

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

August 21, 2014

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-7700615, 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.

James Martin

Chief

Operator's Well No: HAMILTON 211

Farm Name: HAMILTON, TERRY D. & BETTY

API Well Number: 47-7700615

Permit Type: Horizontal 6A Well

Date Issued: 08/21/2014

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. 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.

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

		_	1/	06	54/
1) Well Operator: Mountainee	er Keystone, LLC		Preston	Reno	Fellowsville 7.5'
		Operator ID	County	District	Quadrangle
2) Operator's Well Number: Ha	milton 211	Well Pa	d Name: Ham	ilton 211-21	15
3) Farm Name/Surface Owner:	Terry D. and Betty H	amilton Public Ro	ad Access: Rt.	92	
4) Elevation, current ground:	1566.82' El	evation, proposed	post-construct	ion: 1562'	
5) Well Type (a) Gas	Oil _	Unc	lerground Stora	ige	
Other					
(b)If Gas Sha	allow =	Deep			B
Hor	rizontal =				90
6) Existing Pad: Yes or No No					3/25/14
7) Proposed Target Formation(s), Depth(s), Antic	ipated Thickness	and Associated	Pressure(s)):
Marcellus Shale, 7962' (TVD He	el) - 8045' (TVD To	e), 100 ft., 0.5 psi/ft.			
8) Proposed Total Vertical Dept	h: 8045'				
9) Formation at Total Vertical D	epth: Marcellus	Shale			
10) Proposed Total Measured D	epth: 14,236'				
11) Proposed Horizontal Leg Le	ength: 6321'				
12) Approximate Fresh Water S	trata Depths:	surface to 800'			
13) Method to Determine Fresh	Water Depths:	Offsetting wells reported wa	ater depths (077-00434	, 077-00505, 077	-00424, 077-00384, 077-0039
(4) Approximate Saltwater Dep	ths: 1000 - 1800				
15) Approximate Coal Seam De	pths: Bakerstown - 190°, Br	rush Creek - 290', Upper Freeport - 3	50', Lower Freeport - 400', Upp	er Kittanning - 510°, Mid	idle Kittanning - 550', Lower Kittanning - 5
16) Approximate Depth to Possi	ble Void (coal mi	ine, karst, other):	none known		
17) Does Proposed well location directly overlying or adjacent to		ms Yes	No.	VAEO	ENED
(a) If Yes, provide Mine Info:	Name:			Office of	T. S. L.
(-) a ves, provide trime into:	Depth:			ASS	102-7
	Seam:				
	Owner:			AH	- I STOP
	Similar.			27/477	

WW-6B (9/13)

18)

CASING AND TUBING PROGRAM

ТҮРЕ	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#	100'	100'	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#	16,790'	16,790'	TOC@1,700'
Tubing							
Liners							

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	30"	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"	7.875"	0.361"	14360	50/50 - Type 1	1.2
Tubing		· -				
Liners						_

PACKERS

Kind:			
Sizes:		1	
Depths Set:			

