

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

March 13, 2013

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-6900157, issued to CHESAPEAKE APPALACHIA, L.L.C., 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 of completion of drilling, 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: ROY FERRELL OHI 201H

Farm Name: FERRELL, ROY E.

API Well Number: 47-6900157

Permit Type: Horizontal 6A Well

Date Issued: 03/13/2013

Promoting a healthy environment.



PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) 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 § 22-6A-5a (12), 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. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the fill material shall be within plus or minus 2% (unless soil test results show a greater range of moisture content is appropriate and 95% compaction can still be achieved) of the optimum moisture content as determined by the standard proctor density test, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort. Each lift must meet 95% compaction of the optimum density based on results from the standard proctor density test of the actual soils used in specific engineered fill sites. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 3. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 4. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled *Water Well Regulations*, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 5. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.

Map from a Flex Viewer application

Powered by ArcGIS



Copyright 2010 ESRI, All rights reserved. Printed on Wed Mar 13 2013 08:22:20 AM.

Dailling into abandoned mire @ 691'

LKC

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS W.VA. CODE §22-6A - WELL WORK PERMIT APPLICATION

1) Well Operator: Chesapeake Appalachia, LL	С	494477557	69- Ohio	7- Triadelphia	648- Valley Grove
		Operator ID	County	District	Quadrangle
		11	I-II Dad Nam	a. Pov Forrall OH	II Pad
2) Operator's Well Number: Roy Ferrell	OHI 201H	W	Vell Pad Nam	e: Roy Ferreir On	T Fau
3 Elevation, current ground: 1196	Ele	evation, proposed p	ost-construc	tion:	1196'
4) Well Type: (a) Gas ■	Oil				
Other					
(b) If Gas: Shallow		Deep			
Horizontal					
110112011111					
5) Existing Pad? Yes or No: Yes					
6) Proposed Target Formation(s), Depth	(s) Anticipat	ed Thicknesses and	d Associated	Pressure(s):	
Target formation-Marcellus, Target top TVD- 6630', Target	et base TVD- 6690',	Anticipated thickness- 60', As	ssociated Pressure -	4177	
7) Proposed Total Vertical Depth:	6,660'				
8) Formation at Total Vertical Depth:	Marcellus				
9) Proposed Total Measured Depth:	13,700'				
10) Approximate Fresh Water Strata De		10'			
11) Method to Determine Fresh Water	Depth: fro	om a water well~4000' WNV	V of the pad		
12) Approximate Saltwater Depths:	800'				
13) Approximate Coal Seam Depths:	691'		The second secon		
14) Approximate Depth to Possible Vo	id (coal mine,	karst, other):	691' void aban	doned mine	
15) Does land contain coal seams tribut	ary or adjacer	nt to, active mine?	No.		
16) Describe proposed well work:					10-1
Drill and stimulate any potential zones between and inclu	uding the Benson to th	ne Marcellus. **If we should	encounter a void, pla	ce basket above an	d below
void area - balance cement to bottom of void and grout f (*If freshwater is encountered deeper than anticipated it			below void floi filoi	e than 50 below voi	u.
("If freshwater is encountered deeper than anticipated it	must be protected, se	t casing or bolow and stoy			
17) Describe fracturing/stimulating me	thods in detail				
Well will be perforated within the target formation and stimulated w	with a slurry of water, sand	d, and chemical additives at a high	rate. This will be perfo	ormed in stages with the	plug and perf method along
the wellbore until the entire lateral has been stimulated v	vithin the target forma	tion. All stage plugs are ther	n drilled out and the v	well is flowed back to	
The well is produced through surface facilities consisting	of high pressure prod	duction units, vertical separat	tion units, water and	oil storage tanks.	000
				- Service Oil C	P
10) To 1	a manda ataala	nile area nits etc	(acres):	-011	2013
18) Total area to be disturbed, including	g roads, stock	prie area, pris, cic,	(acres).	Mr. J.	2 000
19) Area to be disturbed for well pad o	nly, less acces	ss road (acres):	7	JAM	March Str.
					D. C.
			MAN.	1-8-201)
			The	1-8-201 H-1-8-	13
			1.2	1-1-2	1
			6		

20)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	J-55	94#	100'	100'	CTS
Fresh Water	13 3/8"	New	J-55	54.5#	440'	440'	420 SX/CTS
Coal	9 5/8"	New	J-55	40#	2210'	2210'	850 SX/CTS
Intermediate	7"	New	P-110	20#	If Needed	If Needed	If Needed/As Needed
Production	5 1/2"	New	P-110	20#	13,700'	\ 13,700'	Lead 1,180 sx Tail 1,220 sx/100' inside intermediate
Tubing	2 3/8"	New	N-80	4.7#	Approx. 7,422'	Approx. 7,422'	
Liners							

19/2013 WRA 1-9-13

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	30"	0.25"	2120	15.6 ppg	1.19/50% Excess
Fresh Water	13 3/8"	17.5"	0.380	2740	15.6 ppg	1.19/50% Excess
Coal	9 5/8"	12 1/4"	0.395	3950	15.6 ppg	1.19/50% Excess
Intermediate	7"	8 3/4"	.0317	4360	15.6 ppg	1.19/50% Excess
Production	5 1/2"	8 3/4"	0.361	12360	15.6 ppg	1.20/15% Excess
Tubing	2 3/8"	4.778"	0.190			
Liners						

PACKERS

		<u>PACKERS</u>	DECENED and Gos
Kind:	10K Arrowset AS1-X		2013
Sizes:	5 1/2"		Our AM S. s. soul of sec.
Depths Set:	Approx. 6,197'		760000 700

) Describe centralizer placement for each casing string.
All casing strings will be ran with a centralizer at a minimum of 1 per every 3 joints of casing.
2) Describe all cement additives associated with each cement type.
**Please see attached sheets for Chemical Listing of Cement & Additives for Chesapeake Energy wells.
3) Proposed borehole conditioning procedures.
All boreholes will be conditioned with circulation and rotation for a minimum of one bottoms up and continuing until
operator is satisfied with borehole conditions.

*Note: Attach additional sheets as needed.

