

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 06, 2016

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-8704792, 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 220

Farm Name: WEBB, PATTY C

API Well Number: 47-8704792

Permit Type: Vertical Well Date Issued: 05/06/2016

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.

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

1) Well Operato	r: HG I	Energy,	LLC	494497948	Roane	Smithfield	Looneyville	7.5'
				Operator ID	County	District	Quadran	igle
2) Operator's W	ell Numb	er:Ja	ackson Long 22	20	3) Elevation:	1042'	_	
4) Well Type: (a) Oil <u>×</u>	or Ga	as					
(b) If Gas:	Produ	uction/ Un	derground Sto	orage			
		Dee	p/ §	Shallowx				
5) Proposed Tai 6) Proposed Tot 7) Approximate 8) Approximate	tal Depth fresh wa	: <u>2167'</u> ter strata	Feet a depths: ³⁹² '	Formation at	Proposed Tai Proposed Total	rget Depth: _ al Depth: _ ^{Bi}	1992' g Injun	-
9) Approximate	coal sea	m depth	s: NA	***				
10) Approximate	e void de	nths (co	al Karst other):	NA				
					A.1			
11) Does land c	ontain co	al seam	s tributary to ac	tive mine? _	No	·		
13)		CA	ASING AND TU	BING PROGF	RAM			
•	PECIFIC			FOOTAGE	INTERVALS	S CEMEI	<u>NT</u>	
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu	. Ft.)	
Conductor								•
Fresh Water	7"	LS	17#	542'	542'	CTS	I	. •
Coal						Offi	Receivence of Oil	
Intermediate							APR 20 2	
Production	4 1/2"	J-55	10.5#	2137'	2137'	210 s		
Tubing								
Liners								
Packers: Kind	•					MI		>
Sizes				,	<u> </u>	3-27-1	 5/06/2 01	6
Dept	hs Set					Ŭ	2, 33, 231	

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

4) Surface Owner(s) to be served:

1). Date: March 14, 2016

2.) Operator's Well Number

Jackson Long 220 County

State

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

5) (a) Coal Operator

(a) Name	Patty C. Webb	Name	NA	
Address	P. O. Box 461	Address		
	Spencer, WV 25276			
(b) Name	Willie King	(b) Coal C	wner(s) with De	eclaration
Address	1090 Clover Road	Name	NA	
11,000	Spencer, WV 25276	Address	-	
(c) Name	Richard Fisher et al.	Name		
Address	4513 Clay Road	Address		
Address	Spencer, WV 25276	- Others		
6) Inspector	Joe Taylor	(c) Coal Le	essee with Dec	laration
Address	1478 Claylick Road	Name	NA	
Address	Ripley, WV 25271	Address	147.0	
Telephone	304-380-7469	_ /\ddress		
relephone	TO THE PERSONS NAM	MED ABOVE T	AKE NOTICE	THAT.
Indicated to t	he lease or leases or other continuing			
Control of the second of the s	ne lease of leases of other continuing	CONTRACT OF CONTRA	acts by willcirin	old the right to extract on and gao
OR Included is t	he information required by Chapter 22	Article 6. Section	n 8(d) of the Coo	de of West Virginia (see page 2)
Included is t	that as required under Chapter 22-6	of the West Virg	inia Code I have	e served copies of this notice and
application a loc	cation plat, and accompanying docume	nts pages 1 thro	ugh on the a	above named parties by:
application, a loc	Personal Service (Affidavit attac	hed)		
1-3	x Certified Mail (Postmarked post		ed)	
	Publication (Notice of Publicatio			
I have re	ead and understand Chapter 22-6 and	35 CSR 4, and	I agree to the t	erms and conditions of any permit
issued under this	s application.			
1 certify	under penalty of law that I have person	onally examined	and am familiar	with the information submitted on
this application t	form and all attachments, and that ba	sed on my inqui	ry of those indivi	iduals immediately responsible for
obtaining the info	ormation. I believe that the information	is true, accurate	and complete.	
I am aw	are that there are significant penalties	for submitting fa	lse information, i	including the possibility of fine and
imprisonment.		HO Farmer I	1.0	
		HG Energy, I	TC 17	CL.
	OFFICIAL SEAL B	Diane White	Diane W	
611		Accountant	Dood	Received
	HG Energy LLC Address:	5260 Dupont		Office of Oil & Gas
	15. Completion System Management 2 2021 B	Parkersburg,		APR 2 0 2016
Commission		304-420-111		AFR 20 2016
we start here we have		dwhite@hger	lergylic,com	2016
Subscribed and	sworn before me this 14th day of	March		2010
/ (e1 100		Notary	Public
My Commission	Expires NOVEMBE	1 2 2	1 Votal y	1 4515
		00	101	
Oil and Gas Privacy	Notice			
The Office of Oil an	d Gas processes your personal information,	such as name, add	ress and phone nur	mber, as a part of our regulatory duties.

