

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 17, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8704773, 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.

Operator's Well No: A.J. EPLING 214

Farm Name: WYROSTOK, CHARLES A. JR.

James Martin

API Well Number: 47-8704773
Permit Type: Vertical Well
Date Issued: 04/17/2015

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

	HO LITE	rgy, LLC		494497948	Roane	Smithfield	Looneyville 7.5
				Operator ID	County	District	Quadrangle
Operator's Well	Number	: A. J. E	pling 214		3) Elevation:	1178'	-
Nell Type: (a)	X_liC	or Gas					
(b) l	f Gas:	Product	tion/ Unde			-	
		Deep_	/ Sh	nallowX	_		D D 2200 * TMD 2557
Proposed Targ Proposed Tota Approximate fr Approximate sa	I Depth:_ esh wate	r strata	depths: 400	Formation at I	Proposed Ta Proposed Tot	rget Depth: _B	ig Injun
Approximate c	oal seam	depths:	NA				- ,
) Approximate	void depf	ths,(coal	I, Karst, other):	NA			
			tributary to act		NA		
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WW-2A	1). Date: <u>February 6, 2015</u>
(Rev. 6-14)	2.) Operator's Well Number A. J. Epling 214
	State County Permit
·	3.) API Well No.: 47- Roane -
	STATE OF WEST VIRGINIA
DEDARTMENT OF ENVI	COMMENTAL PROTECTION, OFFICE OF OIL AND GAS
DEPARTMENT OF LIVE	APPLICATION FOR A WELL WORK PERMIT
HO HOL AND	4 I BIOMITON SN
4) a see - Oumer(a) to be conted:	5) (a) Coal Operator
4) Surface Owner(s) to be served: (a) Name Charles Wyrostok	Name
Address <u>230 Griffin Run Ro</u> Spencer, WV 2527	
	(b) Coal Owner(s) with Declaration
(b) Name	Name
Address	Address
 -	
(a) Namo	Name
(c) Name	Address
Address	
6) Inspector Ed Gainer	(c) Coal Lessee with Declaration
6) Inspector <u>Ed Gainer</u> Address P. O. Box 821	Name
Spencer, WV 2527	6 Address
Talanhana 204 200 7592	
	RSONS NAMED ABOVE TAKE NOTICE THAT:
Included is the lease or leases or other	er continuing contract or contracts by which I hold the right to extract oil and gas
<u>OR</u>	out the Oods of Most Virginia (see page 2)
Included is the information required	by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
application, a location plat, and accompa	nying documents pages 1 through on the above named parties by: (Affidavit attached)
Personal Service	stmarked postal receipt attached)
I have read and understand Cha	pter 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 th	at I have personally examined and am familiar with the information submitted on
this application form and all attachmen	s, and that based on my inquity of those interviews
obtaining the information, I believe that	cant penalties for submitting false information, including the possibility of fine and
imprisonment.	_
OFFICIAL SEAL	Vell Operator HG Energy, LLC
NOTARY PUBLIC	By: Diane White Diane White
STATE OF WEST VIRGINIA S. DIANNE DULANEY	Its: Agent
5260 Dupont Road	Address: 5260 Dupont Road Parkersburg, WV 26101 RECEIVED
Parkersburg, West Virginia 26101 My Commission Expires Oct. 4, 2016	TOTAL STATE OF THE
(A) Culturatura	Email: dwhite@hgenergyllc.com
Subscribed and sworn before me this	6th day of February . 2015 2 0 2015
_ Collins	Notary Public
My Commission Expires	WV Department of
Oil and Gas Privacy Notice	Environmental Protection

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

U.S. Postal Service CERTIFIED MAILT RECEIPT 4509 4074 Postage 3.30 0000 Certified Fee Postmark Return Receipt Fee (Endorsement Required) 2.70 Here Restricted Delivery Fee (Endorsement Required) 0.510 7.61 Total Postage & Fees \$ AJE 214 7014 Charles Wyrostok 230 Griffin Run Road or PO Box No. City, State, ZIP+4 Spencer W/V 25276

2933 s6-250/442 DATE 2-10-2015	1\$ 650.00	DOLLARS (1) Section 1	De Mahm "	
HG ENERGY, LLC 03-11 304-422-6565 304-422-6565 5260 DUPONT RD PARKERSBURG, WV 26101	PAY TO THE ORDER OF WV D.E.P.	Six Hundred Fifty Dollars and 00/100	Peoples © BOST4.6123 Working Together. Building Success. FOR Permit A J Epling # 214	I C

Office of Oil and Gas

FEB 2 0 2015

WV Department of Environmental Protection

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

Operator's Well Number	AJ Epling 214
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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)

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
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- 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 affirmating that all permits/approvals should be ac quired from the appropriate authority before the lactivity is initiated.