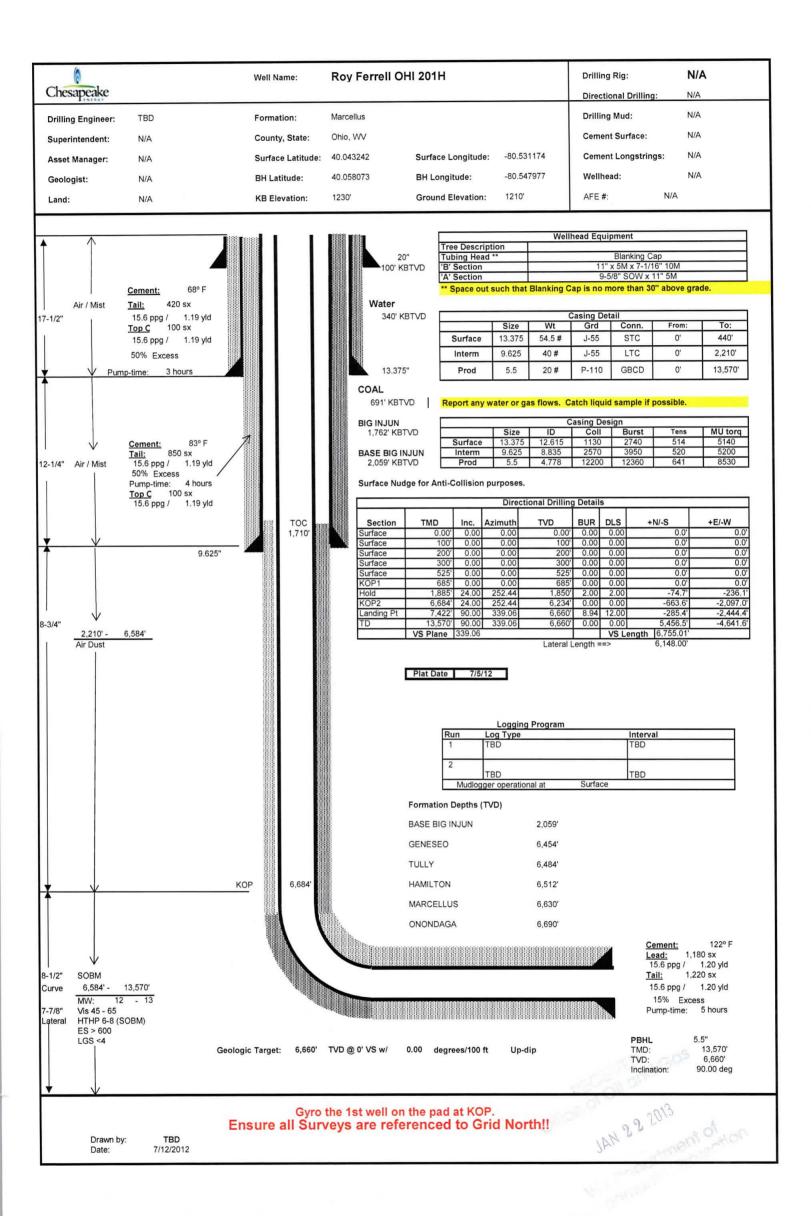
18 30 M3

Chemical Name	CAS Number	% Concentration Used
Fuller's earth (attapulgite)	8031-18-3	0.2% BWOC
Polypropylene glycol	25322-69-4	
polyethylene terephthalate	25038-59-9	0.125 lb/sk
calcium chloride	10043-52-4	2% BWOC
Calcium emonde	1001002	
nelyothylone terephthelete	25038-59-9	1 lb/bbl
polyethylene terephthalate bentonite	1302-78-9	20 lb/bbl
bentonite	1002-10-0	2010/001
Fulleria corth (ottopulaita)	8031-18-3	0.2% BWOC
Fuller's earth (attapulgite)	25322-69-4	0.270 0.00
Polypropylene glycol	25038-59-9	0.125 lb/sk
polyethylene terephthalate sodium chloride	7647-14-5	10% BWOW
	14808-60-7	0.15% BWOC
chrystalline silica	14000-00-7	0.15% BVVCC
	1202 70 0	20 lb/bb!
bentonite	1302-78-9	20 lb/bbl
polyethylene terephthalate	25038-59-9	1 lb/bbl
		0.05
product classified as non-hazardous.		0.05 gal/sk
product classified as non-hazardous		0.01 gal/sk
polypropylene glycol	25322-69-4	0.02 gal/sk
Conhohudaeta	proprietary	1 lb/bbi
Carbohydrate	proprietary	0.1 gal/bbl
Silica Organic Polymer	proprietary 7727-43-7	310 lb/bbl
barium sulfate		31010/001
fatty acid amine	proprietary	
ethoxylated alcohol	proprietary	
glycerol	56-81-5	418. to 1
2.2'-Iminodiethanol	111-42-2	1 gal/bbl
		0.50/ 50/00
aliphatic amide polymer	proprietary	0.35% BWOC
non-crystalline silica	7631-86-9	6% BWOC
boric acid	10043-35-3	0.8% BWOC
Fuller's earth (attapulgite)	8031-18-3	
Polypropylene glycol	25322-69-4	0.2% BWOC
chrystalline silica	14808-60-7	
metal oxide	proprietary	0.2% BWOC
sulphonated synthetic polymer	proprietary	
formaldehyde (impurity)	50-00-0	0.3% BWOC
Fuller's earth (attapulgite)	8031-18-3)
Polypropylene glycol	25322-69-4	0.2% BWOC
aliphatic amide polymer	proprietary	0.35% BWOC
Sodium Polynaphthalene Sulfonate	9008-63-3	
Sodium Sulfate	7757-82-6	0.25% BWOC

1 3 0 1013

chrystalline silica	14808-60-7	
metal oxide	proprietary	0.2% BWOC
chrystalline silica	14808-60-7	0.2% BWOC
Carbohydrate	proprietary	proprietary
Silica Organic Polymer	proprietary	proprietary
barium sulfate	7727-43-7	7727-43-7
fatty acid amine	proprietary	proprietary
ethoxylated alcohol	proprietary	proprietary
glycerol	56-81-5	56-81-5
2.2'-Iminodiethanol	111-42-2	111-42-2

