

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

May 06, 2013

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-6900164, 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 completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: CLARENCE FARMER OHI 1H Farm Name: FARMER, CLARENCE S. SR. & Cl

API Well Number: 47-6900164

Permit Type: Horizontal 6A Well

Date Issued: 05/06/2013

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



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Drilling in possibly active mine

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: Chesa	apeake Appalachia, LLC	69- Ohio	69- Ohio	3- Liberty	247- Bethany
		Operator ID	County	District	Quadrangle
2) Operator's Well Num	ber: Clarence Farmer OHI 1H	V	Vell Pad Nam	ne: Clarence Farme	r OHI PAD
3 Elevation, current grou	und: <u>1330'</u> E	levation, proposed	post-construc	tion:	1330'
4) Well Type: (a) Gas Other (b) If Gas		Deep			
5) Existing Pad? Yes or 1	No: yes				
6) Proposed Target Form	nation(s), Depth(s), Anticipa et top TVD- 6295, Target base TVD- 6355				
7) Proposed Total Vertic	cal Depth: 6,340'				
8) Formation at Total Ve					
9) Proposed Total Measu					
10) Approximate Fresh	•	440'			
11) Method to Determin	-	From the deepest water well	in a 5,000' radius.		
12) Approximate Saltwa	_				
13) Approximate Coal S	3-5				
,	to Possible Void (coal mine	. karst, other):	742' abandone	ed mine	
	oal seams tributary or adjace		No.		
16) Describe proposed v		in to, active initio			
	ones between and including the Benson to	the Marcellus. **If we should	encounter a void, pla	ace basket above and	d below
	ttom of void and grout from basket to surface				
(*If freshwater is encountered de-	eper than anticipated it must be protected, s	set casing 50' below and cts)			
17) Describe fracturing/stimulating methods in detail: Well will be perforated within the target formation and stimulated with a slurry of water, sand, and chemical additives at a high rate. This will be performed in stages with the plug and perf method along the wellbore until the entire lateral has been stimulated within the target formation. All stage plugs are then drilled out and the well is flowed back to surface. The well is produced through surface facilities consisting of high pressure production units, vertical separation units, water and oil storage tanks.					
18) Total area to be disturbed, including roads, stockpile area, pits, etc, (acres):					
19) Area to be disturbed	for well pad only, less acce	ess road (acres):	19/12 W	121-13	

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#	540'	540'	500 sx/CTS
Coal	9 5/8"	New	J-55	40#	2,100'	√ 2,100'	800 sx/CTS
Intermediate	7"	New	P-110	20#	If Needed	√ If Needed	If Needed/As Needed
Production	5 1/2"	New	P-110	20#	14,000'	14,000'	Lead 1030 sx Tail 1380 sx/100' inside intermediate
Tubing	2 3/8"	New	N-80	4.7#	Approx. 6,745'	→ Approx. 6,745'	
Liners							

Mgk2/21/2013 WRH 2-21-13

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	1.20/15% 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						

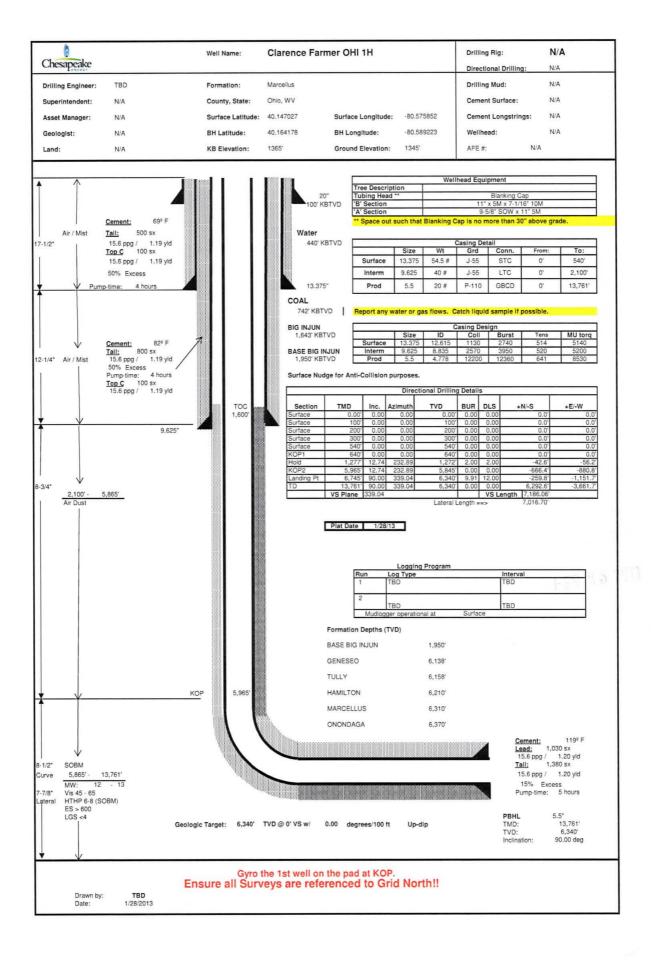
PACKERS

Kind:	10K Arrowset AS1-X	· ·	200
Sizes:	5 1/2"		0.3
Depths Set:	Approx. 6,197'		

1) 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.

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
polyethylene terephthalate	25038-59-9	1 lb/bbl
bentonite	1302-78-9	20 lb/bbl
Fuller's earth (attapulgite)	8031-18-3	0.2% BWOC
Polypropylene glycol	25322-69-4	
polyethylene terephthalate	25038-59-9	0.125 lb/sk
sodium chloride	7647-14-5	10% BWOW
chrystalline silica	14808-60-7	0.15% BWOC
bentonite	1302-78-9	20 lb/bbl
polyethylene terephthalate	25038-59-9	1 lb/bbl
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
Carbohydrate	proprietary	1 lb/bbl
Silica Organic Polymer	proprietary	0.1 gal/bbl
barium sulfate	7727-43-7	310 lb/bbl
fatty acid amine	proprietary	
ethoxylated alcohol	proprietary	
glycerol	56-81-5	
2.2'-Iminodiethanol	111-42-2	1 gal/bbl
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	000 000
metal oxide	proprietary	0.2% BWOC
sulphonated synthetic polymer	proprietary	0.00/ 511/0.0
formaldehyde (impurity)	50-00-0	0.3% BWOC
Fuller's earth (attapulgite)	8031-18-3	0.00/ 514/0.0
Polypropylene glycol	25322-69-4	0.2% BWOC
aliphatic amide polymer	proprietary	0.35% BWOC
Sodium Polynaphthalene Sulfonate	9008-63-3	0.050/ DIA/CO
Sodium Sulfate	7757-82-6	0.25% BWOC