Confidence of Citand Gas Page 2 of 3 of 08/22/2014

19) Describe proposed well work, including the drilling and plugging	ng back of any pilot hole:
The well will be started with a conductor rig drilling a 30" hole to Conduct and grout cement back to surface. The conductor rig will move out and the will then spud a 17 ½" hole and drill to fresh water casing (Surface) to the cement to surface. The rig will continue drilling a 12- ½" intermediate hole and cement to surface. The rig with then continue to drill a 8- ¾" hole ver and then plug back the well with the programmed cement to a designed Kosection to the programmed total measured depth, run 5 ½" casing and ce	for programmed depth then running 20" casing defilling rig will move in and rig up. The drilling rig a programmed depth, Run 13- 3/8" casing and to the programmed depth, run 9- 5/8" casing tically to a programmed depth, run wireline logs OP. We will then start drilling the curve and lateral
20) Describe fracturing/stimulating methods in detail, including an	ticinated max pressure and max rate:
The well will be completed using a plug and perforation method and stimul anticipated maximum rate will be 90 bpm and the maximum pressure will be	lated with a slickwater and sand slurry. The
21) Total Area to be disturbed, including roads, stockpile area, pits,	etc., (acres): 6.91 acres
22) Area to be disturbed for well pad only, less access road (acres):	4.12 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 on every third joint from TD to surface 5 1/2" - one semi-rigid centralizer on every joint from TD of casing to end of Every third joint from KOP to 1,700'; there will be no centralizers from 1700	of curve. Then every other joint to KOP. 0' to surface.
24) Describe all cement additives associated with each cement type *See attached sheet	:
25) Proposed borehole conditioning procedures: *See attached sheet	
See attached sheet	
	Chies of Chieso APR 1 0 2014
*Note: Attach additional sheets as needed.	Wire APR 1 0 2014
	Enviro Page 3 of 3 01.4
	in the second of



Hamilton 211

Cement Additives

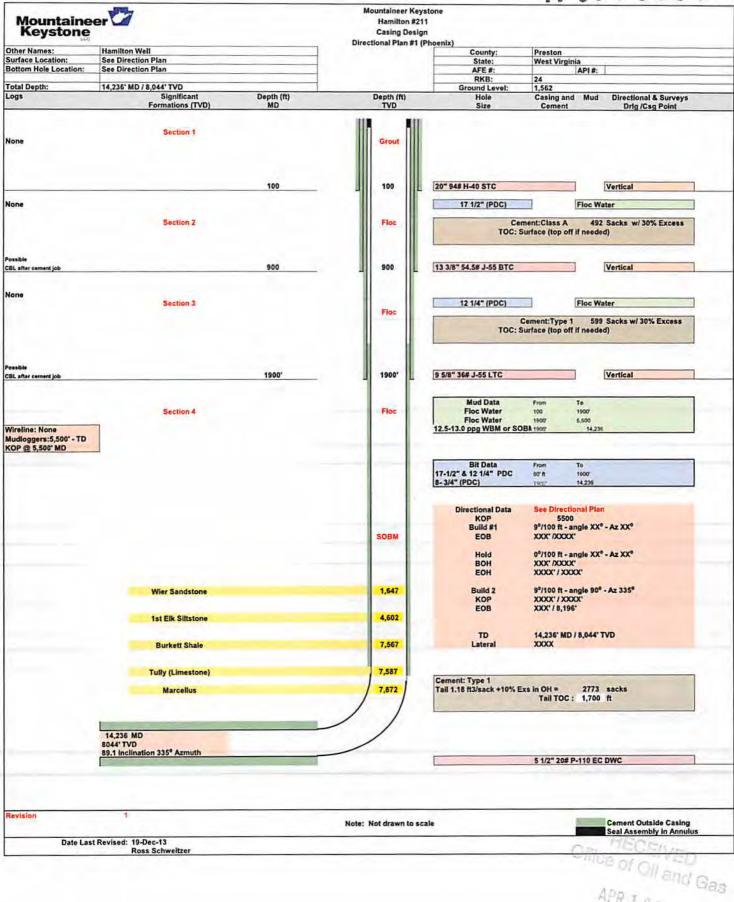
- 20" is auger drilled and grouted back to surface.
- The 13-3/8" casing will be cemented to surface with Class A cement and no greater than 3% CaCl (Calcium Chloride).
- The 9-5/8" casing will be cemented to surface with Type 1 cement and no greater than 3% calcium choride.
- The 5-1/2" production string will be cemented back to 1750' (+/- 200' above the casing shoe for the 9-5/8") with Type 1 or Class A cement retarter (to extend pumpability) cellophane flaked for fluid loss, Bentonite gel as an extender (increased pumpability and fluid loss), 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 additives mentioned here, helps cement achieve a "right-angle" set) during the plastic phase of the cement set-up.

