



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

January 08, 2014

WELL WORK PERMIT
Rework-Secondary Recovery

This permit, API Well Number: 47-9501512, 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. C. PENNICK M-14
Farm Name: McCOY, DONALD L.

API Well Number: 47-9501512

Permit Type: Rework-Secondary Recovery

Date Issued: 01/08/2014

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. 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 within 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.

State of West Virginia
 Division of Environmental Protection
 Section of Oil and Gas

Well Operator's Report of Well Work

Farm name: McCOY, DONALD L.

Operator Well No.: C. C. PENNICK M-14

LOCATION: Elevation: 1030' Quadrangle: CENTER POINT

District: MCELROY County: TYLER
 Latitude: 9,200 Feet South of 39 Deg. 30Min. 0 Sec.
 Longitude 2,550 Feet West of 80 Deg. 40 Min. 0 Sec.

Company: PENNZOIL PRODUCTS COMPANY
 P. O. BOX 5519
 VIENNA, WV 26105-5519

Agent: JAMES A. CREWS

Inspector: MIKE UNDERWOOD
 Permit Issued: 11/02/92
 Well work Commenced: 12/20/92
 Well work Completed: 05/01/93
 Verbal Plugging _____
 Permission granted on: _____
 Rotary X Cable _____ Rig
 Total Depth (feet) 3136'
 Fresh water depths (ft) N/A
 Salt water depths (ft) N/A

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
8-5/8"	307.55'	307.55'	140 sks.
4-1/2"	3082.45'	3082.45'	300 sks.

Is coal being mined in area (Y/N)? N
 Coal Depths (ft): N/A

OPEN FLOW DATA (Water Injection Well)

Producing formation Gordon Pay zone depth (ft) 2994-3054
 Gas: Initial open flow _____ MCF/d Oil: Initial open flow _____ Bbl/d
 Final open flow _____ MCF/d Final open flow _____ Bbl/d
 Time of open flow between initial and final tests _____ Hours
 Static rock Pressure _____ psig (surface pressure) after _____ Hours

Second producing formation _____ Pay zone depth (ft) _____
 Gas: Initial open flow _____ MCF/d Oil: Initial open flow _____ Bbl/d
 Final open flow _____ MCF/d Final open flow _____ Bbl/d
 Time of open flow between initial and final tests _____ Hours
 Static rock Pressure _____ psig (surface pressure) after _____ Hours

NOTE: ON BACK OF THIS FORM PUT THE FOLLOWING: 1). DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2). THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELBORE.

For: PENNZOIL PRODUCTS COMPANY
 By: Timothy P. Roush, Supervisor - Surveying/Mapping
 Date: September 14, 1993

9501512AS
SR

WW-2B1

Well No. C. C. Pennick M-14

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.

If no water well or spring is located within 1000 feet, the Chief may require the operator to sample and analyze water from a water well or spring within 2000 feet of the proposed well site.

Be advised, you have the right to sample and analyze any water supply at your own expense.

The laboratory used by the operator to analyze the samples will be approved by the Chief. The operator named below has decided to use the following laboratory to analyze the water samples:

Contractor Name Sturm Environmental Services
 Well operator's private laboratory

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 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.

No known Water Supply Sources are located within 2000' of proposed well.

RECEIVED
Office of Oil and Gas
NOV 20 2013
West Virginia Department of
Environmental Protection

01/10/2014

9501512 ~~PS~~
SR

Form WW-9
Rev. 10/94

Page 3 of 8
API Number 47-095-1512
Operator's Well No. C. C. Pennick M-14

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

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator HG Energy, LLC OP Code 494497948
Watershed Lefthand Fork Quadrangle Centerpoint 7.5"
Elevation 1030' County Tyler District McElroy

Description of anticipated Pit Waste: Fluids encountered in drilling and stimulating existing well.