Well Operator:
By:Its:

Diane White, Agent

WV Department of
Environmental Protection

Form	WW-2A(1)
(10/10))

Operator's Well No.	A. J. Epling No. 214
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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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- (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
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 Ope	erator:	HG Energy, LLC	WW.Denartment of
Ву:	•	Diane C. White	WY Department of Diane Environmental Protection
its:	_	Agent	
			

WW-2B1
(5-12)

Well	No. A. J. Epling 214	
vveii	NO. 71. 0. Epinig 2 1	

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 / Analysis:

SOE TOPO MAP

- * James Cale 4638 Clay Road Spencer WV 25276
- * Brenda Chodwell 4580 Clay Road Spencer WV 25276
- * Anthony Hofstod RECEIVED

 * Anthony Hofstod RECEIVED

 431 Main Street

 Spencer WV 257EB 20 2015

WV Department of Environmenta! Protection WW-9 (5/13)

	Page	of
API Number 47 -		SUM
Operator's Well N	o. AJ Epling 214	

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

Un Francis	10		OP Code 494497948
Operator Name_ HG Energy, L			
Watershed (HUC 10) Smith F	Run	Quadrangle	Looneyville 7.5'
			District_Smithfield
Do you anticipate using more	than 5,000 bbls of water to compl	ete the proposed	e drilling subject well
If so, please describe	be used in the pit? YesX	No I	If so, what ml.? 20 mil
		110	
	fethod For Treated Pit Wastes:		
II IIo	nd Application derground Injection (UIC Permit	Number 25-56	1
D.	and lot ADI Number		
Of	f Site Disposal (Supply form W W	-9 for disposal i	location)
	her (Explain		
Will closed loop system be us	sed? No		
Drilling medium anticipated	for this well? Air, freshwater, oil	based, etc. Air, F	resh Water
If oil based what to	one? Synthetic, petroleum, etc. NA		
	ng medium? Water, soap, KCI		
Additives to be used in drilling	42 Leave in pit landfill removed		ave in pit
Drill cuttings disposal metho	a? Leave in pit, ianarii, removed	used? (cement	, lime, sawdust) Native soil, cement, lime
-If left in pit and pla	in to solidity what medium will be	uscu: (cemen	, mm, our early
-Landfill or offsite i	name/permit number?		
on August 1, 2005, by the O provisions of the permit are law or regulation can lead to I certify under pen application form and all at obtaining the information	enforceable by law. Violations of the west violations of the conforcement action. alty of law that I have personal that have been action.	of any term or c ly examined and ed on my inqui- true, accurate,	ne GENERAL WATER POLLUTION PERMIT issued that of Environmental Protection. I understand that the condition of the general permit and/or other applicable d am familiar with the information submitted on this iry of those individuals immediately responsible for and complete. I am aware that there are significant imprisonment.
Company Official Signature	0. 171.+		RECEIVED
Company Official (Typed N			Office of Oil and Gas
Company Official Title A			RECEIVED Office of 1020 and Ge
			OFFICIAL OF
Subscribed and sworn befor	re me this 6th day of	February	SWV DEPARTMENT OF

