



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

October 02, 2013

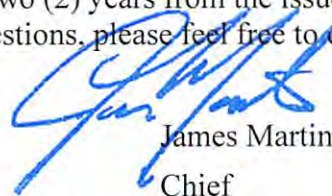
WELL WORK PERMIT
Vertical Well

This permit, API Well Number: 47-8510064, issued to ALLIED ENERGY, INC., 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: VALENTINE 5
Farm Name: METZ, PAUL D. & BETTY W.
API Well Number: 47-8510064
Permit Type: Vertical Well
Date Issued: 10/02/2013

PERMIT CONDITIONS

West Virginia Code § 22-6-11 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 § 22-6-20, 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. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
7. Well work activities shall not constitute a hazard to the safety of persons.

8510064
8094 CK#
3538
65000

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

85 02 544

1) Well Operator: Allied Energy Inc. 309558 Ritchie Grant Petroleum
Operator ID County District Quadrangle

2) Operator's Well Number: Valentine 5 3) Elevation: 818'

4) Well Type: (a) Oil or Gas
(b) If Gas: Production / Underground Storage
Deep / Shallow

5) Proposed Target Formation(s): 5th sand Proposed Target Depth: 2680'

6) Proposed Total Depth: 4000 Feet Formation at Proposed Total Depth: Devonian Shale

7) Approximate fresh water strata depths: 165' offset well

8) Approximate salt water depths: 1150' offset well

9) Approximate coal seam depths: 600' of offset well 05168

10) Approximate void depths,(coal, Karst, other): _____

11) Does land contain coal seams tributary to active mine? No

12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed)

Drill to a depth of 4000'. Run electric logs to determine the oil/gas zones to complete the well in, most likely, the 5th Sand formation.
Run a cement bond log, then perforate the casing and conduct a slick water, 1 stage 5000 barrel frac into the formation or formations.

13) CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE	INTERVALS	CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	13 3/8		48#	42'	42'	C.T.S.
Fresh Water	9 5/8	A-500	26#	400'	400'	C.T.S.
Coal	7	A-500	17#	1600'	1600'	C.T.S.
Intermediate						
Production	4 1/2	J-55	10.5#	TD		~4000'
Tubing						
Liners						

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Office of Oil & Gas

SEP 10 2013

Packers: Kind: _____
Sizes: _____
Depths Set _____

WV Department of Environmental Protection
David R. Carr
8:28:13 10/04/2013

8510064

WW-2A
(Rev. 6-07)

1.) Date: 8/12/13
2.) Operator's Well Number F. Valentine 5
State County Permit
3.) API Well No.: 47- 085 - 10064

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

4) Surface Owner(s) to be served: (a) Name Betty W. Metz, Address Rt. 1 Box 143, Petroleum, WV 26161
5) (a) Coal Operator Name, Address
(b) Coal Owner(s) with Declaration Name, Address
(c) Coal Lessee with Declaration Name, Address
6) Inspector David Cowan, Address Rt. 1 Box 202, Harrisville, WV 26362, Telephone (304) 628-4016

TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT:

Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas

OR
x Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through ___ on the above named parties by:

- Personal Service (Affidavit attached)
- x Certified Mail (Postmarked postal receipt attached)
- Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

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, 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 Allied Energy Inc.
By: David W. Wiggers /David W. Wiggers
Its: Agent
Address 35 Ridgewood Blvd., Belpre, OH 45714
Telephone (740) 423-8820

Subscribed and sworn before me this 13th day of August 2013
My Commission Expires August 13, 2022



Oil and Gas Privacy Notice

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

10/04/2013

**INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)**

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that -

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Betty W. Metz	Allied Energy Inc.	12.5%	247/913

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Office of Oil and Gas

OCT 01 2013

WV Department of
Environmental Protection

**Acknowledgement of Possible Permitting/Approval
In Addition to the Office of Oil and Gas**

The permit applicant for the proposed well work addressed in this application hereby acknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator: Allied Energy Inc.
 By: Its: David W. Wiggers
 Agent David W. Wiggers

WW-2B1
(5-12)

Well No. F. Valentine 5

West Virginia Department of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

Be advised, you have the right to sample and analyze any water supply at your own expense.

