

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 17, 2016

WELL WORK PLUGGING PERMIT

Plugging

This permit, API Well Number: 47-9100734, issued to MOUNTAINEER KEYSTONE, 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.

Upon completion of the plugging well work, the above named operator will reclaim the site according to the provisions of WV Code 22-6-30. The above named operator will also file, as required in WV Code 22-6-23, an affidavit on form WR-38 by two experienced persons in the operator's employment and the Oil and Gas inspector that the work authorized under this permit was performed and a description given. Failure to abide by all statutory and regulatory provisions governing all duties and operations here under may result in suspensions or revocation of this permit and in addition may result in civil and/or criminal penalities being imposed upon the operator.

This permit will expire in two (2) years from date of issue. If there are any questions, please free to contact me at (304) 926-0499 ext. 1654.

Operator's Well No: COULSON 2

Farm Name: TYGART EAST COMPANY

James Marti

API Well Number: 47-9100734 Permit Type: Plugging

Date Issued: 05/17/2016

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. Failure to adhere to the specified permit conditions may result in enforcement action.

CONDITIONS

- 1. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
- 2. 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.
- 3. Well work activities shall not constitute a hazard to the safety of persons.

WW-4B Rev. 2/01

| 1) Date April 7 | , 2016 |
|------------------------|--------|
| 2) Operator's | |
| Well No. Coulson #2 | |
| 3) API Well No. 47-091 | - 9734 |

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

APPLICATION FOR A PERMIT TO PLUG AND ABANDON

| 4) | Well Type: Oil(If "Gas, P | | | _/ Waste disposal/ e) Deep/ Shallow |
|----|---------------------------|----------------------------|------------------|--------------------------------------|
| 5) | Location: Elevatio | | Watershed Three | Fork Creek |
| | District | Knottsville - Le | County Taylor | Quadrangle Thorton 7.5 - 638 |
| 6) | Well Operator Mounta | aineer Keystone, LLC | 7) Designated Ag | gent Nathan Skeen |
| | Address 6031 V | Vallace Rd. Ext. Suite 300 | Addr | cess 65 Professional Place Suite 200 |
| | Pittsb | urgh, PA 15090 | | Bridgeport, WV 26330 |
| 8) | Oil and Gas Inspect | | 9) Plugging Cont | |
| | Name Kenneth Grey | rnolds | Name Pate | chwork Oil & Gas, LLC |
| | Address 613 Broad | Run Rd. | Address 8 | 8165 Elizabeth Pike |
| | Jane Lew, | WV 26378 | E | Elizabeth, WV 26143 |
| | | | | |

10) Work Order: The work order for the manner of plugging this well is as follows:

Well schematic and work order attached

Office of Oil and Gas
Notification must be given to the district oil and gas inspector 24 hours before permitted work can commence. APR 27 2016

Work order approved by inspector dimension

Coulson #2

47-091-00734

PROPOSED PLUGGING PROCEDURE

- 1. Prepare plugging permit application.
- 2. Certify to surface and coal owners.
- 3. Certify to designated State inspector for signature.
- 4. Once all signatures are obtained, copy for our records and certify to Jeff at the State Office for approval.
- 5. Receive plugging permit good for 2 years.
- 6. Notify the designated State inspector 24 hours prior to commencing operations.
- 7. Take equipment to location and begin prepping for plug.
- 8. Rig up
- 9. Verify total depth of 5117'
- 10. Run tubing to TD. Fill with a splash of gel. Set first plug with 8 sacks of Class A cement with no more than 3% CaCl2 and no other additives from 5072' up to 4969 (Bottom, Perf)
- 11. Pull tubing back, wait 8 hours
- 12. Run in and tag plug, add cement if necessary
- 13. Run 3 sacks of 6% Bentonite gel from 4969' up to 4114'.
- 14. Pull tubing to 4114'. Set second plug with 8 sacks of Class A cement with no more than 3% CaCl2 and no other additives from 4114' up to 4009'. (Perf)
- 15. Pull tubing back, wait 8 hours
- 16. Run in and tag plug, add cement if necessary
- 17. Run 4 sack of 6% Bentonite gel from 4009' up to 2850'
- 18. Look for 4 ½ free point, estimating around 2800', cut casing and pull.
- 19. Run tubing back to 2850'. Set third plug with 19 sacks of Class A cement with no more than 3% CaCl2 and no other additives from 2850' to 2750' (4 ½ Casing cut)

