

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

November 20, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-6900187, 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: ALICE EDGE OHI 210H

Farm Name: EDGE, ALICE MAE

API Well Number: 47-6900187

Permit Type: Horizontal 6A Well

Date Issued: 11/20/2014

API Number: 4706900 187

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. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

- 1. Mats and liners along with containment shall be provided in addition to the existing berm.
- 2. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE regarding this proposed activity.
- 3. 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.
- 4. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. 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.
- 5. 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.
- 6. 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.
- 7. 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.
- 8. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 9. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

PERMIT CONDITIONS

10. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

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

1) Well Operat	or: Chesapeake	Appalachia, LLC	49447757	69-Ohio	3-Liberty	648-Valley Grove
, 1			Operator ID	County	District	Quadrangle
2) Operator's V	Well Number: Alic	ce Edge OHI 210I	H Well Pad	Name: Alice E	Edge Pad	
3) Farm Name	/Surface Owner:	Alice Mae Edge	Public Road	d Access: Stat	e Route 40	
4) Elevation, c	urrent ground:	1198' Ele	evation, proposed p	oost-construction	on: <u>1198'</u>	·
5) Well Type	(4) 545	■ Oil	Unde	rground Storag	ge	
	OtherSho	llow ■	Deep			
		llow ■ rizontal	Беер			
6) Existing Pac	i: Yes or No Yes					
•	•	-	pated Thickness arget base TVD- 6468'			sociated Pressure- 4176
8) Proposed To	otal Vertical Dept	h: 6390'				
9) Formation a	t Total Vertical D	epth: Marcellus				
10) Proposed 7	Total Measured De	epth: 13,900'				
11) Proposed H	Horizontal Leg Le	ngth: 11,210'				
12) Approxima	ate Fresh Water S	trata Depths:	425'			
13) Method to	Determine Fresh	Water Depths: _f	rom log analysis of n	earby wells		
14) Approxima	ate Saltwater Dept	ths: <u>1050'</u>				
15) Approxima	ate Coal Seam De	pths: _580'				. <u></u>
16) Approxima	ate Depth to Possi	ble Void (coal mi	ne, karst, other): _	None that we are	aware of.	
	osed well location ing or adjacent to		ns Yes ✓	No		
(a) If Ves pr	ovide Mine Info:	Name: Tunne	el Ridge			oivod
(a) II 103, pr	ovido mino into.	Depth: 558'	g-		E Carre Sand	William
			 urgh #8		SEP	2 2014
			el Ridge			
				WRH	Office o WDept. of En	of Oil and Gas vironmenial Protection
				9-22-	/	

18)

CASING AND TUBING PROGRAM

TYPE	Size	New or Used	<u>Grade</u>	Weight per ft. (lb/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#	630'	630'	580 sx/CTS
Coal	9 5/8"	New	J-55	40#	2116'	2116'	630 sx/CTS
Intermediate	7"	New	P-110	20#	If Needed	If Needed	If Needed/As Needed
Production	5 1/2"	New	P-110	20#	13,900'	13,900'	Lead 1250 sx Tall 1280 sx/100' inside inte
Tubing	2 3/8"	New	N-80	4.7#	Approx. 7192'	Approx. 7192'	
Liners							

WRH 8-22-4

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	30"	0.25	2120	Class A	1.19/50% Excess
Fresh Water	13 3/8"	17.5"	0.380	2740	Class A	1.19/50% Excess
Coal	9 5/8"	12 1/4"	0.395	3950	Class A	1.19/50% Excess
Intermediate	7"	8 3/4"	0.317	4360	Class A	1.20/15% Excess
Production	5 1/2"	8 3/4"	0.361	12360	Class A	1.20/15% Excess
Tubing	2 3/8"	4.778"	0.190			
Liners						

