

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

September 09, 2014

WELL WORK PERMIT

Horizontal Well

This permit, API Well Number: 47-8510158, issued to HG ENERGY, 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.

Sciller

James Martin

Operator's Well No: 900 N-1H

Farm Name: HEARTWOOD FORESTLAND FU

API Well Number: 47-8510158

Permit Type: Horizontal Well Date Issued: 09/09/2014

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.
- 8. This permit is being conditioned to address the possibility of flooding in the area of this well. Any tanks stored on this location must be securely anchored in cement to prevent the loss of tanks should a flood occur. In addition, cages must be placed around the well head to prevent debris from damaging the well head.



HG Energy, LLC 5260 Dupont Road Parkersburg, WV 26101 (304) 420-1100 - Office (304) 863-3172 - Fax

RECEIVED
Office of Oil and Gas

September 8, 2014

SEP 9 2014

Mr. Jeff McLaughlin West Virginia Department of Environmental Protection Division of Oil & Gas 601 57th Street Charleston, West Virginia 25304

WV Department of Environmental Protection

RE:

Hartley 900 No. N-1H - Area of Review Study

Murphy District, Ritchie County

West Virginia

OK grum

Dear Mr. McLaughlin:

An Area of Review was performed in the vicinity of the 900 N-1H well per your instructions of an area perimeter of 500' of surface area and 1500' horizontal wellbore for open formations of other wells.

A search was conducted of the WV DEP's Resource Data Viewer, the DEP's Oil and Gas Database, West Virginia Copy online service, tax maps and HGE's mapping and well records systems. The search found twenty wells within the area of review. There are no wells within the review area which could be impacted by HGE drilling a well in the Huron shale. All wells identified are shallow wells drilled to the Salt Sand and two wells drilled to the Big Injun at 2000 feet.

Public notices have been placed in local papers in Ritchie, Calhoun and Wirt counties regarding HGE's intent to drill in this area. Additionally we will be sending letters to all Operators, (three), in the immediate, surrounding area to inform them of our intent to drill upon approval of the drilling permit.

If you have any questions regarding this Area of Review study, please call me at 304-420-1119.

Very truly yours,

Diane Cultite

Diane C. White

Enclosures

WW - 2B (Rev. 8/10)

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

Energy, LLCc ber: Hartley 900 N-1H or Gas X	494497948 Operator ID	Ritchie County 3) Elevation:	Murphy District	Macfarlan 7.5' Quadrangle
				Quadrangle
		3) Elevation:	1116 51	
or Gas _X			1110.5	-
: Production X / Unde	erground Stor	age		
Deep/ Sh	allow_X			
h: 10840' TMD Feet Fo ater strata depths: NA				
am depths: NA	14	_		-
epths,(coal, Karst, other): _	NA			
oal seams tributary to activ	e mine?	No		
			ol sheets if ne	eeded)
-	Deep/ Sharmation(s): Huron th: 10840' TMD Feet For atter strata depths: NA ter depths: NA am depths: NA epths,(coal, Karst, other): coal seams tributary to active	Deep/ Shallow _X mation(s): _HuronF th: _10840' TMD Feet Formation at P ater strata depths:NA ter depths:NA am depths:NA epths,(coal, Karst, other):NA coal seams tributary to active mine? ell work and fracturing methods in detail (at	Deep/ Shallow X mation(s): _Huron	Deep/ Shallow _X mation(s): _Huron

13) CASING AND TUBING PROGRAM FOOTAGE INTERVALS

TYPE 3	SPECIFIC	AHONS		FOOTAGE	INTERVALS	CEIVIENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu. Ft.)
Conductor	13 3/8"	LS	54.5#	40'	40'	Grout w/50sk
Fresh Water	9 5/8"	J-55	36#	400'	400'	200 cf - CT5
Coal						
Intermediate	7"	J-55	20#	2000'	2000'	400 cf - CTS
Production	4 1/2"	P-110	11.6#	10840'	10840'	RECEIVED
Tubing					0	
Liners						AUG 21 2014

Packers Plus style system (Hydraulic Open Hole Packers) V Department of Tool size: 5.75" to sit in 6 1/4" hole Packers: Kind:

Sizes: Tool size: 5.75" to sit in 6 1/4" hole

Depths Set TBD - Equally spaced from TMD to LP, upper packer set in vertical section of hole, below 7 29/12/2014

Jus

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

11) Proposed Well Work:

Drill and stimulate production well in the Huron shale.

For this well, we plan on running 4.5" production casing on a "Packer Plus" style system. These packers are hydraulically set, open hole packers, (thus, this casing will not be cemented, the packers are set to isolate the frac within the zone of interest). We plan to do 30 stages within the planned approximate 6000' lateral. We plan to run 1 "safety" packer in the vertical portion of the well to serve as additional protection/isolation on the annulus. We plan to frac each stage with approximately 1mmscf per stage of N2 (100% Nitrogen).

