

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 03, 2015

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8704776, 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: C. MCGRAW 210

Farm Name: NIDAY, ORLANDO B

API Well Number: 47-8704776

Permit Type: Vertical Well Date Issued: 04/03/2015

Promoting a healthy environment.

WW - 2B (Rev. 8/10)

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

, won opolation	HG E	nergy, LI	LC	494497948	Roane	Smithfield	Looneyville 7.5'
			4	Operator ID	County	District	Quadrangle
) Operator's We	II Numbe	er: Charle	es McGraw 210	-	3) Elevation:	1162'	-
) Well Type: (a)	Oil_X_	_ or Gas	5				
(b)	If Gas:	Produc	ction/ Und	erground Stor	rage	-	
		Deep	/ S	hallow X	_		
i) Proposed Targi) Proposed Totai) Approximate fii) Approximate s	al Depth: resh wat	er strata	depths: 450'	ormation at F	Proposed Tar Proposed Tota	get Depth: 2 Il Depth: _ ^{Bi}	g Injun
) Approximate o	coal sear	m depths	: _NA				2-1
(0) Approximate	void der	oths,(coa	I, Karst, other):	NA			
					NA		
11) Does land co				ive mino		Contract of the Contract of th	
12) Describe prop	osed wel	ll work an	d fracturing meth	ods in detail (a	attach additiona	al sheets if ne	eeded)
Orill and stimutat	e produc	ction well	in the Big Injun	. Stimulation	will be small I	nydraulic fra	cture.
1111	.<						
131	11->	CA	SING AND TU	BING PROGE	RAM		
	CIEIC				INTERVALS	05115	
TYPE SI	ECIFIC	AHONS		FOOTAGE	INTERVAL	S CEME	ENT
/		ATIONS Grade	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	1.7.7.1
/	Size 7"		TO STATE OF THE				u. Ft.)
/	Size	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cı	u. Ft.)
Conductor	Size	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cı	u. Ft.)
Conductor Fresh Water	Size	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cı	u. Ft.)
Conductor Fresh Water Coal Intermediate	<u>Size</u> 7"	Grade LS ST&C	Weight per ft 17#	For Drilling 575'	Left in Well	Fill -up (Co	u. Ft.) Surface
Conductor Fresh Water Coal Intermediate Production	Size	<u>Grade</u>	Weight per ft	For Drilling	Left in Well 575'	Fill -up (Co	u. Ft.)
Conductor Fresh Water Coal Intermediate Production Tubing	<u>Size</u> 7"	Grade LS ST&C	Weight per ft 17#	For Drilling 575'	Left in Well 575'	Fill -up (Co	SURFACE SKEIVED of Oil and Ga
Conductor Fresh Water Coal Intermediate Production Tubing Liners	Size 7" 4 1/2"	Grade LS ST&C	Weight per ft 17#	For Drilling 575'	Left in Well 575'	Fill -up (Concent to Coment to Comen	u. Ft.) Surface Sks_IVED of Oil and Ga
Conductor Fresh Water Coal Intermediate Production Tubing	Size 7" 4 1/2"	Grade LS ST&C	Weight per ft 17#	For Drilling 575'	Left in Well 575'	200 Office of FE	u. Ft.) Surface Skelved of Oil and Ga

WW-2A (Rev. 6-14)