Do you anticipate more than 5,000 bbls of water to complete the proposed well work: Yes _____ No X

Will a synthetic liner be used in pit? Yes _____ If so, what mil? 10 mil. 20 mil

Proposed Disposal Method For Treated Pit Wastes:
 Land Application

Underground Injection (UIC Permit Number _____)

Reuse (at API Number _____)

Off Site Disposal (Supply Form WW-9 for disposal location)

Other (Explain _____)

Drilling medium anticipated for this well? Air, fresh water, oil based, etc. NA
- If oilbased, what type? Synthetic, petroleum, etc. _____

Additives to be used? _____
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in pit
- If left in pit and plan to solidify, what medium will be used? Cement, lime, sawdust Native soil, cement, lime
- Landfill or offsite name/permit number? _____

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

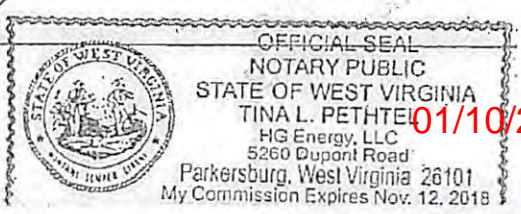
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

Company Official Signature Diane C. White
Company Official (Typed Name) Diane C. White
Company Official Title Accountant

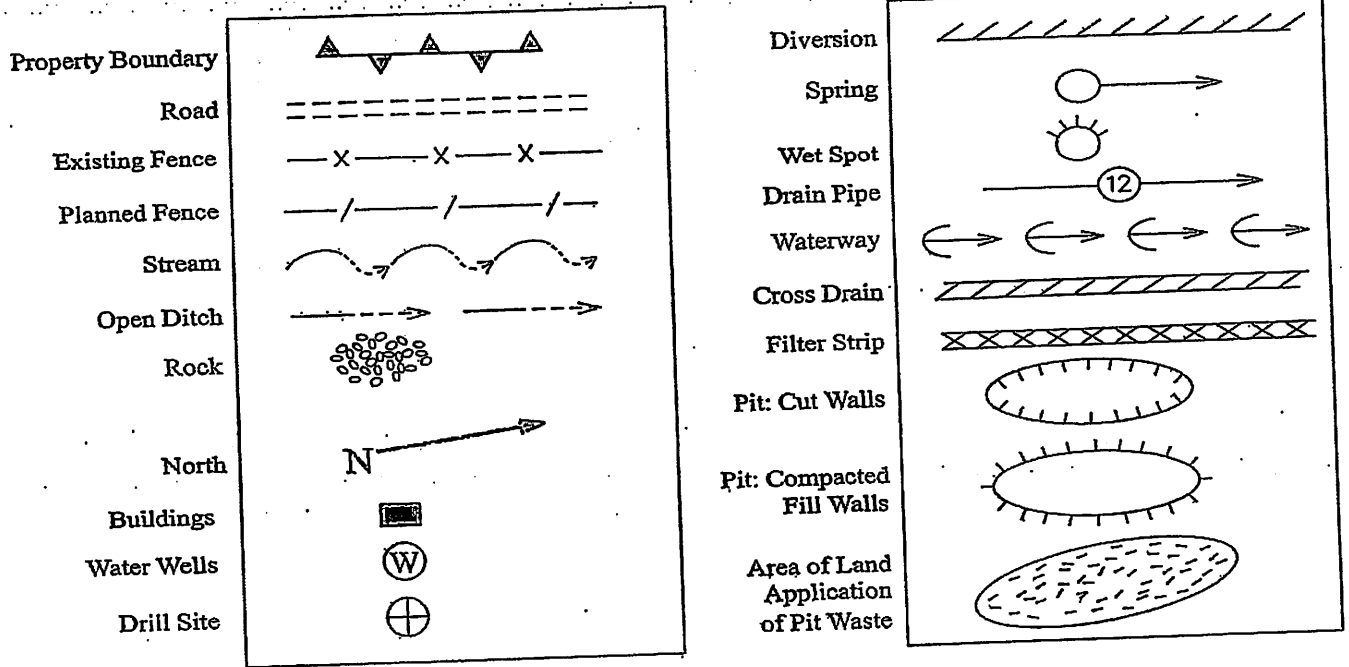
Subscribed and sworn before me this 12 day of August 2013
Tina L. Peth Notary Public

My commission expires Nov. 12, 2018

Form WW-9



Legend



Proposed Revegetation Treatment: Acres Disturbed

Area I
Approx. 1.0 Ac. Prevegetation pH _____

Area II
Approx. 0.3 Ac.

