

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

PERMIT MODIFICATION APPROVAL

July 10, 2015

NORTHEAST NATURAL ENERGY LLC 707 VIRGINIA STREET EAST CHARLESTO, WV 25301

Re: Permit Modification Approval for API Number 6101707, Well #: MIP 3H

Oil and Gas Operator:

The Office of Oil and Gas has reviewed the attached permit modification for the above referenced permit. The attached modification has been approved and well work may begin. Please be reminded that the oil and gas inspector is to be notified twenty-four (24) hours before permitted well work is commenced.

Please call James Martin at 304-926-0499, extension 1654 if you have any questions.

Gene Smith

Sincerely.

Assistant Chief of Permitting

Office of Oil and Gas

Raines, Cindy J

From:

Hollie Medley hmedley@nne-llc.com

Sent:

Friday, July 10, 2015 12:13 PM

To:

Raines, Cindy J

Cc:

Brett Loflin

Subject:

MIP 3H (47-061-01707) - Modification Request

Attachments:

MIP 3H - WW-6B - Permit Application - DEEP WELL - 2015-7-9.pdf; MIP 3H - Site Safety Plan - Additional Pages - 2015-7-10.pdf; MIP 3H - Schematic - 2015-7-9.pdf; MIP 3H -

Final Plat - Deep - 2015-7-10.pdf

Cindy,

Northeast Natural Energy LLC would like to request that its current MIP 3H Permit (47-061-01707) be modified from a shallow well to a deep well for logging purposes. This "deep" pilot hole will be plugged back with solid cement prior to the drilling of the horizontal portion of the well in the Marcellus formation.

Gayne has requested that NNE add a comment to its Site Safety Plan stating that the formation pressures will not exceed the pressure ratings of the BOP's being installed. This comment has been added and is attached for your records.

The nearest deep well permitted was NNE's MIP SW. This well has not yet been drilled and a modification has been requested to revised the current permit (47-061-01705) from "deep" to a shallow depth at 6,500'.

Please find attached a revised WW-6B, Additional Pages for the existing Site Safety Plan, a revised schematic and an updated Plat.

Please let me know if you have any questions.

Thanks,

Hollie M. Medley Regulatory Coordinator Northeast Natural Energy LLC 48 Donley Street, Suite 601 Morgantown, WV 26501 304.241.5752 Ext. 7108 northeastnaturalenergy.com

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Oil and Gas Conservation Commission 601 57th Street, SE Charleston, WV 25304 (304)926-0499, Ext 1656

Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary dep.wv.org

July 10, 2015

Department of Environmental Protection Office of Oil and Gas Charleston, WV 25304

RE: Application for Deep Well Permit – API #47-061-01707

COMPANY:

Northeast Natural Energy

FARM:

Enroute Properties, LLC MIP Unit #3

COUNTY:

Monongalia

DISTRICT:

Grant

QUAD: Morgantown South

(cr)

The deep well review of the application for the above company is approved to drill to ORISKANY If operator wishes to drill deeper than the HELDERBERG, additional -- MARCELLUS completion. approval must be obtained from the OGCC.

The applicant has complied with the provision of Chapter 22C-9, of the Code of West Virginia, nineteen hundred and thirty-one (1931), as amended, Oil and Gas Conservation Commission as follows:

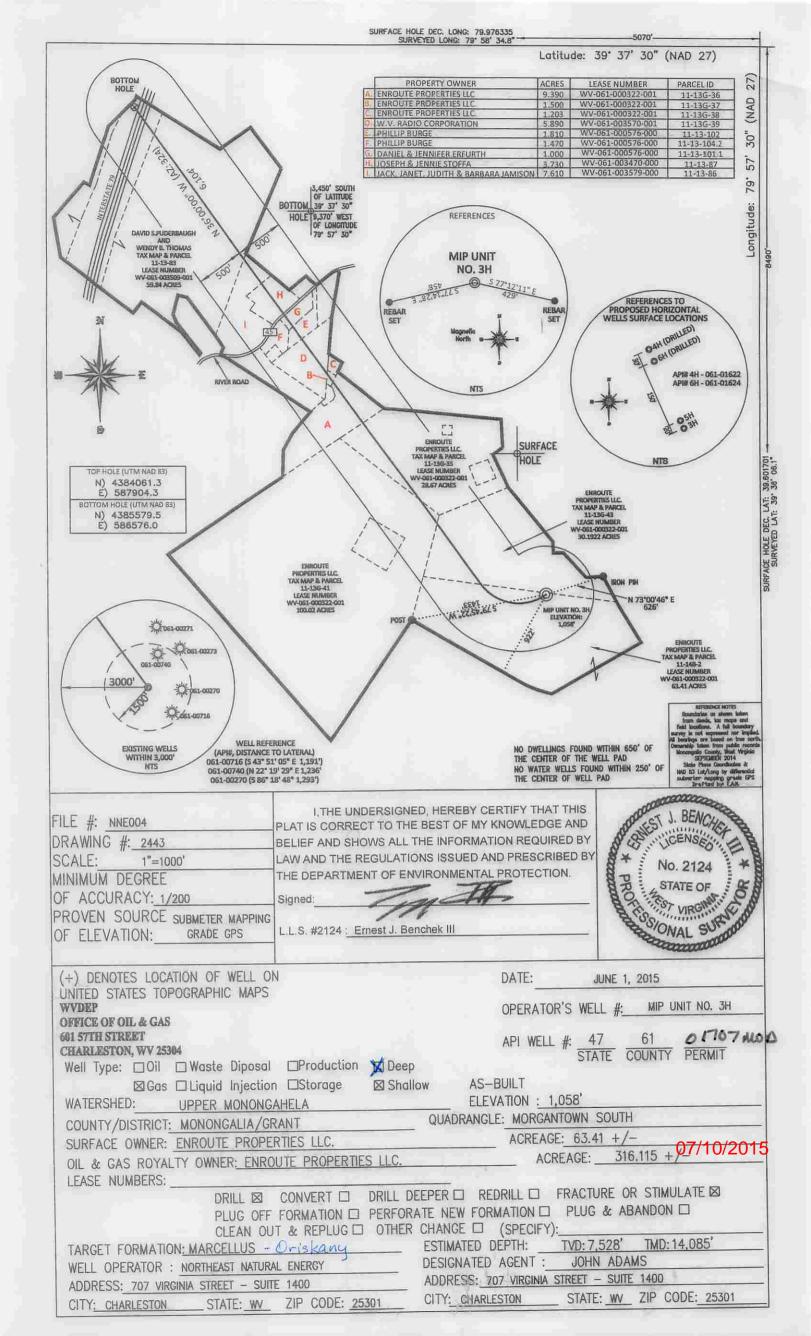
- 1. Provided a certified copy of duly acknowledged and recorded consent and easement form from all surface owners:
- 2. Provided a tabulation of all deep wells within one mile of the proposed location, including the API number of all deep wells, well name, and the name and address of the operator; none
- 3. Provided a plat showing that the proposed location is a distance of 400 feet from the nearest lease line or unit boundary and showing the following wells drilled to or capable of producing from the objective formation within 3,000 feet of the proposed location.

Sincerely,

Cindy Raines

Executive Assistant

Cindy Raines



WW-6A1

Operator's Well No. MIP 3H

	NNE Lease No.	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page	Tax Map & Parcel
!	WV-861-000322-001	Enroute Properties, LLC	Northeast Natural Energy LLC	0.125 or greater	1420/577	148-2; 13G- 43,35,41,36,37,38
فم	V/V-061-003570-001	WV Radio Corporation	Northeast Natural Energy LLC	.125 or greater	1521/233	13G-39
	WV-061-000576-000	Morgantown Industrial Park Associates, L.P.	Northeast Natural Energy LLC	0.125 or greater	1420/571	11-13G-104.2,102,101.1
•	V/V-051-003470-000	STOFFA, JENNIE	Northeast Natural Energy LLC	0.125 or greater	1514/12	13-87
/	WV-061-003579-000	JAMISON, BARBARA	Northeast Natural Energy LLC	.125 or greater	1522/765	13-86
	WV-061-003509-001	MOORE, CHARLES	Northeast Natural Energy LLC	0.125 or greater	1517/65	13-83