1). Date: February 12, 2015

2.) Operator's Well Number Charles McGraw 210
State County Permit

3.) API Well No.: 47- Roane

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

	NOTICE AND	APPLICA	TION FOR A V	VELL WORK	PERMIT	
	vner(s) to be served:		5) (a) Coal Op	erator		
(a) Name	Orland B. Niday		Name			
Address	184 Parkersburg F Spencer, WV 252		Address			
(b) Name			(b) Coal C	wner(s) with I	Declaration	
Address			Name		100 M V	
			Address	-		
(c) Name	-		Name			
Address			Address			-
6) Inspector	Ed Gainer			essee with De	claration	
Address	P. O. Box 821		Name	-		
40.0	Spencer, WV 252	76	_ Address	_		
Telephone	304-389-7582			. Com vyouvou		
One Views Gare of			MED ABOVE T			
	he lease or leases or oth	er continuing	contract or contr	acts by which I	hold the right to e	xtract oil and gas
OR	ba tufaranatian randinad	by Chantas 22	Acticle & Contin	n 9/d) of the C	ada of West Virgin	in /cee page 2)
x Included is the	he information required that as required under	Chapter 22.6	of the West Viro	in o(d) of the Co	ve served conjes	of this notice and
annlication a loc	cation plat, and accompa	inving docume	ents names 1 thro	ugh on the	above named na	rties by:
application, a loc	Personal Service	(Affidavit attac	ched)	agii oir tile	above named pa	
-	Certified Mail (Po			ed)		
-	Publication (Notic					
I have re	ead and understand Cha			I agree to the	terms and condi-	tions of any permit
issued under this		P)	ee, see of the			
I certify	under penalty of law that	at I have pers	onally examined	and am familia	ir with the informa	ation submitted on
this application f	form and all attachment	s, and that ba	sed on my inqui	ry of those indi	viduals immediate	ely responsible for
obtaining the info	ormation, I believe that t	ne information	is true, accurate	and complete.		9.70
	are that there are signifi	cant penalties	for submitting fa	ilse information	, including the pos	ssibility of fine and
imprisonment.		W-11 O-1-1-	HC France I	10		
ATTE	OLL TOTAL SEAL		HG Energy, I Diane White		1. Maita	
STA A STA	NOTARY PUBLIC TE OF WEST VIRGINIA		Agent	Luane	unio	
S	DIANNE DULANEY		5260 Dupont	Poad		
	5260 Dupont Road	Address.	Parkersburg.			
My Corr	raburg. West Virginia 26101 nmission Expires Oct 4 2016	Telephone:				
***************************************	masion Expires Oct 4 2016		dwhite@hge			
Subscribed and	sworn before me this	12 day of		ilerqyile.com	2015	
Cubochibou und		0 0	- T Obradity		HECEIVI	=0
	Opening	Dulos	y	Notar	Ifficiation Oil	-0
My Commission	Expires Oct. U	2016			ffice of Oil a	no Gas
Oil and Gas Privacy	-6		0	44.74	FEB 2 3 20	115
	d Gas processes your perso mation may be disclosed to gulatory requirements, inclu nave any questions about or wv.gov				umber, as a part of o	ur regulatory duties.

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STATE OF WEST VIRGINIA
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W CUST THE STATE OF A 2016

04/03/2015

U.S. Postal Service CERTIFIED MAIL_{TM} RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided) 5507 4074 0000 Certified Fee Postmark Return Receipt Fee (Endorsement Required) 2.70 Here Restricted Delivery Fee (Endorsement Required) 0230 Total Postage & Fees CM 210 7014 Sent To Niday Street, Apt. No.; or PO Box No. Parkers burg Road 184 City, State, ZIP+4 Spencer, WV



Operator's Well Number Charles McGraw 210

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_
CH and Mary McGraw	South Penn Oil Company	1/8	17/570

"See Attached Document for more detail""

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 propriate initiated.

Office of Oil and Gas

Well Operator: HG Energy, LLC FEB 2 3 2015

By:Its: Diane White, Agent

WV Department of Environmental Protection 04/03/2015

Form	WW-2A(1)
(10/10	0)

Operator's Well No.	Charles McGraw 210

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Grantor, Lessor, etc.	Grantce, Lessee, etc.	Royalty	Book/Page
CH and Mary McGraw	South Penn Oil Company	1/8	17/570

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 3 2015

WV Department of Environmental Protection

Well Operator:	HG Energy, LLC	The company of the control of the co
By:	Diane C. White	Diane CWhit 14/03/2015
lts:	Accountant	

WW-2B1 (5-12)

Well No. Charles McGraw 210

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.

