



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

June 02, 2014

WELL WORK PERMIT

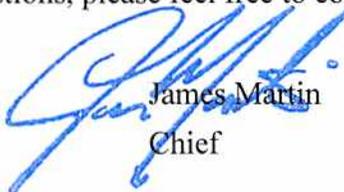
Vertical Well

This permit, API Well Number: 47-3503021, issued to DURST OIL & GAS CO., 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: MILLS NO. 2
Farm Name: MILLS, GREGORY L.
API Well Number: 47-3503021
Permit Type: Vertical Well
Date Issued: 06/02/2014

Promoting a healthy environment.

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.

WW - 2B
(Rev. 8/10)

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

1) Well Operator: Durst Oil and Gas, Inc 308453 Jackson Ripley Ripley
Operator ID County District Quadrangle

2) Operator's Well Number: G.Mills #2 3) Elevation: 736'

4) Well Type: (a) Oil _____ or Gas X
 (b) If Gas: Production X / Underground Storage _____
 Deep _____ / Shallow X

5) Proposed Target Formation(s): Devonian Brown Shale Proposed Target Depth: 4106'

6) Proposed Total Depth: 4256' Feet Formation at Proposed Total Depth: Devonian Shale

7) Approximate fresh water strata depths: 250'/500'

8) Approximate salt water depths: 1600'

9) Approximate coal seam depths: NA

10) Approximate void depths,(coal, Karst, other): NA

11) Does land contain coal seams tributary to active mine? NA

12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed)
Drill, perforate, and stimulate Brown Shale

13) **CASING AND TUBING PROGRAM**

TYPE	SPECIFICATIONS			FOOTAGE	INTERVALS	CEMENT
	Size	Grade	Weight per ft	For Drilling	Left in Well	Fill up (Cu. Ft.)
Conductor	13"			40'		
Fresh Water	9 5/8"		32#	675'	675'	Circ to surface
Coal						
Intermediate	7"		20#	2400'	2400'	1800' fillup to 600'
Production	4 1/2"		11.60#	4250'	2400'	200' fillup to 2300'
Tubing						
Liners						

Janice May 12, 2014

RECEIVED
Office of Oil and Gas
MAY 13 2014

Packers: Kind: _____
 Sizes: _____
 Depths Set _____

WV Department of
Environmental Protection

WW-2A1
(Rev. 1/11)

Operator's Well Number Greg Mills #2

**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
Greg Mills	Durst Oil and Gas, Inc	1/8	263/254
Broome/Scarberry	Durst Oil and Gas, Inc	1/8	267/239

**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 acknowledges 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 acquired from the appropriate authority before the affected activity is initiated.

Well Operator:
By: Its:


 Durst Oil and Gas
 President
 RECEIVED
 MAY 16 2014
 WV Department of
 Environmental Protection

WW-2A Surface Waiver

SURFACE OWNER WAIVER

County Jackson

Operator Durst Oil and Gas, Inc

Operator well number Greg Mills #2

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION:

Chief, Office of Oil and Gas
Department of Environmental Protection
601 57th St. SE
Charleston, WV 25304
(304) 926-0450

Time Limits and methods for filing comments. The law requires these materials to be served on or before the date the operator files his Application. You have **FIFTEEN (15) DAYS** after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure a adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Comments must be in writing. Your comments must include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

The Chief has the power to deny or condition a well work permit based on comments on the following grounds:

- 1) The proposed well work will constitute a hazard to the safety of persons.
- 2) The soil erosion and sediment control plan is not adequate or effective;
- 3) Damage would occur to publicly owned lands or resources;
- 4) The proposed well work fails to protect fresh water sources or supplies;
- 5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation..."

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through ___ including a work order on Form WW2-B, a survey plat, and a soil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.


Signature

Date 5-12-14

Company Name
By
Its

Greg Mills

Print Name

RECEIVED
Office of Oil and Gas
MAY 16 2014
Date

WV Department of Environmental Protection
Signature
Date

WW-2B1
(5-12)

Well No. Greg Mills #2

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 same as above

Well Operator Durst Oil and Gas, Inc
Address 505 Cherry Lane
Point Pleasant, WV 25550
Telephone (304)675-3064

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.

* MUST TEST
ONE SOURCE
(WATER WELL
OR SPRING)
WITHIN 2000'
BEFORE SPUDDING.
qnm

Testing
JES
5/12/2014

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Office of Oil and Gas
MAY 16 2014
WV Department of
Environmental Protection

SUBJECT WELL
Mills No.2

33
Dwayne Toler
Lower Parchment Valley Rd
Ripley, WV 25271

Eugene Flynn
and
Christie Dudson
Lower Parchment
Valley Rd
Ripley, WV

Chase
Cem

No.2

Greg Mills
Lower Parchment Valley Rd
Ripley, WV 25271

Potential Water Well Testing
(MUST TEST ONE)
* Note: IF Owners Allow we
will test all these wells