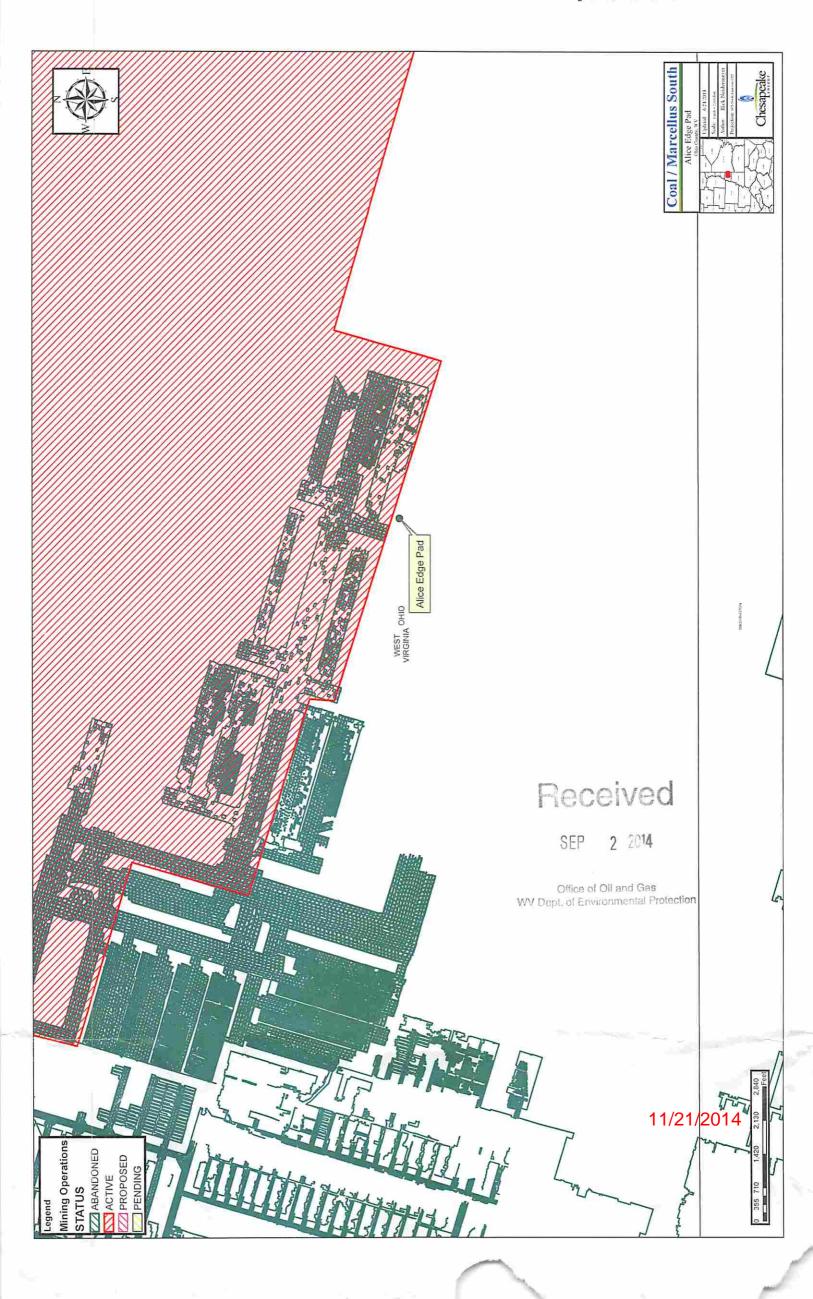
PACKERS

Kind:	10K Arrowset AS1-X			
Sizes:	5 1/2"			
Depths Set:		in the state of th		
			Received	

19) Describe proposed well work, including the drilling and plugging	back of any pilot hole:
Drill and stimulate any potential zones between and including the Benson to place basket above and below void area - balance cement to bottom of void not less than 20' below void nor more than 50' below void. (*If freshwater is exprotected, set casing 50' below and cts)	and grout from basket to surface. Run casing
20) Describe fracturing/stimulating methods in detail, including antic	ipated max pressure and max rate:
Well will be perforated within the target formation and stimulated with a slurry high rate. This will be performed in stages with the plug and perf method alo stimulated within the target formation. All stage plugs are then drilled out and produced through surface facilities consisting of high pressure production unistorage tanks. Max press and anticipated max rate-9000 lbs @ 80 barrells a	ng the wellbore until the entire lateral has been did the well is flowed back to surface. The well is its, vertical separation units, water and oil
21) Total Area to be disturbed, including roads, stockpile area, pits, et	c., (acres): 18.4
22) Area to be disturbed for well pad only, less access road (acres):	6.1
23) 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.
24) Describe all cement additives associated with each cement type:	
See Attachment**	
25) Proposed borehole conditioning procedures:	
All boreholes will be conditioned with circulation and rotation for a minimum of is satisfied with borehole conditions.	pagelyad
	SEP 2 2014
*Note: Attach additional sheets as needed	Office of Oil and Cas

*Note: Attach additional sheets as needed.