NAN 28 2013



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_Chesapeake Appalachia,	LC	OP Code	494477557
Watershed Upper Ohio South	Çıua	adrangle 648- Valley Grove	
Elevation 1196'	County_69- Ohio	District_7- Tri	adelphia
Description of anticipated Pit Waste:			
Do you anticipate using more than 5,00			
Will a synthetic liner be used in the pit?	If so, w	hat mil.?	_
Reuse (at A		# will be included with the WR-34/DDMR &/o disposal location)	or permit addendum
Drilling medium anticipated for this we	ll? Air, freshwater, oil based,	etc. Air and salt saturate mud	
-If oil based, what type? Synt	hetic, petroleum, etc. Synthet c	Oil Base	
Additives to be used?see attached she	ets		
Will closed loop system be used ? yes	::t 1dCII	ata Landfill	
Drill cuttings disposal method? Leave	fy what medium will be used?		
I and fill or offsite name/nerm	it number? Meadowfill SWF-1033	2, SS Grading SWF-4902, Northw	estern SWF-1025
Short Creek 1034/WV0109517 / CID28726 , Arden Landfill	100172, Carbon Limestone 28726/CID 287:26	American 02-12954, Country Wide 38390/C	ID 38390, Pine Grove 13688
on August 1, 2005, by the Office of O provisions of the permit are enforceabl or regulation can lead to enforcement at I certify under penalty of la application form and all attachments the information, I believe that the infusibility false information, including Company Official Signature	all and Gas of the West Virginia e by law. Violations of any ter ction. We that I have personally example the and that, based on my in formation is true, accurate, and the possibility of fine or impri	a Department of Environment rm or condition of the general mined and am familiar with quiry of those individuals im d complete. I am aware that	permit and/or other applicable law the information submitted on this mediately responsible for obtaining
Company Official (Typed Name) Dani	elle Southall		
Company Official Title Regulatory Tech	П		-CENTED & GOS
			Oly Oly
Subscribed and sworn before me this_	4th day of Jam	., 20 <u>1</u>	NN 22 2013
Brittany R. 400	ady '	Notary P	ublic
My commission expires 27	93 U		OFFICIAL SEAL Notary Public, State of West Virgin BRITTANY R WOODY 3302 Old Elkins Road Buckhannon, WV 26201
		Harris .	My commission expires November

	Property Boundary		Diversion	
	Road	=========	Spring	○
	Existing Fence	—	Wet Spot	mary
	Planned Fence	///	Drain Pipe w/ size in inches	
	Stream	~>~>~>	Waterway	
	Open Ditch	>>	vvalelway	
	Rock	ర్వార్డ్మర్థ		
	57	†	Artificial Filter Strip XXXXXX	XXXXXXXXXXXXXXXXX
	North	.Ň	Pit: Cut Walls	Em Ting
	Buildings		Pit: Compacted Fill Walls	manufact of the same of the sa
	Water Wells	w	Area for Land Application	(Company
	Drill Sites	\oplus	of Pit Waste	
Fe			cre (500 lbs minimum)	
		Seed	Mixtures	
		ea I		Area II
Se	ed Type	lbs/acre	Seed Type	lbs/acre
White Clove	г	15	White Clover	15
Red Top		15	Red Top	15
Orchard Gra	ess	20	Orchard Grass	20
Photocopie Plan Appro Comments:	d section of involved	pit and proposed area for land applicated 7.5' topographic sheet.	Date: 1/10/2013	1-10 13
Photocopie Plan Appro Comments:	d section of involved by: Lay	wed 7.5' topographic sheet.	Date: 1/10/2013	1-10 13
Plan Appro	d section of involved by: Lay		pullar.	1-10 13 0700 0701 070 GOS

Marcellus Well Drilling Procedures And Site Safety Plan

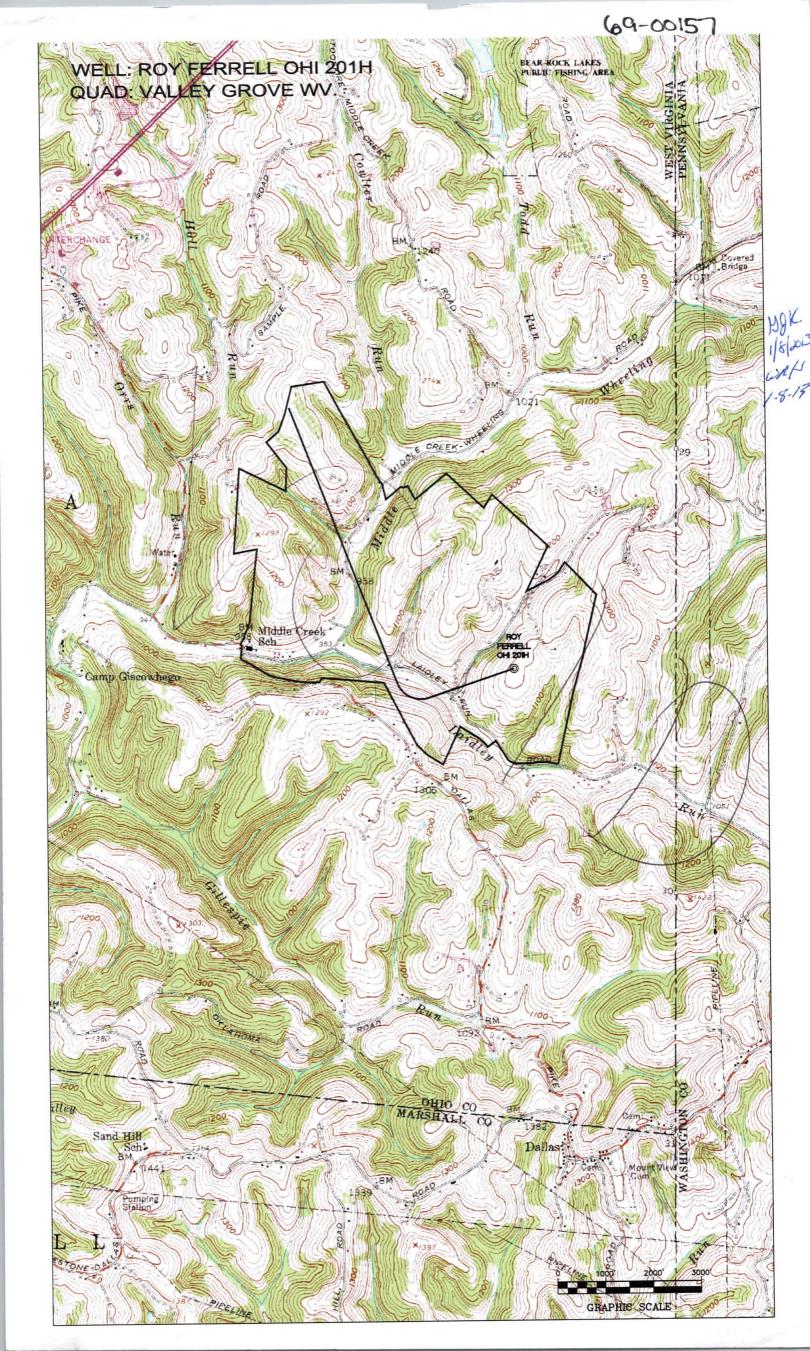
178/5013

Chesapeake Appalachia, LLC

47 - 69 Well name Roy Ferrell OHI 201H
Valley Grove, Quad
Tridelphia, District
OhioCounty, West Virginia

Submitted by: Dee Southall	1/3/2013 Date:
Title: Regulatory Technician I	Chesapeake Appalachia, LLC
Approved by:	
	Date:
Title:	
Approved by:	
	Date:
Title:	
Chesapeake Appalachia, L.L.C. – Confidentia	al

