.gov

Wednesday, November 28, 2018

WELL WORK PERMIT
Vertical / New Drill

HG ENERGY, LLC
5260 DUPONT ROAD

PARKERSBURG, WV 26101

Re: Permit approval for E. J. MAY 226 REV
47-043-03591-00-00

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

A handwritten signature in blue ink, appearing to read 'James A. Martin', is positioned to the right of the typed name and title.

Operator's Well Number: E. J. MAY 226 REV
Farm Name: JUDY R. SMITH
U.S. WELL NUMBER: 47-043-03591-00-00
Vertical New Drill
Date Issued: 11/28/2018

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.

47-043-03591

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

1) Well Operator: HG Energy, LLC 494497948 Lincoln Duval Griffithsville 7.5'
Operator ID County District Quadrangle

2) Operator's Well Number: EJ May 226 Revised 3) Elevation: 840'

4) Well Type: (a) Oil or Gas _____
(b) If Gas: Production / Underground Storage _____
Deep _____ / Shallow

5) Proposed Target Formation(s): Berea Proposed Target Depth: 2350

6) Proposed Total Depth: 2450 Feet Formation at Proposed Total Depth: Berea

7) Approximate fresh water strata depths: 200'

8) Approximate salt water depths: 1015'

9) Approximate coal seam depths: 385'

10) Approximate void depths,(coal, Karst, other): NA

11) Does land contain coal seams tributary to active mine? NA

12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed)

Drill and stimulate production well in the Berea. Stimulation will be small hydraulic fracture.

13) CASING AND TUBING PROGRAM

	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor						
Fresh Water	7"	LS	17#	450'	450'	CTS
Coal						
Intermediate						
Production	4 1/2"	J-55	10.5#	2450'	2450'	150 sks
Tubing						
Liners						

35

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Packers: Kind: _____

Sizes: _____

Depths Set _____

OCT 22 2018

WW-2A
(Rev. 6-14)

1). Date: October 8, 2018
2.) Operator's Well Number EJ May 226 Revised
State County Permit
3.) API Well No.: 47- 043 - 03591

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

4) Surface Owner(s) to be served:
(a) Name Judy Smith
Address 25 Pond Gap Road
Yawkey, WV 25573
(b) Name Justin White
Address 90 Bear Fork Road
Yawkey, WV 25573
(c) Name _____
Address _____

5) (a) Coal Operator
Name NA
Address _____
(b) Coal Owner(s) with Declaration
Name NA
Address _____
Name _____
Address _____

6) Inspector Jeffery Smith
Address 5369 Big Tyler Road
Cross Lanes, WV 25313
Telephone 681-313-6743

(c) Coal Lessee with Declaration
Name NA
Address _____

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OCT 22 2018
WV Department of
Environmental Protection

TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT:

 Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas

OR

 Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

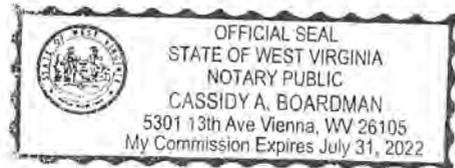
I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through on the above named parties by:

- Personal Service (Affidavit attached)
- X Certified Mail (Postmarked postal receipt attached)
- Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

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, 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, LLC
By: Diane White *Diane White*
Its: Agent
Address: 5260 Dupont Road
Parkersburg, WV 26101
Telephone: 304-420-1119
Email: dwhite@hgeneravllc.com

Subscribed and sworn before me this 8th day of October, 2018

Cassidy Boardman Notary Public

My Commission Expires 7/31/2022

Oil and Gas Privacy Notice

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 depprivacyofficer@wv.gov

WW-2A1
(Rev. 1/11)

Operator's Well Number EJ May 226 Revised

**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
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Environmental Protection

- See Attached Form -

**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 acknowledges 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 overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator:
By: Its:

Diane White
HG Energy, LLC
Agent

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8(d)
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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:

<u>Grantor, Lessor, etc.</u>	<u>Grantee, Lessee, etc.</u>	<u>Royalty</u>	<u>Book/Page</u>
Vera May Krebs, et al	Penzoil Company	1/8	35/154

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 drilling operations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

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In Addition to the Office of Oil and Gas**

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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

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WV Department of
Environmental Protection

Well Operator: HG Energy, LLC

By: Diane C. White *Diane White*
Its: Accountant

WW-2B1
(5-12)

Well No. EJ May 226 Revised

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
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.