Your personal information may be disclosed to other State agencies or third parties in the normal cours 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

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

Oper	ator's	Well	Number	Jackson	Long	220
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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
-----------------------	-----------------------	---------	-----------

** 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 hereby 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.

Well Operator: HG Energy, LLC
By: Its: Diane White, Agent

Received
Office of Oil & Gas

APR 20 2016

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

Operator's Well No.	Jackson Long 220
Operators were recorded.	Juckson Long 220

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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 drillingoperations for the subject well in the location shown on the plat, including the use of access roads, pipelines and utilities.

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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. Anny Corps of Engineers US Fish and Wildlife Service County Floodplain Coordinator Received
Office of Oil & Gas
APR 2 0 2016

Well Operator:	HG Energy, LLC		
Ву:	Diane C. White	Diane White	
Its:	Accountant		

WW-2B1	
(5-12)	

Well	No.	Jackson	Long	220
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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.

- See Attached -

Received Office of Oil & Gas APR 20 2016

WW-2B1 Well No. Jackson Long 220

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 C. Webb PO Box 461 Spencer, WV 25276
- * Judith A. Ziegler, et al 387 Edgle Fork Spencer, WV 25276
- * Willie King 1090 Clover Road Spencer, WV 25276
- * Holly Cottrell 89 Edgle Fork Road Spencer, WV 25276

Received
Office of Oil & Gas
APR 20 2016

	Page	of_	
API Number 47 -			
Operator's We	II No. Jackson Lo	ong 220	

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name HG Energy, L	LC	OP Code 494497948
Watershed (HUC 10) Edgell F	Fork	Quadrangle Looneyville 7.5'
Elevation 1042	County_Roane	District_ Smithfield
Do you anticipate using more the Will a pit be used for drill cutting If so, please describe a Will a synthetic liner by Proposed Disposal Me Lane Under Reus	ngs? Yes _x No unticipated pit waste: _Fluids en be used in the pit? Yes _x uthod For Treated Pit Wastes: HApplication	No If so, what ml.? 30 mil Application Parm Hal apw Number
Othe	Site Disposal (Supply form WW er (Explain	-9 for disposal location)
Will closed loop system be use	d? No	
Drilling medium anticipated for	r this well? Air, freshwater, oil b	based, etc. Air, Fresh Water
-If oil based, what type	e? Synthetic, petroleum, etc. NA	
Additives to be used in drilling	medium? Water, Soap, KCI	
Drill cuttings disposal method?	Leave in pit, landfill, removed	offsite, etc. Leave in pit
		used? (cement, lime, sawdust) Native soil, cement, lime
on August 1, 2005, by the Office provisions of the permit are englaw or regulation can lead to englate application form and all attaction obtaining the information, I be	ce of Oil and Gas of the West Vinforceable by law. Violations of inforcement action. by of law that I have personally chments thereto and that, based believe that the information is to information, including the possibility. Diane White Diane White	onditions of the GENERAL WATER POLLUTION PERMIT issued reginia Department of Environmental Protection. I understand that the rany term or condition of the general permit and/or other applicable examined and am familiar with the information submitted on this is on my inquiry of those individuals immediately responsible for rue, accurate, and complete. I am aware that there are significant lity of fine or imprisonment. Received Office of Oil & Gas
Subscribed and sworn before n	ge this 14th day of M	Aarch , 20 16 OFFICIAL SEAL NOTARY PUBLIC. STATE OF WEST VIE MARK JS CHALL HG Energy LLC

