July 09, 2013

WELL WORK PLUGGING PERMIT

Plugging

This permit, API Well Number: 47-5101444, issued to MCELROY COAL COMPANY, 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.

Upon completion of the plugging well work, the above named operator will reclaim the site according to the provisions of WV Code 22-6-30. The above named operator will also file, as required in WV Code 22-6-23, an affidavit on form WR-38 by two experienced persons in the operator's employment and the Oil and Gas inspector that the work authorized under this permit was performed and a description given. Failure to abide by all statutory and regulatory provisions governing all duties and operations here under may result in suspensions or revocation of this permit and in addition may result in civil and/or criminal penalties being imposed upon the operator.

This permit will expire in two (2) years from date of issue. If there are any questions, please free to contact me at (304) 926-0499 ext. 1654.

James Martin
Chief

Operator's Well No: M-1572
Farm Name: HAMMERS, JACK R. & PAUL F.
API Well Number: 47-5101444
Permit Type: Plugging
Date Issued: 07/09/2013

Promoting a healthy environment.
WW-4A
Revised 6-07

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE OF APPLICATION TO PLUG AND ABANDON A WELL.

4) Surface Owner(s) to be served:
(name)
Jack R. Hammers
Address
165 Oakmont Road
Wheeling, WV 26003

(b) Name
Paul F. Hammers
Address
#3 Squire Valley
Bartowsville, WV 25504

(c) Name

5) (a) Coal Operator
Name
McElroy Coal Company
Address
6126 Energy Drive
Moundsville, WV 26041

(b) Coal Owner(s) with Declaration
Name

6) Inspector
Name
Address

TO THE PERSONS NAMED ABOVE: You should have received this Form and the following documents:

(1) The application to Plug and Abandon a Well on Form WW-4B, which sets out the parties involved in the work and describes the well its and the plugging work order; and
(2) The plat (surveyor's map) showing the well location on Form WW-6.

The reason you received these documents is that you have rights regarding the application which are summarized in the instructions on the reverse side. However, you are not required to take any action at all.

Take notice that under Chapter 22-6 of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a permit to plug and abandon a well with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental Protection, with respect to the well at the location described on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, the Application, and the plat have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of mailing or delivery to the Chief.

Well Operator
McElroy Coal Company
By: Adrienne Carney
Its: Project Engineer / Agent
Address
6126 Energy Drive
Moundsville, WV 26041
Telephone
304-843-3565

Subscribed and sworn before me this ______ day of ______, 20____.
My Commission Expires August 5, 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.
STATE OF WEST VIRGINIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OFFICE OF OIL AND GAS

APPLICATION FOR A PERMIT TO PLUG AND ABANDON

4) Well Type: Oil ___/ Gas ___/ Liquid injection ___/ Waste disposal ___/  
   (If "Gas, Production ___ or Underground storage ___) Deep ___/ Shallow X

5) Location: Elevation 1287.73'  
   District Cameron  
   Watershed Unnamed Tributary to Grave Creek  
   County Marshall  
   Quadrangle Cameron, WV 7.5'

6) Well Operator McElroy Coal Company  
   Address 6126 Energy Drive  
   Moundsville, WV 26041  
   Designated Agent Adrienne Carney  
   Address 6126 Energy Drive  
   Moundsville, WV 26041

8) Oil and Gas Inspector to be notified  
   Name Bill Hendershot  
   Address 403 James Street  
   Mannington, WV 26582

9) Plugging Contractor  
   Name ____________________________  
   Address ____________________________

10) Work Order: The work order for the manner of plugging this well is as follows:

Received

Notification must be given to the district oil and gas inspector 24 hours before permitted work can commence.

JUL 1 2013

Work order approved by inspector ____________________________  
WV Dept. of Environmental Protection  
07/12/2013
EXHIBIT NO. 1

From the experience and technology developed since 1970 in plugging oil and gas wells for mining through, Consolidation Coal's Northern West Virginia Operations will utilize one of the following two methods to plug all future wells.

4½ VENT PIPE METHOD

(a) If active well: clean out to total depth and plug back according to state regulations to a minimum of 200 feet below lowest minable coal seam.

(b) If abandoned well: clean out to first plug 200 feet below lowest minable seam.

(c) Run 4½ casing from surface to minimum 200 feet below lowest minable seam and circulate 50/50 poz mix cement followed by expanding cement to surface. The expanding cement shall extend from minimum 200 feet below minable coal seam to a point 100 feet above.

The 4½ will remain open from surface to a minimum of 80 feet below that minable coal seam.

SOLID PLUG METHOD

(a) If active well: clean out to total depth and plug back according to state regulations to a minimum of 200 feet below lowest minable coal seam.

(b) If an abandoned well: clean out to first plug 200 feet below lowest minable coal seam.

(c) Circulate through tubing or drill steel an expanding cement plug from a minimum of 200 feet below minable coal seam to a point 100 feet above minable coal.

Circulate through tubing or drill steel 50/50 poz mix from 100 feet above coal seam to surface.

A monument will be installed with API No. and stating "solid plug".
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: McElroy Coal Company

Watershed: Unnamed Tributary to Grave Creek

Quadrangle: Cameron, WV 7.5'

Elevation: 1267.73'

County: Marshall

District: Cameron

Description of anticipated Pit Waste: N/A

Will a synthetic liner be used in the pit? N/A

Proposed Disposal Method For Treated Pit Wastes:

- [ ] Land Application
- [ ] Underground Injection (UIC Permit Number: )
- [ ] Reuse (at API Number: )
- [x] Off Site Disposal (Supply form WW-9 for disposal location)
- [ ] Other (Explain: See Attached Letter)

Proposed Work For Which Pit Will Be Used:

- [ ] Drilling
- [x] Workover
- [ ] Other (Explain: )

Swabbing

Plugging

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: Adrienne Carney

Company Official (Typed Name): Adrienne Carney

Company Official Title: Senior Project Engineer

Subscribed and sworn before me this 25th day of June, 2013

Received

Notary Public

JUL 1 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

07/12/2013
Proposed Revegetation Treatment: Acres Disturbed ____________________ Prevegetation pH ____________________

Lime ____________________ Tons/acre or to correct to pH ____________________

Fertilizer (10-20-20 or equivalent) ____________________ lbs/acre (500 lbs minimum)

Mulch ____________________ Tons/acre

Seed Mixtures

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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: ____________________

Received ____________________

Title: ____________________ Date: ____________________

Field Reviewed? (______) Yes (______) No
June 24, 2013

Department of Environmental Protection
Office of Oil & Gas
601-57TH Street
Charleston, West Virginia 25304

To Whom It May Concern:

As per the Division of Environmental Protection, Office of Oil & Gas request, McElroy Coal Company, Ohio Valley Operations, submits the following procedures utilizing pit waste.

Upon submitting a well work application (without a general permit for Oil & Gas Pit Waste Discharge Application), McElroy Coal Company, Ohio Valley Operations, will construct no pits, but instead will use mud tanks to contain all drilling muds.

Once the well is completed, that material (minus the cave material) will be trucked to the next well to be plugged or to DEP facilities number U-0033-83, O-1023-92, O-1001-00, or U-1025-91.

Sincerely,

[Signature]
Adrienne Carney, PE
Senior Project Engineer