

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street, S.E. Charleston, WV 25304 (304) 926-0450 fax: (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

PERMIT MODIFICATION APPROVAL / Horizontal 6A Well - 1

EQT PRODUCTION COMPANY 120 PROFESSIONAL PLACE

BRIDGEPORT, WV 26330

Re: Permit Modification Approval for 513759

Added Sub-Surface Agreement

EQT PRODUCTION COMPANY

The Office of Oil and Gas has reviewed the attached permit modification for the above referenced permit. The attached modification has been approved and well work may begin. Please be reminded that the oil and gas inspector is to be notified twenty-four (24) hours before permitted well work is commenced.

If there are any questions, please feel free to contact me at (304) 926-0450.

Operator's Well Number: 513759 Farm Name: PIERCE, HAROLD K. U.S. WELL NUMBER: 47-085-10135

/ Horizontal 6A Well - 1

Date Issued: 8/11/2016

Promoting a healthy environment.



June 8, 2016

Mr. Gene Smith
West Virginia Department of Environmental Protection
Office of Oil and Gas
601 57th Street SE
Charleston, WV 25304

Re: Modification of 47-085-10135

Dear Mr. Smith,

Please accept the attached updates for the above referenced permit. Upon inspection of our as-drilled plat, we noted the curve geometry crossed into an additional tract, for which EQT had acquired a subsurface agreement. Enclosed is an updated WW-6A1, WW-6B, mylar plat and rec plan reflecting corrections to update the permit file to be consistent with the as-drilled well bore.

If you have any questions, please do not hesitate to contact me at (304) 848-0076.

Sincerely,

Vicki Roark

Permitting Supervisor-WV

Enc.

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Office of Oil and Gas
JUN 10 2016
WV Department of
Environmental Protection

API NO. 47-085 - 10135	
OPERATOR WELL NO. 513759	_
Well Pad Name: OXF163	_

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

1) Well Operator:	EQT Produ	ection Comp	any	306686	Ritchie	Union	Oxford
_				Operator ID	County	District	Quadrangle
2) Operator's Well N	Number: <u>51</u>	13759		Well Pac	l Name: OX	F163	
3) Farm Name/Surfa	ice Owner:	Pierce		Public Roa	d Access: C	R 7/18	
4) Elevation, current	ground:	1158.4	_ El	evation, proposed	post-construc	ction: 1158.	4
5) Well Type (a) (Gas X	0	il	Unde	erground Stor	rage	
Othe	er						
(b)If	f Gas Sha	allow X	-	Deep			
	Ho	rizontal <u>X</u>					
6) Existing Pad: Yes			_		-		
7) Proposed Target F Marcellus, 6527', 5			Antic	ipated Thickness a	nd Expected	Pressure(s):	
8) Proposed Total Ve	ertical Dept	h: 6527					
9) Formation at Tota	l Vertical D	epth: Marc	ellus	;			
10) Proposed Total N	Measured D	epth: 1470	00				
11) Proposed Horizo	ntal Leg Le	ength: 5672	2				0
12) Approximate Fre	sh Water S	trata Depths:		173, 450, 514		0	155100
13) Method to Deterr	mine Fresh	Water Depth	ıs: E	By offset wells	- 0	8510	1
14) Approximate Sal		-	_		470		
15) Approximate Coa	al Seam De	pths: None	ident	tified			
16) Approximate Dep	pth to Possi	ble Void (co	al mi	ne, karst, other):	None		
17) Does Proposed w directly overlying or				ns Yes	N	o <u>x</u>	
(a) If Yes, provide I	Mine Info:	Name:					(ED
		Depth:				RF	ECEIVED Gas
		Seam:					
		Owner:					JUN IO
							V Department of conmental Protect
						Ň,	anmental Process
						Envir	Om.