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- See Attached Sheet - EMMIL
TOPOGRAPHIC SHEET

R. TAWNEY (SAMPLED)

J. WHITE (SAMPLED)

H. MORGAN (SAMPLED)

47-043-03591

WW-9
(5/16)

API Number 47 - 043 -
Operator's Well No. EJ May 226 Revised

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) Bear Fork Quadrangle Griffithsville 7.5'

Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No
Will a pit be used? Yes No

If so, please describe anticipated pit waste: Fluids encountered while drilling the production well

Will a synthetic liner be used in the pit? Yes No If so, what ml.? 20 mil

Proposed Disposal Method For Treated Pit Wastes:

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

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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, KCl

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

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) NA

-Landfill or offsite name/permit number? To Be Determined Upon Approval Of The Permit

Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associated waste rejected at any West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the permittee shall also disclose where it was properly disposed.

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on April 1, 2016, 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

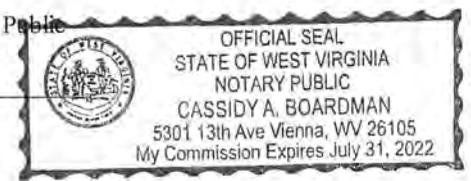
Company Official Title Accountant

Subscribed and sworn before me this 8th day of October, 2018

Cassidy A. Boardman

Notary Public

My commission expires 7/31/2022



Proposed Revegetation Treatment: Acres Disturbed 0.6 acres Prevegetation pH _____

Lime 3 Tons/acre or to correct to pH 6.5

Fertilizer type 10-20-20

Fertilizer amount _____ 500 lbs/acre

Mulch Straw 2 Tons/acre

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Seed Mixtures

Temporary

Permanent

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5

- Erosion and Sediment Control Should Be In Place At All Times -

Attach:

Maps(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided). If water from the pit will be land applied, provide water volume, include dimensions (L, W, D) of the pit, and dimensions (L, W), and area in acres, of the land application area.

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: Jeffrey Smith

Comments: All sediment control to be removed prior to release.

Title: Oil & Gas Inspector Date: 10-15-18

Field Reviewed? () Yes () No

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

Operator Name: HG Energy, LLC
Watershed (HUC 10): Bear Fork Quad: Griffithsville 7.5'
Farm Name: EJ May

1. List the procedures used for the treatment and discharge of fluids. Include a list of all operations that could contaminate the groundwater.

NA

2. Describe procedures and equipment used to protect groundwater quality from the list of potential contaminant sources above.

NA

3. List the closest water body, distance to closest water body, and distance from closest Well Head Protection Area to the discharge area.

NA

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4. Summarize all activities at your facility that are already regulated for groundwater protection.

NA

5. Discuss any existing groundwater quality data for your facility or an adjacent property.

NA

6. Provide a statement that no waste material will be used for deicing or fill material on the property.

NA

7. Describe the groundwater protection instruction and training to be provided to the employees. Job procedures shall provide direction on how to prevent groundwater contamination.