Proposed Borehole Conditioning Procedures:

• Top holes will be drilled on fluid to KOP. At KOP, the wellbore will be loaded with water based mud, barite-weighted mud system with such properties 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 further 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 indiciatror 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 fill the hole until we reach the vertical section of the well.



4707700615



APR 1 0 2014

WV Dapartmant of 08/22/2014





Azimuths to Grid North True North: 0.23* Magnetic North: -8.86*

Magnetic Field Strength, 52250,9snT Dip Angle: 66.75* Date: 12/10/2013 Model: IGRF2010_14

Hamilton, Terry #212 LP Hamilton, Terry #212 PBHL

To convert a Magnetic Direction to a Grid Direction, Subtract 8.86° To convert a True Direction to a Grid Direction, Add 0.23°

Mountaineer Keystone

Hamilton, Terry Pad - Preston County, WV Hamilton, Terry #212 24' RKB - 1562' GL @ 1586.0usft Longitude: 79° 51' 45.414 W Latitude: 39° 18' 13.063 N

Northing: 292910.60 Easting: 1865888.98 Design #1

SECTION DETAILS MD 0.0 1400.0 1850.0 2150.0 2600.0 6350.0 77034.4 7793.1 8695.5 13946.4 +E/-W 0.0 0.0 -34.5 -80.5 -115.0 -345.2 -833.2 -1406.7 -3545.8 TFace 0.00 0.00 258.34 0.00 180.00 0.00 258.34 0.00 81.19 0.00 VSect 0.0 0.0 14.0 32.7 46.7 46.7 140.1 338.1 1016.3 6169.5 Azi 0.00 258.34 258.34 0.00 0.00 258.34 258.34 258.34 335.96 335.96 TVD 0.0 1400.0 1848.2 2144.5 2592.6 6342.6 6959.9 7541.9 7952.0 8044.5 Target 9.00 9.00 9.00 9.00 0.00 41.07 41.07 89.10 Dleg 0.00 0.00 2.00 0.00 2.00 0.00 6.00 9.00 0.00

PROJECT DETAILS: Hamilton, Terry Pad 9000 Geodetic System: US State Plane 1983 Datum: North American Datum 1983 Ellipsoid: GRS 1980 Zone: West Virginia Northern Zone System Datum: Mean Sea Level 8000 FORMATION TOP DETAILS 7000 MDPath 7849.6 8312.4 Tully Hamilton, Terry #212/Design #1 6000 (2000 usfVin) RF:1586.00 GL:1562.00 750 5000 Hamilton, Terry #212 PBHL OStart Build 2.00 South(-)/North(+) 1500 4000 Start 300.0 hold at 1850.0 MD Start DUS 2.00 TFO 180.00 Frue Vertical Depth (1500 usfuin) 2250 3000 Start 3750.0 hold at 2600.0 MD 3000 2000 3750 1000 Hamilton, Terry #212 LP Drawn by C.Testa 4500 14:00, December 10 2013 0 Phoenix Technology Services Fosrer Plaza 5, Suite 300 / 651 Holiday Dr. Pittsburgh, PA 15220 Hamilton, Terry #212 5250 -1000 Start DLS 6.00 TFO 258.34 -2000 -1000 1000 -4000 -3000 West(-)/East(+) (2000 usft/in) 6000 Start 758.6 hold at 7034.4 MD DESIGN TARGET DETAILS Name TVD Hamilton, Terry #212 LP 7962.0 Hamilton, Terry #212 PBHB044.5 Northing 293164.54 297959.36 Start DLS 9:00 TFO 81:19 6750 41 Start 5251 0 hold at \$695.5 MD Tully ton, Teny #212/Des Marcellus Onondaga 212 PBH Hamilton Terry 8250 TD at 13946.4 Hamilton, Terry #212 3000 4500 5250 6000 6750 7500 8250 9000 2250 3750 0 750 1500 08/22/2014 Vertical Section at 324.92° (1500 usft/in)