JAN 22 2013



STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE CERTIFICATION

	Norte	CERTIFICATION.		
Date of Notice	e Certification: 11913		- 69 - (Well No. Roy Fer ame: Roy Ferre	
Notice has b	con given:	vven i ad iv	ame	
Notice has b	e provisions in West Virginia Code § 22-6A, t	he Operator has provided the rea	uired narties w	ith the Notice Forms listed
balaw for the	tract of land as follows:	the Operator has provided the req	uned parties w	till the Potice I offins fisted
State:	West Virginia	Easting:	540011.3	
County:	69- Ohio	UTM NAD 83 Lasting. Northing:	4432670.2	
District:	7- Triadelphia	Public Road Access:	Laidley Run Lef	Road
Quadrangle:	648- Valley Grove	Generally used farm name:	Roy Ferrell	
Watershed:	Upper Ohio South	Generally used farm name.		
watershed.	Opper Offic Count			
information re of giving the requirements Virginia Code	ed the owners of the surface described in surface by subsections (b) and (c), section sixt surface owner notice of entry to survey pursof subsection (b), section sixteen of this art e § 22-6A-11(b), the applicant shall tender prohave been completed by the applicant.	teen of this article; (ii) that the re- suant to subsection (a), section to icle were waived in writing by	quirement was en of this artic the surface ow	deemed satisfied as a result ele six-a; or (iii) the notice ner; and Pursuant to West
that the Ope	West Virginia Code § 22-6A, the Operator ha rator has properly served the required parties ECK ALL THAT APPLY	s attached proof to this Notice C with the following:	ertification	OOG OFFICE USE ONLY
☐ 1. NO	TICE OF SEISMIC ACTIVITY or SEISM	OTICE NOT REQUIRED BECAUTE ACTIVITY WAS CONDUC		☐ RECEIVED/ NOT REQUIRED
☐ 2. NO	TICE OF ENTRY FOR PLAT SURVEY or \Box	NO PLAT SURVEY WAS CO	ONDUCTED	RECEIVED
■ 3. NO	nez or milzin re-	OTICE NOT REQUIRED BECA		RECEIVED/

Required Attachments:

■ 5. PUBLIC NOTICE

■ 6. NOTICE OF APPLICATION

■ 4. NOTICE OF PLANNED OPERATION

The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to the required parties and/or any associated written waivers. For the Public Notice, the operator shall attach a copy of the Class II Legal Advertisement with publication date verification or the associated Affidavit of Publication. The attached Notice Forms and Certifications of Notice shall serve as proof that the required parties have been noticed as required under West Virginia Code § 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made by affidavit of personal service, the return receipt card or other postal receipt for certified mailing.

WAS CONDUCTED or

(PLEASE ATTACH)

☐ WRITTEN WAIVER BY SURFACE OWNER

RECEIVED

RECEIVED

☑ RECEIVED

Telephone:

Certification of Notice is hereby given:

THEREFORE, I Danielle Southall , have read and understand the notice requirements within West Virginia Code § 22-6A. I certify that as required under West Virginia Code § 22-6A, I have served the attached copies of the Notice Forms, identified above, to the required parties through personal service, by registered mail or by any method of delivery that requires a receipt or signature confirmation. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this Notice Certification 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.

Address:

Well Operator: Chesapeake Appalachia LLC

By: Danielle Southall

Its: Regulatory Tech I

Jane Lew, WV 26378
Facsimile: 304-471-2497

Email: danielle.southall@chk.com

PO Box 1300

OFFICIAL SEAL
Wolfan Public, State of West Virginia
BRITTANY R WOODY
3302 Old Elkins Road
Buckhannon, WV 26201
My commission expires November 27, 2022

304-517-1416

Subscribed and sworn before me this

Notary Public

My Commission Expires

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or your personal information, please contact DEP's Chief Privacy Officer at deprivacyofficer@wv.gov.

JAN 22 2013

API NO. 47- 69 - O 157
OPERATOR WELL NO. Roy Ferrell OHI 201H
Well Pad Name: Roy Ferrell OHI Pad

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requirement: notice shall be provided no later than the filing date of permit application. Date of Notice: 18 3 Date Permit Application Filed: 1913 Notice of: ☐ CERTIFICATE OF APPROVAL FOR THE PERMIT FOR ANY CONSTRUCTION OF AN IMPOUNDMENT OR PIT WELL WORK Delivery method pursuant to West Virginia Code § 22-6A-10(b) ☐ METHOD OF DELIVERY THAT REQUIRES A REGISTERED PERSONAL RECEIPT OR SIGNATURE CONFIRMATION **SERVICE** MAIL Pursuant to W. Va. Code § 22-6A-10(b), no later than the filing date of the application, the applicant for a permit for any well work or for a certificate of approval for the construction of an impoundment or pit as required by this article shall deliver, by personal service or by registered mail or by any method of delivery that requires a receipt or signature confirmation, copies of the application, the erosion and sediment control plan required by section seven of this article, and the well plat to each of the following persons: (1) The owners of record of the surface of the tract on which the well is or is proposed to be located; (2) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for roads or other land disturbance as described in the erosion and sediment control plan submitted pursuant to subsection (c), section seven of this article; (3) The coal owner, operator or lessee, in the event the tract of land on which the well proposed to be drilled is located [sic] is known to be underlain by one or more coal seams; (4) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for the placement, construction, enlargement, alteration, repair, removal or abandonment of any impoundment or pit as described in section nine of this article; (5) Any surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within one thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestic animals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) If more than three tenants in common or other co-owners of interests described in subsection (b) of this section hold interests in the lands, the applicant may serve the documents required upon the person described in the records of the sheriff required to be maintained pursuant to section eight, article one, chapter eleven-a of this code. (2) Notwithstanding any provision of this article to the contrary, notice to a lien holder is not notice to a landowner, unless the lien holder is the landowner. Notice is hereby provided to: OCAL OWNER OR LESSEE ■ SURFACE OWNER(s) Name: Alliance Resources GP, LLC Name: Roy E. Ferrell Address: 2596 Battle Run Road Address: RR 1 Box 178 Triadelphia, WV 26059 Valley Grove, WV 26060 COAL OPERATOR Address: Name: Address: SURFACE OWNER(s) (Road and/or Other Disturbance) ■ WATER PURVEYOR(s) Address: Name: Edward & Laura Beck Address: RR 1 Box 196 Name: Valley Grove, WV 26060 Address: OPERATOR OF ANY NATURAL GAS STORAGE ☐ SURFACE OWNER(s) (Impoundments/Pits) FIELD Address: Address: *Please attach additional forms if necessary