Buckhannon, WV 26201 My commission expires November 27, 2022

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, LLC		OP Code	69- Ohio			
Watershed Upper Ohio South	Quadrangle	247- Bethany				
Elevation 1,330'	County_69- Ohio	District_3-	Liberty			
Description of anticipated Pit Waste: Clos	ed loop system in place at this time - cutting	ngs will be taken to a	permitted landfill.			
Do you anticipate using more than 5,000 b	bls of water to complete the proposed	d well work? Ye	s_xx No			
Will a synthetic liner be used in the pit?	. If so, what mil.?					
Proposed Disposal Method For Treated Pin Land Application	on					
Underground In	jection (UIC Permit Number 2D00	72539/ 2D0413175/ 2	2D0610306/ 2D0610317			
	Number at next anticipated well, API# will be inclu		&/or permit addendum			
Off Site Dispos	al (Supply form WW-9 for disposal Flow back fluids will be put in steel tanks and reused	location) or taken to a permitted disp	osal facility.			
Other (Explain	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
Drilling medium anticipated for this well?	Air, freshwater, oil based, etc. Air a	nd salt saturate mud				
-If oil based, what type? Synthet	ic, petroleum, etc. Synthetic Oil Base					
Additives to be used? see attached sheets						
Will closed loop system be used ? yes	: 1 100 1 00 : 1 lar	odfill				
Drill cuttings disposal method? Leave in						
-I and fill or offsite name/permit r	what medium will be used? Cement, umber? Meadowfill SWF-1032, SS Grad	ling SWF-4902, Nort	hwestern SWF-1025			
Short Creek 1034/WV0109517 / CID28726 , Arden Landfill 100						
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						
Company Official (Typed Name) Danielle	Southall					
Company Official Title Regulatory Analyst	I		F-5-9 5	2013		
	th solouani	20	13			
Subscribed and sworn before me this	day of	, 20				
Britary & Woody		Notary	Public	~~		
My commission expires 11 77			OFFICIAL SEAL Notary Public, State of Wes	st Virginia		
		> 1/2	BRITTANY R WO			

Property Boundary	Diversion				
Road = = = = = = = = = = = = = = = = = = =	Spring				
Existing Fence ———————————————————————————————————	Wet Spot				
Planned Fence///	Drain Pipe w/ size in inches				
Stream	Waterway 💮 💮				
Open Ditch					
Rock O					
North N	Artificial Filter Strip XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
	Pit: Cut Walls				
Buildings Water Wells	Pit: Compacted Fill Walls				
Water Wells (w) Drill Sites	Area for Land Application of Pit Waste				
Proposed Revegetation Treatment: Acres Disturbed Prevegetation pH					
Lime as determined by pH test min. 2 Tons/acre or to correct to pH 6.5	5				
to considerable when were seen so the constant to the constant	e (500 lbs minimum)				
Mulch_Hay/Straw 2.5Tons/acre					
Seed M	lixtures				
Area I	Area II				
Seed Type lbs/acre	Seed Type lbs/acre				
White Clover 15	White Clover 15				
Red Top 15	Red Top 15				
Orchard Grass 20	Orchard Grass 20				
Attach: Drawing(s) of road, location,pit and proposed area for land applica-	tion.				
Photocopied section of involved 7.5' topographic sheet.					
Plan Approved by: Hayn I Con to	uffor pershishot				
Plan Approved by: Layne J. Comments:	ushon plandushot 2-01-13				
	J-01-13				
Comments:	PER 9.5. 2013				
Comments: Title: Oil and Gas Inspector	Date: 2 21 2013				