Azimuths to Grid North True North: 0.23* Magnetic North: -8.86*

Magnetic Field Strength: 52250.9snT Dip Angle: 66.75* Date: 12/10/2013 Model: IGRF2010_14

To convert a Magnetic Direction to a Grid Direction, Subtract 8.86° To convert a True Direction to a Grid Direction, Add 0.23°

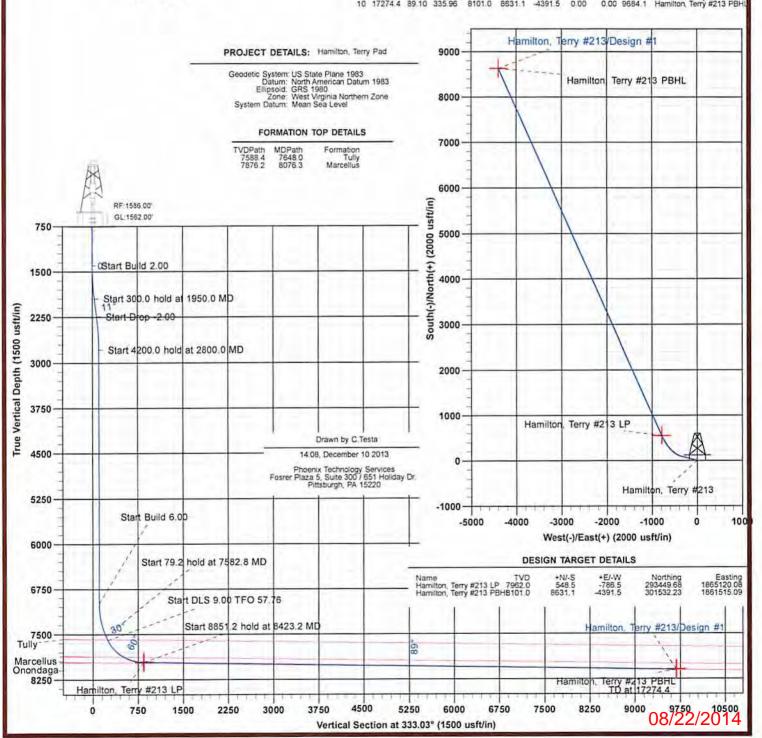
Mountaineer Keystone

Hamilton, Terry Pad - Preston County, WV Hamilton, Terry #213 24' RKB - 1562' GL @ 1586.0usft Longitude: 79° 51' 45.190 W Latitude: 39° 18' 12.970 N Northing: 292901.13

Easting: 1865906.60 Design #1

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dieg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1400.0	0.00	0.00	1400.0	0.0	0.0	0.00	0.00	0.0	
3	1950.0	11.00	284.06	1946.6	12.8	-51.1	2.00	284.06	34.5	
4	2250.0	11.00	284.06	2241.1	26.7	-106.6	0.00	0.00	72.1	
5	2800.0	0.00	0.00	2787.7	39.5	-157.6	2.00	180.00	106.7	
6	7000.0	0.00	0.00	6987.7	39.5	-157.6	0.00	0.00	106.7	
7	7582.8	34.97	284.05	7535.0	81.3	-324.9	6.00	284.05	219.8	
8	7662.0	34.97	284.05	7599.9	92.4	-368.9	0.00	0.00	249.6	Acceptable and Acceptable
9	8423 2	89.10	335.96	7962.0	548.5	-786.5	9.00	57.76	845.6	Hamilton, Terry #213 LP
10	17274 A	20 10	335 06	81010	8831 1	1301 5	0.00		0684 1	Hamilton Terry #213 DRLII



WW-9 (9/13)