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OPERATOR WELL NO. 513759
Well Pad Name: OXF163

18)

CASING AND TUBING PROGRAM

ТҮРЕ	Size (in)	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling (ft)	INTERVALS: Left in Well (ft)	CEMENT: Fill-up (Cu. Ft.)/CTS
Conductor	20	New	A-500	78.6	40	40	44.84 ft^3 / CTS
Fresh Water	13 3/8	New	J-55	54.5	1057	1057	948.9 ft^3 / CTS
Coal							
Intermediate	9 5/8	New	A-500	40	3037	3037	1218.5 ft^3 / CTS
Production	5 1/2	New	P-110	20	14684	14684	500' above top producing zone
Tubing	2 3/8		J-55	4.7		May not be run, if run set 40' above top perf or 80° inclination.	
Liners							

ТҮРЕ	Size (in)	Wellbore Diameter (in)	<u>Wall</u> <u>Thickness</u> <u>(in)</u>	Burst Pressure (psi)	Anticipated Max. Internal Pressure (psi)	Cement Type	Cement Yield (cu. ft./k)
Conductor	20	24	.375	1378	1102	Class A	1.18
Fresh Water	13 3/8	17 1/2	.38	2700	2160	Class A	1.18
Coal							
Intermediate	9 5/8	12 3/8	.395	3950	3160	Class A	1.18
Production	5 1/2	8 1/2	.361	12640	10112	Class H/H	1.26/1.97
Tubing	2 3/8	NA	.19	7700			
Liners							

PACKERS 47 0 8 5 1 0 1 5 5 MG

Kind:		
Sizes:		REGEIVED GAS
Depths Set:		REGEIVED Gas

WW-6B
(10/14)

API NO. 47- 085 - 10135 OPERATOR WELL NO. 513759 Well Pad Name: OXF163

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:

Drill and complete a new horizontal well in the Marcellus Formation. Drill the vertical to an approximate depth of 4969'. Kick off and drill curve. Drill the lateral in the Marcellus. Cement casing.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

Hydraulic fracturing is completed in accordance with state regulations using water recycled from previously fractured wells and obtained from freshwater sources. This water is mixed with sand and a small percentage (less than 0.3%) of chemicals (including 15% Hydrochloric acid, gelling agent, gel breaker, friction reducer, biocide, and scale inhibitor). referred to in the industry as a "slickwater" completion. Maximum anticipated internal casing pressure is expected to be approximately 10000 psi, maximum anticipated treating rates are expected to average approximately 100 bpm. Stage lengths vary from 150 to 300 feet. Average approximately 200,000 barrels of water per stage. Sand sizes vary from 100 mesh to 20/40 mesh. Average approximately 200,000 pounds of sand per stage.

- 21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): no additional disturbance
- 22) Area to be disturbed for well pad only, less access road (acres): no additional disturbance
- 23) Describe centralizer placement for each casing string:
- Surface: Bow spring centralizers One centralizer at the shoe and one spaced every 500'.
- Intermediate: Bow spring centralizers- One centralizer at the shoe and one spaced every 500'.
- Production: One solid body centralizer spaced every other joint from production casing shoe to KOP

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24) Describe all cement additives associated with each cement type:

Conductor: Class A no additives Surface (Class A Cement): 0-3% Calcium Chloride. Used to speed the setting of cement slurries Intermediate (Class A Cement): 0-3% Calcium Chloride. Used to speed the setting of cement slurries. Production:

Lead (Class H Cement): 0.2% CD-20 (dispersant makes cement easier to mix). .15% SuperFL-300 (fluid loss/lengthens thickening time) .15% SEC-10 (fluid loss) 50:50 POZ (extender) Tail (Class H Cement): 0.2% Super CR-1 (Retarder). Lengthens thickening time. .3% Super FL-200 (fluid loss) .2% SEC-10 (Fluid loss). .2% SuperFL-350 (fluid loss) Reduces amount of water lost to formation. 60 % Calculm Carbonate. Acid solubility.

25) Proposed borehole conditioning procedures:

Surface: Circulate hole clean while rotating & reciprocating the drill string until cuttings diminish at பொத்து Intermediate: Circulate hole clean while rotating & reciprocating the drill string until cuttings diministrate surface.

Production: Pump marker sweep with nut plug to determine actual hole washout. Calculate a gauge holes

bottoms up volume. Perform a cleanup cycle by pumping 3-5 bottoms up or until the shakets are clean. WV Department of Environmental Protection Check volume of cuttings coming across the shakers every 15 minutes.

*Note: Attach additional sheets as needed.