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Laboratory Name Reliance Laboratories, Bridgeport, WV
Sampling Contractor Smith Land Service

Well Operator Allied Energy Inc.
Address Rt. 1 Box 30-A
Petroleum, WV 26161
Telephone (304) 628-3672

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

Betty Metz
Rt. 1 Box 143
Petroleum, WV 26181

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SEP 10 2013
WV Department of
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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 Allied Energy Inc. OP Code 309558

Watershed Goose Creek Quadrangle Petroleum

Elevation 818' County Ritchie District Petroleum

Description of anticipated Pit Waste: Drilling fluid

Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes _____ No x

Will a synthetic liner be used in the pit? yes. If so, what mil.? 10 mil - 20 mil

Proposed Disposal Method For Treated Pit Wastes:
x Land Application
____ Underground Injection (UIC Permit Number _____)
____ Reuse (at API Number _____)
____ Off Site Disposal (Supply form WW-9 for disposal location)
____ Other (Explain _____)

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air
-If oil based, what type? Synthetic, petroleum, etc. _____

Additives to be used? _____

Will closed loop system be used? No

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in pit
-If left in pit and plan to solidify what medium will be used? Cement, lime, sawdust Lime
-Landfill or offsite name/permit number? _____

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 David W Wiggers

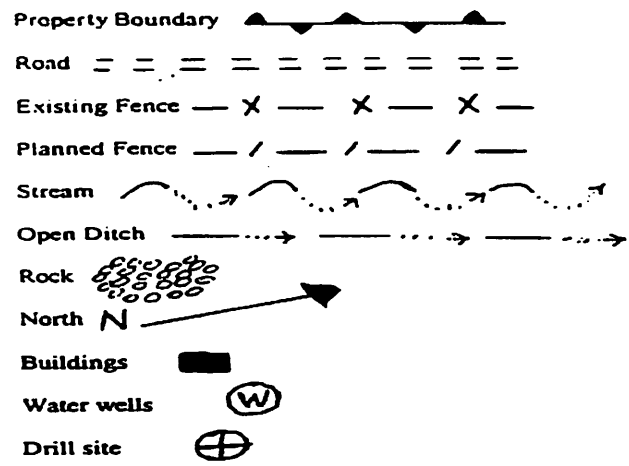
Company Official (Typed Name) David W. Wiggers

Company Official Title Agent

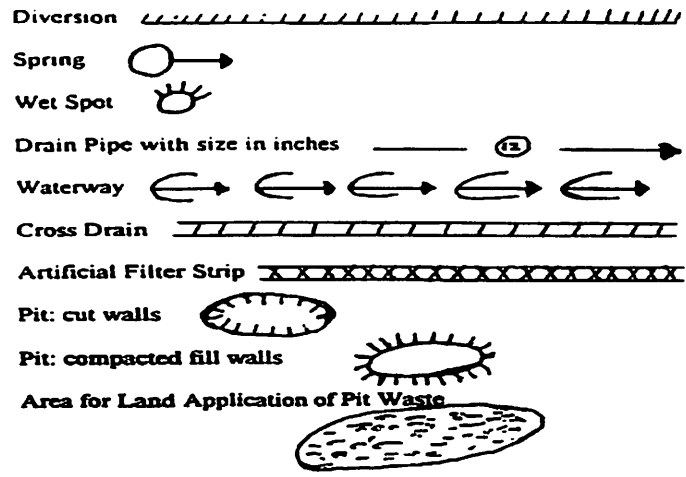
Subscribed and sworn before me this 13th day of August, 2013

Lisa A Duskey
My commission expires August 13, 2012

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Office of Oil & Gas
SEP 10 2013
Notary Public
Official Seal
Notary Public, State of West Virginia
Lisa A Duskey
Community Bank of Parkersburg
631 Juliana Street
PO Box 988
Parkersburg WV 26107
My Commission Expires August 13, 2012



LEGEND



Proposed Revegetation Treatment: Acres Disturbed Less than 1 acre Prevegetation pH 6.0
 Lime 2 Tons/acre or to correct to pH 6.5
 Fertilizer (10-20-20 or equivalent) 600 lbs/acre (500 lbs minimum)
 Mulch 90 Bales Tons/acre

Seed Mixtures

Seed Type	Area I lbs/acre	Seed Type	Area II lbs/acre
Contractors Mix	100	Contractors Mix	100

Attach: Drawing(s) of road, location, pit and proposed area for land application.