SEE TOPO MAP

Surface Owners Identified with Water Sources to be Sampled / Analyzed RECEIVED

- * Richard Fisher * Brenda Chadwell Office of Oil and Gas
 4513 Clay Road FEB 23 2015 Spencer WV 25276
 - Spencer WV 25276

* Casie Roberts 4454 Clay Road Spencer WV 25276

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

	Page of
API Number 47 -	
Operator's Well N	O. Charles McGraw 210

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_ HG Energ	jy, LLC	OP Code 494497948
Watershed (HUC 10) Lau	rel Fork	Quadrangle Looneyville 7.5'
Elevation 1162	County Roane	District_Smithfield
Do you anticipate using mo	ore than 5,000 bbls of water to complete the	he proposed well work? Yes No _×
	cuttings? Yes X No No	
If so, please descr	ibe anticipated pit waste: Fluids encou	untered while drilling subject well
Will a synthetic li	ner be used in the pit? Yes x No	If so, what ml.? 20 mil
	Il Method For Treated Pit Wastes:	
The state of the s	Land Application	
1	Underground Injection (UIC Permit Nun	mber 25-561
	Reuse (at API Number	or disposal location)
	Off Site Disposal (Supply form WW-9 for Other (Explain	ar disposar location)
Will closed loop system be		- C- C-0.000
Drilling medium anticipate	ed for this well? Air, freshwater, oil based	d, etc. Air, Fresh Water
-If oil based, wha	t type? Synthetic, petroleum, etc. NA	
Additives to be used in dri	lling medium? Water, Soap, KCI	
	thod? Leave in pit, landfill, removed offsi	ite, etc. Leave in pit
-If left in pit and	plan to solidify what medium will be used	d? (cement, lime, sawdust) Native soil, cement, lime
I and fill or offeit	te name/permit number?	
on August 1, 2005, by the provisions of the permit a law or regulation can lead I certify under papplication form and all obtaining the information	Office of Oil and Gas of the West Virgini are enforceable by law. Violations of any to enforcement action. benalty of law that I have personally exa- cattechments, thereto, and that based on	itions of the GENERAL WATER POLLUTION PERMIT issued in Department of Environmental Protection. I understand that it y term or condition of the general permit and/or other applicate amined and am familiar with the information submitted on the my inquiry of those individuals immediately responsible accurate, and complete. I am aware that there are significated of fine or imprisonment.
Company Official Signatu	ire Diane White	OFFICIAL SEAL
Company Official (Types	- 1 A M 16	NOTARY PUBLIC STATE OF WEST-VIRGINIA
Company Official Title_	Agent	# SEDIANNE BULANEY #280/Upan Ris G as ### Annex Burg. West Virginia 26101 My Commission Expires Oct. 4, 2016
Subscribed and sworn bet	fore me this 12th day of Febru	manufacture of the second
A	Distante love	Notary Public Department of
	001 5011	Environmental Protection
My commission expires_	M. J. 0016	04/03/2

OFFICIAL SEAL.