API NO. 47- 69 - ONSTONE OPERATOR WELL NO. Roy Ferrell OHI 201H
Well Pad Name: Roy Ferrell OHI Pad

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requireme Date of Notice: 1813	ent: notice shall be provided no la Date Permit Application File	ater than the filing date of permit application. d: i 9 3
Notice of:		
PERMIT FOR ANY WELL WORK		OF APPROVAL FOR THE N OF AN IMPOUNDMENT OR PIT
Delivery method pursua	ant to West Virginia Code § 22-	-6A-10(b)
PERSONAL SERVICE		METHOD OF DELIVERY THAT REQUIRES A RECEIPT OR SIGNATURE CONFIRMATION
for a certificate of approor by registered mail or erosion and sediment corowners of record of the stract or tracts overlying to or other land disturbance this article; (3) The coal [sic] is known to be under gas leasehold being devenlargement, alteration, surface owner or water produced the strategy of the strategy	wal for the construction of an imply any method of delivery that introl plan required by section several surface of the tract on which the he oil and gas leasehold being deep as described in the erosion and owner, operator or lessee, in the erlain by one or more coal seams weloped by the proposed well repair, removal or abandonment of the erosion of the center of the well pare erator of any natural gas storage in common or other co-owners y serve the documents required ection eight, article one, chapter holder is not notice to a landown	filing date of the application, the applicant for a permit for any well work or poundment or pit as required by this article shall deliver, by personal service requires a receipt or signature confirmation, copies of the application, the ven of this article, and the well plat to each of the following persons: (1) The well is or is proposed to be located; (2) The owners of record of the surface veloped by the proposed well work, if the surface tract is to be used for roads sediment control plan submitted pursuant to subsection (c), section seven of e event the tract of land on which the well proposed to be drilled is located s; (4) The owners of record of the surface tract or tracts overlying the oil and work, if the surface tract is to be used for the placement, construction, of any impoundment or pit as described in section nine of this article; (5) Any olicant to have a water well, spring or water supply source located within one d which is used to provide water for consumption by humans or domestic field within which the proposed well work activity is to take place. (c)(1) If of interests described in subsection (b) of this section hold interests in the d upon the person described in the records of the sheriff required to be eleven-a of this code. (2) Notwithstanding any provision of this article to the ter, unless the lien holder is the landowner.
☐ SURFACE OWNER		[] COAL OWNER OR LESSEE
		Name:
		Address:
Name:Address:		COAL OPERATOR Name:
☐ SURFACE OWNER	R(s) (Road and/or Other Disturba	Address:
Name:		[F] WARD DARWENCON()
Address:		■ WATER PURVEYOR(s) Name: Kevin Ferrell x8
Name:		Arldress: Box 801 Laidley Run Road
		Valley Grove, WV 26060
SURFACE OWNER	C] OPERATOR OF ANY NATURAL GAS STORAGE FIELD Name:	
Address:		Address:
		*Flease attach additional forms if necessary

API NO. 47- 69 - OO S7
OPERATOR WELL NO. Roy Ferrell OHI 201H
Well Pad Name: Roy Ferrell OHI Pad

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requirement: notice shall be provided no later the Date of Notice: 18 3 Date Permit Application Filed:	an the filing date of permit application.
Notice of:	
■ PERMIT FOR ANY	PROVAL FOR THE AN IMPOUNDMENT OR PIT
Delivery method pursuant to West Virginia Code § 22-6A-1	0(b)
	HOD OF DELIVERY THAT REQUIRES A EIPT OR SIGNATURE CONFIRMATION
or by registered mail or by any method of delivery that requerosion and sediment control plan required by section seven of owners of record of the surface of the tract on which the well tract or tracts overlying the oil and gas leasehold being develop or other land disturbance as described in the erosion and sedin this article; (3) The coal owner, operator or lessee, in the ever [sic] is known to be underlain by one or more coal seams; (4) gas leasehold being developed by the proposed well work enlargement, alteration, repair, removal or abandonment of any surface owner or water purveyor who is known to the applicant thousand five hundred feet of the center of the well pad wh animals; and (6) The operator of any natural gas storage field more than three tenants in common or other co-owners of in lands, the applicant may serve the documents required upon maintained pursuant to section eight, article one, chapter elever contrary, notice to a lien holder is not notice to a landowner, un	Iment or pit as required by this article shall deliver, by personal services a receipt or signature confirmation, copies of the application, the fithis article, and the well plat to each of the following persons: (1) The is or is proposed to be located; (2) The owners of record of the surface ted by the proposed well work, if the surface tract is to be used for roads ment control plan submitted pursuant to subsection (c), section seven of the tract of land on which the well proposed to be drilled is located. The owners of record of the surface tract or tracts overlying the oil and, if the surface tract is to be used for the placement, construction, impoundment or pit as described in section nine of this article; (5) Any it to have a water well, spring or water supply source located within one ich is used to provide water for consumption by humans or domestic within which the proposed well work activity is to take place. (c)(1) Interests described in subsection (b) of this section hold interests in the person described in the records of the sheriff required to be on the person described in the records of the sheriff required to be on the person described in the landowner.
Notice is hereby provided to:	
☐ SURFACE OWNER(s)	COAL OWNER OR LESSEE
Name:	Name:Address:
Address:	Address.
Name:	COAL OPERATOR
	Name:Address:
☐ SURFACE OWNER(s) (Road and/or Other Disturbance)	TVIdi 055.
Name:	- COS
Address:	■ WATER PURVEYOR(s) /
	Name: Asako McConn x7
Name:	Address: 415 Rockline School Road Valley Grove, WV 26060
Address:	Address: 415 Rockline School Road Valley Grove, WV 26060 Valley Grove, WV 26060
	☐ OPERATOR OF ANY NATURAL GAS STORAGE
☐ SURFACE OWNER(s) (Impoundments/Pits)	FIELD
Name:	Name:
Address:	Address:
	*Flease attach additional forms if necessary

