

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

June 11, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-7700610, issued to MOUNTAINEER KEYSTONE, LLC, 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.

Chief

James Martin

Operator's Well No: VINCENT 205

Farm Name: VINCENT, DONALD

API Well Number: 47-7700610

Permit Type: Horizontal 6A Well

Date Issued: 06/11/2014

API Number: 4707700610

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

- 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.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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.
- 9. 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.

Environmental resiscion

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

1) Wall Onors	Mounts	aineer Keys	tone II.C	494501227	Preston	Lyon	Fellowsville
1) Well Opera	itor, wounte	antoor redyo	10110, 220	Operator ID	County	District	Quadrangle
2) Operator's	Well Number	r: Vincent 20	05	Well P	ad Name: Vinc	cent	
3) Farm Name	e/Surface Ow	ner: Donald	d Vincent	Public Ro	oad Access: C	R 60/4	D
4) Elevation, o	current groun	d: 1673	El	evation, propose	d post-construc	ction: 1675	
5) Well Type	(a) Gas Other	11	_ Oil _	Un	derground Stor	rage	•
	(b)If Gas	Shallow	8	Deep			
		Horizontal	8				
6) Existing Pa	d: Yes or No	No			3		
	-			ipated Thickness Toe), 100 ft., 0.5p	ritte RE	CEIVED	
8) Proposed To	otal Vertical	Depth: 837	'5'		Onice o	f Oil and	Gas
9) Formation a	t Total Verti	cal Depth:	Marcellus	Shale	MAY	0 7 2014	
10) Proposed 7	Total Measur	ed Depth:	14173'		W/V Da		
11) Proposed I	Horizontal Le	g Length:	6530'		Environme	partment	of
12) Approxima			enths:	surface to 800'			011011
13) Method to					water denths (001-	.000097 077-00	480, 077-00483, 077-00564)
14) Approxima			000' - 1470		Hotel Sepais (65)	000007, 077-00	400,077-00400,077-000047
15) Approxima			Bakerstown - 390°, Br	ush Creek - 490', Upper Freeport -	580', Lower Freeport - 530', L	Jpper Kittaning - 705, Mi	iddle Kittlening - 750°, Lower Kittening - 770°
			d (coal mi	ne, karst, other):	none known		
17) Does Propo directly overlyi				Yes	RECEIVED	0 🗸	
(a) If Yes, pro	ovide Mine I	nfo: Name	:	Office	of Oil and	Gas	
RECEIV Office of Oil		Depth					
		Seam:					
him be		Owner	r:	Env	hou nexa)	st	
14				Environi	الارتاج بالدوعة	a.ion	

WW-6B (9/13)

18)

CASING AND TUBING PROGRAM

TYPE	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	H-40	94#	120'	120'	Grout
Fresh Water	13.375"	New	J-55	54.5#	900'	900'	CTS
Coal							
Intermediate	9.625"	New	J-55	36#	1900'	1900'	CTS
Production	5.5"	New	P-110	20#	13,866'	13,866'	TOC@1,700'
Tubing							
Liners						0	, ,

SDU219 12014.

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	26"	0.417"	1530	None	None
Fresh Water	13.375"	17.5"	0.38"	2730	Class A &1.5% Cacl	1.18
Coal						
Intermediate	9.625"	12.25"	0.352"	3520	Type 1 & 1.5% Cacl	1.2
Production	5.5"	8.75"	0.361"	14360	50/50 Type 1	1.2
Tubing						
Liners			7			

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19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
The well will be started with a conductor rig drilling a 26" hole to Conductor programmed depth then running 20" casing and grout cement back to surface. The conductor rig will move out and the drilling rig will move in and rig up. The drilling rig will then spud a 17 1/2" hole and drill to fresh water casing (Surface) to the programmed depth, Run 13 3/8" casing and cement to surface. The rig will continue drilling a 12 1/4" intermediate hole to the programmed depth, run 9 5/8" casing and cement to surface. The rig will then continue to drill a 8 3/4" hole to a designed KOP and then start drilling the curve and lateral section to the programmed total measured depth, run 5 1/2" casing and cement according to the program.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
The well will be completed using a plug and perforation method and stimulated with a slickwater and sand slurry. The anticipated maximum rate will be 90 bpm and the maximum pressure will be 9,500 psi.
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):
22) Area to be disturbed for well pad only, less access road (acres): 5.7 acres
23) Describe centralizer placement for each casing string:
20" - No centralizers. 13 3/8" - one bow spring centralizer on every other joint 9 5/8" - one bow spring centralizer every third joint from TD to surface 5 1/2" - one semi-rigid centralizer on every joint from TD of casing to end of curve. Then every other joint to KOP. Every third joint from KOP to 1,700' TOC will be 1,700'; there will be no centralizers from 1,700' to surface.
24) Describe all cement additives associated with each cement type:
*See attached sheet
25) Proposed borehole conditioning procedures:
*See attached sheet
*Note: Attach additional sheets as needed. *Note: Attach additional sheets as needed.
*Note: Attach additional sheets as needed. MAR - 5 2014



Vincent, John 205

Cement Additives and Borehole Conditioning Procedures

24) Describe all cement additives assocoiated with each cement type.

20" is drive pipe. The 13 3/8" casing will be cemented to surface with Class A cement and no greater than 3% CaCl (calcium chloride). The 9 5/8" casing will be cemented to surface with Type 1 cement, and no greater than 3% calcium chloride. The 5 ½" production string will be cemented back to 1,700' (+/- 200' above the casing shoe for the 9 5/8") with Type 1 or Class A cement retarder (to extend pumpability) cellophane flaked for fluid loss, Bentonite gel as an extender (increased pumpability and fluid loos), a defoaming agent to decrease cement foaming during mixing to insure the cement is of proper weight to placement and possibly a gypsum gas blocking additive to aid in blocking/gas migration (in combination with other additive mentioned here, helps cement achieve a "right-angle" set) during the plastic phase of the cement set-up.

