

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

February 27, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-10303066, issued to STATOIL USA ONSHORE PROPERTIES, INC., 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: NORTH HENDERSON NORTH 2H

Farm Name: HENDERSON, HOWARD

API Well Number: 47-10303066

Permit Type: Horizontal 6A Well

Date Issued: 02/27/2015

API Number: 103-03066

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 (USACE). Through this permit, you are hereby being advised to consult with USACE 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.
- 9. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this 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 Operator: Statoil US	SA Onshore Properties Inc	494505083	Wetzel	Center	Littleton
		Operator ID	County	District	Quadrangle
2) Operator's Well Number	: North Henderson Nor	th Unit 2H Well Pa	d Name: Nort	h Henderso	n (existing pad)
3) Farm Name/Surface Ow	ner: Howard Hender	son Public Roa	ad Access: Lo	w Gap Rock	y Run Road
4) Elevation, current ground	d: 1,342' E	levation, proposed	post-construc	tion: 1,342'	(existing pad)
5) Well Type (a) Gas	Oil	Und	erground Stor	age	
Other					
(b)If Gas	Shallow	Deep			
	Horizontal				
6) Existing Pad: Yes or No	Yes		:	DMH 2	2-23-15
7) Proposed Target Format	ion(s), Depth(s), Anti	cipated Thickness	and Associate	d Pressure(s)):
Marcellus: Formation Top	7465' TVD, Target Dep	th: 7466' TVD, 47' th	nick, 5251 psi, *	Intermediate	Casing MASP 2300 psi
8) Proposed Total Vertical	Depth: 7466' TVD				
9) Formation at Total Verti	cal Depth: Marcellus	Shale			
10) Proposed Total Measur	ed Depth: 15,196' M	D/7392' TVD			
11) Proposed Horizontal Le	g Length: 7349'				
12) Approximate Fresh Wa	ter Strata Depths:	619' TVD			
13) Method to Determine F	resh Water Depths:	offset wells			
14) Approximate Saltwater	Depths: 2074'				
15) Approximate Coal Sear	n Depths: _755-764, 8	22-834, 882-919, 11	02-1160, 1182-	1183, 1222-12	87
16) Approximate Depth to	Possible Void (coal m	nine, karst, other):	NA		
17) Does Proposed well loo directly overlying or adjace		Yes	N	o √	
(a) If Yes, provide Mine I	nfo: Name:		Office of	EIVED GO	ns.
(a) 11 100, pro 1100 111110 1	Depth:		Office of	١١٠.	
	Seam:		-rD	23 2015	
	Owner:		FED	partment ental Prof	of
			MN DE	epartment Jental Prof	ection.
			Environm	16111	

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#	100'	100'	Cmt to surface-150 cu ft
Fresh Water	13.375"	New	J-55	54.4#	700'	700'	Cmt to surface-512 cuft
Coal							
Intermediate	9.625"	New	J-55	36#	2750'	2750'	Cmt to surface-965 cuft
Production	5.5"	New	P-110	20#	15196'	15196'	Cmt to 2250'-3100 cuft
Tubing							
Liners							

DMH 2-23-15

TYPE	Size	Wellbore	Wall	Burst Pressure	Cement Type	Cement Yield
		<u>Diameter</u>	Thickness			(cu. ft./k)
Conductor	20"	26"	.438"	1530 psi	Class A	1.3 cu ft/sk
Fresh Water	13.375"	17.5"	.380"	2730 psi	Class A	1.29 cu ft/sk
Coal						
Intermediate	9.625"	12.25"	.352"	*3520 psi	Class A	1.29 cu ft/sk
Production	5.5	8.5"	.361"	12640 psi	Class A	2.42 cu ft/sk
Tubing						
Liners						

PACKERS

Kind:	
Sizes:	RECEIVED Gas
Depths Set:	Office 9, 3 2015

WV Department of Environmental Protection

19) Describe proposed well work, including the drilling and plugging back of any pilot hole:
See Attached
DMH 2-23-15
UMIT 2-25-15
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Well will fractured through the plug-n-perf method with +/- 25 fracturing stages per well. Each fracturing treatment will have 400,000 lbs of sand mixed in 7500 Bbls. of fresh water. The fracturing rate will be between 80 and 100 bpm at a pressure lower than a maximum pressure of 10,000 psi.
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): 2.9 acres
23) Describe centralizer placement for each casing string:
See attached
24) Describe all cement additives associated with each cement type:
See attached
25) Proposed borehole conditioning procedures:
Surface – Drilled with fresh water to section total depth. Prior to tripping, hole will circulated clean of cuttings and
Intermediate – Drilled with 9.0 ppg 5% KCL Polymer Water Based Mud (WBM) to section total depth Al section total depth, pump 40bbl viscous pill and circulate hole clean.
Production - Drilled with 12.5-13.0 ppg Synthetic Based Mud (SBM) to section total depth Affection total depth pump 2-3 20bbl heavy weighted pill sweeps to transport excess cutting from the hole until clean. Pump rates will be maintained in

excess of 600 GPM, and rotation in excess of 100 RPM to assist cuttings transport. A 60 bbl tuned weighted spacer will be pumped ahead of the cement to assist in mud cake removal and water wett both casing and formation.

*Note: Attach additional sheets as needed.

