

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

May 05, 2016

WELL WORK PERMIT Vertical Well

This permit, API Well Number: 47-8704789, 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: JACKSON LONG 221

Farm Name: WEBB, PATTY C

API Well Number: 47-8704789

Permit Type: Vertical Well Date Issued: 05/05/2016

Promoting a healthy environment.

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, drilling ceased, completion of any other permitted well work and completion of the well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

Depths Set

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

Well Operate	or: HG E	Energy,	LLC	494497948	Roane	Smithfield	Looneyville 7.5
				Operator ID	County	District	Quadrangle
2) Operator's V	Vell Numb	er:Jacks	son Long 221		3) Elevation:	1145'	-
4) Well Type: (a	a) Oil <u>x</u>	_ or Ga	as				
(t	o) If Gas:	Produ	iction/ Un	derground Sto	orage		
		Deep	o/ S	Shallow X	_		
5) Proposed Ta 6) Proposed To 7) Approximate 8) Approximate	fresh wa	ter strata			Proposed Tar Proposed Tota		_
9) Approximate	coal sea	m depth:	s: NA				
10) Approximat	te void de	pths,(co	al, Karst, other):	NA			<u></u>
			s tributary to ac		IA.		
13)	late prod	<u>C</u> A	vell in the Big				
	Size	Grade	KIND THEFT A BU	For Drilling	Left in Well	V 45 4 1 1 1 1 1 1 1	T
Conductor	9.20						
Fresh Water	7"	LS	17#	645'	645'	CTS	3
Coal							
Intermediate							
Production	4 1/2"	J-55	10.5#	2240'	2240'fic	HECELY OD	sks
Tubing						100 1 0 2010	Cico
Liners					/	1 8 2016	
Packers: Kind					Enylyde	6 131	t of ection 05/06/2016

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

1). Date: March 3, 2016

2.) Operator's Well Number

Jackson Long 221

State

County Permit

3.) API Well No.:

47-

Roane

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

4) 0 0		5) (a) Carl Cranter
	wner(s) to be served:	5) (a) Coal Operator
(a) Name	Patty C. Webb	Name NA
Address	P. O. Box 461	Address
	Spencer, WV 25276	- Charles - Char
(b) Name	Willie King /	(b) Coal Owner(s) with Declaration
Address	1090 Clover Road	Name NA
	Spencer, WV 25276	Address
(c) Name	Richard Fisher et al.	Name
Address	4513 Clay Road	Address
01751777	Spencer, WV 25276	
6) Inspector	Joe Taylor	(c) Coal Lessee with Declaration
Address	1478 Claylick Road	Name NA
/ ladi coo	Ripley, WV 25276	Address
Telephone		/ Nadicos
reiepriorie		AMED ABOVE TAKE NOTICE THAT:
Included is	the lease or leases or other continuing	g contract or contracts by which I hold the right to extract oil and gas
OR		
Included is	the information required by Chapter 22	2, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
I certify	that as required under Chapter 22-6	of the West Virginia Code I have served copies of this notice and
application, a lo		ents pages 1 through on the above named parties by:
_	Personal Service (Affidavit atta	iched)
	Certified Mail (Postmarked pos	stal receipt attached)
9.2	Publication (Notice of Publication	
		d 35 CSR 4, and I agree to the terms and conditions of any permit
issued under th		
		sonally examined and am familiar with the information submitted on
		ased on my inquiry of those individuals immediately responsible for
	formation, I believe that the information	n is true, accurate and complete. s for submitting false information, including the possibility of fine and
imprisonment.	ware that there are significant penalties	s for submitting raise information, including the possibility of fine and
imprisonment.	Well Operator	HG Energy, LLC
processor and the same	By.	Diane White Diane White
G WIST DO	UFFICIAL SEAL BY	Agent State Cornel
		5260 Dupont Road
	PO Box 5519, Vienna, WV 26106	Dedicarehouse MAY 20101
Communication of the same of t	My Commission Expires Navember 2, 2021 Telephone:	004 100 1110
	Email:	dwhite@hgenergyllc.com office of Oil and Gas
Subscribed and	sworn before me this 3rd day o	March 2016
	7 / 100	Noton: Public APR 1 8 2016
//	MI	Notary Public
MAC		
My Commission		2, 202(My Department of
	n Expires November	2, 202(WV Department of Environmental Protection Environmental Protection Solution 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 course of business or as negleto formation 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

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.
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Grantee, Lessee, etc.

