

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

April 07, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8704771, 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.

James Martin

Chief

Operator's Well No: A.J. EPLING 211

Farm Name: FISCHER, RICHARD & RONALD

API Well Number: 47-8704771
Permit Type: Vertical Well

Date Issued: 04/07/2015

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. <u>Failure to adhere to the specified permit conditions may result in enforcement action.</u>

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 with 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. 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.

WW - 2B (Rev. 8/10)

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

) Well Operator	: HG En	ergy, LL0	C	494497948	Roane	Smithfield	Looneyville 7.5'
				Operator ID	County	District	Quadrangle
Operator's We	ell Numbe	er:_A. J. E	Epling 211	;	3) Elevation:	1189'	-
) Well Type: (a)							
(b)	If Gas:		tion / Und			_	
			/ S		_		
) Proposed Tar) Proposed Tot) Approximate) Approximate	al Depth: fresh wat	2780' TM er strata	depths: 460'	ormation at F	Proposed Tar Proposed Tota	get Depth: <u>Bi</u>	g Injun
) Approximate	coal sear	n depths	: <u>NA</u>				_
0) Approximate	e void der	oths,(coa	I, Karst, other):	NA			
			s tributary to act		IA		
						1 - b t- if m	andod)
2) Describe pro	posed wel	I work an	d fracturing meth	ods in detail (a	ittach additiona will be small b	ai sneets ii ne ovdraulic fra	cture.
rill and stimulat	e product	tion well	in the Big Injun.	. Sumulation	Will be sindir	iyaraano na	
1	The second	MI	5				
////	1/1/	118-1	SING AND TU	DING DROGE	NΔ		
TYPE /	PECIFIC		SING AND TO	FOOTAGE	INTERVAL	S CEM	ENT
W. John	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill -up (C	u. Ft.)
Conductor							
Fresh Water	7"	LS ST&C	17#	575'	575'	СТ	S
						-	DEOETHED.
Coal							RECEIVED
Intermediate	N.						of Oil and G
1.5 (18.7)	4 1/2"	J-55	10.5#	2740'	2740'		of Oil and G sks EB 2 0 2015
Intermediate	4 1/2"	J-55	10.5#	2740'	2740'	200	.sks EB 2 0 2015
Intermediate Production		J-55	10.5#	2740'	2740'	200 WV I	sks EB 2 0 2015 Department
Intermediate Production Tubing Liners	4 1/2"	J-55	10.5#	2740'	2740'	200 WV I	The second secon
Intermediate Production Tubing	4 1/2"	J-55	10.5#	2740'	2740'	200 WV I	sks EB 2 0 2015 Department

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

1). Date: February 6, 2015

2.) Operator's Well Number

3.) API Well No .:

A. J. Epling 211

State 47County

Roane

Permit

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

4) Surface Ow	vner(s) to be served:		5) (a) Coal Operator
(a) Name	Richard Fisher		Name
Address	4513 Clay Road		Address
	Spencer, WV 25276	V	
(b) Name			(b) Coal Owner(s) with Declaration
Address			Name
			Address
(c) Name			Name
Address	-		Address
6) Inspector	Ed Gainer		(c) Coal Lessee with Declaration
Address	P. O. Box 821		Name
	Spencer, WV 25276		Address
Telephone	304-389-7582		
relephone		NS NAI	MED ABOVE TAKE NOTICE THAT:
Included is t	he lease or leases or other co	ntinuina	contract or contracts by which I hold the right to extract oil and gas
OR			
Included is t	he information required by Ch	apter 22	, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
1 certify	that as required under Chap	ter 22-6	of the West Virginia Code I have served copies of this notice and
application, a loc	cation plat, and accompanying	docume	ents pages 1 through on the above named parties by:
**********	Personal Service (Affid	avit attac	ched)
	x Certified Mail (Postmai	ked post	tal receipt attached)
	Publication (Notice of F	Publicatio	on attached)
I have re	ead and understand Chapter	22-6 and	d 35 CSR 4, and I agree to the terms and conditions of any permit
issued under this	s application.		
I certify	under penalty of law that I h	ave pers	onally examined and am familiar with the information submitted on
this application	form and all attachments, an	d that ba	ased on my inquiry of those individuals immediately responsible for
obtaining the infe	ormation, I believe that the inf	ormation	is true, accurate and complete.
		penalties	for submitting false information, including the possibility of fine and
imprisonment		Onesator	HG Energy, LLC
NULSTED	NOTARY PUBLIC	Sperator	Diane White Diane White
15 July 18 18	STATE OF WEST VIRGINIA		Agent
E NATION F	S. DIANNE DULANEY		5260 Dupont Road
	5260 Dupont Road arkersburg. West Virginia 26101	Address:	Parkersburg, WV 26101
My		lanhana	304-420-1119
***************************************	e de la constante de la consta	Email:	dwhite@hgenergyllc.com
Subscribed and	sworn before me this 6th	day of	f February , 2015-CFIVED
	Charile	Su	Notary Office of Oil and Gas
My Commission	Expires M.C.	2016	
Oil and Gas Privacy	-6-77		FEB 2 0 2015
The Office of Oil an	d Gas processes your personal in	formation,	, such as name, address and phone number, as a part of our regulatory duties.