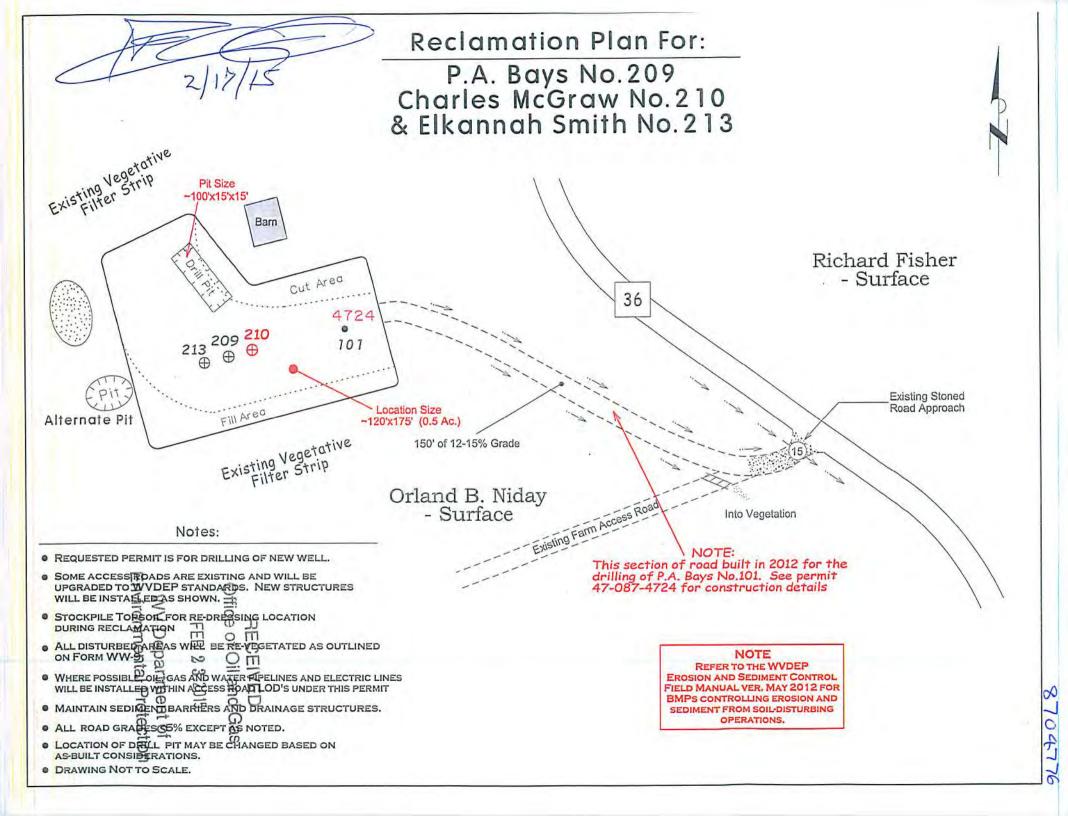
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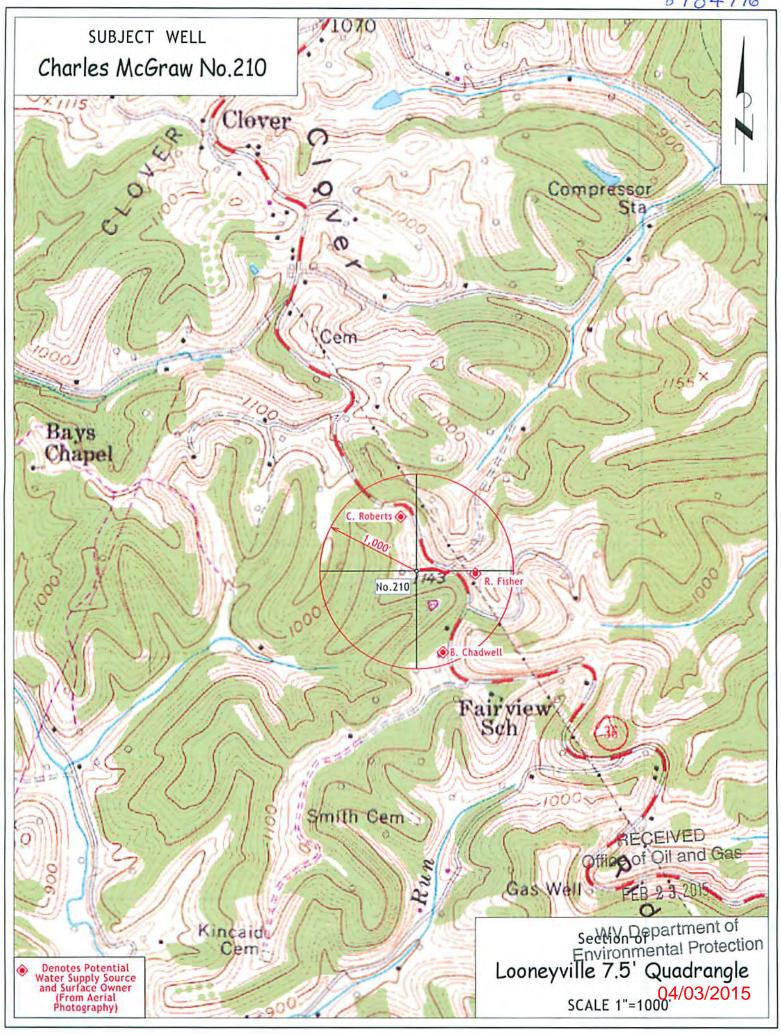
roposed Revegetation Treatm	ent: Agree Distu	rhed	1.2		Prevegetatio	n pH		
3			t U	6.5				
Lime		500						
Fertilizer (10-20-20 o	or equivalent)		lbs/acre	(500 lbs mir	nimum)			
Mulch_Straw		2	Tons/acre					
			Seed M	ixtures				
Area	a I					Area II	" /	
Seed Type	lbs/acre			- 11 -	Seed Type		lbs/acre	