Royalty

Book/Page

*** See Attached Sheet ***

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 overrous values, or nullifies the need for other permits/approvals that may be necessary and further affirms that the permits/approvals should be ac quired from the appropriate authority before the affected activity is initiated.

APR 1 8 2016

Well Operator: By:Its:

Diane White	MIN
HG Energy, LLC	WV Department of
Diane White, Agent	Environmental Protection

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

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- 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;
- the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which (2)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
Jackson Long, et ux	South Penn Oil Company	1/8	17/562

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 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 US Fish and Wildlife Service County Floodplain Coordinator

HECEIVED Office of Oil and Gas

APR 1 8 2016

		WV Department of			
Well Operator:	HG Energy, LLC	Environmental Protection o			
Rv•	Diane C. White	Environmental Protestion 6			

Accountant

WW-2B1 (5-12)

Well No.	Jackson Long 221
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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
Sampling Contractor
Sturm Environmental Lab
Sturm Environmental Lab

Well Operator Address 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.

- See Attached Sheet-

Office of Oil and Gas

WV Department of Environmental Protection

05/06/2016

WW-2B1 Well No. Jackson Long 221

Page 2 - Continued

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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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 underlining which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site please indicate such.

Surface Owners Identified With Water Sources to be Sampled and Tested:

- * Patty Webb PO Box 461 Spencer, WV 25276
- * Willie King 1090 Clover Road Spencer, WV 25276

RECEIVED
Office of Oil and Gas

APR 1 8 2016

WV Department of Environmental Protection 05/06/2016

WW-9	
(5/13)	

	Pa	ge	of	
API Number 47 -		-		
Operator's V	Well No.	Jackson I	.ang 221	

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

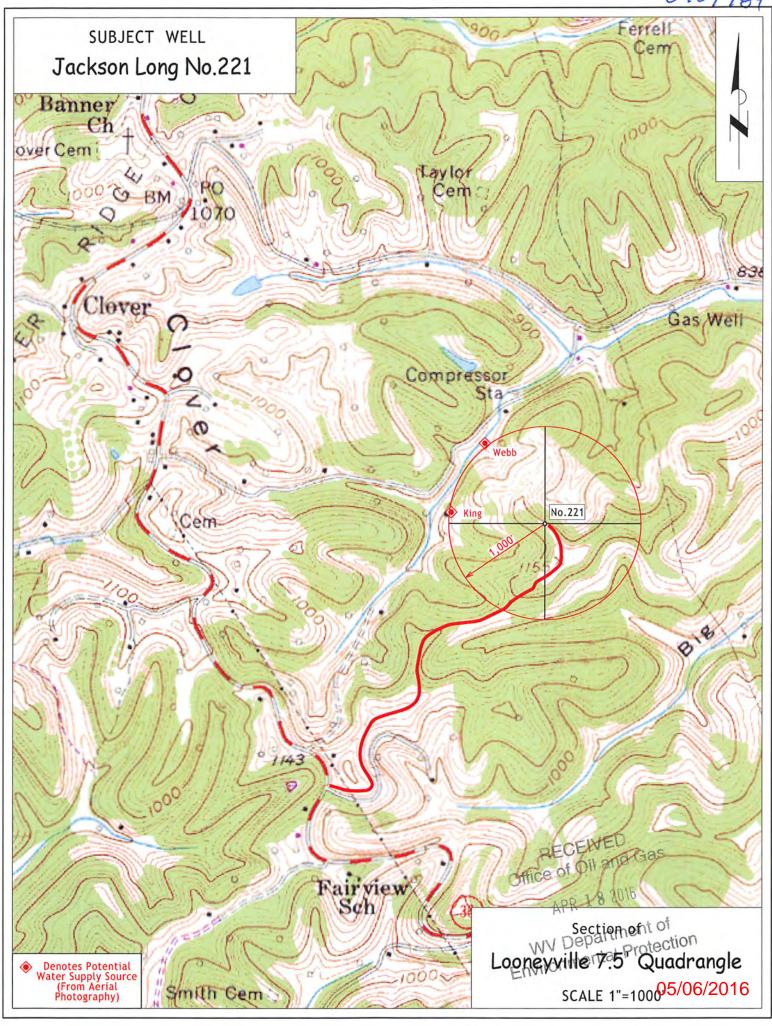
FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