- 20. Pull tubing back, wait 8 hours
- 21. Run in and tag plug, add cement if necessary
- 22. Run 22 sack of 6% Bentonite gel from 2750' up to 875'
- 23. Pull tubing back to 875'. Set fourth plug with 29 sacks of Class A cement with no more than 3% CaCl2 and no other additives from 975' to 875' (Elevation)
- 24. Run 10 sack of 6% Bentonite gel from 875' up to 100'
- 25. Pulled tubing back to 100'. Set fifth plug with 29 sacks of Class A cement with no more than 3% CaCl2 and no other additives from 100' to surface. (Surface)
- 26. Pull tubing out, wait 8 hours
- 27. Additional cement if necessary
- 31. Solidify pit if necessary with more cement and lime, then bury. (We use portable pit)
- 32. Set 6" x 12.5" steel pipe with concrete with 1/2" API identification.
- 33. Rig down, and move equipment out.
- 34. Reclaim location
- 35. Prepare WR-34 & WR-38 for permit release.

Mys 1110 1 100' PLUE

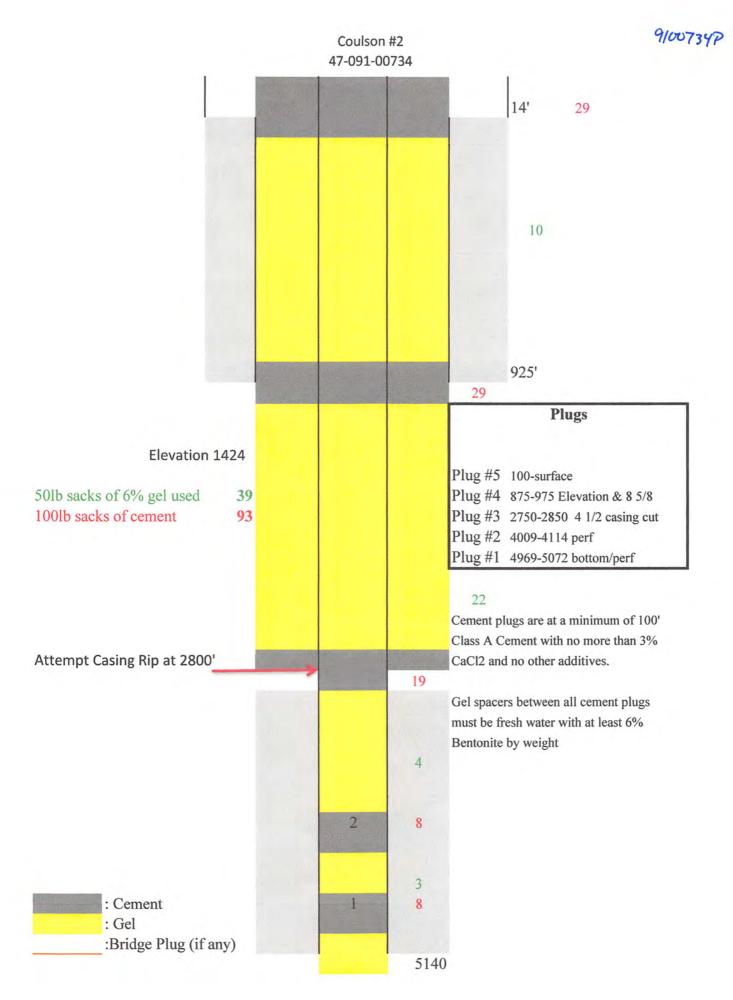
ACROSS ILLVATION

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Office of Oil and Gas

APR 27 2016

WV Department of Environmental Protection

05/20/2016



onmental 75/20/2016

State of West Virgini DEPARTMENT OF ENERGY Division of Oil and Gas

91007347

Well Operator's Report of Well Work

Farm name: TYGART EAST COMPANY Operator Well No.: COULSON #2

| LOCATION: Elevation: 1415.00 | Quadrangle: The | HORNTON | | |
|---|--|--|-----------------------------------|---|
| District: KNOTTSVI Latitude: 1850 Fe Longitude 4325 Fe | eet South of 39 | Deg. 20Min | . 0 Sec. | |
| Company:PETROLEUM DEVELOPMENT (P. O. BOX 26 BRIDGEPORT, WV 26330- | Casing | Used in Drilling | | Cement Fill Up Cu. Ft. |
| Agent: ERIC R. STEARNS | | | | |
| Inspector: PHILLIP TRACY Permit Issued: 06/05/99 Well work Commenced: 06/19/91 | Size 1 11 3/4" | 14' | 14' | |