Tall Fescue	40			Tall Fes			-	
Ladino Clover	5			Ladino	Clover		5	
Sediment Contro	1 Should be	7 111 1 10	200 011	1111100				
**Sediment Contro Attach: Drawing(s) of road, location, Photocopied section of involv	pit and proposed	area for la	and applica					
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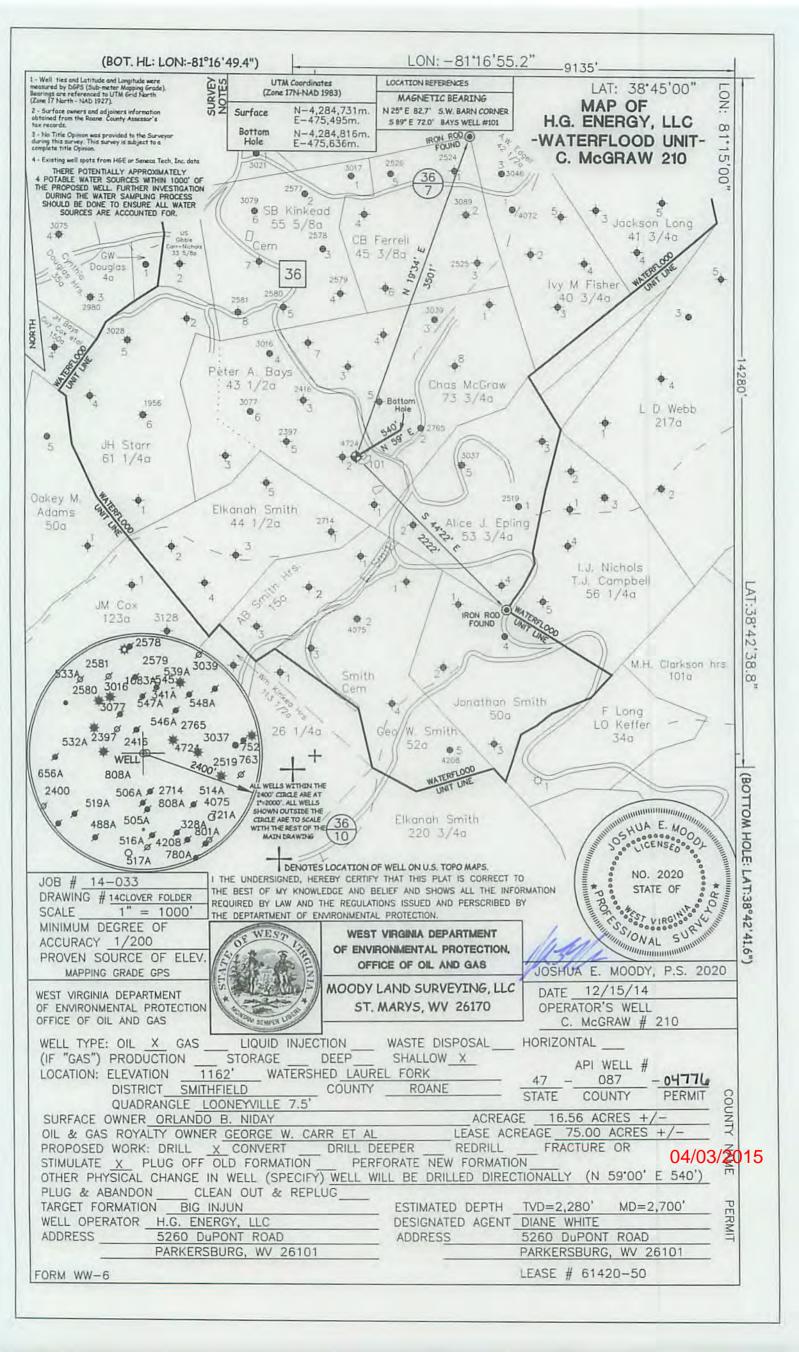
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Office of Oil and Gas