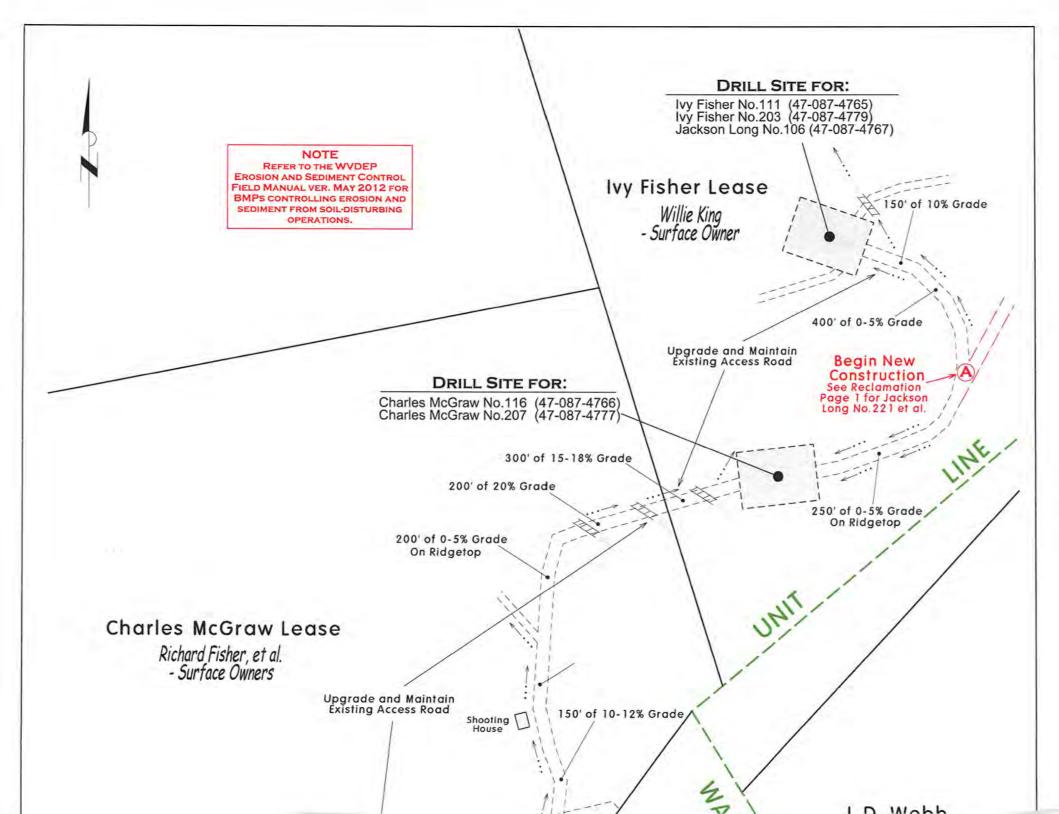
Operator Name HG Energy, LLC		OP Code 494497948
Watershed (HUC 10) Edgell Fork		Quadrangle Looneyville 7.5'
Elevation 1145'	County_Roane	District_ Smithfield
Do you anticipate using more than 5	,000 bbls of water to complete tl	the proposed well work? Yes No_x
Will a pit be used for drill cuttings?	Yes x No	
		ntered while drilling subject well
Will a synthetic liner be use	ed in the pit? Yes X No	If so, what ml.? 30 mil
Proposed Disposal Method		
Reuse (at		mber
		or disposar location)
Will closed loop system be used?		
The state of the s		d, etc. Air, Freshwater
		7 - 7 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -
Additives to be used in drilling medi		the stall agree in nit
Drill cuttings disposal method? Lea		
		d? (cement, lime, sawdust) Native soil, cement, lime
-Landfill or offsite name/pe	ermit number?	
on August 1, 2005, by the Office of provisions of the permit are enforce law or regulation can lead to enforce I certify under penalty of application form and all attachmer obtaining the information, I believe penalties for submitting false inform	Oil and Gas of the West Virginia table by law. Violations of any ement action. law that I have personally example the thereto and that, based on that the information is true, a faction, including the possibility of	itions of the GENERAL WATER POLLUTION PERMIT issues in Department of Environmental Protection. I understand that by term or condition of the general permit and/or other applical manifest 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 orginature	Diane White	
Company Official (Typed Name)	Diane White	TOFIVED
Company Official Title Agent		Office of Oil and Gas
Subscribed and sworn before me this	s 3rd day of March	20 1 W CO.
My commission expires No	OVEMBER 2 2	2021 ROLLY FUND TO BOX 5519