| Well work Completed: 06/25/91 Verbal Plugging Permission granted on: | 8 5/8" | 925' | 925' | CTS 235 sks |
| Rotary x Cable Rig Total Depth (feet) 5140' Fresh water depths (ft) | 4 1/2" | 5117' | 5117' | 385 sks |
| 35; 780 Salt water depths (ft) | | | | |
| Coal Depths (ft): _200=208; 506=50 521-524; 473-53 OPEN FLOW DATA Producing formation Gas: Initial open flow | Behind cement Elk MCF/d Oil: I MCF/d F Etween initial an psig (surface on Riley MCF/d Oil: I Eled MCF/d Oil: I Eled MCF/d F Etween initial an psig (surface of Surface o | Pay zone nitial open inal open f d final tes e pressure) Pay zone nitial open inal open f d final tes e pressure) | after depth (ft flow low ts after | Hours 1) 4059-64 Bbl/d Bbl/d Hours Hours |
| NOTE: ON BACK OF THIS FORM PINTERVALS, FRACTURING OR STIME LOG WHICH IS A SYSTEMATIC DE INCLUDING COAL ENCOUNTERED BY | MULATING, PHYSIC ETAILED GEOLOGIC | AL CHANGE. | ETC. ZI. | THE WELL |
| For: | PETROLEUM DEVELO | | | |
| | By: Eric R. St | earns Office | of Oil and C | as as |
| | Date: 8-6 | -91 A | PR 2 7 2018 | |
| | | WVI | Department | of |

91007347

| COULSON # 2 |
|-------------|
| 47-091-0734 |
| 91076 |
| |

| WELL BORE CONDITIONS | 85/8 of 935 KB FT 235 383 |
|--|--|
| TUBING _ 1 2 at 4995 FT PACKER atFT CEMENT TOP atFT. PLUG atFT. PERFORATIONS: 13 HOLES FROM 5019 ' TO 5022 ' 31 " 4059 " 4064 ' "" " " " " " " " " " " " " " " " " " | ZONES STIMULATED 2 STACE 3RDELK RILEY POTENTIAL-ZONES BRILLTOWN 11/1 |
| CASED HOLE TO 5081 LOGGERS TO 5140 KB DRILLERS TO 5145 KB | PRODUCTION CASING 10.5 41/2 of 5/21 KBFT 385 SKS: 115 BBLS |

PETROLEUM DEVELOPMENT CORPORATION WELL HISTORY

| Nathan Coulson #2 |
|-------------------|
| Taylor County, WV |
| Permit #0734 |
| AFE# 91076 |
| Ls# 438400 |