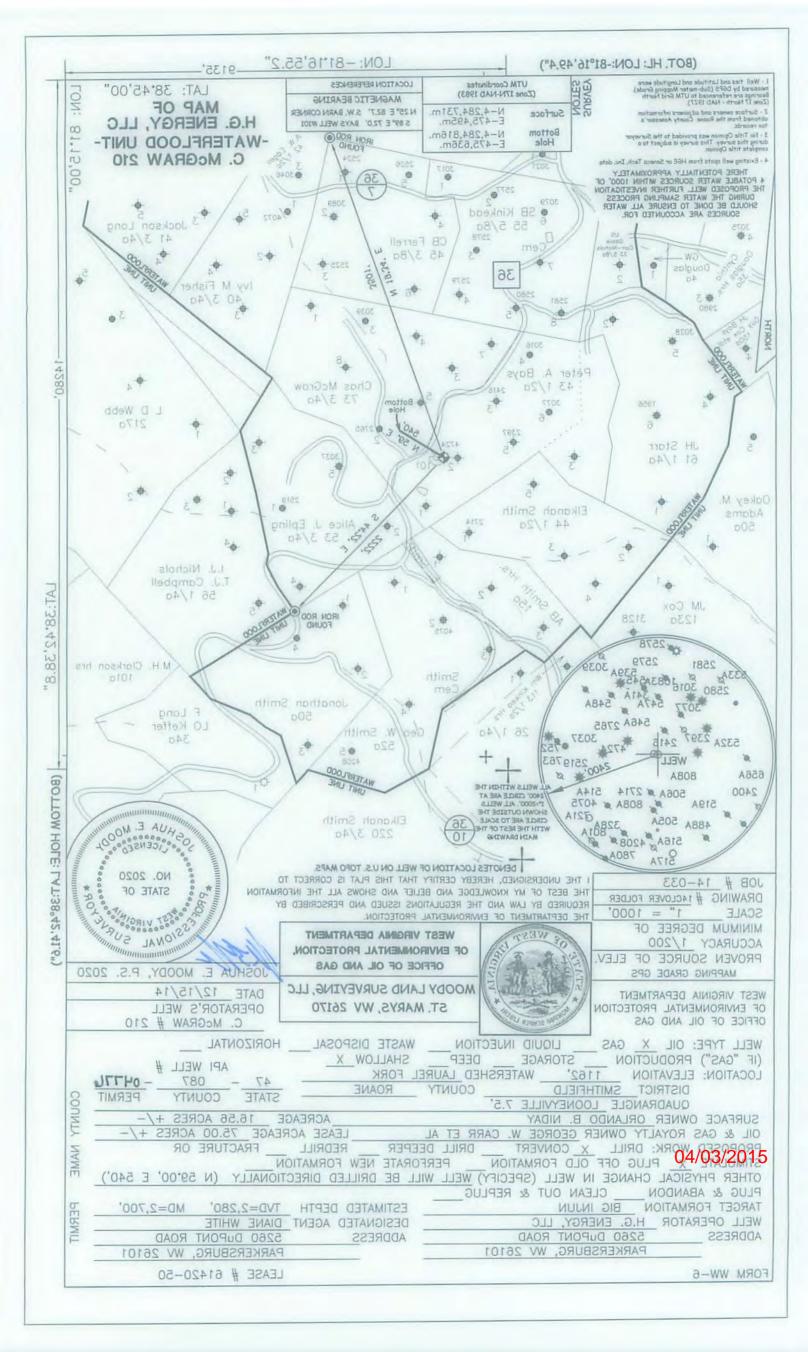
FEB 2 3 2015

WV Department of Environmental Protection 04/03/2015











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



February 10, 2015

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

RE: Charles McGraw No. 210

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: Orland B. Niday - Certified Ed Gainer - Inspector RECEIVED
Office of Oil and Gas

RECEIVED
Office of Oil and Gas

FEB 2 3 2015

WV Department of FEB 2 3 2015 Environmental Protection

WV Department of Environmental Protection