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 court of the properties of of the properti

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF VICET VIRGINIA
SZO DILONI SEAL
PARINTSOLIC SEAL
NY CONTRESS OF EAPLY SOIS
NY CONTRESS OF EAPLY SOIS 2010

U.S. Postal Service™ CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided) 5439 4604 61 Postage 0000 Certified Fee 3.30 Postmark Return Receipt Fee (Endorsement Required) 2.70 Here Restricted Delivery Fee (Endorsement Required) 0.53.0 7.61 Total Postage & Fees AJE ZII PLOS Sent To Richard Fisher Street, Apt. No. or PO Box No. 4513 Road City, State, ZIP+4 WV 25274 Spencer, PS Form 3800, August 2006 See Reverse for Instructions

8 704771 ORDER OF WV D.E.P. FOR Permit - A J Epling No. 211 Six Hundred Fifty Dollars and 00/100 Peoples (1) חר טטווו HG ENERGY, LLC 304-422-6565 5260 DUPONT RD PARKERSBURG, WV 26101 goo.374.6123 peoplesbancorp.com 03-11 DATE 2-6-2015 6 DOLLARS 650.00 2927 56-250/442 02 ED

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

Operator's	Well Number	AJ Epling 211
Operate -		

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

- See attached-

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 affected activity is initiated.

RECEIVED

WV Department of Environments/17/2199tion

Operators well inc. A. J. Epinig 170, 211	Operator's Well No.	A. J. Epling No. 211	
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INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

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- (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
Alice and F. J. Epling	South Penn Oil Company	1/8	8/435

Merger and Conveyance dated July 3, 1963, from South Penn Oil Company to Penzoil Company, Kanawha County, Book 153, Page 35,

Assignment, Conveyance and Bill of Sale dated December 28, 1998, from Pennzoil Company to Pennz Energy Exploration and Production, Wetzel County, Book 12, Page 177.

Certificate of Merger filed with the WV Secretary of State, December 31, 1999, whereby Pennz Energy Exploration and Production, successor in interest to; to Penzoil Company, merged with Devon Energy Production Company, LP, Wetzel County, Book 12, Page 278.

Deed, Assignment and Bill of Sale dated June 1, 2000, from Devon Energy Production Company, LP to East Resources, Inc., recorded in Wetzel County, Book 370, Page 580.

Assignment, Conveyance and Bill of Sale, dated January 1, 2011, from East Resources, Inc., to HG Energy, LLC, Wetzel County, Book 118A, Page 253.

Upon information and belief, Operator's lease and/or other real property rights permit it to conduct drilling perations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

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 ackowledges 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 US Fish and Wildlife Service County Floodplain Coordinator

RECEIVED
Office of Oil and Gas

FEB 2 0 2015

Well Operator:	HG Energy, LLC	WV Done
By:	Diane C. White	Dia Environment of 04/10/2tions
Its:	Agent	- Protection
		04/10/2015

WW-2B1 (5-12)

Well No.	A.J.	Epling	211
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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

Address

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.