- 06/19/91 UDI rig #6 spud well at 2 PM.
- 06/20/91 UDI rig #6 at 428' and foaming. Drilling 11" hole at 2 minutes/foot. Ran 1 joint of 11 3/4" conductor to 14'. Set at 24'. 1/2" stream fresh water at 35'.
- 06/21/91 UDI rig #6 TD 11" hole at 953'. Ran 21 joints of 8 5/8" casing (925'; set at 935'). Nowsco cement with 235 sks. Plug down at 8:00 AM
- 06/22/91 UDI rig #6 at 1338' and dusting. Drilling 7 7/8" hole at 2 minutes/foot.
- 06/23/91 UDI rig #6 at 2490' and dusting. Drilling 7 7/8" hole at 20 minutes/kelly. Gas check at 2354' no show.
- 06/24/91 UDI rig #6 at 4002' and dusting. Drilling 7 7/8" hole at 20 minutes/kelly. Gas check at 3657' odor.
- 06/25/91 UDI rig #6 TD 7 7/8" hole at 5145'. Gas checks: at 4156' 4/10 thru 1" with H2O = 21 Mcf; at 4312' 2/10 thru 1" with H2O = 15 Mcf; at 4343' 2/10 thru 1" with H2O = 15 Mcf; at 4968' 26/10 thru 1" with H2O = 54 Mcf; at 5030' 8/10 thru 1" with H2O = 30 Mcf. Schlumberger found a TD of 5140'. Stephens Tongs ran 126 joints and 3 pups of 10.5#/ft, 8 rd, J-55, 4 1/2" casing to 5117'. Casing string set at 5127'. Latch down at 5087'; 3 5/16" baffle at 3337'; pup joints at 4881' (5'), 3903' (10') and 2959' (15'). Nowsco pumped 175 bbl fresh water and mixed 115 bbl of cement slurry (385 sks of Thixotropic with 8# gilsonite/sk). Released plug and displaced with 12 bbl 15% HCl acid and 68.9 bbl treated water. Plug landed with 1000 psig, bumped to 2000 psig. Released OK at 3:46 PM. Estimated cement top at 2544'. Gas check after setting casing string = odor.
- O7/03/91 Hitwell Surveys ran a correlation and cement top log finding a TD of 5081' and a cement top of 2824'. The Elk formation was perforated with 13, .39 diameter holes from 5019' to 5022'. Nowsco established a breakdown with 2600 psig. ATP 3339 psig; AIR 23 bpm, 531 bbl of sand laden fluid; 100 sks 80/100: 425 sks 20/40; 500 gallons of acid; 59025 scf of N2; 20# gel system; ISIP 3000 psig; flushed with 65 bbl fresh water. Formation sanded off with 15 bbl of flush to go. Flowed well back thru 4" turn tube to remove sand from casing. Spotted acid over the Riley formation and perforated with 15, .39 diameter holes from 4059' to 4064'. Nowsco attempted to breakdown formation with 4400 psig. After several attempts to break the formation, the well was flowed back, acid respotted and the Riley was reperforated. The Riley would not breakdown so the job was stopped, the well was opened thru a 4" turn tube.
- 07/08/91 Service rig #85 drill out baffle at 3336'. Swabbed 4 1/2" casing.

 Try to kick off well, unsuccessful. Shut in.
- 07/09/91 Service rig #85 520 psig on 4 1/2". Try to blow back frac ball, unsuccessful.
- 07/10/91 Service rig #85 check pressure 520 psig on 4 1/2" casing English Cas out baffle ring at 4114' and check TD. Found top of sand at 5003' and Cas Sand pumped to 5035'. Swabbed 4 1/2" casing off and cleaned hole up.
- 07/12/91 Service rig #85 540# on 4 1/2", 440# on 1 1/2". Flowed well, 2010 brought a load and flowed tubing; cleaned tubing. Shut in. Rigged down and moved off.