WV Department of Environmental Protection

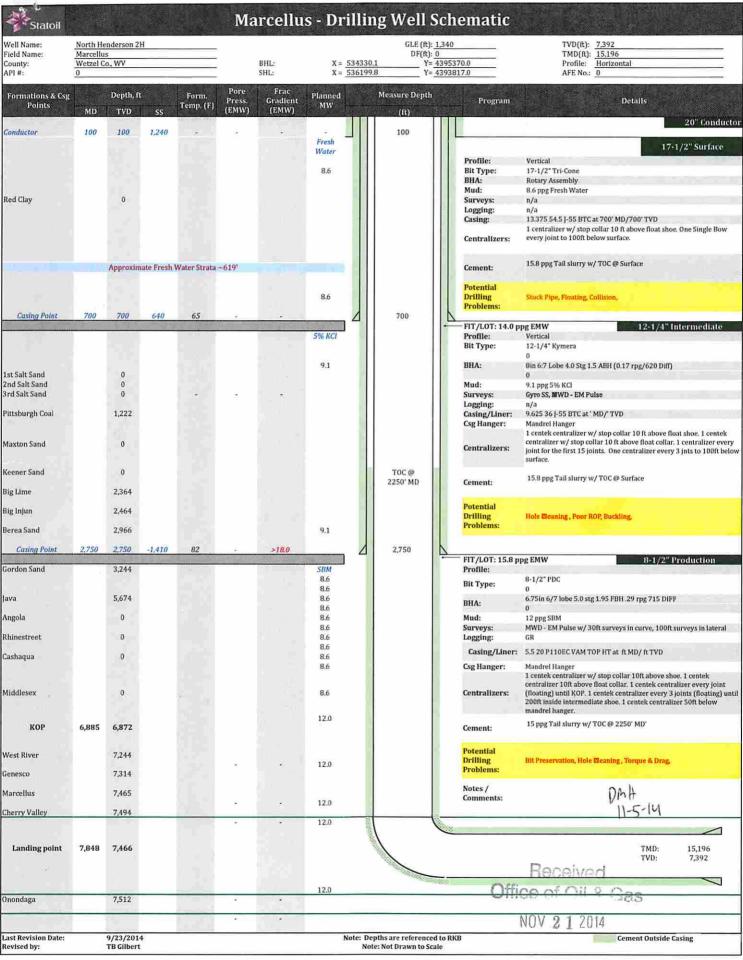
CEMENT ADDITIVES

Surface - Class A + 3% CaCl2

Intermediate - Class A cmt, 0.05% Retarder, 0.25% Defoamer, 1% Accelerator, 0.25% Dispersant, 0.65% Retarder, 9.10 gal/sk Fresh Water.

Production - Class A cmt, 10% bwow Dispersent, 0.6% bwoc Fluid Loss, 0.4% bwoc Retarder, 0.1% bwoc Free water control agent, 0.25% bwoc Defoamer, 0.1% bwoc Fluid Loss, 6.32 gal/sk Fresh Water.

Received
Office of Oil & Gas
NOV 2 1 2014



02/27/2015

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Statoil USA Onshore Properties Inc. OP Code 494505083	
Watershed (HUC 10) Lower West Virginia Fork Fish Creek Quadrangle Littleton	
Elevation 1342 County Wetzel District Center	
Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes No Will a pit be used? Yes No V	
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes No If so, what ml.?	
Proposed Disposal Method For Treated Bit Wastes:	
Land Application Underground Injection (UIC Permit Number Cycen Works Apr 34-121-23195) Reuse (at API Number Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	1
Will closed loop system be used? If so, describe: Yes	
Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Anti resh Water vert section based mind for honor sec	
-If oil based, what type? Synthetic, petroleum, etc.Synthetic	
Additives to be used in drilling medium? emulisifier, food grade oil, barite, surfactant, calcium carbonate, gilsonite, lubricant, graphite, lime	
Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Landfill	
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) NA	
-Landfill or offsite name/permit number? Wetzel County Landfill	
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 in mediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware the Obert all Signature of the submitting false information, including the possibility of fine or imprisonment.	
Company Official Signature 20 61 official Signature	
Company Official (Typed Name) Bekki Winfree	5
Company Official Signature Company Official (Typed Name) Bekki Winfree Company Official Title Sr. Regulatory Advisor Environment	
Company Official Signature Company Official (Typed Name) Bekki Winfree Company Official Title Sr. Regulatory Advisor Subscribed and sworn before me this 2 day of October 20 Notary Public	_
My commission expires April 16, 2017 Notary Public WALLY ANTHONY STUK My Commission Expire April 16, 2017	

4710303066

Form WW-9 North Henderson North 2H Operator's Well No. Statoil USA Onshore Properties Inc. Prevegetation pH Contractor to test Proposed Revegetation Treatment: Acres Disturbed 3.3 _____Tons/acre or to correct to pH See E&S Notes 10-20-20 Fertilizer type _ Fertilizer amount 500 lbs/acre Mulch Hay or Straw 2-3, Wood Fiber 0.5-0.75, Putp Fiber 0.5-0.75 Tons/acre **Seed Mixtures** Permanent **Temporary** Seed Type Seed Type lbs/acre lbs/acre **Annual Ryegrass** White Clover 15 26 or 40 Red Top **Spring Oats** 64 or 96 15 Rye Grain 140 **Orchard Grass** 20 Attach: Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been Photocopied section of involved 7.5' topographic sheet. Plan Approved by: Comments: _ Received Office of Oil & Gas + 6cs Together Date: 11-5-14
? (Yes () No NOV 2 1 2014 Field Reviewed?



North Henderson Pad - Site Safety Plan

Statoil USA Onshore Properties, Inc.

DMH 11-5-19

> Received Office of Oil & Gas NOV 2 1 2014