Marcellus Well Drilling Procedures And Site Safety Plan

Chesapeake Appalachia, LLC

47 - 69

Well name: Clarence Farmer OHI 1H

Bethany, Quad

Liberty, District

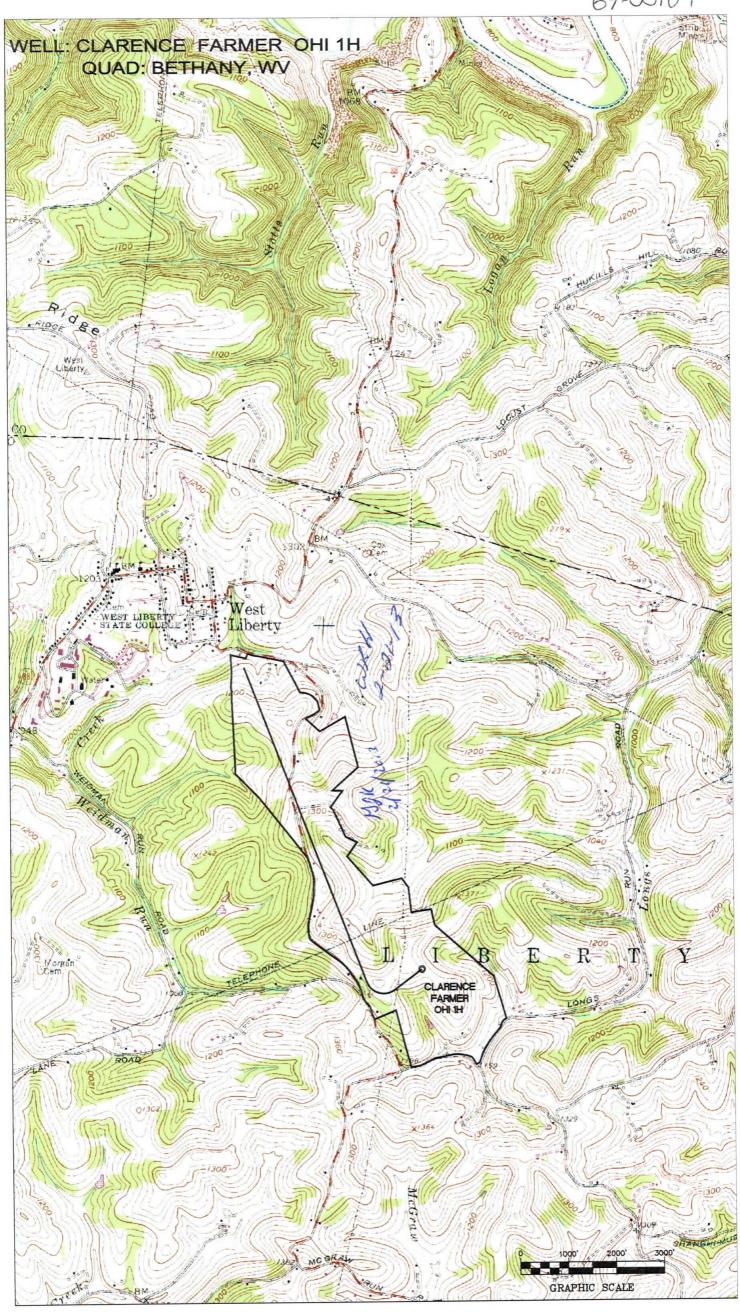
Ohio County, West Virginia

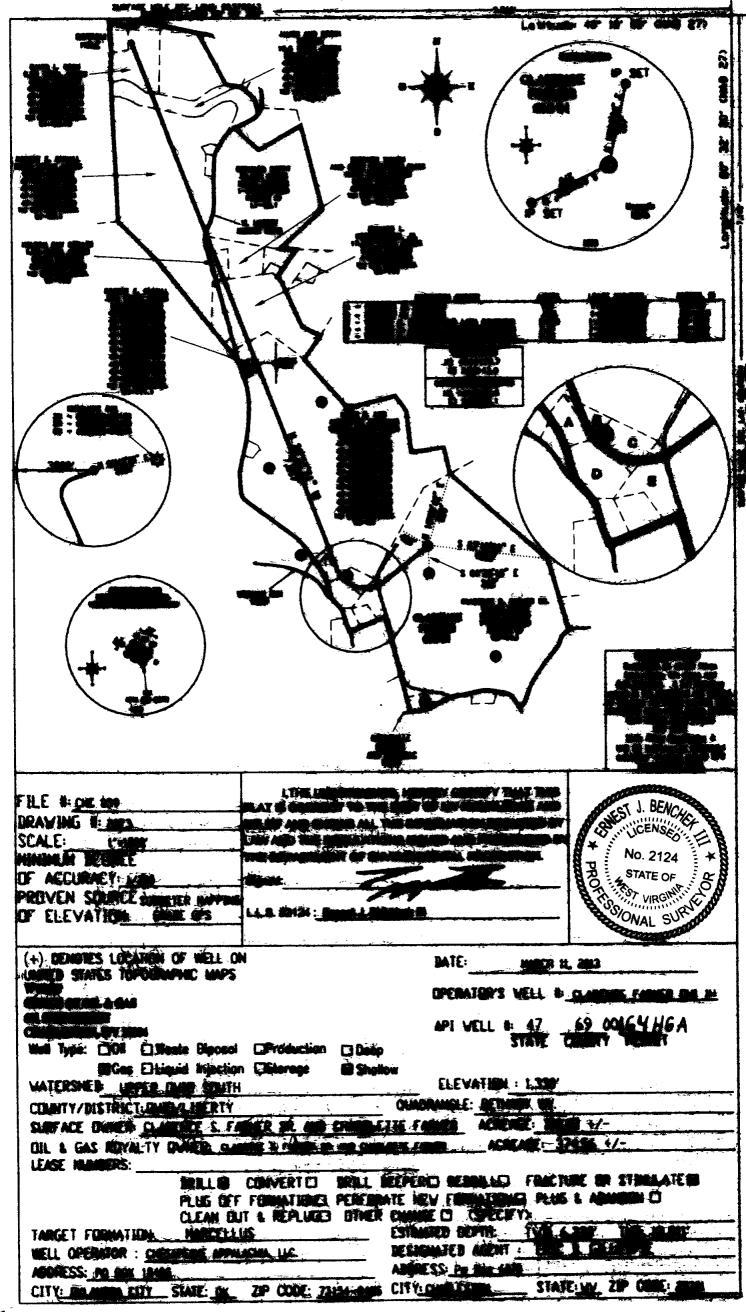
12/21/2013 2/21/2013

Submitted by: Danielle Southall	2/4/2013 Date:
Title Regulatory Analyst II	Chesapeake Appalachia, LLC
Approved by:	
	Date:
Title:	
Approved by:	
	Date:
Title:	

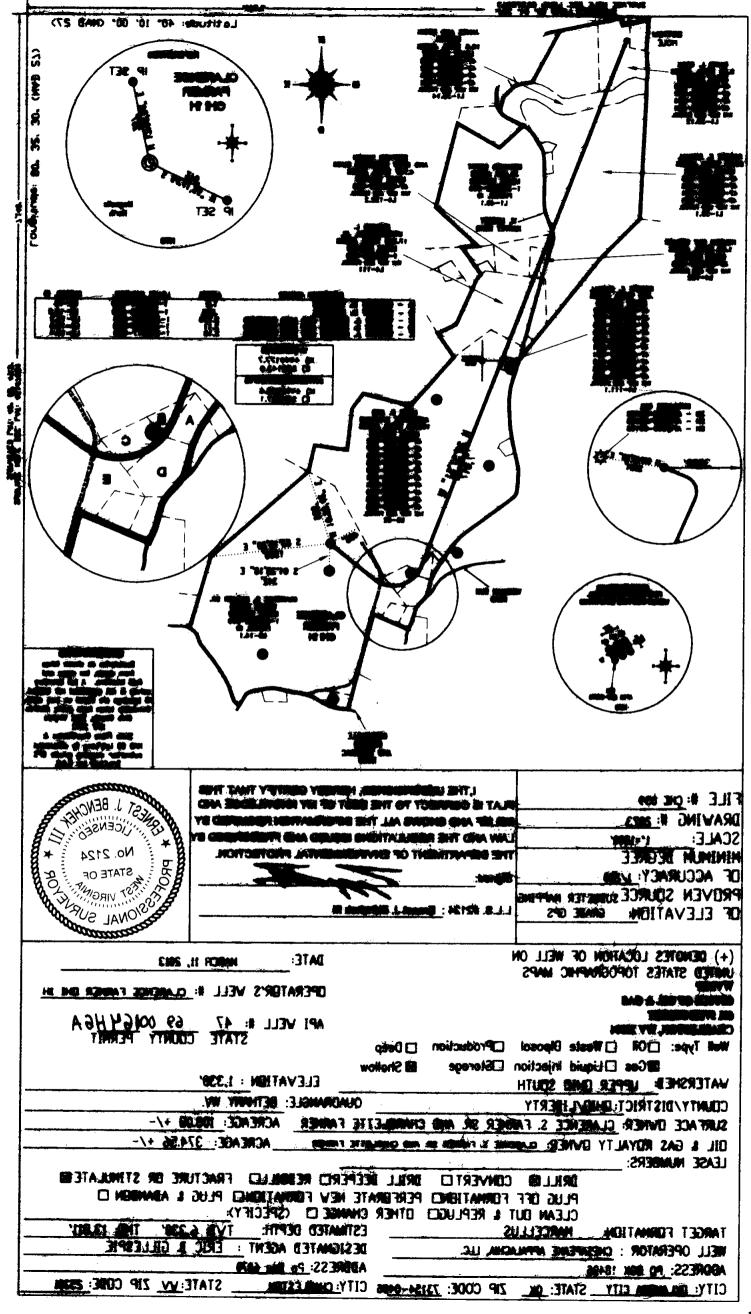
Chesapeake Appalachia, L.L.C. - Confidential

FEB 25 7013





A.