Favionmental Projection

Coulson #2

| STAGE | FORMATION | PERFS | 80/100 SKS | 20/40 SKS | ACID GAL | N2 (MCF) |
|-------|-----------|----------------|---------------|--------------|-------------|-------------|
| 1st | Elk | 13 (5019-5022) | 100 | 425 | 500 | 59 |
| 2nd | Riley | 15(4059-4064) | 100 | 450 | 750 | 76 |

WELL LOG

| FORMATION | TOP FEET BOTTOM F | REMARKS: FRESH & SALT EET WATER, COAL, OIL & GAS |
|-----------------|-------------------|--|
| KB - GL | 0 1 | 0 |
| sand, shale, RR | 10 125 | |
| Little Lime | 1251 127 | 1 1/2" stream H20 @ 35') |
| sand, shale | 1275 129 | 5 3/4" stream H20 @ 780' 22 780' 20 78 |
| Big Lime | | 9 Coal 200-208; 506-509 Coal 521-524; 573-577 |
| Big Injun | 1299 138 | 5 Coal 521-524; 573-577 |
| sand, shale | 1385 149 | |
| Weir | 1493 160 | |
| | 1601 164 | |
| sand, shale | 1648 175 | |
| Gantz | 1755 180 | |
| sand, shale | 1805 183 | |
| 50 ft | 1836 189 | |
| sand, shale | 1891 192 | |
| 30 ft | 1925 198 | |
| sand, shale | 1989 206 | |
| Gordon | 2062 209 | gas chk @ 2077' No Show |
| sand, shale | 2098 215 | |
| 3rd | 2151 218 | 3 |
| sand, shale | 2183 228 | 3 |
| 4th | 2288 236 | gas chk @ 2354 No Show |
| sand, shale | 2364 238 | 5 |
| 5th | 2385 2449 | 9 |
| sand, shale | 2449 284 | gas chk @ 2570' No Show |
| Speechly | 2844 316 | |
| sand, shale | 3167 323 | |
| Balltown | 3231 351 | |
| sand, shale | 3510 356 | |
| Bradford | 3560 365 | |
| sand, shale | 3654 395 | |
| Riley | 3952 407 | gas chk @ 4344' 26/10-1"H20 |
| sand, shale | 4070 428 | |
| Benson | 4280 434 | |
| sand, shale | 4342 514 | |
| | 514 | |
| | 514 | D Logger TD |

correlation log log states 5081'

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APR 27 2016

WV Department of Environmental Protection 05/20/2016

05/20/2016

P.O. Box 26, Bridgeport, WV 26330

| WW-4A | |
|---------|------|
| Revised | 6-07 |

Date: April 7th, 2016
 Operator's Well Number
Coulson #2

091

3) API Well No .: 47 -

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

| | NOTICE OF APPLIC | ATION TO PLUG AND ABANDON A WELL |
|--|---|---|
| 4) Surface Ow | mer(s) to be served: | 5) (a) Coal Operator |
| (a) Name | Tygart East Company | Name |
| Address | 724 James St. | Address |
| | Bridgeport, WV 26330 | |
| (b) Name | | (b) Coal Owner(s) with Declaration |
| Address | | Name Hillman Coal Companty |
| | 1 | Address 724 James St. |
| | | Bridgeport, WV 26330 |
| (c) Name | | Name |
| Address | | Address |
| 6) Inspector | Kenneth Greynolds | (c) Coal Lessee with Declaration |
| Address | 613 Broad Run Rd. | Name |
| | Jane Lew, WV 26378 | Address |
| Telephone | 304-206-6613 | |
| Take notic accompany Protection, the Applic | you are not required to take any action at all. e that under Chapter 22-6 of the West Virgi ying documents for a permit to plug and aba with respect to the well at the location des | inia Code, the undersigned well operator proposes to file or has filed this Notice and Application and and an awell with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental cribed on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, registered or certified mail or delivered by hand to the person(s) named above (or by publication in |
| | Well One | erator Mountaineer Keystone, LLC |
| STA STA | OFFICIAL SEAL BY: | 715/h |
| 10.2 | NOTARY PUBLIC ts: | Designated Agent |
| ST ST | Address | 65 Professional Place Suite 200 |
| 3 | ANE LEW, WV 26378 | Bridgeport, WV 26330 |
| any Con | relephon | |
| | i com a lith | RECEIVED Office of Oil and Gas |
| | sworn before me this 11th | toren P. Johnsen Notary Public 2 7 2016 |
| My Commission | Expires June 2 | 4 20301 |
| Oil and Gas Priva | acy Notice | WV Department of |

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 depprivacyoffier@wv.gov.