Surface Owners with Water Sources Identified for Sampling / Anolysis

MAP

- * Richard Fisher 4513 Clay Road Spencer WV 25274
- * Brenda Chadwell 4580 Clay Road Spencer WY 25276
- * Anthony Hofstad 431 Main Street Spencer WV 252FCEIVED
 Office of Oil and Gas
- * Luie Griffith FEB 20 2015 Spencer \\\\WV2時間如何中0/2015 Environmental Protection

Protection

WW-9 (5/13)

	Page of	-
API Number 47 -		
Operator's Wel	No. AJ Epling 211	

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

Operator Name HG Energy, L	LC	OP Code 494497948
Vatershed (HUC 10) Big Holl	ow Qı	uadrangle Looneyville 7.5'
Elevation 1189	County_Roane	District_Smithfield
Vill a pit be used for drill cutti If so, please describe a	ngs? Yes X No anticipated pit waste: Fluids encounter	proposed well work? Yes No _X red while drilling subject well
Proposed Disposal Mo	ethod For Treated Pit Wastes:	If so, what ml.?_20 mil
Und Reu Off	A Application erground Injection (UIC Permit Number se (at API Number Site Disposal (Supply form WW-9 for cer (Explain	er_25-561) disposal location)
Will closed loop system be use		
		etc. Air, Fresh Water
	e? Synthetic, petroleum, etc. NA	
	medium? Water, soap, KCI	I some to sit
Orill 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) Native soil, cement, lime
on August 1, 2005, by the Offi provisions of the permit are e law or regulation can lead to e I certify under penal application form and all atta obtaining the information, I penalties for submitting false i	ce of Oil and Gas of the West Virginia landreceable by law. Violations of any tenforcement action. ty of law that I have personally examinate the character of the contracted on the character of the contracted on the contracted	ons of the GENERAL WATER POLLUTION PERMIT issued Department of Environmental Protection. I understand that the erm or condition of the general permit and/or other applicable ined and am familiar with the information submitted on this my inquiry of those individuals immediately responsible for courate, and complete. I am aware that there are significant fine or imprisonment.
Company Official Signature_	Diane White	
Company Official (Typed Na		RECEIVE
Company Official Title Age	ent	Office of Oil ar
	7.01 Fac. 1 2 T S.4.0.00	Processing and the second seco
Subscribed and sworn before	me this 6th day of February	NOTARY PUBLIC STATE OF WEST VIRGINIA STATE OF WEST VIRGINIA 15260 DUPONT ROLL 5260 DUPONT ROLL 526