API NO. 47- 69 - OO157

OPERATOR WELL NO. Roy Ferrell OHI 201H

Well Pad Name: Roy Ferrell OHI Pad

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requirement: notice shall be provided no later than the filing date of permit application. Notice of: ☐ CERTIFICATE OF APPROVAL FOR THE PERMIT FOR ANY CONSTRUCTION OF AN IMPOUNDMENT OR PIT WELL WORK Delivery method pursuant to West Virginia Code § 22-6A-10(b) ☐ METHOD OF DELIVERY THAT REQUIRES A REGISTERED PERSONAL RECEIPT OR SIGNATURE CONFIRMATION MAIL **SERVICE** Pursuant to W. Va. Code § 22-6A-10(b), no later than the filing date of the application, the applicant for a permit for any well work or for a certificate of approval for the construction of an impoundment or pit as required by this article shall deliver, by personal service or by registered mail or by any method of delivery that requires a receipt or signature confirmation, copies of the application, the erosion and sediment control plan required by section seven of this article, and the well plat to each of the following persons: (1) The owners of record of the surface of the tract on which the well is or is proposed to be located; (2) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for roads or other land disturbance as described in the erosion and sediment control plan submitted pursuant to subsection (c), section seven of this article; (3) The coal owner, operator or lessee, in the event the tract of land on which the well proposed to be drilled is located [sic] is known to be underlain by one or more coal seams; (4) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for the placement, construction, enlargement, alteration, repair, removal or abandonment of any impoundment or pit as described in section nine of this article; (5) Any surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within one thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestic animals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) If more than three tenants in common or other co-owners of interests described in subsection (b) of this section hold interests in the lands, the applicant may serve the documents required upon the person described in the records of the sheriff required to be maintained pursuant to section eight, article one, chapter eleven-a of this code. (2) Notwithstanding any provision of this article to the contrary, notice to a lien holder is not notice to a landowner, unless the lien holder is the landowner. Notice is hereby provided to: COAL OWNER OR LESSEE ☐ SURFACE OWNER(s) Name: Name: Address: Address: COAL OPERATOR Address: Name: Address: SURFACE OWNER(s) (Road and/or Other Disturbance) ■ WATER PURVEYOR(s) Address: Name: Garry Ferrell x3 Address: 694 Rockline School Road Valley Grove, WV 26060 Address: [] OPERATOR OF ANY NATURAL GAS STORAGE ☐ SURFACE OWNER(s) (Impoundments/Pits) FIELD Name: Address: Address: *Flease attach additional forms if necessary

API NO. 47-69 - 00 157

OPERATOR WELL NO. Roy Ferrell OHI 201H
Well Pad Name: Roy Ferrell OHI Pad

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for well work or for a certificate of approval for the construction of an impoundment or pit.

This Notice Shall Include:

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control plan required by section seven of this article; and (3) the well plat.

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall also include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3)the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting www.dep.wv.gov/oil-and-gas/pages/default.aspx.

Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well.

Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments.

Well Location Restrictions

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the wellhead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted areas referenced in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple well pad if at least one of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report to the Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells as they relate to the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the items examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

Chief, Office of Oil and Gas Department of Environmental Protection 601 57th St. SE Charleston, WV 25304 (304) 926-0450

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have THIRTY (30) DAYS after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Pursuant to West Virginia Code § 22-6A-11(c)(2), Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

Comment Requirements

Your comments must be in writing and include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

Permit Denial or Condition

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director determines that:

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, including the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

WW-6A (1-12)

API NO. 47-69 - OO 157
OPERATOR WELL NO. Roy Ferrell OHI 201H
Well Pad Name: Roy Ferrell OHI Pad

Notice is hereby given by:

Well Operator: Chesapeake Appalachia, LLC

Address: PO Box 1300

Telephone:

304-517-1416

Jane Lew, WV 26378

Email:

danielle.southall@chk.com

Facsimile: 304-471-2497

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or 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 NOTICE OF PLANNED OPERATION

Notice Time I Date of Notic	Requirement: notice shall be provided no late: Output Date Permit Appli	cation Filed:	2
Delivery meth	nod pursuant to West Virginia Code § 22-6	A-16(c)	
■ CERTIF	TED MAIL HA	AND	
		ELIVERY	
return receipt the planned of required to be drilling of a h	requested or hand delivery, give the surface of peration. The notice required by this subset provided by subsection (b), section ten of the provided well; and (3) A proposed surface a surface affected by oil and gas operations to	owner whose land will be usection shall include: (1) A is article to a surface owner use and compensation agree the extent the damages are	application, an operator shall, by certified mail sed for the drilling of a horizontal well notice of copy of this code section; (2) The information whose land will be used in conjunction with the element containing an offer of compensation for a compensable under article six-b of this chapter. The element containing the compensation for the compensable under article six-b of this chapter.
Notice is here (at the address Name: ROYEFI Address: RRIE VALLEY GROVE	BOX 178	e of notice):	
Notice is here Pursuant to Woperation on State: County: District: Quadrangle: Watershed:	eby given: est Virginia Code § 22-6A-16(c), notice is house the surface owner's land for the purpose of double west virginia OHIO TRIADELPHIA VALLEY GROVE WV UPPER OHIO SOUTH	rilling a horizontal well on East	ng: 540011.3 hing: 4432670.2 LAIDLEY RUN
Pursuant to W to be provide horizontal we surface affect	It and (3) A proposed surface use and comped by oil and gas operations to the extent the elated to horizontal drilling may be obtained located at 601 57 th Street, SE, Charlest	ensation agreement contain ne damages are compensated from the Secretary at the	of this code section; (2) The information required all be used in conjunction with the drilling of a use an offer of compensation for damages to the le under article six-b of this chapter. Additional are WV Department of Environmental Protection 40450) or by visiting

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as 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 or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

Office of JAN 22 2013



Division of Highways

1900 Kanawha Boulevard East • Building Five • Room 110 Charleston, West Virginia 25305-0430 • (304) 558-3505

May 25, 2011

To:

Heather Huffman

From:

Gary K. Clayton Lay L. Clayton

MAY 27 2011

MAINTENANCE DIVISION

Attached please find the original Bond provided by Chesapeake for their Statewide Blanket Bond and the Oil and Gas Statewide Bonding Agreement.

Also transmitted herewith please find a bonding agreement to accompany a bond you already have received from Gastar Exploration USA Inc..

Sent Bonlagremant



OIL AND GAS ROAD STATEWIDE BONDING AGREEMENT MAINTENANCE DIVISION:

THIS AGREEMENT, executed in duplicate, made and entered into this 19th day of May, 2011, by and between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, hereinafter called "DEPARTMENT," and CHESAPEAKE APPALACHIA LLC, hereinafter called "COMPANY."

WITNESSETH:

WHEREAS, Company has horizontal gas well drilling operations in certain areas of West Virginia; and

WHEREAS, the Department believes that the frequent and repetitive use of certain sections of highways in the State by Company, its contractors, agents, independent contractors or suppliers of drilling materials or drilling equipment, and employees contributes to increased wear and tear to public roads in the state road system in the State, including local roads ("State Owned Roads"); and,

WHEREAS, the Department and Company have entered into this Agreement to satisfy the requirements of the Department's policy entitled "Oil & Gas Road Policy" dated February 1, 2011, as issued by Paul A. Mattox, Jr., Secretary of Transportation / Commissioner of Highways, and any subsequent related policies, hereinafter called "Policy", a copy of which is made a part of this Bonding Agreement and is identified as Attachment 1.