WW-9 (2/15)

| API Number 47 - 09 | - 00734 |
|--------------------|---------|
|--------------------|---------|

Operator's Well No. Coulson #2

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

| Operator Name | OP Code 494501227 |
|--|---|
| Watershed (HUC 10) Three Fork Creek | Quadrangle Thornton 7.5 |
| Do you anticipate using more than 5,000 bbls of water to com | plete the proposed well work? Yes No |
| Will a pit be used? Yes No | ANY WELL EFFLUENT MUST |
| If so, please describe anticipated pit waste: | No If so, what ml.? |
| Will a synthetic liner be used in the pit? Yes | No If so, what ml.? |
| Proposed Disposal Method For Treated Pit Wastes: | |
| Land Application | |
| | nit Number) |
| Reuse (at API Number Off Site Disposal (Supply form W | W-9 for disposal location) |
| Other (Explain NO land pit, portal | ble pit is used. |
| | |
| Will closed loop system be used? If so, describe: NO | |
| | ntal)? Air, freshwater, oil based, etc. |
| -If oil based, what type? Synthetic, petroleum, etc. | |
| Additives to be used in drilling medium? | |
| Drill cuttings disposal method? Leave in pit, landfill, remove | |
| | |
| | be used? (cement, lime, sawdust) |
| -Landfill or offsite name/permit number? | |
| Permittee shall provide written notice to the Office of Oil and West Virginia solid waste facility. The notice shall be provide where it was properly disposed. | Gas of any load of drill cuttings or associated waste rejected at any ed within 24 hours of rejection and the permittee shall also disclose |
| on August 1, 2005, by the Office of Oil and Gas of the West Varieties of the permit are enforceable by law. Violations law or regulation can lead to enforcement action. I certify under penalty of law that I have personal application form and all attachments thereto and that, bas | |
| Company Official Signature | OFFICIAL SEAL STATE OF WEST VIRGIN |
| Company Official (Typed Name) Nothon Skeet | (A) (C) (C) (C) (C) (C) (C) (C) (C) (C) (C |
| Company Official Title Designated Agen | My-Commission-Expires June 24. |
| Subscribed and sworn before me this 11 th day of | April , 20 16 APR 27 2016 APR 27 2016 |
| My commission expires June 24, 2020 | WV Department of |
| | Environmental 05/20/2 |

| Form WW-9 | | | Operator's W | _{/ell No.} Coulson #2 |
|--|----------------------|-------------------|----------------------|--|
| Proposed Revegetation Treatment: Acres Disturbed 1 | | | Prevegetation pH 6.5 | |
| Lime 3 | Tons/acre or to corr | rect to pH 6.5 | | |
| | 500 | lbs/acre (500 lbs | minimum) | |
| Δ | | Tons/acre | | |
| | | Seed Mixtures | | |
| Area I | | | Are | ea II |
| Seed Type | lbs/acre | | Seed Type | lbs/acre |
| Fescue | 40 | | | and the second of the second o |
| Ladino Clover | 5 | | | |
| Rye Grass | 16 | | | |
| Plan Approved by: | | | | |
| Plan Approved by: | MIN + RYSTED | DSBP | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Title: 012 1. | LAS INSPECT | Un Date: | 4-20- | 16 |