Office of Oil and Case
WV Dept. of Environmental Protection



Supplier Name	Product Name	Product Use	Chemical Name	CAS Number
•			Didecyl Dimethyl	007173-51-1
			Ammonium Chloride	
			Ethanol	000064-17-5
	ALPHA 1427	Biocide	Glutaraldehyde (Pentanediol)	000111-30-8
			Quaternary Ammonium Compound	068424-85-1
			Water	007732-18-5
1	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
	FD\M 49	Friction	Petroleum Distillate	064742-47-8
	FRW-18	Reducer	Hydrotreated Light	
		0.4	Petroleum Distillate Blend	N/A-014
	GW-3LDF	Gel	Polysaccharide Blend	N/A-021
			Diethylene Glycol	000111-46-6
	SCALETROL 720	Scale Inhibitor	Ethylene Glycol	000107-21-1
	Land Control		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	ceived

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			
			Proprietary Non Hazardous Salt	N/A-229			
	WCS-631LC	Clay Stabilizer	Water	007732-18-5			
	WFR-55LA	Friction Reducer	No Hazardous Components	NONE 064742-47-8			
а	WGA-15L	Petroleum Distillate					
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	CAS Number				
1	Water Gelling Agent J580	Gel	Carbohydrate Polymer	Proprietary				
SCHLUMBERGER	Scale Inhibitor B317	Scale Inhibitor	Trisodium ortho phosphate Ethane-1, 2-diol	7601-54-9 107-21-1				
	Borate Crosslinker J532	Crosslinkor	Aliphatic polyol Sodium tetraborate decahydrate	Proprietary 1303- 96-4				
	Crosslinker J610	Crosslinker	Aliphatic polyol Potassium hydroxide	Proprietary 1310 58-3				

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proprietary

				CAS Number
				(1)
	A SHIPM	***Ref: 2013-78		Č.
.B Ce	ement Additives	Product Use	Chemical Name	CAS Number
	Product Name_	I Floudet Ose	Fuller's earth (attapulgite)	8031-18-3
1	D046	antifoam	Polypropylene glycol	25322-69-4
		polyester flake - lcm	polyethylene terephthalate	25038-59-9
	D130	calcium chloride	calcium chloride	10043-52-4
	S001	calcium chloride	Caldian Shores	
	SPACER			0.5000 50 0
	D130	polyester flake - lcm	polyethylene terephthalate	25038-59-9
	D020	bentonite extender	bentonite	1302-78-9
	B.F.T.2			8031-18-3
		antifoam	Fuller's earth (attapulgite)	25322-69-4
	D046		Polypropylene glycol	
	D130	polyester flake - Icm	polyethylene terephthalate	25038-59-9
	D044	granulated salt	sodium chloride	7647-14-5
	D153	Anti-Settling Agent	chrystalline silica	14808-60-7
2	SPACER		bentonite	1302-78-9
5	D020	bentonite extender	polyethylene terephthalate	25038-59-9
<u> </u>	D130	polyester flake - lcm	polyethylene terephinate.	
	D080	cement liquid dispersant	product classified as non-hazardous.	
	D801	mid-temp retarder	product classified as non-hazardous	
	D047	antifoam agent	polypropylene glycol	25322-69-4
	SPACER			proprietary
	B389	MUDPUSH* Express	Carbohydrate	proprietary
	D206	Antifoaming Agent	Silica Organic Polymer	7727-43-7
Ď	D031	barite	barium sulfate	proprietary
금			fatty acid amine	proprietary
#			ethoxylated alcohol	56-81-5
(1)	1		glycerol	30-01-0
Kick Off Plug			2.2'-Iminodiethanol	111-42-2