Date of Notice Certification:

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

API No. 47- 69 - 00/64

				Well No. Clare		
			Well Pad N	Name: Clarence	Farmer OHI PAD	
Notice has b	een given:					
	e provisions in West Virginia Code § 2	22-6A, the Operator has prov	vided the rec	quired parties w	ith the Notice Forms listed	
	tract of land as follows:					
State:	West Virginia	UTM NAD 83	Easting:	536144.8		
County:	69- Ohio		Northing:	4444170.3	D	
District:	3- Liberty	Public Road Acc		Weidman Run		
Quadrangle:		Generally used fa	arm name:	Clarence Farm	er	
Watershed:	Upper Ohio South					
Pursuant to West Virginia Code § 22-6A-7(b), every permit application filed under this section shall be on a form as may be prescribed by the secretary, shall be verified and shall contain the following information: (14) A certification from the operator that (i) it has provided the owners of the surface described in subdivisions (1), (2) and (4), subsection (b), section ten of this article, the information required by subsections (b) and (c), section sixteen of this article; (ii) that the requirement was deemed satisfied as a result of giving the surface owner notice of entry to survey pursuant to subsection (a), section ten of this article six-a; or (iii) the notice requirements of subsection (b), section sixteen of this article were waived in writing by the surface owner; and Pursuant to West Virginia Code § 22-6A-11(b), the applicant shall tender proof of and certify to the secretary that the notice requirements of section ten of this article have been completed by the applicant.						
that the Ope	West Virginia Code § 22-6A, the Operator has properly served the required ECK ALL THAT APPLY	rator has attached proof to t parties with the following:	this Notice C	Certification	OOG OFFICE USE ONLY	
☐ 1. NO	TICE OF SEISMIC ACTIVITY or	■ NOTICE NOT REQUI SEISMIC ACTIVITY WAS			☐ RECEIVED/ NOT REQUIRED	
☐ 2. NO	TICE OF ENTRY FOR PLAT SURVE	EY or 🔳 NO PLAT SURV	EY WAS C	ONDUCTED	RECEIVED	
■ 3. NO		☐ NOTICE NOT REQUINOTICE OF ENTRY FOR WAS CONDUCTED or			RECEIVED/ NOT REQUIRED	
		☐ WRITTEN WAIVER (PLEASE ATTACH		CE OWNER		
■ 4. NO	TICE OF PLANNED OPERATION				RECEIVED	
■ 5. PU	BLIC NOTICE				☑ RECEIVED	
■ 6. NO	TICE OF APPLICATION				RECEIVED	

Required Attachments:

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.

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.

Well Operator: Chesapeake Appalachia, LLC

Regulatory Analyst II

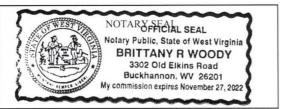
By: Danielle Southall Its:

Telephone: 304-517-1416 Address: PO Box 1300

Jane Lew, WV 26378

Facsimile: 304-471-2497

Email: danielle.southall@chk.com



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 depprivacyofficer@wv.gov.

API NO. 47- 69 - 00 6 7
OPERATOR WELL NO. Clarence Farmer OHI 1H
Well Pad Name: Clarence Farmer OHI PAD

	ce Time Requirement: notice shall be provided no later the of Notice: Date Permit Application Filed:	
Noti	ce of:	**
	PERMIT FOR ANY WELL WORK CONSTRUCTION OF	PROVAL FOR THE AN IMPOUNDMENT OR PIT
Deli	very method pursuant to West Virginia Code § 22-6A-1	0(b)
		HOD OF DELIVERY THAT REQUIRES A CIPT OR SIGNATURE CONFIRMATION
or b eros own tract or o othis [sic] gas enla surfit thou anin mor land main cont	y registered mail or by any method of delivery that required and sediment control plan required by section seven of the surface of the tract on which the well is contracts overlying the oil and gas leasehold being development ther land disturbance as described in the erosion and sedimentarticle; (3) The coal owner, operator or lessee, in the event is known to be underlain by one or more coal seams; (4) all leasehold being developed by the proposed well work, regement, alteration, repair, removal or abandonment of any acce owner or water purveyor who is known to the applicant as and five hundred feet of the center of the well pad white the proposed well work, and (6) The operator of any natural gas storage field the than three tenants in common or other co-owners of intensity, the applicant may serve the documents required upon that the proposed well work, arising pursuant to section eight, article one, chapter eleventary, notice to a lien holder is not notice to a landowner, undice is hereby provided to:	_
	SURFACE OWNER(s)	COAL OWNER OR LESSEE
	ne: Clarence & Charlotte Farmer, Sr. ress: 3589 GC&P Road	Name: Windsor Coal Company Address: 1000 Consol Energy Drive
Auu	Valley Grove, WV 26060	Canonsburg, PA 26059
Nan	ne:	
Add	ress:	☐ COAL OPERATOR
		Name:
	SURFACE OWNER(s) (Road and/or Other Disturbance)	Address:
Add	ne:	■ WATER PURVEYOR(s)
7144		Name: James Loew
Nan	ne:	Address: 307 Harvey Road
Add	lress:	Wheeling, WV 26003
Nan	SURFACE OWNER(s) (Impoundments/Pits) ne: Iress:	OPERATOR OF ANY NATURAL GAS STORAGE FIELD Name: Address:
-		*Please attach additional forms if necessary

API NO. 47- 69 OPERATOR WELL NO. Clarence Farmer OHI 1H
Well Pad Name: Clarence Farmer OHI Pad