25) Proposed borehole conditioning procedures:

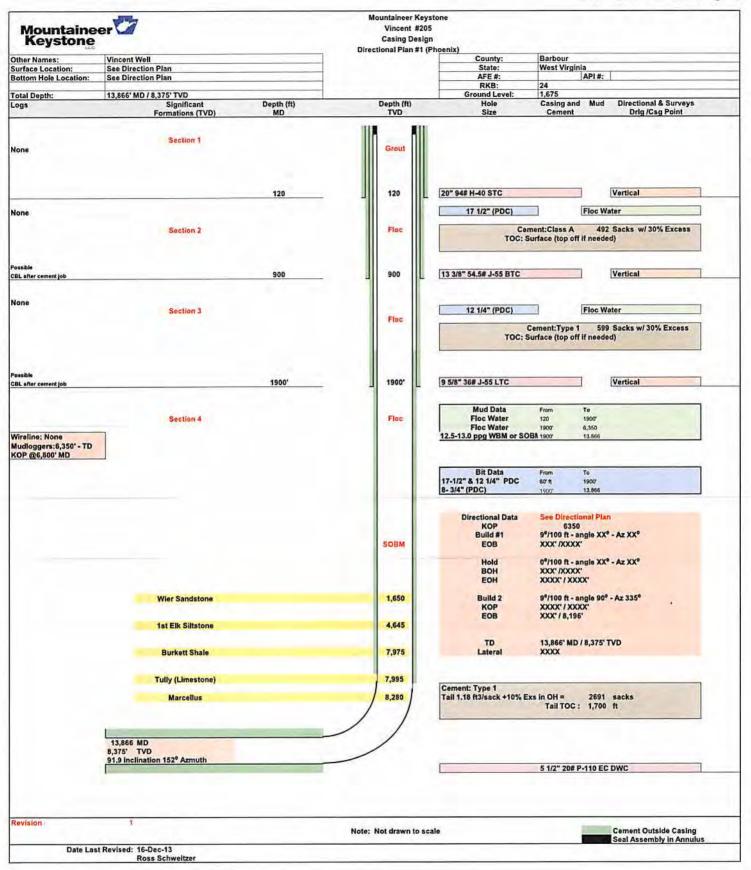
Top holes will be drilled with fresh water to KOP. At KOP, the wellbore will be loaded with synthetic oil based mud, barite-weighted mud system with such properties as to build a filter-cake on the face to the bore-hole. This will provide lubricity as well as stabilizing the well bore. We will begin rotating the drill string and mud will be circulated upon reaching TD until no futher cuttings are observed coming across the shaker screens. Once clean mud is circulated back to surface, we will pull three stands of drill pipe, load the hole, pull three stands and load the hole. The weight indicator on the rig will be monitored for any occurrences of drag and if any are noticed, we will re-run the previous stand of pipe pulled across and circulate 2X bottoms up while watching the shakers for signs of cuttings. Once at the base of the curve, the string will be continuously rotated while pumping 2X bottoms up. We will pull three stands and still the hole until we reach the vertical section of the well.

MAR - 5 2014

06/13/2014

Office of Oil and Gas

WV Dept. of Environmental Protection



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API Number 47 - Operator's Well No	Vincent 205	L

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Mountaineer Keystone, LLC OP Code 494501227
Watershed (HUC 10) Sandy Creek Quadrangle Fellowsville
Elevation 1675' County Barbour PYSTON District Cove
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:
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 Reuse (at API Number)
Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain
Will closed loop system be used? If so, describe: Yes, it will contain all of drilling moditum and trill cuttings on location to then be taken to lancing.
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc.
-If oil based, what type? Synthetic, petrolcum, etcSynthatic oil based mud
Additives to be used in drilling medium? As proposed by mud provider
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/Meadowfill Landfill, Bridgeport, WV
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 75 Con-
Company Official (Typed Name) Nathan Skeen
Company Official Title Designated Agent
Subscribed and sworn before me this HT day of Jebrullu 2014 Notary Public State of West Virginia Amy Little Notary Public Notary

Form WW-9	Operator's Well No.		
Mountaineer Keystone, LLC			
Proposed Revegetation Treatment: Acres Disturbed 11.2 Lime 6 Tons/acre or to correct to	Prevegetation pH		
10-20-20 Fertilizer type	-		
Fertilizer amount 1000	_lbs/acre		
MulchToo	ns/acre		
S	eed Mixtures		
Temporary	Permanent		
Seed Type lbs/acre KY-31 Tall Fescue 50	Seed Type Ibs/acre Fosters Permium Meadow Mix 50		
Attach: Drawing(s) of road, location, pit and proposed area for land provided) Photocopied section of involved 7.5' topographic sheet.	application (unless engineered plans including this info have been		
Plan Approved by	S O Wount		
Scool & Mulett ASA	ρ		
Title: 0) / & GAS Inspector	Date: 2/19/2014		
Field Reviewed? () Yes () No		

Mountaineer Keystone

Delivery Acknowlegement for Site Specific Safety and Environmental Plan

For

Vincent 205

Preston County, WV

Date Prepared: 2/11/2014

	- The Shocker 2/19/2014
Mounatineer Keystone	WV Oil and Gas Inspector
	Oilf CAS Trosportor
Title	Title
	2/19/2014
Date	Date Received
	MAR - 5 2014