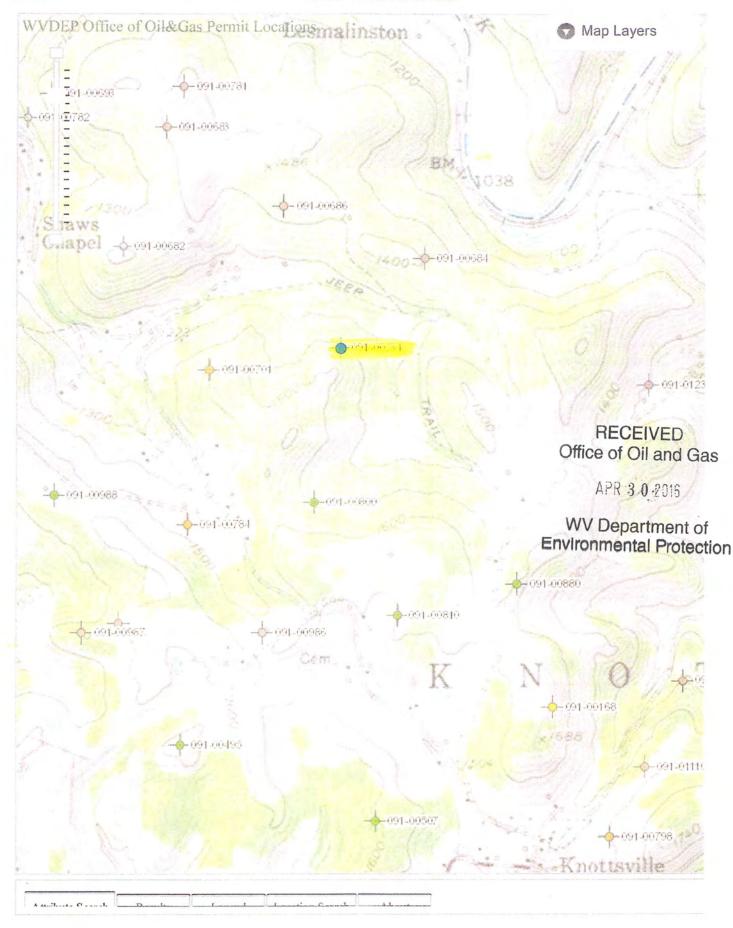
(_____) Yes

Field Reviewed?

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Office of Oil and Gas

APR 27 2016

WV Department of Environmental Protection 6



WW-7 8-30-06

prescribed by the Office of Oil and Gas.



West Virginia Department of Environmental Protection Office of Oil and Gas

| WELL LOCATION | ON FORM: GPS | | |
|--|--|--------------------------------|--|
| API: 47-091-00734 | #2 | | |
| FARM NAME: COULSON | | | |
| RESPONSIBLE PARTY NAME: MOUI | NTAINEER KEYSTO | NE | |
| COUNTY: TAYLOR | DISTRICT: KNOTTSVIL | LE | |
| COUNTY: TAYLOR QUADRANGLE: THORNTON 7 | ['] .5 | | |
| SURFACE OWNER: TYGART EA | | | |
| ROYALTY OWNER: TYGART EA | AST COMPANY | | |
| UTM GPS NORTHING: 588480.2 TUTM GPS EASTING: 4353717.4 | 1 | . / | |
| UTM GPS EASTING: 4353/1/.4 | GPS ELEVATION: 142 | 24 | |
| The Responsible Party named above has chose preparing a new well location plat for a pluggi above well. The Office of Oil and Gas will not the following requirements: 1. Datum: NAD 1983, Zone: 17 North | ng permit or assigned API number t accept GPS coordinates that do n | r on the ot meet | |
| height above mean sea level (MSL) | | | |
| Accuracy to Datum – 3.05 meters Data Collection Method: | | RECEIVED Office of Oil and Gas | |
| Survey grade GPS X : Post Processed D Real-Time Differ | | APR 3 0,2016 | |
| Mapping Grade GPS: Post Processed | WV Department of | | |
| | fferential | Environmental Protection | |
| 4. Letter size copy of the topograph; I the undersigned, hereby certify this data is cobelief and shows all the information required b | rrect to the best of my knowledge | and | |

Office manager
Title