Noti Date	ce Time Requirement: notice shall be provided no later the of Notice: Date Permit Application Filed:	an the filing date of permit application.			
Noti	ce of:				
	PERMIT FOR ANY WELL WORK CONSTRUCTION OF A	PROVAL FOR THE AN IMPOUNDMENT OR PIT			
Deli	very method pursuant to West Virginia Code § 22-6A-10	0(b)			
		OD OF DELIVERY THAT REQUIRES A IPT OR SIGNATURE CONFIRMATION			
for a or be eros own tract or or of this [sic] gas enla surfathou anim mornland main	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 of 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 road 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 locate [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 an 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) An surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within on thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestianimals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) 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 docu				
Not	ice is hereby provided to:				
	SURFACE OWNER(s)	☐ COAL OWNER OR LESSEE			
	ne:	Name:			
Add	ress:	Address:			
	Name: COAL OPERATOR				
		Name:Address:			
	SURFACE OWNER(s) (Road and/or Other Disturbance)				
Nan	ne:	■ WATER PURVEYOR(s)			
Add	lress:	Name: David Gilbert Sr. x2			
Nan	ne:	Address: 253 Harvey Road			
Add	ress:	Wheeling, WV 26003			
		☐ OPERATOR OF ANY NATURAL GAS STORAGE			
	SURFACE OWNER(s) (Impoundments/Pits)				
	ne:	FIELD Name:			
	lress:	Name:			
		*Please attach additional forms if necessary			

API NO. 47- 69 OPERATOR WELL NO. Clarence Farmer OHI 1H Well Pad Name: Clarence Farmer OHI Pad

	ce Time Requirement: notice shall be provided no later the of Notice: Date Permit Application Filed:	
Noti	ce of:	
	PERMIT FOR ANY WELL WORK CONSTRUCTION OF	PROVAL FOR THE AN IMPOUNDMENT OR PIT
Deli	very method pursuant to West Virginia Code § 22-6A-10	O (b)
		IOD OF DELIVERY THAT REQUIRES A IPT OR SIGNATURE CONFIRMATION
or beeros own tract or or this [sic] gas enla surfathou anim more land main	y registered mail or by any method of delivery that required and sediment control plan required by section seven of ers of record of the surface of the tract on which the well is or tracts overlying the oil and gas leasehold being develope ther land disturbance as described in the erosion and sedim article; (3) The coal owner, operator or lessee, in the even is known to be underlain by one or more coal seams; (4) a leasehold being developed by the proposed well work, regement, alteration, repair, removal or abandonment of any ace owner or water purveyor who is known to the applicant sand five hundred feet of the center of the well pad white the same of the common or other co-owners of interest the applicant may serve the documents required upon	ment or pit as required by this article shall deliver, by personal service res a receipt or signature confirmation, copies of the application, the this article, and the well plat to each of the following persons: (1) The sor is proposed to be located; (2) The owners of record of the surface ed by the proposed well work, if the surface tract is to be used for roads ent control plan submitted pursuant to subsection (c), section seven of at 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 to have a water well, spring or water supply source located within one ch is used to provide water for consumption by humans or domestic within which the proposed well work activity is to take place. (c)(1) If erests described in subsection (b) of this section hold interests in the in the person described in the records of the sheriff required to be the a of this code. (2) Notwithstanding any provision of this article to the dess the lien holder is the landowner.
Noti	ice is hereby provided to:	
	SURFACE OWNER(s)	☐ COAL OWNER OR LESSEE
Nan		Name:
Add	ress:	Address:
Nan Add		COAL OPERATOR Name:
	CUREAGE OURIED() (B = 1 = 1/2 Od = Pittaliana)	Address:
	SURFACE OWNER(s) (Road and/or Other Disturbance)	
Add	ress:	■ WATER PURVEYOR(s)
		Name: William Benson
Nan	ne:	Address: 302 Harvey Road
Add	ress:	Wheeling, WV 26003
	<u></u>	☐ OPERATOR OF ANY NATURAL GAS STORAGE
	SURFACE OWNER(s) (Impoundments/Pits)	FIELD
Nan	ne:	Name:
Add	lress:	Address:
	and the second s	*Please attach additional forms if necessary

API NO. 47- 69 OPERATOR WELL NO. Clarence Farmer OHI 1H Well Pad Name: Clarence Farmer 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	e of Notice:	Date Permit Application Filed:	
Noti	ce of:		
	PERMIT FOR ANY WELL WORK		PROVAL FOR THE AN IMPOUNDMENT OR PIT
Deli	very method pursua	ant to West Virginia Code § 22-6A-1	0(b)
	PERSONAL SERVICE		HOD OF DELIVERY THAT REQUIRES A EIPT OR SIGNATURE CONFIRMATION
or b eros own tract or o o this [sic] gas enla surf thou anin mor land main cont	y registered mail or ion and sediment corers of record of the store tracts overlying the ther land disturbance article; (3) The coal is known to be under leasehold being devirgement, alteration, race owner or water pusand five hundred finals; and (6) The ope e than three tenants s, the applicant maintained pursuant to surary, notice to a lien	by any method of delivery that required plan required by section seven of surface of the tract on which the well are oil and gas leasehold being develop as described in the erosion and sedin owner, operator or lessee, in the evertain by one or more coal seams; (4) reloped by the proposed well work epair, removal or abandonment of any urveyor who is known to the applican eet of the center of the well pad white trator of any natural gas storage field in common or other co-owners of in y serve the documents required upon ection eight, article one, chapter eleve holder is not notice to a landowner, un	Imment or pit as required by this article shall deliver, by personal services are receipt or signature confirmation, copies of the application, the this 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 ed by the proposed well work, if the surface tract is to be used for roads nent 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 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) If terests described in subsection (b) of this section hold interests in the number of this code. (2) Notwithstanding any provision of this article to the class the lien holder is the landowner.
_	ice is hereby provide		
	SURFACE OWNER		☐ COAL OWNER OR LESSEE
Nan Add	ress:		Name:Address:
Nan Add	ne:		COAL OPERATOR Name:
			Address:
		R(s) (Road and/or Other Disturbance)	
Nan	ne:		WATER BURNEYOR(-)
Add	ress:		WATER PURVEYOR(s) Name: Mark & Anneliese Kaufman
Nan	ne:		Address: RR 5 Box 420
			Wheeling, WV 26003
Nan	ne:	R(s) (Impoundments/Pits)	OPERATOR OF ANY NATURAL GAS STORAGE FIELD Name: Address:
			*Please attach additional forms if necessary