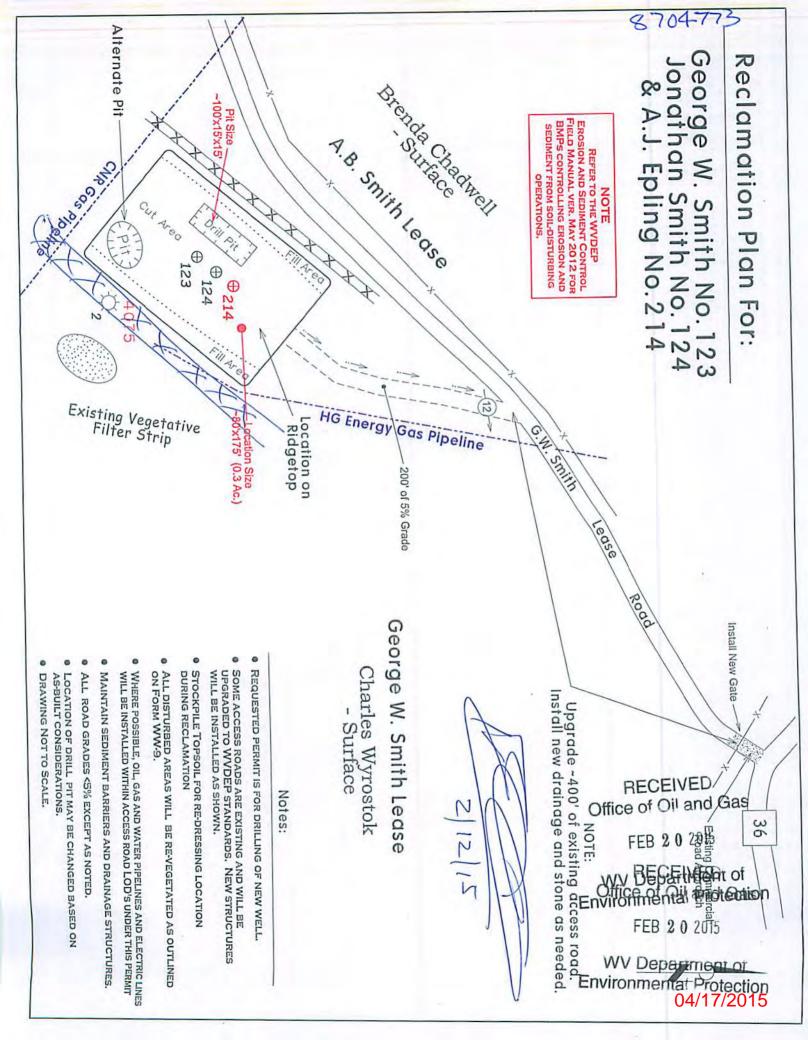
Form WW-9

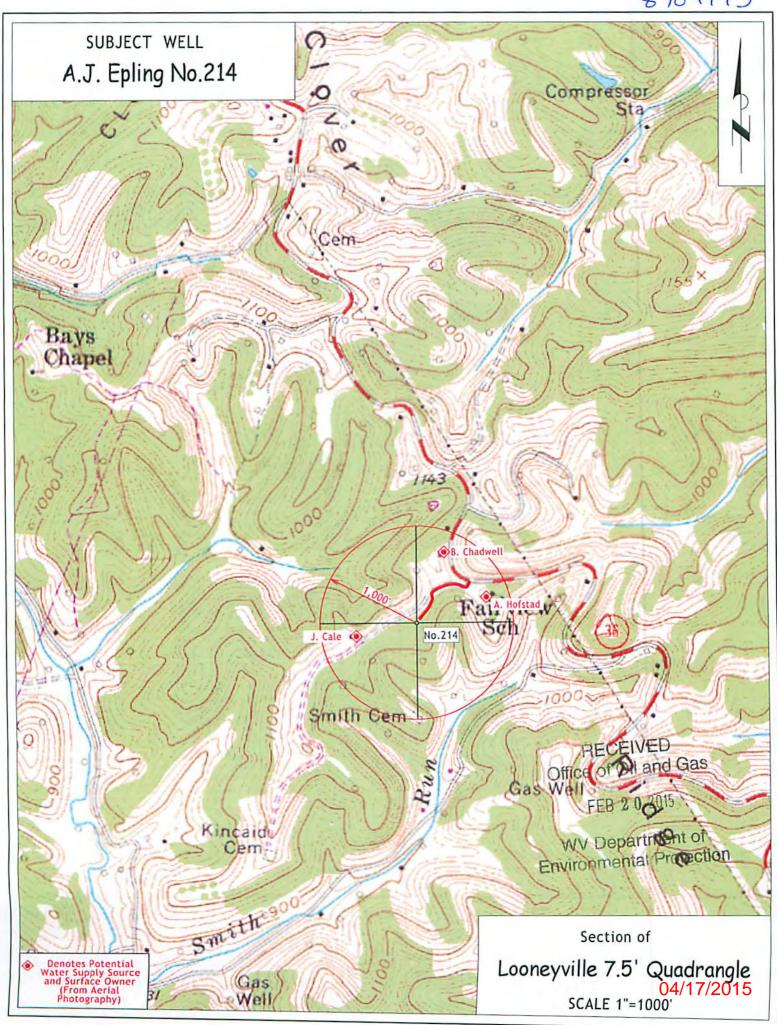
Operator's Well No. AJ Epling 214

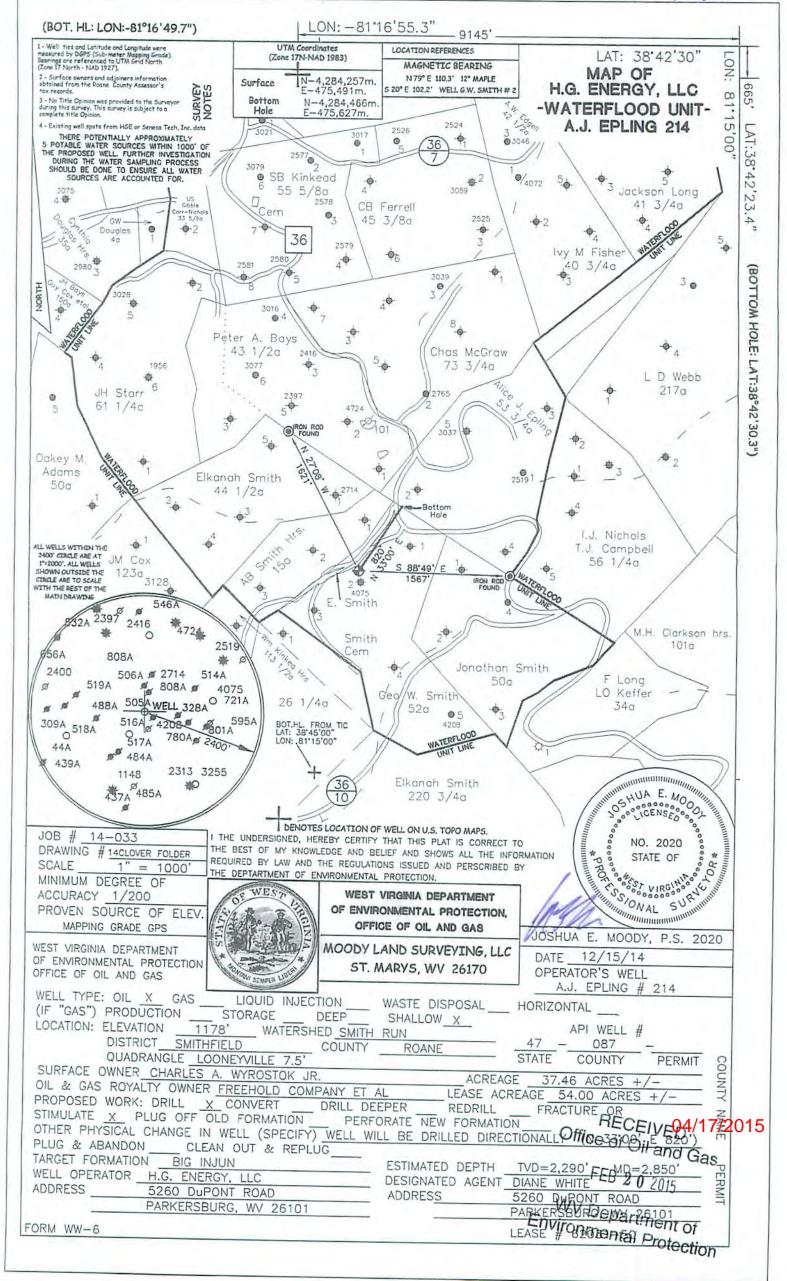
roposed Revegetation Trea	tment: Acres Disturb	ned 1.5	Prevegetatio	n pH
	3 Tons/acre or to	correct to pH 6	.5	
70.00	0 or equivalent)	600	(500 lbs minimum)	
Maion_		Seed Mi	xtures	
Seed Type Tall Fescue	lbs/acre		Seed Type Tall Fescue	Area II lbs/acre 40
Ladino Clover	5		Ladino Clover	5
Drawing(s) of road, location			ation.	
Attach: Drawing(s) of road, location Photocopied section of inv Plan Approved by:			ation.	
Drawing(s) of road, location			ation.	
Drawing(s) of road, location Photocopied section of inv Plan Approved by:			ation.	
Drawing(s) of road, location Photocopied section of inv Plan Approved by:			ation.	
Drawing(s) of road, location Photocopied section of inv Plan Approved by:			ation.	
Drawing(s) of road, location Photocopied section of inv Plan Approved by:	volved 7.5' topograph		Date: 2 12	