NA

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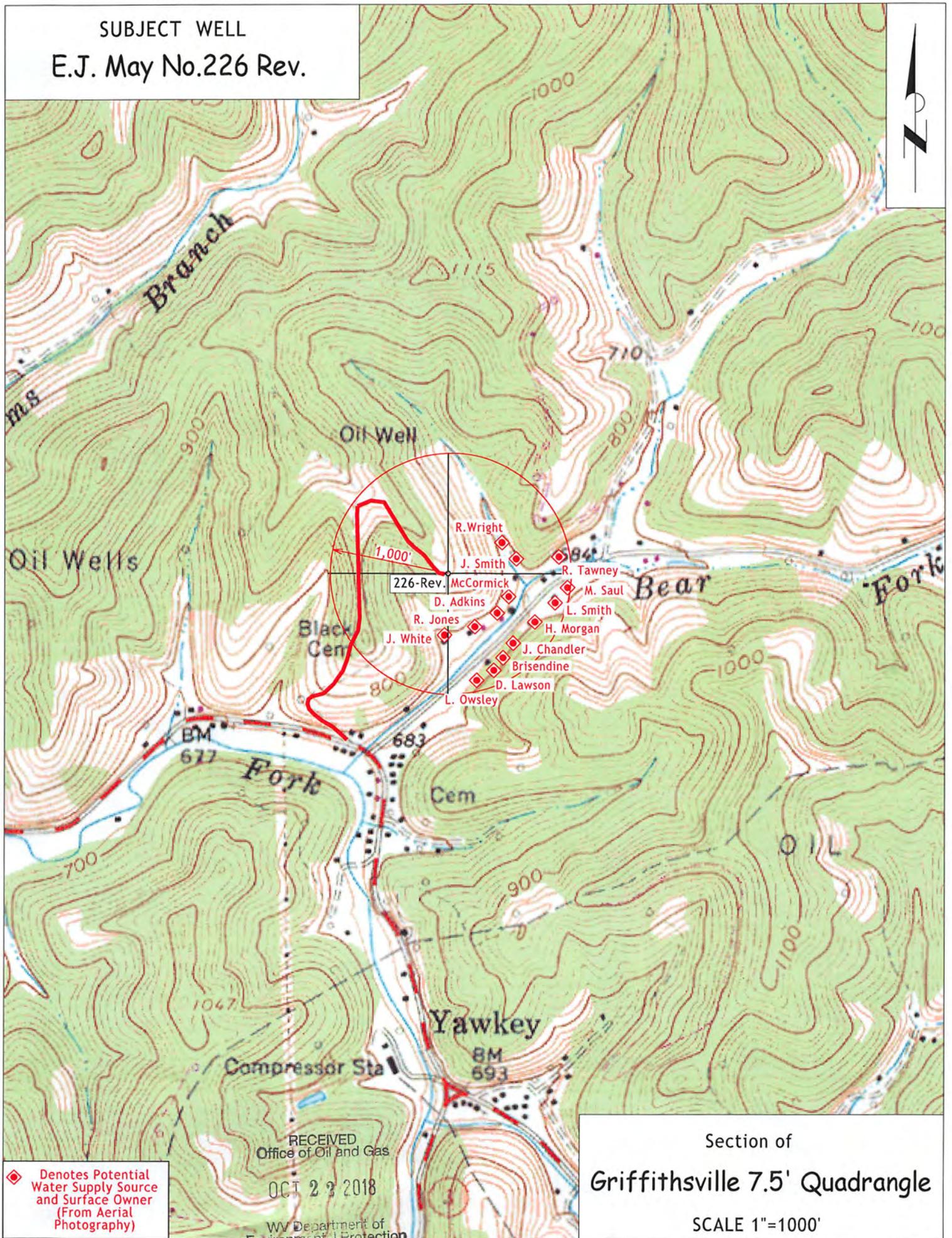
8. Provide provisions and frequency for inspections of all GPP elements and equipment.

NA

Signature: Diane White

Date: 10-8-18

SUBJECT WELL
E.J. May No.226 Rev.