API NO. 47-69

 $OPERATOR \ WELL \ NO. \ {\tiny \ \ \, Clarence \ Farmer \ OHI \ 1H}$

Well Pad Name: Clarence Farmer OHI Pad

	ce Time Requirement: notice shall be provided no later to of Notice: Date Permit Application Filed:		
Noti	ce of:		
	PERMIT FOR ANY WELL WORK CONSTRUCTION OF	PPROVAL FOR THE F AN IMPOUNDMENT OR PIT	
Deli	very method pursuant to West Virginia Code § 22-6A-	10(b)	
		THOD OF DELIVERY THAT REQUIRES A EIPT OR SIGNATURE CONFIRMATION	
for a or by eros own tract or of this [sic] gas enla surfathou anim more land main	recrtificate of approval for the construction of an impount y registered mail or by any method of delivery that required and sediment control plan required by section seven of the surface of the tract on which the well for tracts overlying the oil and gas leasehold being development and disturbance as described in the erosion and sedinarticle; (3) The coal owner, operator or lessee, in the even is known to be underlain by one or more coal seams; (4) leasehold being developed by the proposed well work regement, alteration, repair, removal or abandonment of an acce owner or water purveyor who is known to the applicate stand five hundred feet of the center of the well pad whals; and (6) The operator of any natural gas storage fields than three tenants in common or other co-owners of its, the applicant may serve the documents required up	and date of the application, the applicant for a permit for any well work or diment or pit as required by this article shall deliver, by personal service duries a receipt or signature confirmation, copies of the application, the of this 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 ped 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 each the tract of land on which the well proposed to be drilled is located of The owners of record of the surface tract or tracts overlying the oil and at, if the surface tract is to be used for the placement, construction, by impoundment or pit as described in section nine of this article; (5) Any to have a water well, spring or water supply source located within one nich is used to provide water for consumption by humans or domestic le within which the proposed well work activity is to take place. (c)(1) If interests described in subsection (b) of this section hold interests in the on the person described in the records of the sheriff required to be en-a of this code. (2) Notwithstanding any provision of this article to the nless the lien holder is the landowner.	
Noti	ice is hereby provided to:		
	SURFACE OWNER(s)	☐ COAL OWNER OR LESSEE	
Nan	ne:	Name:	
Add	ress:	Address:	
	ne:	☐ COAL OPERATOR	
		Name:Address:	
LI Non	SURFACE OWNER(s) (Road and/or Other Disturbance)		
Add	ne:	■ WATER PURVEYOR(s)	
		Name: Clarence Sr & Charlotte Farmer x4	
	ne: Iress:	Address: 3589 Greggsville Clinton & Potomac Road Valley Grove, WV 26003	
		Valley Glore, IVI 2000	
	CLIDEACE OWNER(-) (I	☐ OPERATOR OF ANY NATURAL GAS STORAGE	
∐ N-	SURFACE OWNER(s) (Impoundments/Pits)	FIELD	
Nan	ne:	Name:	
		Address:	
		*Please attach additional forms if necessary	

API NO. 47-69

OPERATOR WELL NO. Clarence Farmer OHI 1H

Well Pad Name: Clarence Farmer 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.

OPERATOR WELL NO. Ciarence Farmer OHI 1H
Well Pad Name: Clarence Farmer OHI PAD

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.

API NO. 47-69

OPERATOR WELL NO. Clarence Farmer OHI 1H Well Pad Name: Clarence Farmer OHI PAD

Notice is hereby given by:

Well Operator: Chesapeake Appalachia, LLC

Address:

PO Box 1300

Telephone: Email:

304-517-1416 danielle.southall@chk.com Jane Lew, WV 26378

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 Requirement: notice shall be provided no later than the filing date of permit application. Date of Notice: 02/04/2013 Date Permit Application Filed:					
Delivery method pursuant to West Virginia Code § 22-6A-16(c)					
			IAND DELIVERY		
Pursuant to W. Va. Code § 22-6A-16(c), no later than the date for filing the permit application, an operator shall, by certified mail return receipt requested or hand delivery, give the surface owner whose land will be used for the drilling of a horizontal well notice of the planned operation. The notice required by this subsection shall include: (1) A copy of this code section; (2) The information required to be provided by subsection (b), section ten of this article to a surface owner whose land will be used in conjunction with the drilling of a horizontal well; and (3) A proposed surface use and compensation agreement containing an offer of compensation for damages to the surface affected by oil and gas operations to the extent the damages are compensable under article six-b of this chapter. (d) The notices required by this section shall be given to the surface owner at the address listed in the records of the sheriff at the time of notice.					
(at the Name: Addre	address		ne of notice): Name:		
Pursua operat	ion on th	st Virginia Code § 22-6A-16(c), notice is he surface owner's land for the purpose of c		al well on the tra	act of land as follows:
State: County		VEST VIRGINIA	- UTM NAD 8	Easting:	536144.8
	(JHIO	UIMINAD	Northing:	4444170 3
-	-	DHIO IBERTY	-	Northing:	4444170.3 GC&P RD
Distric	et: <u>I</u>	BERTY	Public Road	Access:	4444170.3 GC&P RD
-	et: _i angle: _i		Public Road	Northing:	
District Quadra Waters This N Pursua to be horizo surface inform headqu	angle: In angle:	BERTY BETHANY WV BIPPER OHIO SOUTH BILLIANS WILLIAMS BILLIANS WILLI	Public Road Generally us e shall include: (1 face owner whose consation agreeme the damages are conditionally	Access: ed farm name:)A copy of this e land will be unt containing arompensable und tary, at the WV	
District Quadra Waters This N Pursua to be horizo surface inform headque gas/pa Well C	ot: angle: shed: Notice Sh ant to We provided ntal well; e affected attion religionarters, lo ges/defau Operator:	BERTY BETHANY WV BIPPER OHIO SOUTH BILLIANS WILLIAMS BILLIANS WILLI	Public Road Generally us e shall include: (1 face owner whose consation agreeme the damages are conditionally	Access: ed farm name:)A copy of this e land will be unt containing arompensable und tary, at the WV	code section; (2) The information required used in conjunction with the drilling of a noffer of compensation for damages to the ler article six-b of this chapter. Additional Department of Environmental Protection or by visiting <a href="https://www.dep.wv.gov/oil-and-driver-additional-driver-additio</td></tr><tr><td>District
Quadr
Waters
This N
Pursua
to be
horizo
surface
inform
headqu
gas/pa</td><td>ot: In angle: In</td><td>BERTY BETHANY WV BIPPER OHIO SOUTH all Include: st Virginia Code § 22-6A-16(c), this notice by W. Va. Code § 22-6A-10(b) to a sur- and (3) A proposed surface use and comp by oil and gas operations to the extent the ated to horizontal drilling may be obtained becated at 601 57th Street, SE, Charlest lt.aspx.</td><td>Public Road Generally us e shall include: (1 face owner whose pensation agreeme the damages are coed from the Secre tion, WV 25304 Address:</td><td>Access: ed farm name:)A copy of this e land will be tent containing an ompensable und tary, at the WV (304-926-0450)</td><td>code section; (2) The information required used in conjunction with the drilling of a n offer of compensation for damages to the ler article six-b of this chapter. Additional Department of Environmental Protection or by visiting www.dep.wv.gov/oil-and-chesapeake-Drive

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.