UNIFLAC* S

D167

aliphatic amide polymer

		t-lling siling	7631-86-9
D154	low-temperature extender	non-crystalline silica	10043-35-3
D400	EasyBLOK	boric acid	8031-18-3
70.40	antifoam	Fuller's earth (attapulgite)	25322-69-4
D046	aitiloain	Polypropylene glycol	14808-60-7
	basic cements enabler	chrystalline silica	proprietary
D201		metal oxide	proprietary
	low-temperature solid	sulphonated synthetic polymer	50-00-0
D202	dispersant	formaldehyde (impurity)	8031-18-3
		Fuller's earth (attapulgite)	25322-69-4
D046	antifoam	Polypropylene glycol	
D167	UNIFLAC* S	aliphatic amide polymer	proprietary
D065	TIC* Dispersant	Sodium Polynaphthalene Sulfonate	9008-63-3
10000	into Dispersion	Sodium Sulfate	7757-82-6
		chrystalline silica	14808-60-7
D201	basic cements enabler	metal oxide	proprietary
7450	Anti-Settling Agent	chrystalline silica	14808-60-7
D153	And-Octaing Agent		
ODACEE			
SPACER	MUDPUSH* Express	Carbohydrate	proprietary
B389	Antifoaming Agent	Silica Organic Polymer	proprietary
D206	barite	barium sulfate	7727-43-7
D031	Dante	fatty acid amine	proprietary
		ethoxylated alcohol	proprietary
		glycerol	56-81-5
l	surfactant	2.2'-Iminodiethanol	111-42-2

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Office of Oil and Gas WV Dept. of Environmental Protection

0.35% BWOC	1 gal/bbl		310 lb/bbl	0.1 gal/bbl	4 5 5 5 5	U.UZ gairsk		0.05 gal/sk	1 lb/bbl	1		O.15% BVVCC	0% B)	0.125 lb/sk	0.2% BWOC	Н		1 lb/bbl		BW	0.125 lb/sk	1	n 2% BWOC	% Concentration Used
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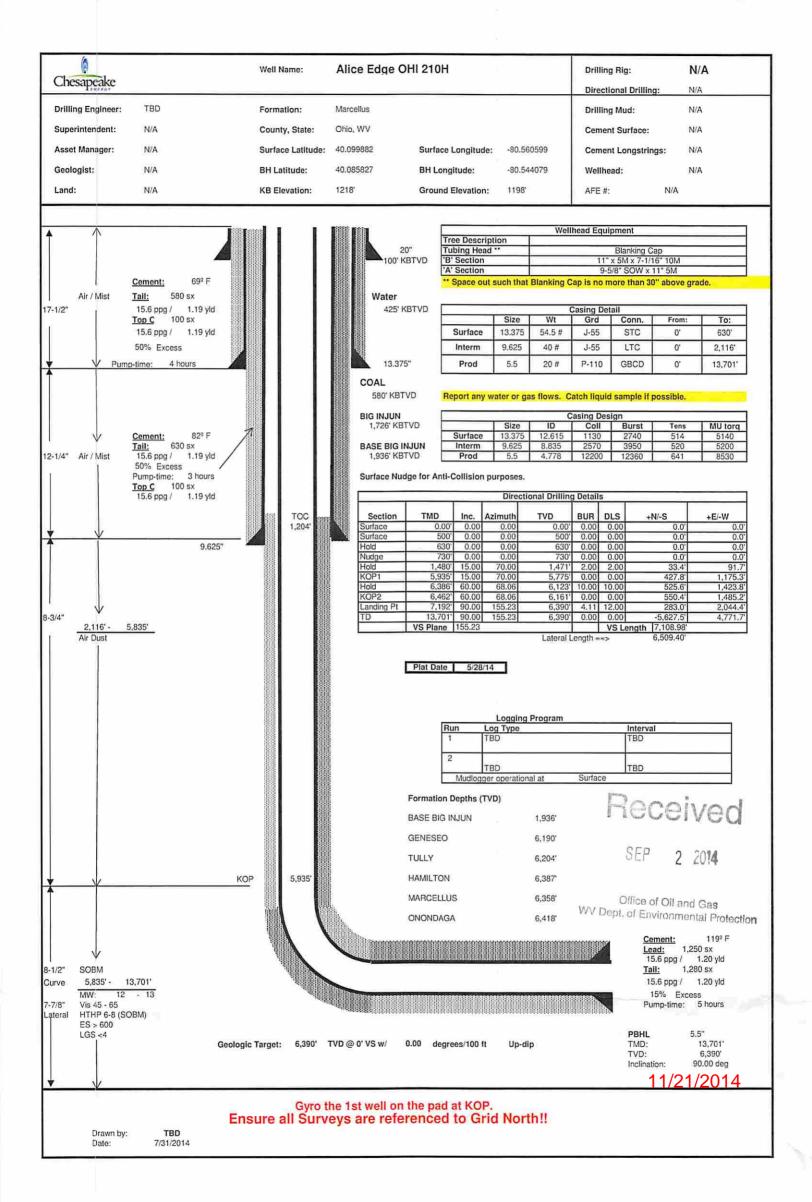
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proprietary
proprietary
7727-43-7
proprietary
0.2% BWOC
0.2% BWOC
0.25% BWOC
0.35% BWOC
0.2% BWOC
0.3% BWOC
0.2% BWOC
0.2% BWOC
0.8% BWOC
6% BWOC