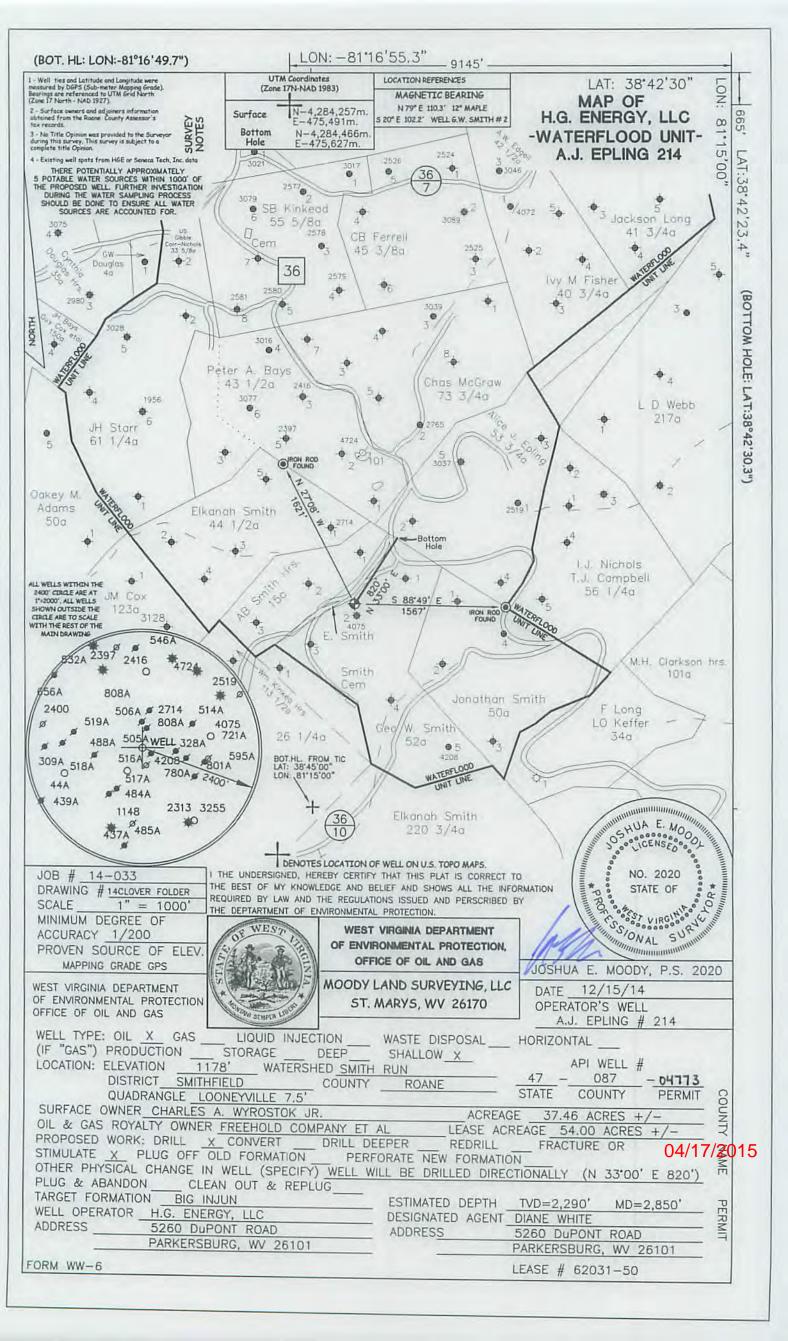
FEB 2 0 2015

WV Department of Fourironmental Protection 04/17/2015











HG Energy, LLC

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

CK293300

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. 214

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,

Diane White

Diane C. White

Enclosures

cc: Charles Wyrostok - Certified

Ed Gainer - Inspector

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Office of Oil and Gas
FEB 2 0 2015

WV Department of Environmental Protection