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Division of Highways

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

May 25, 2011

RECEIVED

MAY 27 2011

To:

Heather Huffman

From:

Gary K. Clayton Lan & Clayto

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 Boulagreenest in Suplicate to Legal te/27/11



OIL AND GAS ROAD STATEWIDE BONDING AGREEMENT MAINTENANCED BEING

THIS AGREEMENT, executed in duplicate, made and entered into this 19th day of 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:

- 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.
- Company and Department shall within 14 days of the Company's submittal, 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.
- 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..

IV. 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.
- VL Company shall be responsible for the cost of all maintenance and repairs 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.
- XIII. 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.

IN WITNESS WHEREOF, the parties hereto have caused this Bonding Agreement to

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

By: Stay & Robert

Title: Vice President - Risk Management

(To be executed in duplicate)

APPROVED AS TO FORM THIS

ATVORNEY LEGAL DIVISION WEST VIRGINIA DEPARTMENT OF HIGHWAYS





MAY 2 7 2011

Liberty Mutual Surety 1001 4th Avenue, Suite 1700 Seattle, WA 98154

MAINTENANCE DIVISION

PERFORMANCE BOND	er.		Bond 022033412
KNOW ALL BY THESE PRESENTS, That we, Ch	nesapeake Appalachia,	L.L.C.	
	`		
(hereinafter called the Principal), as Principal, and Sduly organized under the laws of the State of bound unto West Virginia Department of Transp	Washington (h	ereinafter called the S	, a corporation urety), as Surety, are held and firmly
			, (hereinafter called the Obligee),
in the sum of One Million Dollars And Zero Cent	s		
	\$ 1,000,000.00		payment of which sum well and truly
to be made, we, the said Principal and the said Si jointly and severally, firmly by these presents.	rety, bind ourselves, our	heirs, executors, add	ministrators, successors and assigns,
Signed and sealed this 19th 0	lay of	May	,
WHEREAS, said Principal has entered into a written	Contract with said Oblige	e, dated	
for use of State roadways pursuant to Oil and O	Gas Road Statewide Bo	nding Agreement	
in accordance with the terms and conditions of sai	d Contract, which is here	by referred to and m	ade a part hereof as if fully set forth
NOW, THEREFORE, THE CONDITION OF THIS keep, do and perform each and every, all and sing Principal kept, done and performed, at the times reimburse to the above named Obligee, all loss and of said Principal so to do, then this obligation shall	gular, the matters and thi and in the manner in sall damage which said Obli	ngs in said contract : id contract specified gee may sustain by re	set forth and specified to be by said , or shall pay over, make good and eason of failure or default on the part
NO SUIT, ACTION OR PROCEEDING by the C within two (2) years following the date on which Pr			ined unless the same be commenced
SEAL SEAL	SEAL STATE OF AMERICAN SERVICES AND OF AMERICAN SERVICES AND SERVICES	Safeco Insurance By Stacy L. Robi	e Company of America B. Robert erts Attorney-in-Fact

4:17 . . ·

KNOW ALL BY THESE PRESENTS: That SAFECO INSURANCE COMPANY OF AN			loes hereby appoint	***************************************

**************************************	ROBERTS: Oklahor	na City. Oklaho	ma***********	**********
ts true and lawful attorney(s)-in-fact, with full authors of a similar character issu AMERICA thereby as fully as if such instrument in WITNESS WHEREOF, SAFECO INSURANCE (ied in the course of it is had been duly exe	s business, and cuted by its regu	to bind SAFECO INSUI larly elected officers at it	RANCE COMPANY OF is home office.
this 17th		day of _^	spril	2009
<u></u>			<u> </u>	
Daxter & fagg		TAM	Dulajewsle	. `
Dexter R. Legg, Secretary		Timothy A.	Mikolajewski, VIce Pre	sident
	CERTIF			
Extract from the By-L Article V, Section 13. • FIDELITY AND SURE			PANY OF AMERICA:	
	ppropriate titles with r issued by the comp may be affixed by fa rail or a facsimile the	authority to exect any in the course csimile. On any sereof, may be to the validity of the Board of Directory.	ute on behalf of the con e of its business On a instrument conferring s impressed or affixed of any such instrument or ectors of	npany fidelity and suret ny instrument making d uch authority or on an ir in any other manne
*On any certificate executed by the Secretary of	or an assistant secret	ary of the Comp	any setting out,	
(ii) The provisions of Article V, Section (ii) A copy of the power-of-attomey app	13 of the By-Laws, a	nd		
(iii) Certifying that said power-of-attoms	ev appointment is in :	full force and effe	ect,	
the signature of the certifying officer may be by				
I. Dexter R. Legg Secretary of SAFE	the Board of Directo	es of this comora	MERICA, do hereby cert stion, and of a Power of wer of Attorney are still in	Attorney issue pursual
extracts of the By-Laws and of a Resolution of thereto, are true and correct, and that both the	By-Laws, the Resolu	ition and the Pov		
extracts of the By-Laws and of a Resolution of thereto, are true and correct, and that both the IN WITNESS WHEREOF, I have hereunto set	By-Laws, the Resolu	dion and the Poved the faction and the faction	seal of said corporati	on
thereto, are true and correct, and that both the IN WITNESS WHEREOF, I have hereunto set	By-Laws, the Resolutiny hand and affix	ed the facsimile	seal of said corporati	on . 2011
thereto, are true and correct, and that both the IN WITNESS WHEREOF, I have hereunto set this	By-Laws, the Resolutiny hand and affix	dion and the Poved the facsimile	seal of said corporati	on
thereto, are true and correct, and that both the IN WITNESS WHEREOF, I have hereunto set	By-Laws, the Resolutiny hand and affix	ed the facsimile	seal of said corporati	on . 2011