*See Attachment

W. C.

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A BOP EQUIPMENT - DRILLING PHASE

From the shoe of the intermediate casing string (9-5/8") to KOP, the well will continue to be drilled on air. For this section, at a minimum, an 11" 3,000 PSI annular-type BOP will be utilized as a means of well control. Installation of this equipment will be dependent upon two different conditions...

- Should the top-hole drilling rig have a substructure large enough to sit upon a cellar, an 11" 5,000 PSI API flanged casing head will be welded onto the top of the intermediate casing string (9-5/8") below grade after it has been set and cement has cured for a minimum of 8 hours. It is upon this casing head that the annular-type BOP will be bolted and torqued to specification as a means of well control for the section.
- Should the top-hole drilling rig have a substructure too small to sit upon a cellar, the intermediate casing string (9-5/8") will be landed at surface and a screw-on or weld flange annular-type BOP will be used as a means of well control for the section. Under this scenario, a cellar will be installed around the wellbore after the top-hole rig is released from the pad. Once installed, an 11" 5,000 PSI API flanged casing head will then be welded onto the top of the intermediate casing string (9-5/8") below grade.

For the remainder of the drilling of the well on fluid; at a minimum and from bottom to top; an 11" 5,000 PSI kill spool, an 11" 5,000 PSI blind ram-type BOP, an 11" 5,000 PSI pipe ram-type BOP, and an 11" 5,000 PSI annular-type BOP will be bolted and torqued to specification upon the 11" 5,000 PSI casing head.

Based on previous drilling experience in the area, unstimulated reservoir pressures will not exceed the pressure ratings of the BOP's installed.

B PROCEDURE AND SCHEDULE FOR TESTING BOP

For the bottom and horizontal wellbore drilling phase, function testing of BOP equipment shall occur upon initial installation, weekly, and after each trip. Pressure testing of all BOP equipment shall occur upon initial installation and every twenty-one (21) days thereafter, should the well not be completed within that time. Annular preventers are to be tested to seventy percent (70%) of the rated capacity and ram preventers should be tested to eighty percent (80%) of the rated capacity according to the following procedure;

The WV DEP Regional Oil and Gas Inspector will be notified 24 hrs. in advance of the pressure testing of all BOP equipment.

Office of Oil and Gas of the notified 24 hrs. in advance of the pressure testing of all BOP equipment.

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Deep Well Additional Requirements

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

1) Well Operate	_{or:} Northea	st Natural E	Energy LLC	494498281	Monongalia	Grant	Morgantown South
_				Operator ID	County	District	Quadrangle
2) Operator's V	Vell Number	: MIP 3H		Well Pad	Name: MIP		
3) Farm Name/	Surface Own	ner: Enrou	t Properties	s, LLC Public Road	d Access: CR	19/19; Indu	strial Park Rd
4) Elevation, cu	irrent ground	d: 1,058'	El	evation, proposed p	post-construction	on: 1,058'	
5) Well Type	(a) Gas		Oil	Unde	rground Storag	ge	
	Other			-			
	(b)If Gas	Shallow		Deep			
		Horizonta	<u> </u>				
6) Existing Pad	: Yes or No	Yes					
· -	_			ipated Thickness ar	nd Associated l	Pressure(s)	:
Pilot: Helderb	ourg 8,000', Ho	orizontal: Ma	rcellus 7,528	3' ; 103' , 3,270 psi			
8) Proposed To	tal Vertical	Depth: Pil	ot: 8,000' ; F	lorizontal: 7,528'			
9) Formation at	Total Vertic	cal Depth:	Pilot: Held	erburg; Horizontal: Ma	arcellus		
10) Proposed T	otal Measur	ed Depth:	14,085'				
11) Proposed H	lorizontal Le	g Length:	6,104'			R O#:	ECEIVED
12) Approxima	te Fresh Wa	ter Strata D	epths:	50' , 450'		Onice	of Oil and Gas
13) Method to 1			-	Driller's Log from Offs	et Wells	JU	IL 1 0 2015
14) Approxima	te Saltwater	Depths: _	1,600'			WV D	epartment of
15) Approxima	te Coal Sear	n Depths:	200' , 225'		· · · · · · · · · · · · · · · · · · ·	Environm	ental Protection
16) Approxima	te Depth to l	Possible Vo	oid (coal m	ine, karst, other): 1	N/A		
17) Does Propo directly overlyi				ms Yes	No	V	
(a) If Yes, pro	ovide Mine I	nfo: Nam	e:				
		Dept	h:				
		Sean	n:				
		Own	er:				