API Number 47 -	-
Operator's Wel	I No. Hamilton 211

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

	eystone, LLC	OP Code	21
Watershed (HUC 10)_Little S	andy Creek C	Quadrangle Fellowsville 7.5	
Elevation 1562'	County_Preston	District_Reno	
Do you anticipate using more Will a pit be used? Yes	than 5,000 bbls of water to complete the	e proposed well work? Yes	No 🔽
	anticipated pit waste:		
Will a synthetic liner	be used in the pit? Yes No _	If so, what ml.?	
	fethod For Treated Pit Wastes:		101.
Un Rei Off	nd Application derground Injection (UIC Permit Numbuse (at API Number		9 3/25/14
Will closed loop system be us	ed? If so, describe: Yes. It will contain all	of the drilling medium and drill cutting	gs to be taken to landfill.
Drilling medium anticipated f	or this well (vertical and horizontal)? A	ir, freshwater, oil based, etc. Vert. Fresh	diwioni, Horiz welsi based mod
-If oil based, what ty	pe? Synthetic, petroleum, etc		
Additives to be used in drillin	g medium? Sodium Chloride, Xanthan Gum,	, PAC R/SL, Caustic Soda, Soda Ash,	Barite, Defoamer
	? Leave in pit, landfill, removed offsite,		
-If left in pit and plan	n to solidify what medium will be used?	(cement, lime, sawdust) If wet cutt	ing, sawdust will be used.
	ame/permit number?Tucker County Land		
on August 1, 2005, by the Off provisions of the permit are of law or regulation can lead to of I certify under pena application form and all atta obtaining the information, I	stand and agree to the terms and condition of Oil and Gas of the West Virginia conforceable by law. Violations of any tenforcement action. Ity of law that I have personally example achments thereto and that, based on mobelieve that the information is true, actinformation, including the possibility of	Department of Environmental Pro- erm or condition of the general partial and am familiar with the in injury of those individuals accurate, and complete. I am aw	otection. I understand that the bermit and/or other applicable information submitted on this immediately responsible for
Company Official Signature_	15toon		
Company Official (Typed Na	me) Nathan Skeen		
Company Official Title Desi	gnated Agent		Biomine
Sept. But A least configuration			

Form WW-9		Operator's W	Hamilton 2
Mountaineer Keystone, LLC		Operators #	CII 140
Lime 2 Tons/acre or to correscentilizer type Fertilizer amount 500 Mulch hay or straw at 2		Prevegetation ph	6.5
	Seed Mixtures		
Temporary		Perma	nent
Seed Type Ibs/acre *See attached sheet		Seed Type	lbs/acre
Attach: Drawing(s) of road, location, pit and proposed area for provided) Photocopied section of involved 7.5' topographic sheet Plan Approved by: Comments:	. lochen	ess engineered plans in	cluding this info have been
Title: O/ 4 Con 5 Inspector Field Reviewed? Yes	Date:	3/25/14	Cilico of Cil

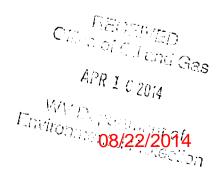
Hamilton 211 Seed Mixtures

Area I

Seed Type	lbs/acre
Annual Ryegrass	40
Spring Oats	96
Rye Grain	140
Annual Ryegrass	26
Spring Oats	64

Area II

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5
Tall Fescue	30
Birdsfoot Trefoil	10
Tall Fescue	30
Crownvetch	10
Orchardgrass	. 12
Birdsfoot Trefoil	10
Orchardgrass	12
Ladino	3
Kentucky Bluegrass	20
Redtop	5
White Clover	2
Kentucky Bluegrass	20
Redshirt	5
Birdsfoot Trefoll	10



08/22/2014

Environmental Prolection

Mountaineer Keystone

Site Specific Safety and Environmental Plan For

Hamilton 211-215 Preston County, WV Date Prepared3/19/2014

	- Shockey
Mounatineer Keystone	WV Oil and Gas Inspector
	Dil & GAS INSpector
Title	Title
	Date RECEIVED
Date	Date And Gas
	APR 1 0 2014