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter set forth, the parties agree as follows:

- I. For purposes of this Bonding Agreement, "Project Transportation Usage" of the Company shall be understood to mean use of one or more State Owned Roads for the delivery and removal of drilling materials and drilling equipment at the site or location of one or more of Company's horizontal gas well pad locations. To the extent reasonably practical, prior to commencing use of a State Owned Road for Project Transportation Usage after January 1, 2011, the Company shall submit to the Department a section or sections of current official WVDOH County Highway maps identifying the exact location of the proposed project and the State Owned Roads that the Company will utilize for the Project Transportation Usage.
- agree to a list of these sections of State Owned Roads, hereinafter called "Project Roads List", to be utilized for each of Company's projects, identified by route number and milepost; at a time to be mutually agreed to by the parties prior to initial commencement of Project Transportation Usage of a particular State Owned Road on a Project Roads List, the Company and Department will jointly review the condition of the roads and bridges on the Project Roads List. The Department will document the road type and surface condition and general right-of-way width of each section of road on the Project Road List. Either party may supplement this documentation with photographs, video or other evidence of the present condition of the road surface, shoulders, ditches, culverts, bridges or other structures or appurtenances of roads on the Project Road List, as well as approaches to the roads, utility facilities located within or along the right-of-way, or any other condition, including third-party activities, that may affect the duties and responsibilities of the parties under this Agreement. A copy of any such documentation must be made and provided to the other party within ten business days after the joint review of the roads on the Project Roads List.
- III. Department shall issue a Project Agreement or Project Permit, as appropriate, to Company to use State Owned Roads and may include any minor or major improvements required of Company prior to, during or after Project with the assignment of responsibilities of both parties prior to, during and after the operator has completed well fracturing.

- In the Project Agreement/Project Permit, the Department shall not require the use of State Owned Roads other than the roads proposed by Company unless the Department has safety concerns as to the Company's proposed roads. A failure to agree on roads that may otherwise be lawfully used for a particular Project Transportation Usage shall result in the designation of the State Owned Roads proposed by Company, with milepost determinations as designated by Department. This Agreement shall only cover portions of State Owned Roads designated on the Project Roads List.
- V. For the duration of Company's Project Transportation Usage of the Stated Owned Roads on the Project Roads List, whether by the Company, its contractors (while working on behalf of Company), agents, independent contractors or suppliers of drilling materials or drilling equipment, or employees, the Company agrees to pay for all reasonable maintenance and repair costs incurred by the Department to repair areas of the State Owned Roads included in the Project Roads List that were directly damaged by Company's Project Transportation Usage, as determined to be reasonably necessary and appropriate by the Department. The Department shall keep a record of all labor performed by Department employees and contractors for such maintenance and repairs and shall send an invoice for the same to Company.
- VI. Company shall be responsible for the cost of all maintenance reasonably necessary to put the existing roadways, bridges and appurtenances on the Project Roads List utilized for the Project Transportation Usage in the condition that existed immediately prior to the Project Transportation Usage. Company shall not be required to pay for maintenance or repairs to put any areas of such roadways, bridges and appurtenances on the Project Roads List in a condition better than the condition that existed immediately prior to the Project Transportation Usage. Company shall also not be required to pay for maintenance or repairs to any areas of these roadways, bridges or appurtenances on the Project Roads List that are not actually utilized for the Project Transportation Usage or for damage not caused by Project Transportation Usage.
- Company shall notify the Department in writing of Company's final completion of Project Transportation Usage for particular roadways, bridges and appurtenances on the Project Roads List. Within fourteen days after its receipt of written notification of the completion of the Project Transportation Usage for all roads on a Project Roads List, the Department will review the condition of the roadways, bridges and appurtenances on the Project Roads List actually utilized for the Project Transportation Usage and advise Company of any final repairs reasonably necessary to leave these roads, bridges and appurtenances in a condition reasonably deemed by Department to be equal to their condition prior to commencement of Project Transportation Usage; and, upon completion of all such final repairs by or on behalf of Company and acceptance by Department, the Company shall be released from all further liability for maintenance or repairs to roads, bridges, or appurtenances on said Project Roads List. Any maintenance or repair work under the Project Agreement/Project Permit for roads, bridges or appurtenances on the Project Roads List may be performed by a contractor directly chosen by the Company as approved by the Department, the Department's workforce, or a private contractor hired by the Department through the public bid process in accordance with state law, all of which work shall be subject to the standards and specifications of the Department.
- VIII. In order to ensure performance of Company's performance and payment obligations under this Bonding Agreement, the Company shall post a corporate surety bond, hereinafter called "Master Bond", with the Department named as the beneficiary, which form of bond shall be subject to the consent of the Department, not to be unreasonably withheld. The amount and form of the bond shall be in accordance with the Policy as set forth above. However, the amount of the Master Bond does not limit the amount of claims that may be made by the Department against the Company under this Bonding Agreement. The Company shall provide the Master Bond to the Department within one (1) month after the execution of this Bonding Agreement. The Master Bond shall secure the good faith performance of all payment obligations of Company under the terms of this Bonding Agreement respecting the roads, bridges and appurtenances on the Project Roads List for each Project Transportation Usage undertaken by the Company, and shall remain in effect until termination of this Agreement. Company shall not be obligated to provide any other bonds, sureties, or other guarantees of performance to the Department for Company's use of State Owned Roads, except as required in this Agreement.