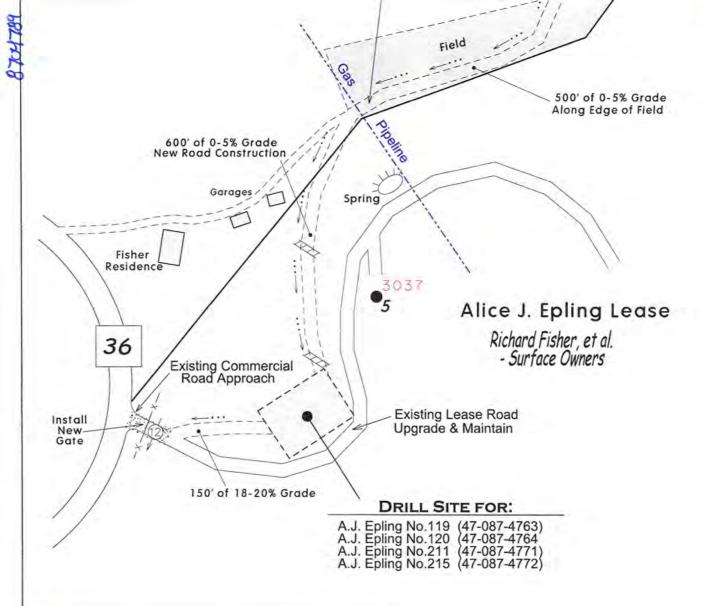


Title: OOC Z	speck	Date: 3-23-	-16
Field Reviewed?	Yes	() No	Office of Oil and Gas
	,		APR 18 2016

WV Department of Environmental Protection 05/06/2016







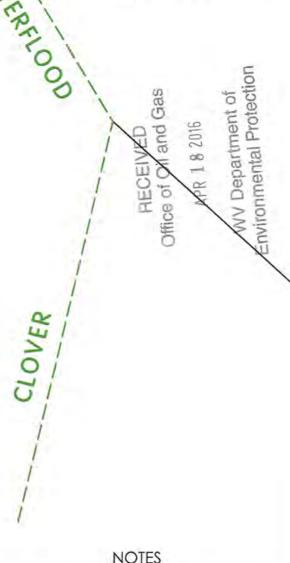


CLOVER WATERFLOOD

RECLAMATION PLAN SHOWING ROAD CONSTRUCTED IN 2015 TO SERVE CLOVER WATERFLOOD FIELD

(See Page 1 for New Road Construction Detail)

FEBRUARY 25, 2016



- 1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING **EROSION AND SEDIMENTATION FROM ALL** SOIL-DISTURBING OPERATIONS.
- 2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT A TO DRILL SITE LOCATION.
- 3. EXISTING WATERFLOOD ACCESS ROADS WILL BE MAINTAINED IN PRESENT CONDITION. THESE ROADS WERE CONSTRUCTED UNDER CONDITIONS SET FORTH IN VARIOUS DRILLING PERMITS ISSUED BY WVDEP-OOG PRIOR TO 2016 (As SHOWN). SEE PERMITS ON FILE FOR MORE DETAIL.