Received

SEP 2 2014

Office of Oil and Gas
WV Dopt. of Environmental Protection



API Number 47 - 69

Operator's Well No. Alice Edge OHI 210H

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Chesapeake Appalachia, LLC OP Code 49447757
Watershed (HUC 10) Upper Ohio South Quadrangle 648-Valley Grove
Elevation 1198' County 69-Ohio District 3-Liberty
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No Will a pit be used? Yes No
If so, please describe anticipated pit waste: Closed loop system in place at this time- cuttings will be taken to a permitted landfill. Will a synthetic liner be used in the pit? Yes No If so, what ml.?
Proposed Disposal Method For Treated Pit Wastes:
Land Application Underground Injection (UIC Permit Number_2D0072539/2D0413175/2D0610306/2D0610317)
Reuse (at API Number at next anticipated well, API# will be included with the WR-34/DDMR &/or permit addendum.
Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain Flow back fluids will be put in steel tanks and reused or taken to a permitted disposal facility.
Will closed loop system be used? If so, describe: Yes
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Air and salt saturate mud
-If oil based, what type? Synthetic, petroleum, etc. Synthetic Oil Base
Additives to be used in drilling medium? see attached sheets
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Landfill
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust)
-Landfill or offsite name/permit number? Mendowfill SWF-1032, SS Grading SWF-4902, Northwestern SWF-1025, Short Creek 1034/WV0109517/CID28725, Carbon Limestone 28726/CID 28725 Arden Landtill 10072, American UZ-12954, Country Wide 38390/CID 38390, Pine Grove 13688
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 SEP 2 2014
Company Official (Typed Name) Dee Southall
Company Official Title Regulatory Analyst II
WV Dept. of Environmental Protection
Subscribed and sworn before me this day of WEST Notary Public, State of West Virginia BRITTANY R WOODY
My commission expires 3302 Old Elkins Road Bugkhanner vy 26201 My commission expires November 27, 2022

Form WW-9

	Alice	Edae	ОНІ	210H
Operator's Well No.	Alloc	Luge	0111	21011

normal December 2011 To 19		0+/-	11		
Proposed Revegetation Treats	min. 2	6 5	pH		
Lime10-20	Tons/acre or to correct	ct to pH			
Fertilizer type					
Fertilizer amount 6	00	lbs/acre			
Mulch_Hay/Stra	aw 2.5	_Tons/acre			
		Seed Mixtures			
Temporary		·	Permanent		
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		
Drawing(s) of road, location, provided)		land application (unless engineered plans	including this info have bee		
provided) Photocopied section of involv	ved 7.5' topographic sheet.	•			
Drawing(s) of road, location, provided)	ved 7.5' topographic sheet.	•			
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•			
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•			
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•			
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•	SEP 2 ?		
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•	Receive sep 2 2 2		
Drawing(s) of road, location, provided) Photocopied section of involvements of the provided by:	ved 7.5' topographic sheet.	•	SEP 2 2		

Marcellus Well Drilling Procedures And Site Safety Plan

Chesapeake Appalachia, LLC

47 - 69 Well name: Alice Edge OHI 210H
Valley Grove, Quad
Liberty, District
Ohio County, West Virginia

WRN 8-22-14

Submitted by:	8/18/14
Dee Southall	Date:
Title Regulatory Analyst II	Chesapeake Appalachia, LLC
Approved by:	
	Date:
Title:	
Approved by:	
	Date:
Title:	
Chesapeake Appalachia, L.L.C. – Confidenti	al

Received