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: David Wilson
 Comments: Install ES presud or mulch all cut area no less than 2 ton per acre

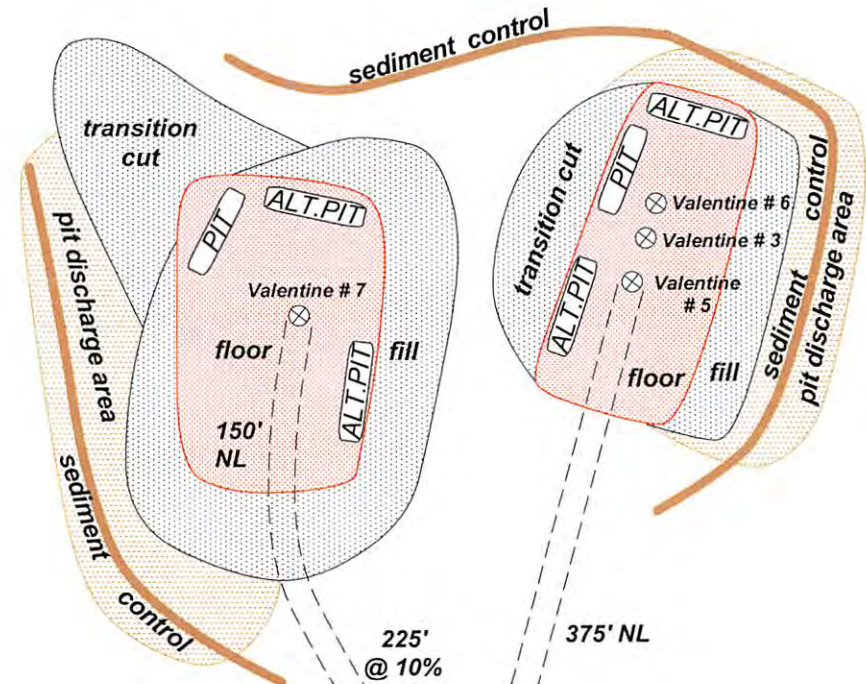
Title: oil & gas inspector Date: 8-28-13
 Field Reviewed? Yes No

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 SEP 10 2013

8510064



SW



- 1: Erosion and sediment control will be used as per West Virginia erosion and sediment field manual and/or directed by district inspector.
- 2: Cross drains and sediment control will be placed as needed.
- 3: Amount and size of culverts to be placed where needed.
- 4: Cut and stack all trees 6 inches and above.
- 5: Stockpile top soil for reclamation purposes.
- 6: Temporarily seed and mulch all slopes.