Page 3 of 3 08/12/2016

WW-6A1 (5/13)

Operator's Well No. 513759

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6A, Section 5(a)(5) 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:

Lease Name or Number

Grantor, Lessor, etc.

Grantee, Lessee, etc.

Royalty

Book/Page

see attached

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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:

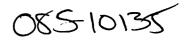
- WV Division of Water and Waste Management
- WV Division of Natural Resources WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

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 ED permits/approvals should be acquired from the appropriate authority before the affected activity is initiated oil and GaS Office of

Well Operator: EQT Production Company

By: Victoria J Roark

Its: Permitting Supervisor Page 1 of 2



WW-6A1 attachment

Operator's Well No.

513759

Lease No.	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
ease 118212	J.E. Pierce, et al (current royalty owner)		***	
	J. E. Pierce, L. L. Pierce & Felsie Pierce (original lessor)	Pittsburgh & WV Gas. Co.		LB 45/257
	Pittsburg & WV Gas Co.	Equitable Gas Company		DB 126/473
	Equitable Gas Company	Equitrans, Inc.		LB 201/253
	Equittrans, Inc.	Equitable Production Company		LB 192/19
	Equitable Production Company	EQT Production Co.		DB 281/346
TMP 27-23	Jon Mathew and Sherri L. Bonnell	EQT Production Company	n/a	333/549Subsurface
Lease 987447	Craig H. Williams (current royalty owner)		min pd 1/8	
	Craig H. Williams & Amy L. Williams (orignal lessor)	EQT Production Co.		DB 257/115
_ease 987490	Russell L. Locke (current royalty owner)		min pd 1/8	
	Russell L. Locke	EQT Production Co.	•	LB 253/737
	Irene J. Conaway	EQT Production Co.		LB 253/996
Lease 107857	J.P. Smith, et ux (current royalty owner)		min pd 1/8	
	Betty Jean Nutter (original lessor)	EQT Production Co.		LB 255/510
	Jerry Allen Riddle	EQT Production Co.		LB 255/516

^{***} We will pay one-eighth of the total amount paid to or received by or allowed to the owner of the working interest at the wellhead for the oil or gas so extracted, produced, or marketed before deducting the amount to be paid to or set aside for the owner of the oil or gas in place, on all such oil or gas to be extracted, produced, or marketed from the well.

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Office of Oil and Gas

JUN 10 2016



EQT Production Company 2400 Zenith Ridge Rd. Suite 200 Canonsburg, PA 15317 www.eqt.com

Todd Klaner Manager, Permitting tklaner@eqt.com

Via E-Mail

June 1, 2016

WV DEP Reviewer

RE: EQT Production Company

PAD ID - OXF163 Well# - 513759 Ritchie County

Dear Reviewer.

This well indicated by this permit application contains a Subsurface Easement Agreement for non-productive portions of the well bore. Attached is a Memorandum of Subsurface Use Agreement which gives EQT the right to drill below the surface of the tracts 27-23 shown on the well plat.

EQT Production understands that the WVDEP will issue the permit in the normal process subject to the completeness of the requirements of the Office of Oil and Gas and does not take a position with regards to the property rights under this agreement.

EQT Production agrees that the WVDEP's issuance of the permit is in no way an affirmance or validation of EQT Production's claimed rights.

Regards,

Todd Klaner Manager, Permitting

EQT Production Company

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SUBSURFACE RIGHT-OF-WAY AND EASEMENT AGREEMENT

This SUBSURFACE RIGHT-OF-WAY AND EASEMENT AGREEMENT ("Agreement") is made the Haday of January, 2015, between Jon Mathew Bonnell and Sherri Bonnell, his wife, (hereinafter "Grantor" whether one or more), whose address is 9 Crystal Lake Road West Union, WV 26456 and EQT PRODUCTION COMPANY, (hereinafter "EQT"), whose corporate headquarters are located at 625 Liberty Avenue, Suite 1700, Pittsburgh, PA, 15222.