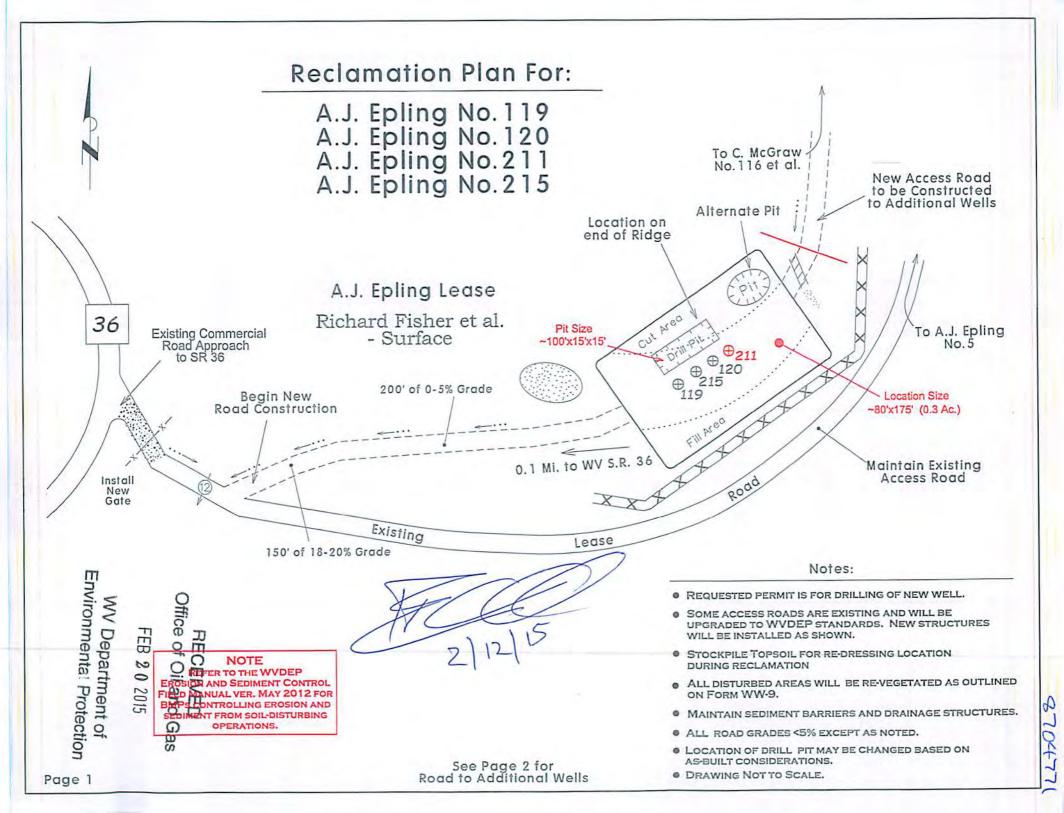
My commission expires Oct. 4, 2006

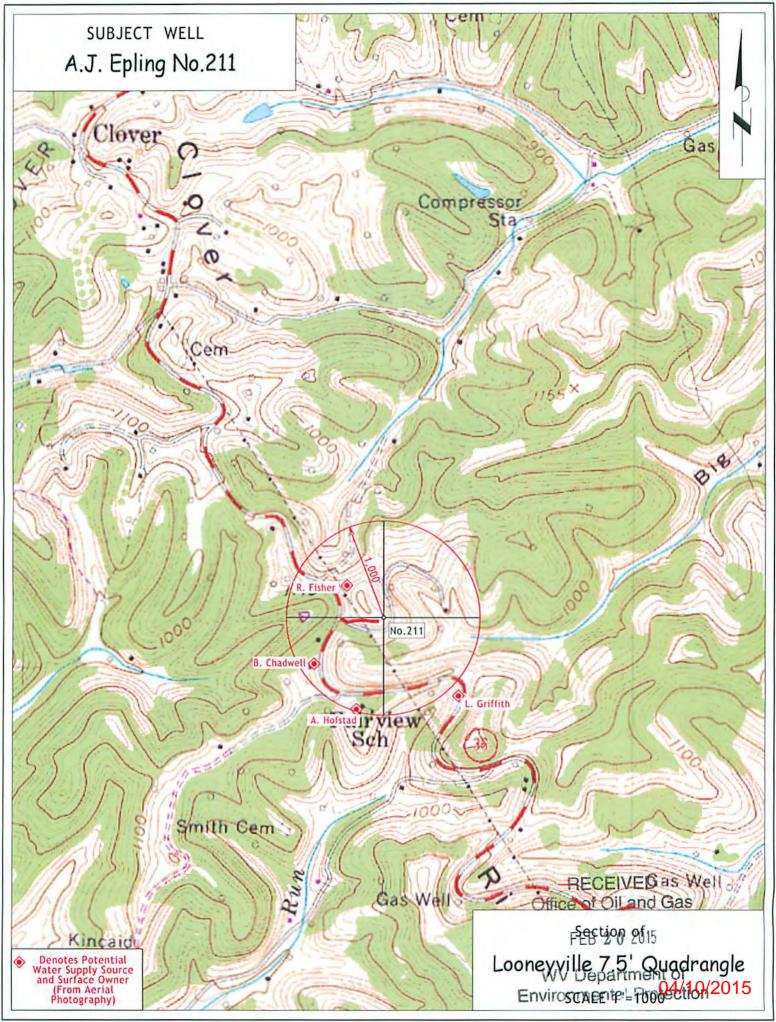


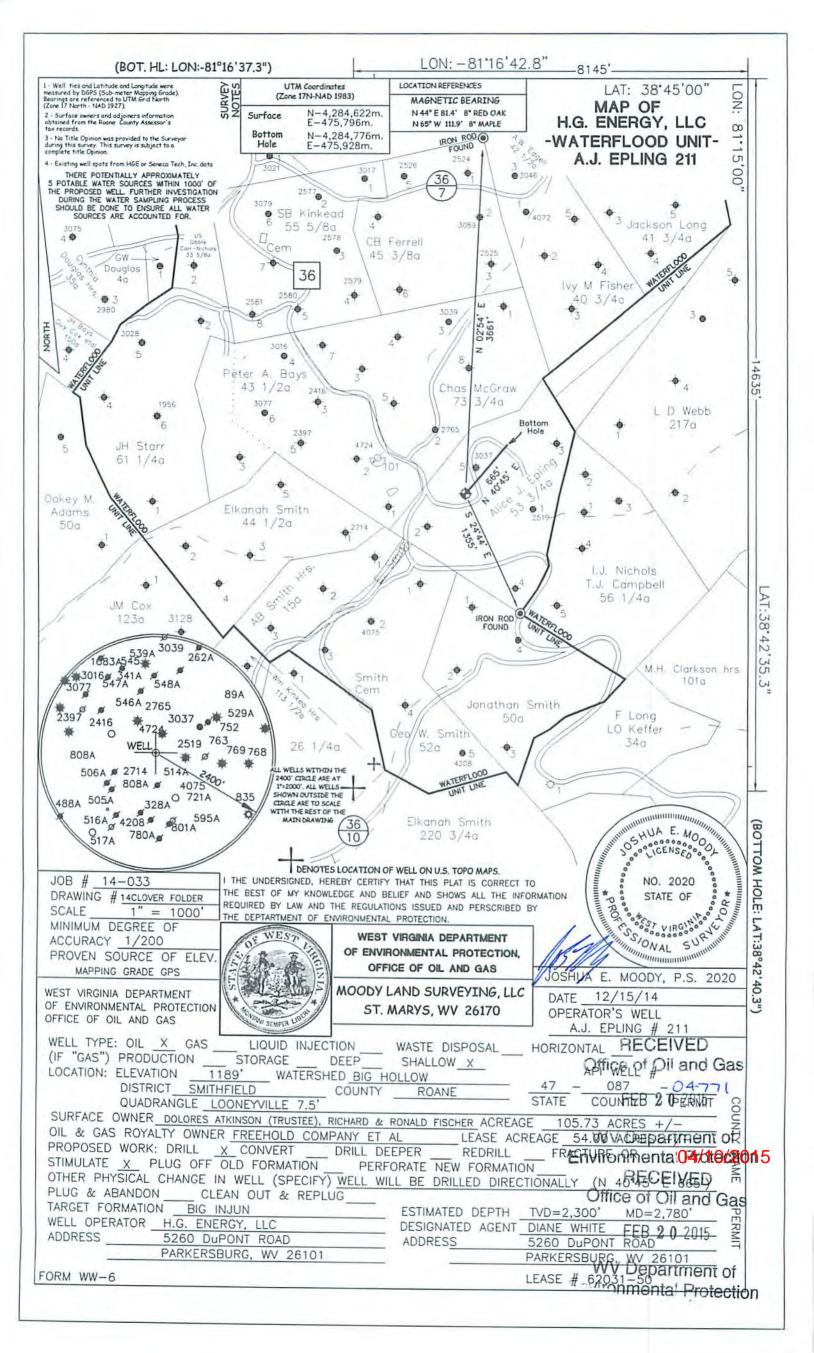
Form WW-9			Operator's V	Well No. AJ Epling 21
		, 1.8		ьн
Proposed Revegetation Treats	nent: Acres Disturb	ed		n
Lime3	Tons/acre or to	correct to pH	0.0	
Fertilizer (10-20-20		5(11)	acre (500 lbs minimum)	
Mulch Straw		2 Tons/ac	те	
Muich	_	Seed	Mixtures	
		Beed		Area II
Ar Seed Type	ea I lbs/acre		Seed Type	lbs/acre
Tall Fescue	40		Tall Fescue	40
Ladino Clover	5		Ladino Clover	5
Lauino Giovei		-		
Plan Approved by:	1			
Comments:				
			1	
				*
,				
	141			
Title:	pector		Date: 2 12	15
Field Reviewed?	x yes	() No	RECEIVED Office of Oil and (
Field Reviewed:	7			- Si Sii ailu (

FEB 2 0 2015

WV Department of Environmental Protection











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

CK292J)

February 6, 2015

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

RE: A. J. Epling No. 211

Smithfield District, Roane County

West Virginia

Dear Mr. McLaughlin:

Enclosed are the Forms WW-2A, WW-2A (1), WW-2B, WW-9, WW-2(B1), mylar of plat, reclamation plan, topo map and copy of the certified mailing receipt for a permit to drill the above-captioned shallow, producing well. Our check in the amount of \$650 is attached.

If you have any questions regarding this application, please call me at 304-420-1119.

Very truly yours,

siane CWhite

Diane C. White

Enclosures

cc: Richard Fisher - Certified

Ed Gainer - Inspector

RECEIVED
Office of Oil and Gas

FEB 2 0 2015

WV Department of Environmenta: Drotection

04/10/2015

Jan Sa Jisa ocia.

MONEGO SERVICE CONTRACTOR SERVICE SERVICE CONTRACTOR SERVICE CONTRACTOR SERVICE SERVIC

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