

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 02, 2014

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-9101288, issued to PDC MOUNTAINEER 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: COALTRAIN NO. 21 HM

Farm Name: PATRIOT MINING COMPANY, INC

API Well Number: 47-9101288

Permit Type: Horizontal 6A Well

Date Issued: 04/02/2014

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) 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. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACOE). Through this permit, you are hereby being advised to consult with USACOE regarding this proposed activity.
- 2. 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 § 22-6A-5a (12), 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.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled Water Well Regulations, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

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

	WEEL WORK	I DIGHT THE BICE	91	02 378
1) Well Operator: PDC Mo	ountaineer LLC	494494839	Taylor	Courthouse Grafton 7.5'
A Committee of the Comm		Operator ID	County	District Quadrangle
2) Operator's Well Number:	: 21HM	Well Pa	ad Name: Coa	ltrain
3) Farm Name/Surface Own	ner: Patriot Mining	Corp Public Ro	ad Access: C	o Rt. 11 Wendall Road
4) Elevation, current ground	I: 1268'	Elevation, proposed	d post-construc	etion: 1268'
5) Well Type (a) Gas	Oil	Un	derground Stor	rage
Other				
(b)If Gas	Shallow _	Deep		
	Horizontal _			
6) Existing Pad: Yes or No	YES		-	
 Proposed Target Formation Marcellus Shale, Depth app 				d Pressure(s);
8) Proposed Total Vertical I	Depth: 7,770'			
9) Formation at Total Vertic	The state of the s	us Shale		
(0) Proposed Total Measure	ed Depth: 15,665'			
11) Proposed Horizontal Le	g Length: 7000'			
2) Approximate Fresh Wat	er Strata Depths:	163', 387'		
13) Method to Determine Fr	resh Water Depths:	Well Records		
4) Approximate Saltwater	Depths: None			
15) Approximate Coal Sean	Depths: 688', 754	4', 855', 1088'		
16) Approximate Depth to I	Possible Void (coal	mine, karst, other):	None anticipat	ed working on a old strip bench
17) Does Proposed well loca directly overlying or adjace			1	No FECEIVED
(a) If Yes, provide Mine In	nfo: Name: N/	A		Office of Oil and Ga
	Depth:			NOV 252013
	Seam:			
	Owner:			WV Department
				Environment

18)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)	
Conductor	20"	New	H-40	94#	80'	80'	CCTS	
Fresh Water	13 3/8"	New	H-40	48#	450'	450" ,	CCTS	
Coal						Burga Her	11-22	13
Intermediate	9 5/8"	New	J-55	36#	2,800'	2,800	CCTS	
Production	5 1/2"	New	P-110	20#	15,665'	15,665'	875 SX]
Tubing								
Liners]

ТҮРЕ	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	24"	.756	1500	1	1.06
Fresh Water	13 3/8"	17 1/2"	.66	1730	1	1.36
Coal						
Intermediate	9 5/8"	12 1/4"	.704	3520	1	1.38
Production	5 1/2"	8.5"/8.75"	.722	12640	Н	1.18
Tubing						
Liners						

PACKERS

Kind:		
Sizes:		
Depths Set:		

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
Drill and complete a horizontal Marcellus Shale well. Following all State and Federal guidelines. All casing will be new and the production casing cement will go at least 100' into the intermediate casing if we don't CCTS.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Slick water frac, pumping 85 BBL min maximum. Each stage to contain approx 10,000 BBL of water and 400,000 lbs of sand. Max pressure of 9000 PSI.
21) Total Area to be disturbed including roads stocknile area nits ato (cores). 5 ac. No new disturbance
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres):
22) Area to be disturbed for well pad only, less access road (acres): 2
23) Describe centralizer placement for each casing string:
Conductor: None Surface: 1 every 90' of pipe and a basket Intermediate: 1 every 7 joints and a basket Production: 1 every 12 joints in the vertical section then 1 every 2 joints in the horizontal section
24) Describe all cement additives associated with each cement type:
See Attached Sheet
25) Proposed borehole conditioning procedures:
Surface and intermediate holes are cleaned with air. Production hole circulated with mud for at least 4 hours with high viscosity sweeps ran occasionally.

Open Mine Contingency Plan

The Coaltrain wells are being drilled on a pre-existing well pad in which no open mines have been encountered.

Conductor – diameter will be changed to accommodate possible mine string, the new diameter will be 24", H-40 grade, 94#, cemented to surface.

Mine String - if an open mine is encountered, PDCM will run 20" (H-40, 48#) as a mine string. The mine string will be set between 30 to 50 feet below the base of the open mine encountered. The mine string will have a cement balance job on the bottom (below the open mine), and the top will be surface-grouted to ground level.

Regardless of whether an open mine is encountered, PDCM will drill to 600' (per the Casing and Tubing Program in the Permit package) and set a 13 3/8" fresh water string through all potential zones and cement to surface.