<u>Property.</u> Grantor owns that certain tract of land located in <u>Union</u> District, <u>Ritchie County</u>, West Virginia containing <u>133.42</u> acres, more or less, and conveyed to Grantor in Deed Book <u>268</u>, at page <u>129</u>. Map <u>27</u> Parcel <u>23</u>

- Subsurface. For purposes of this Agreement, the subsurface shall be limited to the subsurface region and underground lying below the deepest economically mineable and merchantable coal seam.
- 2. Grant. In consideration of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor grants to EQT a non-exclusive, perpetual right of way and subsurface easement within and underlying the Land for the purpose of locating and maintaining a total of three wellbores (513759/513760/513761) for the production of hydrocarbons by EQT from EQT's adjacent mineral tracts and leases. This right of way and easement shall run with the land and shall remain in force and effect until released and relinquished by EQT back to the Grantor, in writing.
- 3. Wellbores. Upon completion of any wellbore within the subsurface underlying the Land (the "Subsurface Land"), the subsurface easement in the area of the wellbore and the one hundred (100') feet on each side of the wellbore that parallels it shall become an exclusive right of way and easement in that area. The wellbore locations are generally described in the plat(s) filed with the West Virginia Department of Environmental Protection (the "DEP") for well(s): If an as-built plat is not available from the DEP for a wellbore located within the Subsurface Land, any third-party with the right to operate within the Subsurface Land may contact EQT's land department for a copy of such as-built plat. After the date of this Agreement, EQT shall provide notice of additional wellbores located within the remaining Subsurface Land by filing an amendment, affidavit or other appropriate document.
- 4. No Surface Operations. This Agreement does not grant EQT the right to conduct any operations on the surface of the Land. No surface operations shall be conducted on the Land by EQT unless the parties enter into a separate agreement.

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5. Miscellaneous Provisions

- (a) This instrument may be executed in one or more counterparts, each of which will be deemed to be an original copy of this instrument and all of which will be deemed to comprise one single instrument.
- (b) The parties agree that this Agreement shall be filed of REGION The Dwith all exhibits thereto.
- exhibits thereto.

 Office of Oil and Gas

 (c) For no additional consideration, Grantor shall execute such further documents as may be reasonably requested by EQT from time to time to effectivate the intent of this Agreement.

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IN WITNESS WHEREOF, effective as of the date first above written. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors, assigns, heirs and administers and executors.

[NAME OF GRANTOR]

Jon Mathew Bonnell

In Mathew Burnell

Sherri Bonnell

EQT PRODUCTION COMPANY

Name: John W. Damato

Title: Attorney-In-Fact

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STATE/COMMONWEALTH OF	West	Virainia.
COUNTY OF Doddridge:	4 3001	-

Before me. Airy DER THETHES, a Notary Public, on this day personally appeared Jon Mathew Blankhown to me and acknowledged to me that he/she executed the instrument for the purposes and consideration therein expressed as his/her free act and deed. Given under my hand and seal of office this 14th day of Vanuary 2015.

My Commission expires: December 4, 2022

STATE/COMMONWEALTH OF WEST V.RGINA; COUNTY OF HARRISON:

, a Notary Public, on this day personally appeared, known to me to be the Attorney in fact of EQT PRODUCTION COMPANY, subscribed to the foregoing instrument, and acknowledged to me that he/she executed the instrument for the purposes and consideration therein expressed as his/her free act and deed. Given under my hand and seal of office this 20 hd day of Sanuary 7015.

My Commission expires: June 16, 2016

OFFICIAL SEAL Commissioner Of West VI

Clarksburg, WV 26301 My Commission Expires June 13, 2016

EFFY PARMEAND Company 625 Liberty Avenue. Suite 1700, Pittsburgh, PA 15222

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Declaration of Consideration of Value

The Grantee hereby declares that the consideration being paid to Grantor for the transfer of real estate is \$

Given under my hand this 9th day of February 2015.

EQT PRODUCTION COMPANY John W. Damato

Attorney-In-Fact

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May 20, 2016

Mr. James Martin
West Virginia Department of Environmental Protection
Office of Oil and Gas
601 57th Street SE
Charleston, WV 25304

Re: OXF 163, 513759, 47-08510135

Dear Mr. Martin,

EQT Production Company is submitting an application for a new well work permit for the above well number. Upon information and belief, Operator's lease and/ or other real property rights permit it to conduct drilling operations for the subject well in the location shown on the plat, including under any public roads that the well lateral crosses.

Sincerely,

Vicki Roark

Permitting Supervisor-WV

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