- IX. Company shall maintain Commercial General Liability Insurance in the amount of two million dollars, with a minimum coverage of one million dollars per occurrence, for personal injury or death to persons, or for property damage, resulting from Company's Project Transportation Usage and shall present evidence of such insurance to Department upon request.
- X. Company's usage of State Owned Roads under the Project Agreement/Project Permit shall comply with all applicable Federal, State and local laws and regulations including, but not limited to, to the extent applicable, the National Environmental Policy Act, Section 404 of the Clean Water Act, Section 106 of the National Historic Preservation Act, Rare, Threatened and Endangered Species Act, Section 401 Water Quality Certification, and hazardous waste requirements. Further, upon reasonable written request of Department, Company shall furnish Department with acceptable documentation of such compliance which is in the possession of the Company.
- XI. Company shall defend, indemnify and hold Department harmless from and against any and all losses, damage, and liability, and from all claims for damages on account of or by reason of bodily injury, including death, which may be sustained, or claimed to be sustained, by any person or persons, including employees of Department, and from and against any and all claims, losses or liabilities for damages to property, arising out of the negligent or willful acts or omissions of Company, its agents, independent contractors and suppliers of drilling materials or drilling equipment, employees and contractors, in the performance of all Project Transportation Usage activities undertaken pursuant to this Agreement (collectively, "claims"). The Company shall not be responsible to indemnify, defend or hold harmless Department for any claims caused by the negligent or willful acts or omissions of the Department or its agents, employees and contractors or third parties not performing work at the direction of Company or delivering drilling equipment or drilling materials, including water, for use by or for company.
- XII. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.
- AIII. Department shall give Company a minimum of thirty days written notice of default under the terms of this Bonding Agreement and the opportunity to cure this default during such thirty-day period. If a default is not cured to the satisfaction of Department, or provision acceptable to Department is not made for a cure, Department may then elect to terminate this Bonding Agreement in whole or in part, and may in addition exercise its rights under the Master Bond or seek any other lawful relief available. Company may terminate this Bonding Agreement upon thirty days written notice to Department for any reason. In the event Company terminates this Agreement for any reason, it shall be liable for the repair and maintenance costs set forth above for prior Project Transportation Usage.
- XIV. Nothing herein shall be construed to mean that Company shall have any jurisdiction or control over any public roads in the state road system.
- XV. Company, its contractors, agents, employees and suppliers shall at all times be subject to applicable provisions of state and federal law, including without limitation laws requiring operation of vehicles in accordance with legal size and weight restrictions and posted weight limits. Oversize/overweight permits for vehicle or loads not otherwise conforming with law must be obtained in accordance with law; Department agrees to work in good faith with Company to review and grant (where authorized by law) such permits in a timely manner upon request by Company.
- **XVI.** This Bonding Agreement shall be construed and enforced in accordance with the laws of the State of West Virginia, as they may be amended.
- **XVII.** This Bonding Agreement shall be binding upon the successors and assigns of each party hereto.

be executed by their duly authorized officers effective as of the date first above written.

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS

Witness Executive Secretary

By: State Highway Engineer

Chesapeake Appalachia LLC, A limited liability company

Witness

By: Alay & Robert

Title: Vice President - Risk Management

(To be executed in duplicate)

APPROVED AS TO FORM THIS

ATVORNEY LEGAL DIVISION WEST VIRGINIA DEPARTMENT OF HIGHWAYS

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
			Didecyl Dimethyl Ammonium Chloride	007173-51-1
	designation of the last		Ethanol	000064-17-5
	ALPHA 1427	Biocide	Glutaraldehyde (Pentanediol)	000111-30-8
			Quaternary Ammonium Compound	068424-85-1
			Water	007732-18-5
	BF-7L	Buffer	Potassium Carbonate	000584-08-7
			Choline Chloride	000067-48-1
	ClayCare	Clay Stabilizer	Water	007732-18-5
BAKER HUGHES	Enzyme G-I	Breaker	No Hazardous Components	NONE
	ENZYME G-NE	Breaker	No Hazardous Components	NONE
	FRW-18	Friction Reducer	Petroleum Distillate Hydrotreated Light	064742-47-8
		Gel	Petroleum Distillate Blend	N/A-014
	GW-3LDF		Polysaccharide Blend	N/A-021
			Diethylene Glycol	000111-46-6
	SCALETROL 720	Scale Inhibitor	Ethylene Glycol	000107-21-1
			Boric Acid	010043-35-3
	XLW-32	Crosslinker	Methanol (Methyl Alcohol)	000067-56-1
	APB01 (AMMONIUM PERSUFATE BREAKER)	Breaker	Ammonium Persulfate	007727-54-0
	B05 (LOW PH BUFFER)	Buffer	Acetic acid	000064-19-7
	BXL03 Borate XL Delayed High Temp	Crosslinker	No Hazardous Components	NONE
FRAC TECH SERVICES	FRW-200	Friction Reducer	No Hazardous Components	NONE
	HVG01 (TURQUOISE-1 BULK)	Gelling Agent	Petroleum Distillate Hydrotreated Light	064742-47-8
	KCLS-4	Clay Stabilizer	No Hazardous Components	NONE
	LTB-1	Breaker	Ammonium Persulfate	NA 2 20

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
NALCO ONESOURCE	EC6110A	Biocide	Ethanol	000064-17-5
			Glutaraldehyde (Pentanediol)	000111-30-8
			Quaternary Ammonium Compounds	N/A-063
	EC6629A	Biocide	No Hazardous Components	NONE
	WBK-133 OXIDIZER	Breaker	Ammonium Persulfate	007727-54-0
	IMPK 404	Deceler	Ammonium Persulfate	007727-54-0
	WBK-134	Breaker	Crystalline Silica (Quartz Sand, Silicon Dioxide)	014808-60-7
	WCS-631LC	Clay Stabilizer	Proprietary Non Hazardous Salt	N/A-229
	WC5-631LC	Clay Stabilizer	Water	007732-18-5
	WFR-55LA	Friction Reducer	No Hazardous Components	NONE
	WGA-15L	Gel	Petroleum Distillate Hydrotreated Light	064742-47-8
WEATHERFORD	WPB-584-L		Potassium Carbonate	000584-08-7
		Buffer	Potassium Hydroxide	001310-58-3
	WXL-101LE	Corsslinker	No Hazardous Components	NONE
	WXL-101LM	Crosslinker	Petroleum Distillate Hydrotreated Light	064742-47-8
			Water	007732-18-5
	WXL-105L	Crosslinker	Ethylene Glycol	000107-21-1
			Boric Acid	010043-35-3
			Ethanolamine	000141-43-5
	B244 Green-Cide 25G	Biocide	Glutaraldehyde	111-30-8
	L071 Temporary Clay Stabilizer	Clay Stabilizer	Cholinium Chloride	67-48-1
	Breaker J218	Breaker	Diammonium Peroxidisulphate	7727-54-0
SCHLUMBERGER	EB-Clean* J475 Breaker		Diammonium Peroxidisulphate	7727-54-0
	Friction Reducer B315	Friction	Distillates (petroleum), Hydrotreated light Aliphatic	64742-47-8 Proprietary
	Friction Reducer J609	Reducer	Alcohol Glycol Ether Ammonium Sulfate	7783-20-2

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
SCHLUMBERGER	Water Gelling Agent J580	Gel	Carbohydrate Polymer	Proprietary
	Scale Inhibitor B317	Scale Inhibitor	Trisodium ortho phosphate Ethane-1, 2-diol	7601-54-9 107-21-1
	Borate Crosslinker J532	Crosslinker	Aliphatic polyol Sodium tetraborate decahydrate	Proprietary 1303 96-4
	Crosslinker J610		Aliphatic polyol Potassium hydroxide	Proprietary 1310 58-3