18)

CASING AND TUBING PROGRAM

TYPE	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	STD	78.67	40'	40'	GTS
Fresh Water	13 3/8"	New	J-55	54.5	530'	500'	CTS
Coal							
Intermediate	9 5/8"	New	J-55	40	1,830'	1,800'	CTS
Production	5 1/2"	New	P-110	20	14,085'	14,055'	3,364 cu. ft.
Tubing	2 3/8"	New	J-55	4.7		7,800'	NA
Liners							

TYPE	Size	Wellbore	Wall	Burst Pressure	Cement Type	Cement Yield
		<u>Diameter</u>	Thickness			(cu. ft./k)
Conductor	20"	24"	.375	499	Grout	NA
Fresh Water	13 3/8"	17 1/2"	.38"	2,760	Class A	1.23
Coal						
Intermediate	9 5/8"	12 1/4"	.395"	3,950	Class A	1.3
Production	5 1/2"	8 3/4"	.361"	12,530	50:50 Poz	1.21
Tubing	2 3/8"	NA	.190"	7,700	NA	NA
Liners						

PACKERS

Kind:	Office of Oil and Gas
Sizes:	JUL 1 0 2015
Depths Set:	WV Department of Environmental Protection

19)	Describe p	roposed v	vell work.	including	the drilling a	nd plugging	back of any	pilot hole:
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Drilling and completion of a horizontal Marcellus well. The well will be drilled on air to an approximate depth of 6,500' TVD/MD. A pilot hole will then be drilled on synthetic based mud to an approximate depth of 8,000' and plugged back with solid cement to the KOP at approximately 6,500' TVD. The well will then be horizontally drilled on synthetic based mud from the KOP to approximately 7,528' TVD / 14,085' MD along a 324 degree azimuth.

5 CS NOIS

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

Multi-stage / high-rate slickwater fracture treatment using various size sands as proppant. First stage will be initiated via pressurization against a burst disc ran in the production casing string or perforated with coiled tubing. Subsequent stages will be perforated with pumped down guns ran on wireline. Individual stages will be isolated with composite frac plugs. Maximum pump rate during any stage will be 110 BPM with a maximum allowable surface pressure of 9,500 PSI. Composite bridge plugs will be set at the end of the last stage to isolate the treated formation.

- 21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): N/A Existing Pad
- 22) Area to be disturbed for well pad only, less access road (acres): N/A Existing Pad
- 23) Describe centralizer placement for each casing string:

Surface and intermediate casing strings will have bow spring centralizers placed every third joint (~120') from shoe joint to surface. Production casing will have rigid body centralizers placed at a minimum every fourth joint (~160') from TD to surface.

24) Describe all cement additives associated with each cement type:

Surface string cement will be a Class A + Max 3% bwoc Calcium Chloride Fresh Water blend. Intermediate string cement will be a Class A Cement + Max 3% bwoc Calcium Chloride + Fresh Water. Production string cement will be (50:50) Poz (Fly Ash):Type I Cement with a gas migration additive.