Lime _____ 2 Tons/Acre or Correct to pH 6.5

Fertilizer (10-20-20 or Equivalent) _____ 500 Lbs./Acre (500 lbs. Minimum)

Mulch _____ Straw _____ 2 Tons/Acre

SEED MIXTURES

<u>Area I (Location)</u>		<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.	Seed Type	Lbs./Ac.
Tall Fescue	40	Tall Fescue	40
Ladino Clover	5	Ladino Clover	5

Attach:
Drawing(s) of road, location, pit, and proposed area for land application
Photocopied section of involved 7.5' topographic sheet.

Plan approved by: [Signature]

Comments: _____

Title: Inspector Date: 11-4-13

Field Reviewed: Yes () No

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES
DIVISION OF WATER RESOURCES
WATER QUALITY CONTROL DIVISION

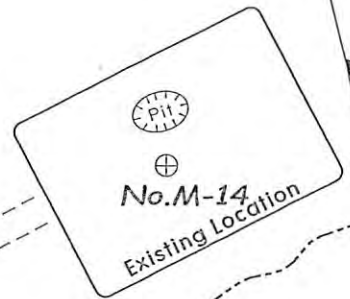
Reclamation Plan For: C.C Pennick No.M-14

47-095-1512

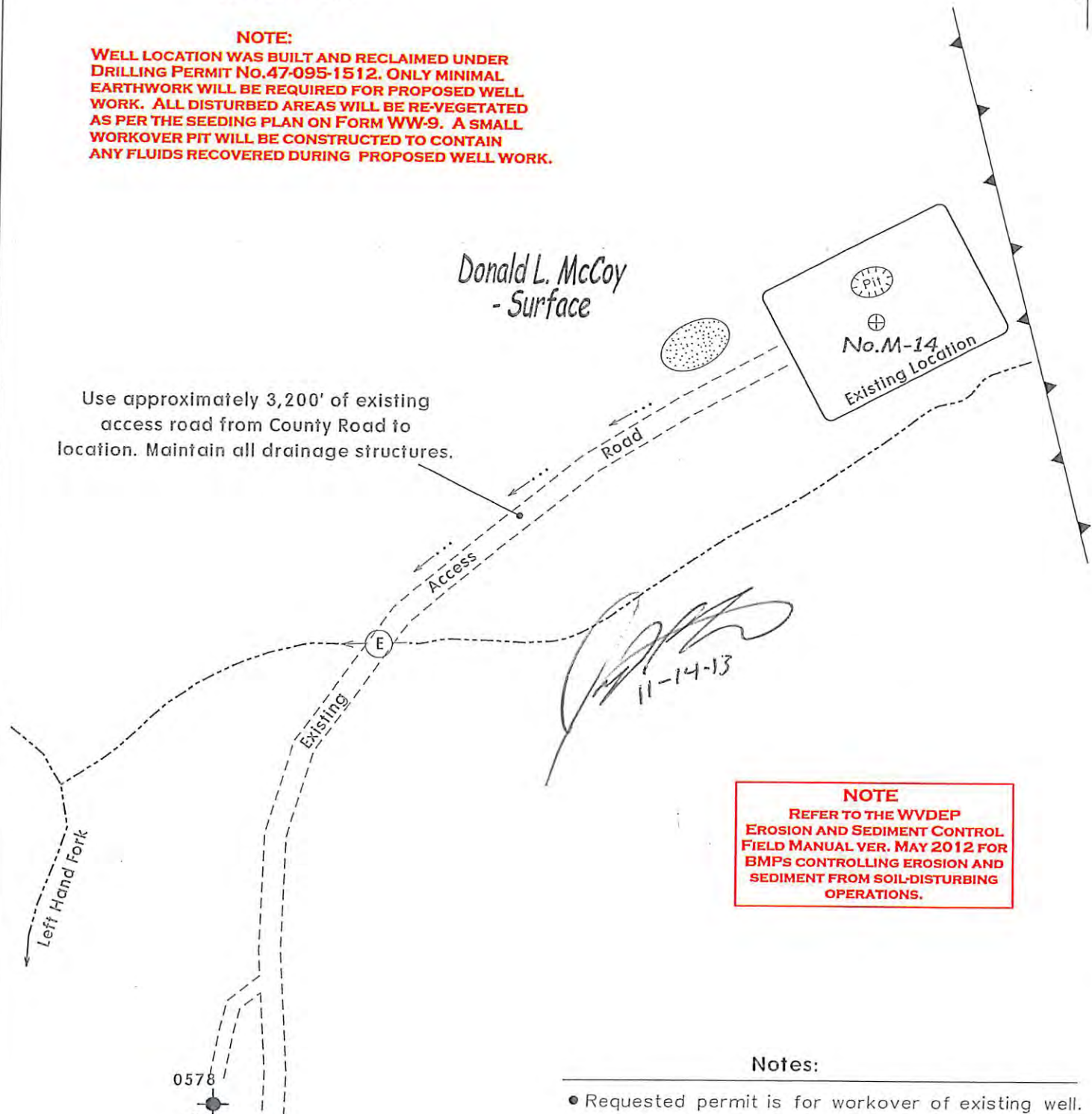


NOTE:
WELL LOCATION WAS BUILT AND RECLAIMED UNDER DRILLING PERMIT No.47-095-1512. ONLY MINIMAL EARTHWORK WILL BE REQUIRED FOR PROPOSED WELL WORK. ALL DISTURBED AREAS WILL BE RE-VEGETATED AS PER THE SEEDING PLAN ON FORM WW-9. A SMALL WORKOVER PIT WILL BE CONSTRUCTED TO CONTAIN ANY FLUIDS RECOVERED DURING PROPOSED WELL WORK.

Donald L. McCoy
- Surface



Use approximately 3,200' of existing access road from County Road to location. Maintain all drainage structures.



NOTE
REFER TO THE WVDEP EROSION AND SEDIMENT CONTROL FIELD MANUAL VER. MAY 2012 FOR BMPs CONTROLLING EROSION AND SEDIMENT FROM SOIL-DISTURBING OPERATIONS.

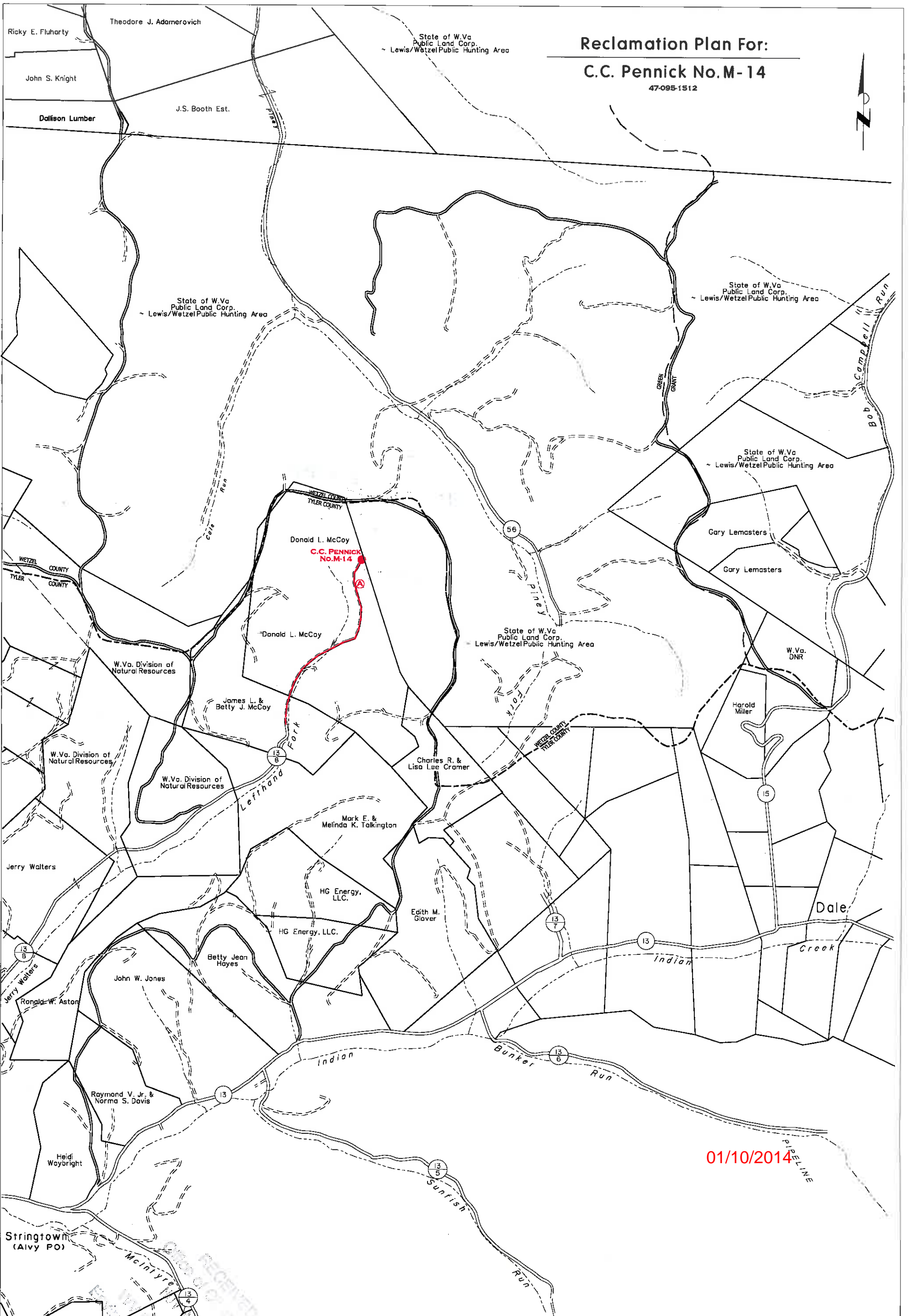
Notes:

- Requested permit is for workover of existing well.
- Access from County Road to well location is existing. Structures will be maintained.
- All disturbed areas will be re-vegetated as outlined on Form WW-9.
- Maintain sediment barriers and drainage structures.
- All road grades <5% except as noted.
- Location of work-over pit may be changed based on as-built considerations.

See Page 2 for Reclamation Plan From Pt. (A) to County Road

01/10/2014

Reclamation Plan For:
C.C. Pennick No.M-14
 47-095-1512



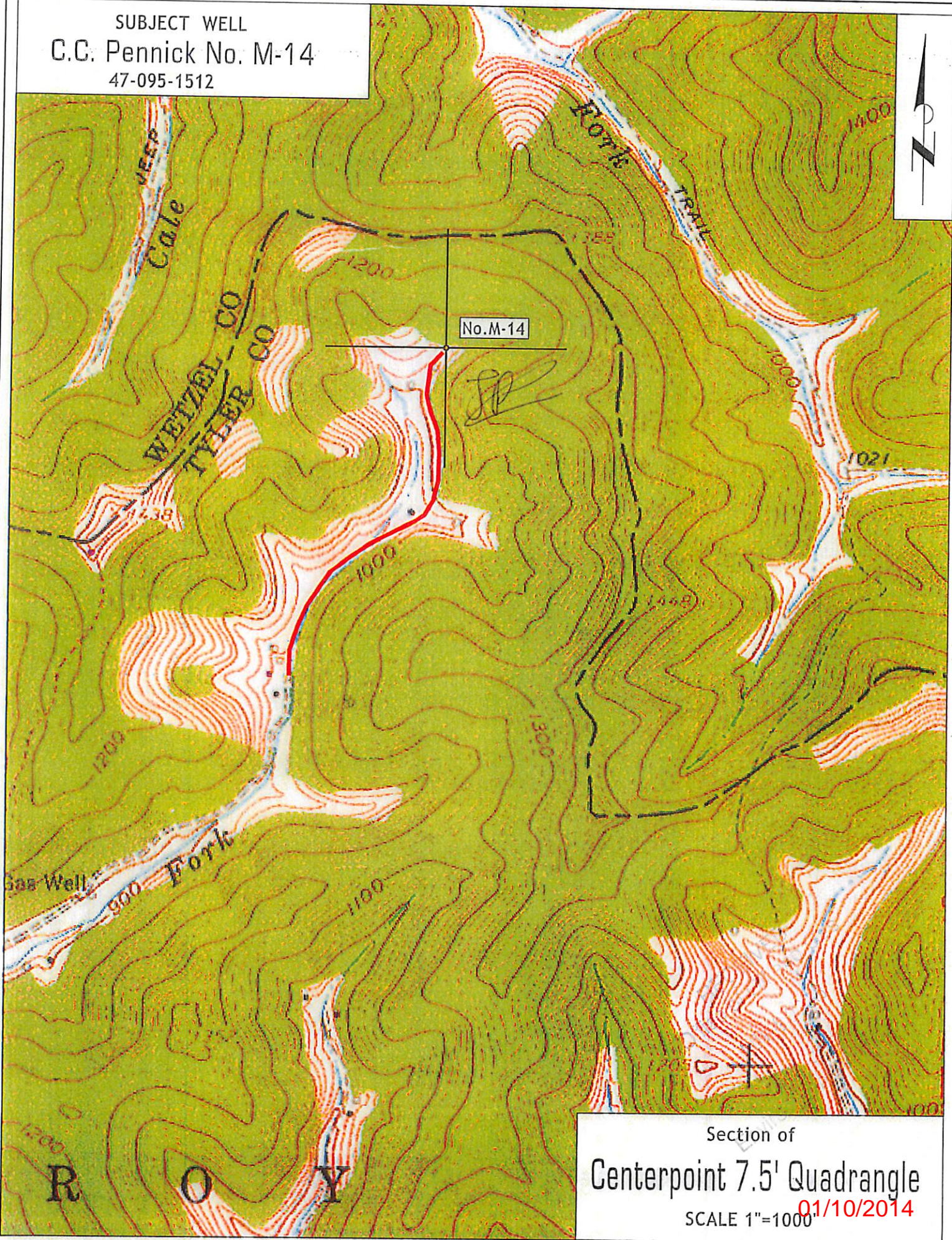