Describe all cement additives associated with each cement type:

Conductor: Type 1 Cement

Surface: Type 1 Cement +2% CaCl + 0.25pps Cello Flake

<u>Intermediate</u>: Pre-Flush – Mud Clean 1 Type 1 Cement +2% CaCl + 0.25pps Cello Flake

Production: Pre-Flush - Mud Clean 1

Lead - Class H Cement + 0.1% bwoc R-3 + 0.25% bwoc CD-32 + 1.2% bwoc FL-62 + 0.1% bwoc

ASA-301 + 0.4% bwoc Sodium Metasilicate + 50.5% Fresh Water

Tail: Type I Cement + 0.4% bwoc R-3 + 0.3% bwoc CD-32 + 1% bwoc FL-62 + 0.15% bwoc

ASA-301 + 50.5% Fresh Water

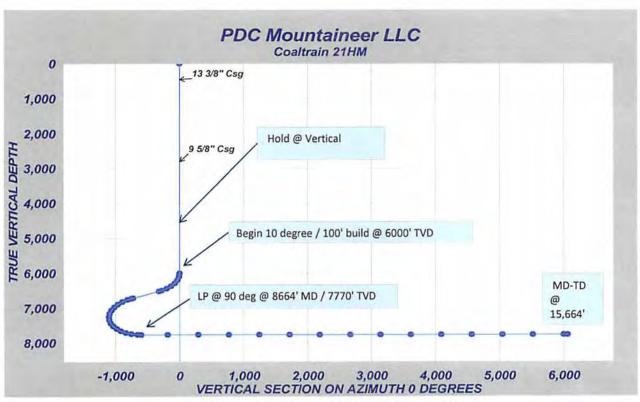
Additives:

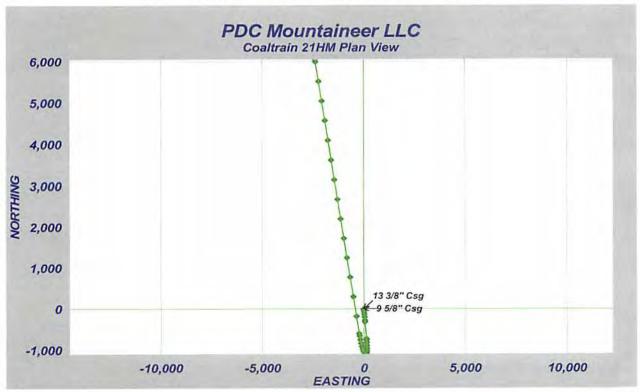
CaCl – Calcium Chloride – Accelerator
Cello Flake – Lost Circulation control agent
R-3 – Retarder
CD-32 – Dispersant
FL-62 – Fluid-loss control agent

ASA-301 - Sodium Metasillicate - Free water control + Solid suspension

PDC Mountaineer LLC Coaltrain 21HM Well Plan Taylor County, WV







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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name PDC Mountain	eer LLC		OP Code	494494839	
Watershed (HUC 10) Sand I	ick Run of Simpson Creel	Quadra	ngle Grafton 7.5'		
Elevation 1268	County_Tay	or	District_	Courthouse	_
Do you anticipate using more Will a pit be used? Yes	No		sed well work?	Yes No No	
The second secon	anticipated pit waste.	lowback water			-
Will a synthetic line	be used in the pit? Yes _	V No L	_ If so, what ml.?	40	
Proposed Disposal N	Method For Treated Pit Wa	stes:			
Ur Re Of	nd Application Iderground Injection (UIC use (at API Number_Wells f Site Disposal (Supply fo her (Explain_	to be determined			
Will closed loop system be us	sed? If so, describe: cutting	s go into a half round	where they are so	lidified and hauled to Meadov	vfill
Drilling medium anticipated	for this well (vertical and h	orizontal)? Air, fres	hwater, oil based,	etc. Vertical air Horizontal mud	
-If oil based, what ty	pe? Synthetic, petroleum,	etc.Synthetic			
Additives to be used in drillir			p, Caustic soda, Bar,	X-cide	
Drill cuttings disposal method					
-If left in pit and pla	n to solidify what medium	will be used? (ceme	nt, lime, sawdust)	N/A	
	ame/permit number?Meado				
on August 1, 2005, by the Of provisions of the permit are law or regulation can lead to	fice of Oil and Gas of the enforceable by law. Viola enforcement action. dty of law that I have pe achments thereto and that believe that the informat	West Virginia Depart ations of any term or rsonally examined a at, based on my inquion is true acgurate	ment of Environm condition of the and am familiar we uiry of those ind and complete.	general permit and/or other ith the information submitt lividuals immediately report I am aware that there are Office of the other lines.	nd that the applicable ed on this matible for significants
Company Official Signature_		TATE	50	OFFICIALS AS	2013
Company Official (Typed Na	ame) Jamie Haga	//	7	Moral A Laplic' prant Chock	
Company Official Title Age	nt	0		Batheron FP203	
Subscribed and sworn before	me this 20th da	y of Noven	nber.	20_13	
J del	2 wyc	S	Nota	ry Public	
My commission expires	Arch 14, 702	5.		04/04	/2014

Form WW-9

Operator's Well No. 21HM

PDC Mountaineer Li	LC			
Proposed Revegetation Treatm		-	Prevegetation pH	7.2
Lime 3	Tons/acre or to	correct to pH 6.5		
10-20 Fertilizer type)-20			
Fertilizer amount 50	00 Min	lbs/acre		
Mulch 2-3	-	Tons/acre		
<u> </u>				
		Seed Mixtures		
Ten	nporary		Permai	ient
Seed Type	lbs/acre		Seed Type	lbs/acre
Timothy Grass	40			
Orchard Grass	12			
Redtop clover	5			
provided) Photocopied section of involv Plan Approved by:		sheet.	·	
Comments:				
				
Title: WVDEP Oil &	Gas Inspect	Or Date:_	11-22-13	
Field Reviewed?	Yes Yes	() No	•	