225' @ 10%

375' NL



375' @ 10%

175' @ 20%

gravel driveway

County Route 18

County Route 18/5
Beckner Lane

gravel

electric line

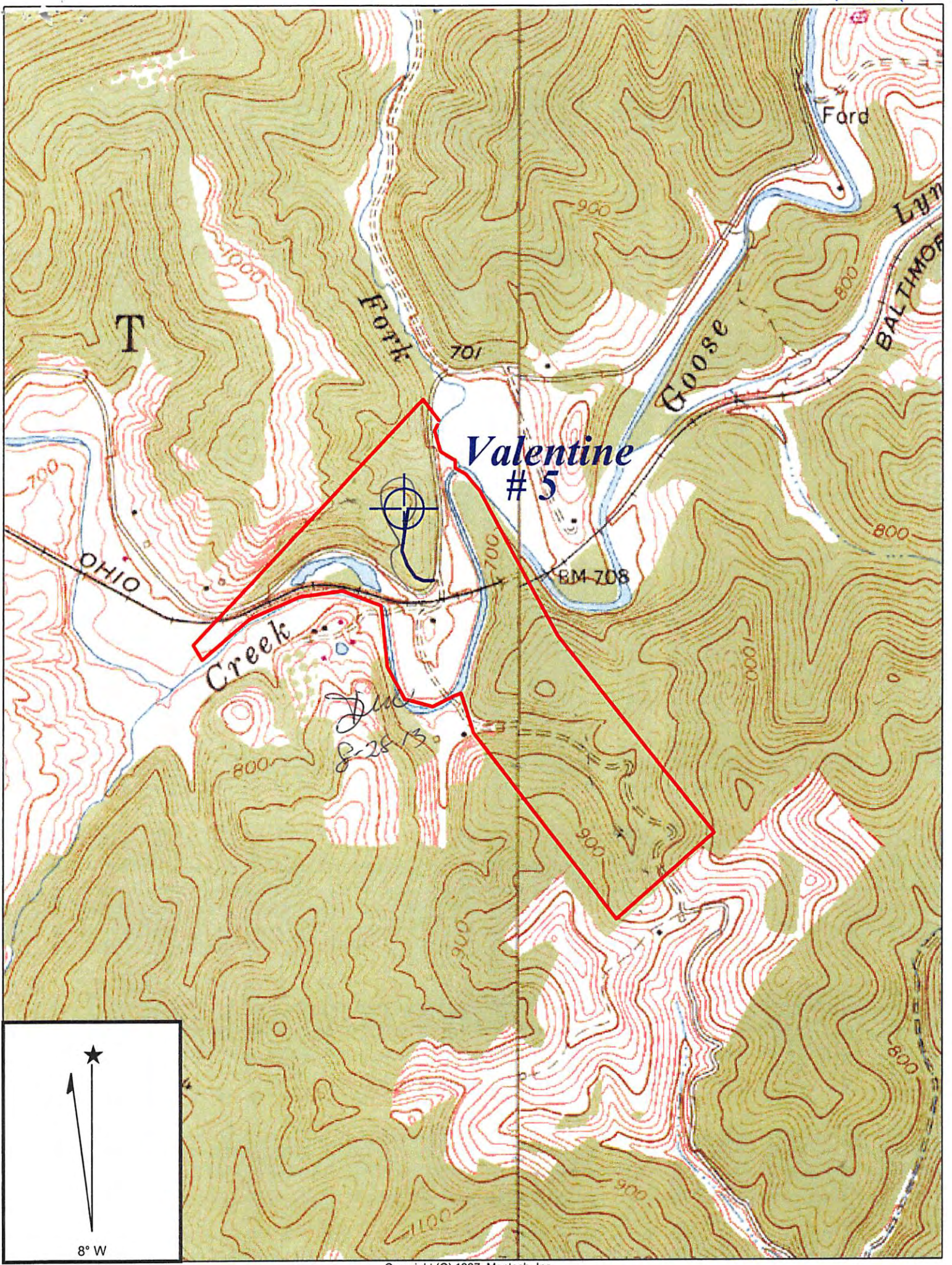
Valentine # 1

API 47
-085-5168

Goose Creek

Allied Energy, Inc.
Well: Valentine # 5
Florence Valentine 111.5 Acre Lease
Grant District Ritchie County
West Virginia

Department of Environmental Protection
 2013



Copyright (C) 1997, Maptech, Inc.

PETROLEUM QUADRANGLE

SCALE 1" = 1000'

ALLIED ENERGY, INC.

WELL: VALENTINE 5
FLORENCE VALENTINE 111.5 ACRE LEASE

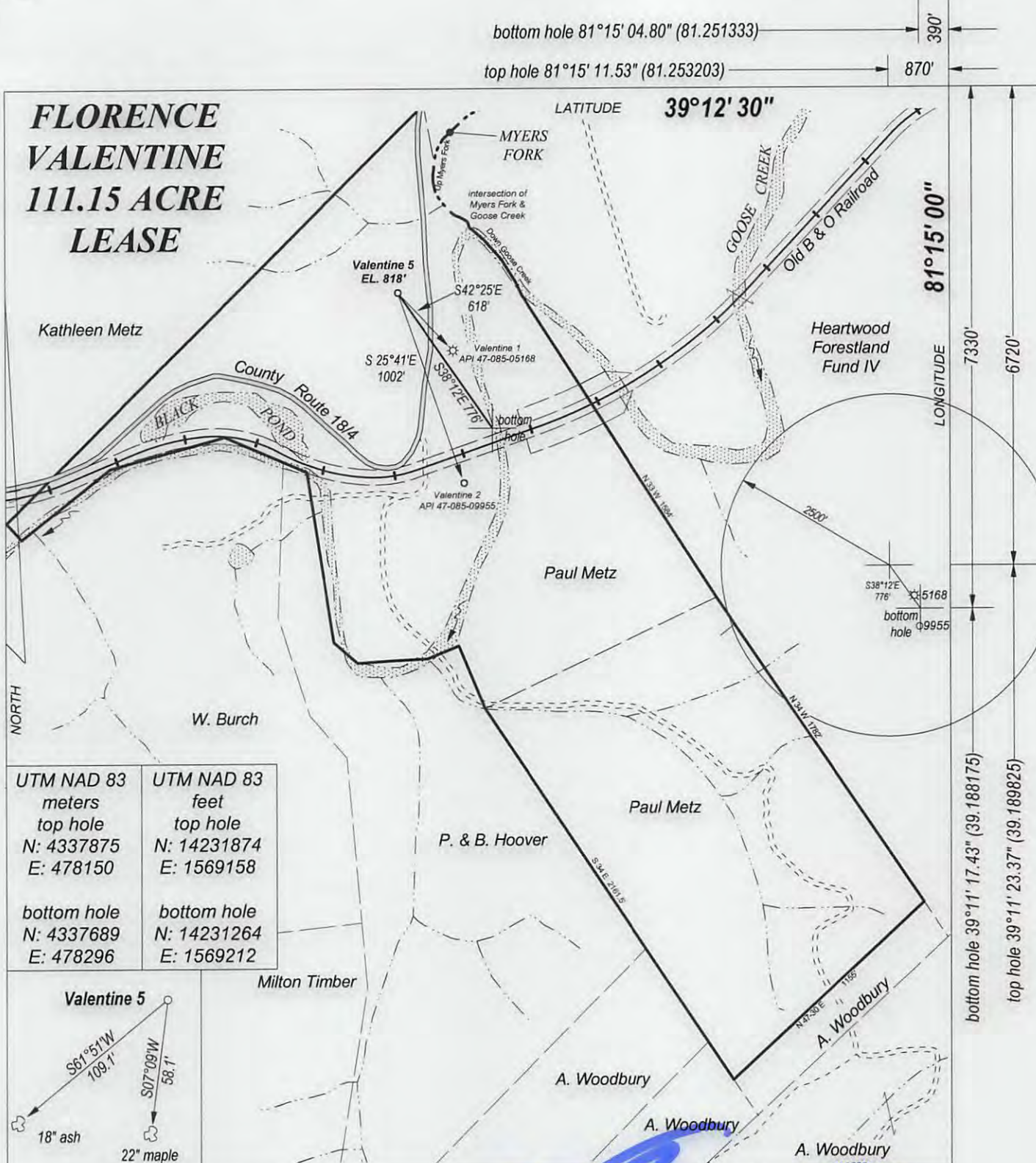
GRANT DISTRICT RITCHIE COUNTY WEST VIRGINIA