01/10/2014

 HG ENERGY LLC	STRINGTOWN WATERFLOOD Wetzel & Tyler Co., W.Va.	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-DOG. SEE PERMITS ON FILE FOR MORE DETAIL.	LEGEND EXISTING WATERFLOOD ROADS EXISTING LEASE OR FARM ROADS TO BE UPGRADED. NEW ROADS TO BE CONSTRUCTED
	RECLAMATION PLAN SHOWING MAIN WATERFLOOD ROAD SYSTEM TO BE USED FOR REQUESTED WELL WORK		

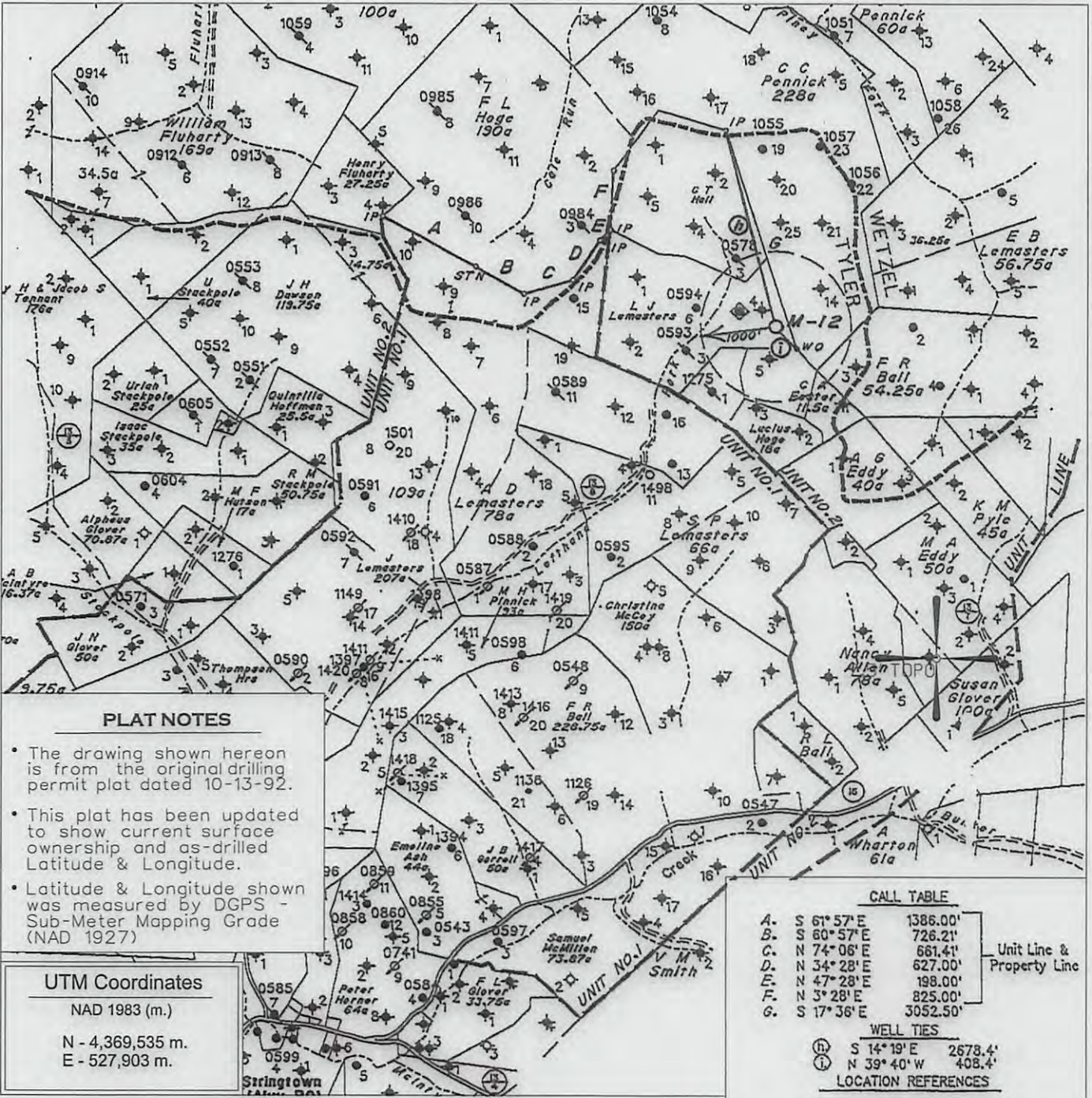
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SUBJECT WELL
C.C. Pennick No. M-14
47-095-1512