25) Proposed borehole conditioning procedures:

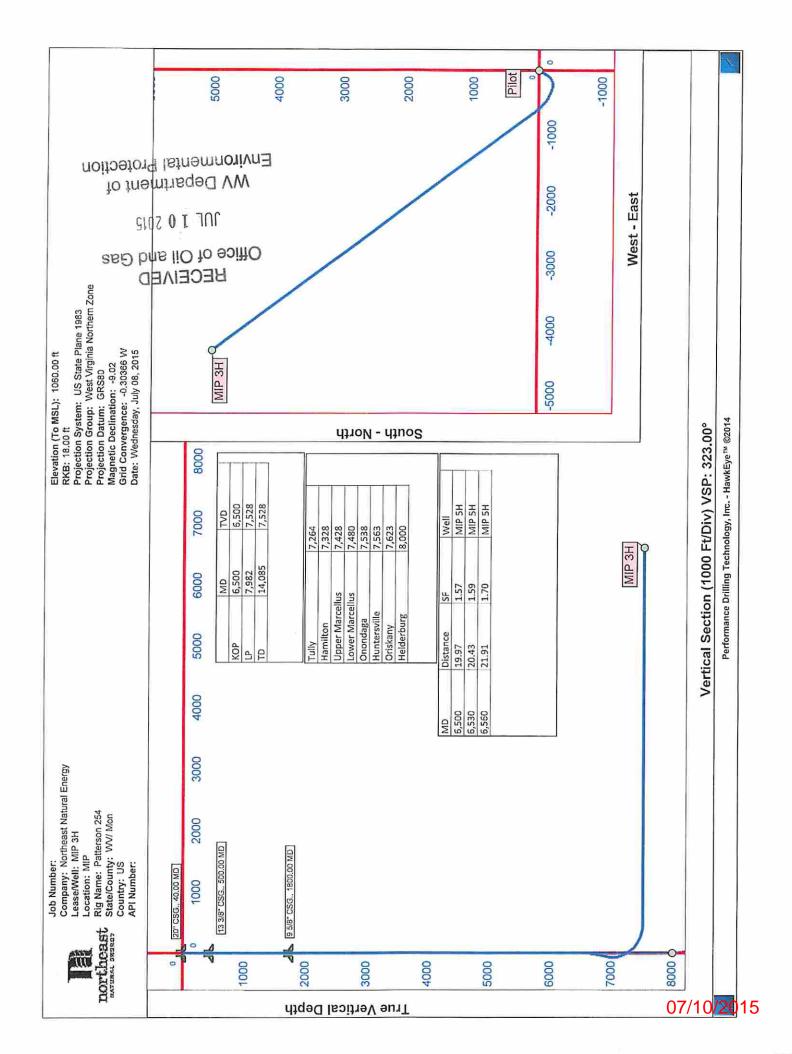
Surface string will use a 25.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Intermediate string will use a 25.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement. Production string will use a 50.0 bbls Gel Pill + LCM + 25 lbs Cello Flake + 20 lbs/bbl Bentonite @ 8.4 ppg & 10 bbls fresh water spacer prior to cement.

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*Note: Attach additional sheets as needed.

Environmental Protection



A - ANTICIPATED DEPTHS

Freshwater	50' , 450'
Saltwater	1,600'
Oil and Gas	1,621' - 2,910'
	7,428' – 7,538'
Hydrogen Sulfide	N/A*
Thief Zones	N/A*
High Pressure	N/A*
High Volume	N/A*

B - CASING AND CEMENTING PROGRAM

Туре	Size	New or Used	Grade	Weight Per Foot	Footage: For Drilling	Intervals: Left in Well	Cement: Fill-Up (Cu. Ft.)
Conductor	20"	New	STD	78.67	40'	40'	GTS
Freshwater	13 3/8"	New	J-55	54.5	530'	500'	стѕ
Coal							
Intermediate	9 5/8"	New	J-55	40	1,830'	1,800'	CTS
Production	5 ½"	New	P-110	20	14,085'	14,055'	3,364 cu. ft

*This well will be drilled into the Helderburg formation and will be plugged back to the KOP with solid cement.

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