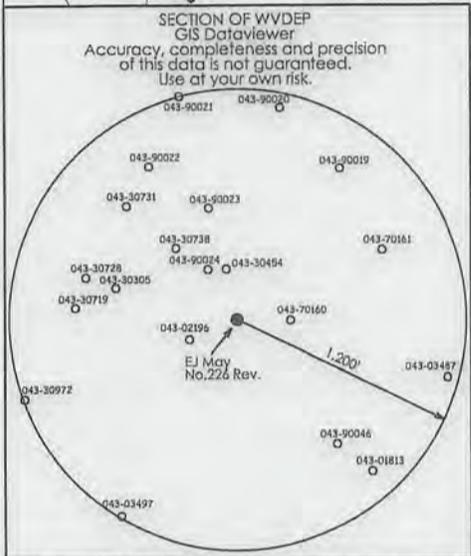
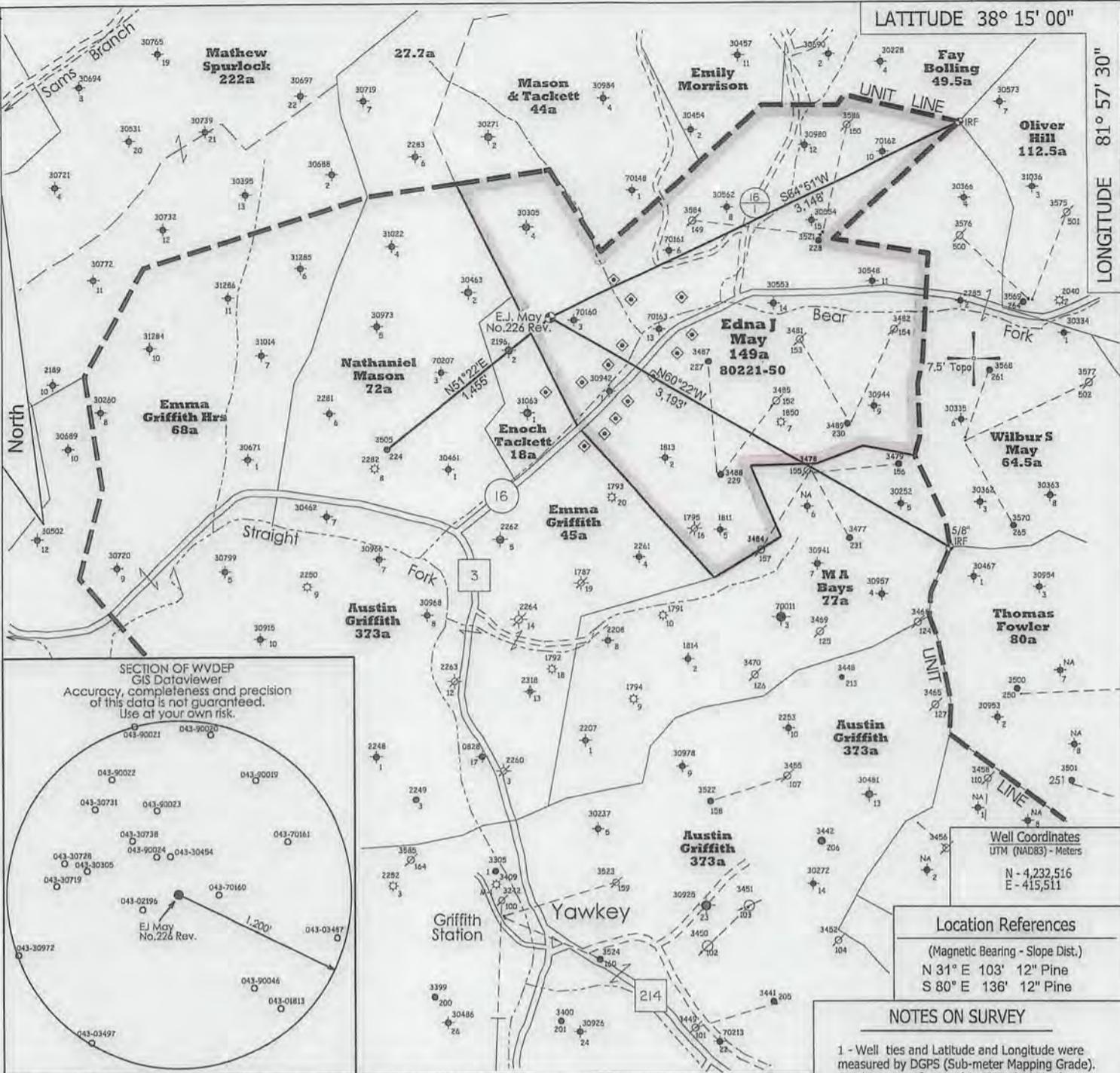
◆ Denotes Potential Water Supply Source and Surface Owner (From Aerial Photography)

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OCT 23 2018

WV Department of Environmental Protection

Section of
Griffithsville 7.5' Quadrangle
SCALE 1"=1000'



Well Coordinates
UTM (NAD83) - Meters
N - 4,232,516
E - 415,511

Location References
(Magnetic Bearing - Slope Dist.)
N 31° E 103' 12" Pine
S 80° E 136' 12" Pine

NOTES ON SURVEY
1 - 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).
2 - Surface owner information obtained from the Lincoln County Assessor's tax records.

◆ - DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIRCA 2016 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.
+ - DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. _____
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) *Timothy P. Roush*
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 25, 2018
FARM E.J. May No.226 Rev.
API WELL NO. 47 - 043 - 03591



WELL TYPE: OIL GAS _____ LIQUID INJECTION _____ WASTE DISPOSAL _____
(IF "GAS") PRODUCTION _____ STORAGE _____ DEEP _____ SHALLOW _____
LOCATION: ELEVATION 840' WATERSHED Bear Fork
DISTRICT Duval COUNTY Lincoln
QUADRANGLE Griffithsville 7.5'
SURFACE OWNER Judy R. Smith ACREAGE 21.88 Ac.
OIL & GAS ROYALTY OWNER HG Energy, LLC et al. LEASE ACREAGE 149 Ac.
LEASE NO. 80221-50
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 2,450'
WELL OPERATOR HG Energy LLC. DESIGNATED AGENT Diane White
ADDRESS 5260 DuPont Road ADDRESS 5260 DuPont Road
Parkersburg, WV 26101 Parkersburg, WV 26101