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Office of Oil & Gas

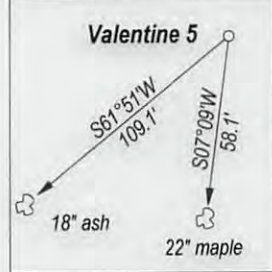
SEP 10 2013

WV Department of Environmental Protection
10/04/2013

FLORENCE VALENTINE 111.15 ACRE LEASE



UTM NAD 83 meters top hole N: 4337875 E: 478150	UTM NAD 83 feet top hole N: 14231874 E: 1569158
bottom hole N: 4337689 E: 478296	bottom hole N: 14231264 E: 1569212



FILE NO. _____
 DRAWING NO. _____
 SCALE 1" = 600'
 MINIMUM DEGREE OF ACCURACY 1 : 200
 PROVEN SOURCE OF ELEVATION GPS
 OBSERVATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENERGY.

(SIGNED) _____
 PROFESSIONAL SURVEYOR: 551



STATE OF WEST VIRGINIA DEPARTMENT OF ENERGY DIVISION OF OIL AND GAS

DATE SEPTEMBER 6TH, 2012
 OPERATORS WELL NO. VALENTINE 5

API 47 - 085 - 10064
 STATE COUNTY PERMIT

WELL TYPE: OIL GAS LIQUID INJECTION ___ WASTE DISPOSAL ___
 (IF GAS) PRODUCTION STORAGE ___ DEEP ___ SHALLOW

LOATION: ELEVATION 818' WATER SHED GOOSE CREEK
 DISTRICT GRANT COUNTY RITCHIE QUADRANGLE PETROLEUM

SURFACE OWNER PAUL D. & BETTY W. METZ ACREAGE 66.52
 OIL & GAS ROYALTY FLORENCE VALENTINE LEASE AC 111.5

PROPOSED WORK: DRILL CONVERT ___ DRILL DEEPER ___ REDRILL ___
 FRACTURE OR STIMULATE ___ PLUG OFF OLD FORMATION ___
 PERFORATE NEW FORMATION ___
 OTHER PHYSICAL CHANGE IN WELL
 PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___

TARGET FORMATION 5TH SAND ESTIMATED DEPTH 2680'

WELL OPERATOR ALLIED ENERGY, INC. DESIGNATED AGENT JACK MCCUNE
 ADDRESS P. O. BOX 3005 ADDRESS 4695 WV HWY 5
SARATOGA, CA 95070 GLENVILLE, WV 26351

FORM WW - 6

COUNTY NAME _____
 PERMIT _____

10/04/2013