Section of
Centerpoint 7.5' Quadrangle
SCALE 1"=1000' 01/10/2014



PLAT NOTES

- The drawing shown hereon is from the original drilling permit plat dated 10-13-92.
- This plat has been updated to show current surface ownership and as-drilled Latitude & Longitude.
- Latitude & Longitude shown was measured by DGPS - Sub-Meter Mapping Grade (NAD 1927)

UTM Coordinates

NAD 1983 (m.)
 N - 4,369,535 m.
 E - 527,903 m.

CALL TABLE

A.	S 61° 57' E	1386.00'
B.	S 60° 57' E	726.21'
C.	N 74° 06' E	661.41'
D.	N 34° 28' E	627.00'
E.	N 47° 28' E	198.00'
F.	N 3° 28' E	825.00'
G.	S 17° 36' E	3052.50'

Unit Line & Property Line

WELL TIES

(1)	S 14° 19' E	2678.4'
(2)	N 39° 40' W	408.4'


LOCATION REFERENCES

Existing Well

⊕ DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

FILE NO. _____
 MAP NO. _____ N _____ S _____ E _____ W _____
 SCALE _____ 1" = 1000'
 MINIMUM DEGREE OF ACCURACY _____ Sub-Meter _____
 PROVEN SOURCE OF ELEVATION _____ DGPS Survey _____
 (Sub-Meter Mapping Grade)

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF MINES.

(SIGNED) 
 TIMOTHY P. ROUSH PS 793



WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25304



DATE August 5, 2013
 FARM C.C. Pennick No.M-14
 API WELL NO. 47-095-01512 RS

WELL TYPE: OIL _____ GAS _____ LIQUID INJECTION WASTE DISPOSAL _____
 (IF "GAS") PRODUCTION _____ STORAGE _____ DEEP _____ SHALLOW _____

LOCATION: ELEVATION 1030' WATERSHED Lefthand Fork
 DISTRICT McElroy COUNTY Tyler
 QUADRANGLE Centerpoint 7.5'

SURFACE OWNER Donald L. McCoy ACREAGE P/O 71 Ac.
 OIL & GAS ROYALTY OWNER HG Energy LLC et al LEASE ACREAGE 228 Ac. **01/10/2014**
 LEASE NO. 67696-00

PROPOSED WORK: DRILL _____ CONVERT _____ DRILL DEEPER _____ REDRILL _____ FRACTURE OR STIMULATE PLUG OFF OLD FORMATION _____ PERFORATE NEW FORMATION _____ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____

PLUG AND ABANDON _____ CLEAN OUT AND REPLUG _____
 TARGET FORMATION Gordon ESTIMATED DEPTH 3,136'

WELL OPERATOR HG Energy, LLC DESIGNATED AGENT Mike Kirsch
 ADDRESS 5260 Dupont Road ADDRESS 5260 Dupont Road
 Parkersburg, WV 26101 Parkersburg, WV 26101