WEB PDF

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
			Didecyl Dimethyl Ammonium Chloride	007173-51-1
			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
	1	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 9.5.7013
	LTB-1	Breaker	Ammonium Persulfate	N/A

Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
			Ethanol	000064-17-5
NALCO	EC6110A	Biocide	Glutaraldehyde (Pentanediol)	000111-30-8
ONESOURCE			Quaternary Ammonium Compounds	N/A-063
	EC6629A	Biocide	No Hazardous Components	NONE
	WBK-133 OXIDIZER	Breaker	Ammonium Persulfate	007727-54-0
			Ammonium Persulfate	007727-54-0
	WBK-134	Breaker	Crystalline Silica (Quartz Sand, Silicon Dioxide)	014808-60-7
	WOO 6241 C	Clay Stabilizar	Proprietary Non Hazardous Salt	N/A-229
	WCS-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			Potassium Carbonate	000584-08-7
	WPB-584-L	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
			Ethylene Glycol	000107-21-1
	WXL-105L	Crosslinker	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		Diammonium Peroxidisulphate	7727-54-0
SCHLUMBERGER	EB-Clean* J475 Breaker	Breaker	Diammonium Peroxidisulphate	7727-54-0
	Friction Reducer B315	Friction Reducer	Distillates (petroleum), Hydrotreated light Aliphatic Alcohol Glycol Ether	64742-47-8 Proprietary
	Friction Reducer J609		Ammonium Sulfate	7783-20-2

Supplier Name	Product Name	Product Use	Chemical Name Carbohydrate Polymer	CAS Number Proprietary
	Water Gelling Agent J580	Gel Carbonydrate Polymer		Trophotaly
	Scale Inhibitor B317	Scale Inhibitor	Trisodium ortho phosphate	7601-54-9
COLULIMBEDOED	Scale Illibitor Bott		Ethane-1, 2-diol	107-21-1
SCHLUMBERGER	Borate Crosslinker J532		Aliphatic polyol Sodium	Proprietary 1303
			tetraborate decahydrate	96-4
	0 1040	Clossilikei	Aliphatic polyol Potassium	Proprietary 1310-
	Crosslinker J610		hydroxide	58-3

Received Date: 2/25/20	13	API:	6900164	_	1
Operator: CHESAPEAKE AP	PALACHIA, L.L.C.	WELL: C	CLARENCE FARMER		
Pad Name: CLARENCE FARM		End Comm	ent Period: 3-	28-13	
Pad Built: Yes	_No	Date Revie	wed: 5.2.13	_ INT. LKC	
			A		
CHECK	LIST FOR FILING	A PERMIT	oAsk	She abut cas	hy
change TH in GRIS	Horizontal 6A	Well		She abut cas -in mile 133/8° @ SW @ 7	w/
cheek mines /commts	First Well	Subse	equent Well	133/82 @	742'
	10,250.00 with pit	5,250.00	with pit	SW @ 7	50/
/	10,150.00 no pit	5,150.00		heck# 19709	000
Fees			0,	WEEKT 11109	99
Checklist / Cover lett	er			OK.	
WW-6B Well Work F	ermit Application		Field Approved	Not ages	I.
Cement Additives					nst nea
Well Bore Schematic					25
/	oplication notarized w/ any				
	copy of advertisement or a	affidavit of public	cation)		
WW-6AC Notice Ce	rtifications and Waivers Entry for Plat Survey — 1	2 100	SK SK	4	C 6
	Entry for Plat Survey — 1	min. owing	vas entry?	some as sun	ace 4
WW-6A4 Notice of 1			ins entry.		
WW-6A5 Notice of		C ' W'			
	ipts, Affidavits of Personal	Service or Waiv	ers		
WW-6RW Well Loca	Statement of No Objection	n			
-	urface Owner at Wellhead	11			
	urface Owner for Roads or	ather Disturban	cas		
			ces		
	oal Owner, Operator or Les				
	urface owner for Impoundn		00.5.4.50		
	urface Owner or Water Pur		Ju feet of Center of Pa	u	
Waiver for N	atural gas Storage Field O	perator			

WW-6AI - which leases w/ which o	on plat	?
✓ Road Crossing Letter	,	
√ Road Bonding Agreement / DOH Certification		
		Field Approved
Frac additives with CAS#'s		7
Site safety plan	1	Field Approved
Site Safety plan Site Construction Plan As Built	U	Field Approved
✓ Reclamation Plan	V	Field Approved
Erosion and Sediment Control Plan	1	Field Approved
Topographic Map w/ water purveyors showing access	s road	
Mylar Plat (Signed and sealed) (Surface Owner match	hes WW-6A	١)
Signed Restriction List		
Within a Municipality (Emergency Rule)		
Class 1 Legal Advertisement for first permit of	on pad	
Water Management Plan	U	DWWM Approval
Copy of To Scale Plans		
Inspector packet mailed to inspector (Plat, Topograph	ic Map, W	W-6B, WW-9, All Plans)
Comments		
Bond (\$250,000)		
Operator is registered with the SOS		
Workers Compensation / Unemployment Insurance ad	ccount is O	K
Professional Engineer/Company has COA		
Check for mine data at proposed coordinates		
Check for floodplain data at proposed coordinates		

Britt poid

1	Dwill	poce
\overline{V}	Well Restrictions	

At Least 100 Feet from Pad and LOD (including any ES Control Feature) to any Perennial Stream, Lake, Pond, Reservoir or Wetland
DEP Waiver and Permit Conditions
At Least 300 Feet from Pad and LOD (including any ES Control Feature) to any Naturally Producing Trout Stream
DEP Waiver and Permit Conditions
At Least 1000 Feet from Pad and LOD (including any ES Control Feature) to any Groundwater Intake or Public Water Supply
DEP Waiver and Permit Conditions
At Least 250 Feet from an Existing Water Well or Developed Spring to Well Being Drilled
Surface Owner Waiver and Recorded with County Clerk, OR
DEP Variance and Permit Conditions
At Least 625 Feet from an Occupied Dwelling Structure to the Center of the Pad
Surface Owner Waiver and Recorded with County Clerk, OR
DEP Variance and Permit Conditions
At Least 625 Feet from Agricultural Buildings Larger than 2500 Square Feet to the Center of the Pad
Surface Owner Waiver and Recorded with County Clerk, OR
DEP Variance and Permit Conditions