WW-2	2A
(Rev.	6-14)

1). Date: August 18, 2014

2.) Operator's Well Number

Hartley 900 N-1H

State

County

Permit

3.) API Well No .:

lo.: 47-

Ritchie -

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

1) 0 1		97 PM N N N N N N N N N N N N N N N N N N		
	vner(s) to be served:	5) (a) Coal O		
(a) Name	Heartwood Forestland Fund		NA	
Address	301 Emerson Avenue	Address		
2.022.0.	Parkersburg, WV 26104			
(b) Name			Owner(s) with De	eclaration
Address		Name	NA	
		Address		
(c) Name		Name	-	
Address	-	Address	-	
Addicas	P	Address		
6) Inspector	David Cowan	(c) Coal I	essee with Decl	laration
Address	1597 Devil Hole Road	Name	NA	
	Harrisville, WV 26362	Address		
Telephone	304-389-3509	-		
	TO THE PERSONS N	AMED ABOVE	TAKE NOTICE T	THAT:
Included is t	he lease or leases or other continuir	ig contract or cont	racts by which I ho	old the right to extract oil and gas
OR			and the state of	
X Included is t	he information required by Chapter : that as required under Chapter 22-	22, Article 6, Section	on 8(d) of the Cod	e of West Virginia (see page 2)
I have re	eation plat, and accompanying docur Personal Service (Affidavit att Certified Mail (Postmarked po Publication (Notice of Publicated and understand Chapter 22-6 a	ached) stal receipt attach tion attached)	ed)	
this application for obtaining the info	under penalty of law that I have pe orm and all attachments, and that I ormation, I believe that the information are that there are significant penaltion	based on my inquion is true, accurate so for submitting fa	iry of those individual and complete. alse information, in	duals immediately responsible for
WIEST :		HG Energy,		1.4
19 2 E S	TATE OF WEST VIRGINIA	y: Diane White Accountant	Luane (will a series
医	TINA L. PETHTEL	5260 Dupon	t Pood	
. 33	Each Direct Road	Parkersburg.		
Par My Co	kersburg, West Virginia 26101 ommission Expires Nov. 12, 2018 Telephone	304-420-111	9	
	Emai		neravlic com	RECEIVED
Subscribed and s	sworn before me this { day	of AUGUS		
			-01	fficeodHOil and Gas
	I mer y te	7	Notary F	Public of 2014
My Commission	100-11-21	118		AUG 2 1 2014
Oll and Gas Privacy	Notice			7 24 24
The Office of Oil and	Gas processes your personal information	n. such as name, add	ress and phone num	MV Department Of

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 population as received by climply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information, please contact DEP's Chief Privacy Officer at Journal deprivacy officer@wv.gov



WW-2B1	
(5-12)	

Well No.	Hartley 900	N-1H
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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 Sturm Environmental
Sampling Contractor Sturm Environmental

Well Operator HG Energy, LLC 5260 Dupont Road

Parkersburg, WV 26101

Telephone 304-420-1119

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.

* Closest water source about 2500' from proposed site, water being tested.

Terry & Alverda Wilson 86 Pleasant Ridge Road Brohard WV 26138

WW.	-2A1	
(Rev.	1/11)

Operator's Well Number Hartley 900 N-1H

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
Francis E. Cain	HG Energy, LLC	1/8	257/665

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 he reby a cknowledges 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 ac quired from the appropriate aut hority before the light and Gas permits approvals should be ac quired from the appropriate aut hority before the light 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 ac quired from the appropriate aut hority before the light 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 ac quired from the appropriate aut hority before the light 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 ac quired from the appropriate aut hority before the light and t

Well Operator: By:Its:

Diane White HG Energy, LLC AUG 21 2014

Operator: HG Energy, LL

Diane White, Accountant

WV Department of

Environmental Protection

WW-9	
(5/13)	

	Page	of
API Number 47		
Operator's Well	No. Hantley 900	N-1H

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

FLUIDS	S/ CUTTINGS DISPOSAL &	& RECLAMATION PLAN
Operator Name_HG Energy, LLC		OP Code 494497948
Watershed (HUC 10) Laurel Run	Q1	uadrangle Macfarlan 7.5'
Elevation 1116.5'	County_Ritchie	District Murphy
Will a pit be used for drill cuttings? Yes	X No	proposed well work? Yes No _X ered in drilling shallow well
		If so, what ml.? 30 Mil
Proposed Disposal Method For Tre		
Reuse (at API N Off Site Disposa	ection (UIC Permit Number lumber l (Supply form WW-9 for d	er) lisposal location)
Will closed loop system be used? No		<u> </u>
		tc. Air
		etc. Leave in pit
		cement, lime, sawdust) Native soil, cement, lime
	,	ocinicit, finic, sawdust) - tario obili ositioni, finic
on August 1, 2005, by the Office of Oil and provisions of the permit are enforceable by law or regulation can lead to enforcement at I certify under penalty of law the application form and all attachments ther	Gas of the West Virginia D r law. Violations of any ter ction. at I have personally examinate to and that, based on my the information is true, accura-	he of the GENERAL WATER POLLUTION PERMIT issued bepartment of Environmental Protection. I understand that the run or condition of the general permit and/or other applicable need and am familiar with the information submitted on this y inquiry of those individuals immediately responsible for urate, and complete. I am aware that there are significant ine or imprisonment.
Company Official Signature Dia	ne White	
Company Official (Typed Name) Diane \	White	RECEIVED
Company Official Title Accountant		Office of Oil and Gas
		AUG 2 1 2014
Subscribed and sworn before me this 18 Was Was	day of Augre 12, 2018	OFFICIAL SEAL OFFICI

Operator's	s Well No. Hartley 900
	рН
lbs minimum)	
ios minimum)	
	Area II
Seed Type	lbs/acre
all Fescue	40
Ladino Clover	5
Pair af	no less V5. during
8-20-19	4
- 6	s w r

RECEIVED
Office of Oil and Gas

AUG 21 2014

WV Department of Environmental 12/020ctfon

on Form WW-9.

Maintain sediment barriers and drainage structures.

Location drill pit may be changed based on as-built considerations.

8510128H

Note: Drawing not to Scale