	eatment: Acres Disturb	_{oed} 2.6 ac	res Prevegetati	on pH
Lime	Tons/acre or to	correct to pH	6.5	
	20 or equivalent)	EOO	cre (500 lbs minimum)	
Ctrous	-)		
Mulch_Straw		Tons/acr	e	
		Seed I	Mixtures	
	Area I			Area II
Seed Type	lbs/acre		Seed Type	lbs/acre
Tall Fescue	40		Tall Fescue	40
Ladino Clover	5		Ladino Clover	5
				
** Sediment Cont	rol Will Do In D	Naco At All	Times **	
	TOT VVIII DO III I		1111100	
Photocopied section of invo	Dec	>		
Comments:				
Comments:			Date: 3-23-16	
			2 220//	Received Office of Oil & Gas

Westbrook, Joshua P

From: Diane White <dwhite@hgenergyllc.com>

Sent: Friday, May 06, 2016 9:49 AM

To: Westbrook, Joshua P

Subject: Pit Fluids

Josh,

As per our discussion, HG does not intend to treat pit fluids for the following new well drill sites and plugging sites. HG will contract hauling the pit fluids to an authorized disposal site.

New Drill Sites:

CB Ferrell 218

Jackson Long 220

Jackson Long 129

Jackson Long 130

AW Edgell 127

IB Butcher 128

Wells to be plugged:

Stowers Heirs 6

Samuel Bowman 2

AA Woodrum 5

Woodrum Daniels 2

SW Nunn 1

SW Nunn 2

Please let me know if I should provide more information.

Thanks,

Diane

Diane C. White



HG Energy, LLC

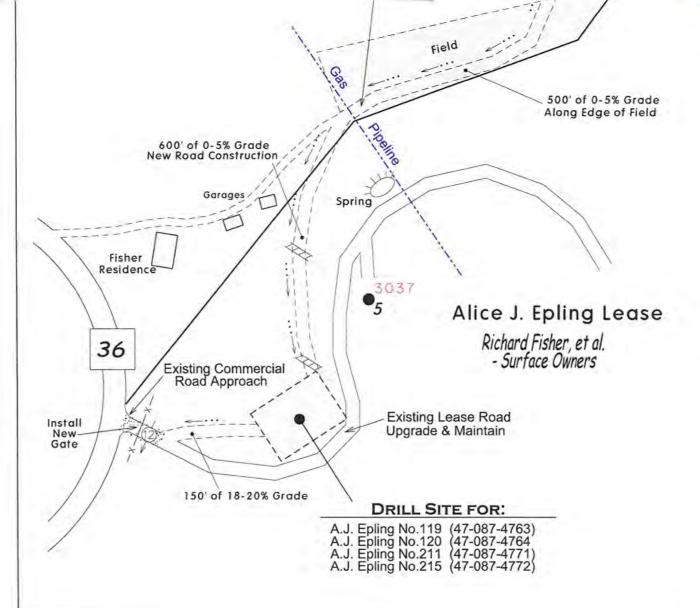
5260 Dupont Road Parkersburg, WV 26101

304-420-1119 (0)

304-482-0108 (C)

304-863-3172 (F)

dwhite@hgenergyllc.com





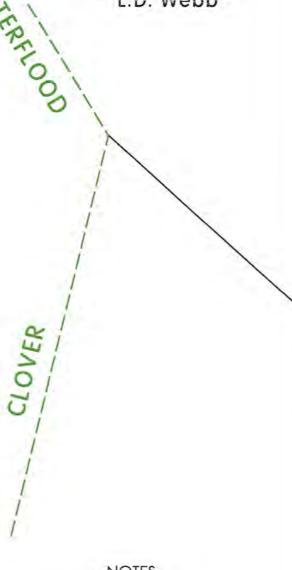
CLOVER WATERFLOOD

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

(See Page 1 for New Road Construction Detail)

FEBRUARY 25, 2016

PAGE 2



NOTES

- 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.