Creek
VALLEY
ment

ROAD
BM
601

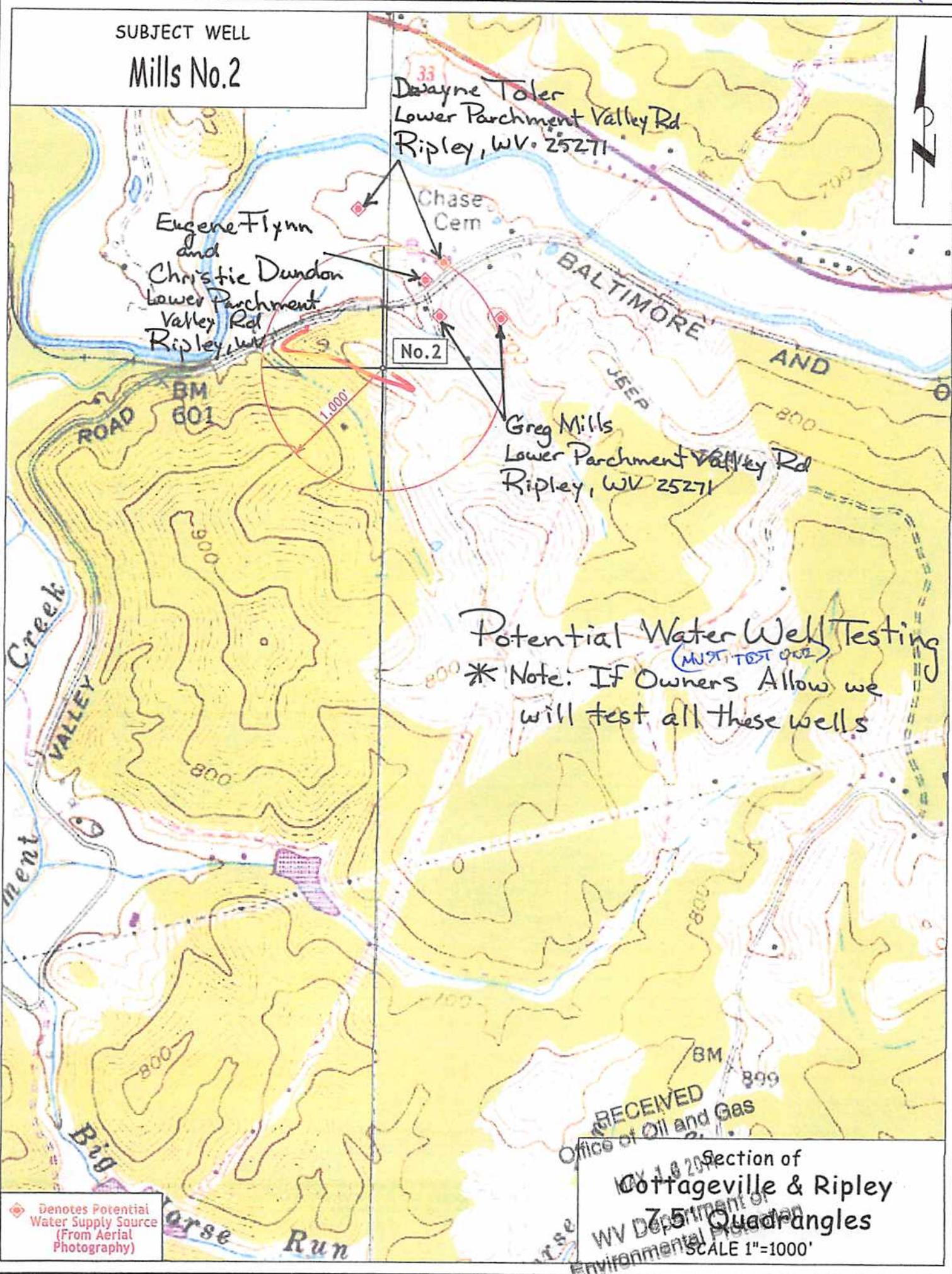
BALTIMORE
AND
JEEP

Big
Parchment
Run

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Office of Oil and Gas
MAY 18 2004

Section of
Cottageville & Ripley
75
Quadrangles
WV Department of
Environmental Protection
SCALE 1"=1000'

Denotes Potential
Water Supply Source
(From Aerial
Photography)



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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Durst Oil and Gas, Inc OP Code 308453

Watershed (HUC 10) Mill Creek Quadrangle Cottageville 7.5'

Elevation 736' County Jackson District Ripley

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

Will a pit be used for drill cuttings? Yes X No _____

If so, please describe anticipated pit waste: drill cuttings, Water, gel, Cement.

Will a synthetic liner be used in the pit? Yes X No _____ If so, what ml.? 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 _____)

Will closed loop system be used? _____

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. Air, Freshwater

-If oil based, what type? Synthetic, petroleum, etc. _____

Additives to be used in drilling medium? _____

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Leave in pit

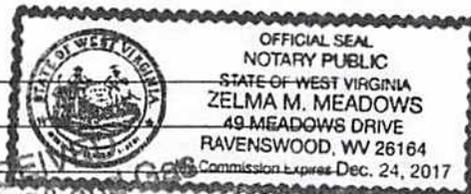
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) _____

-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 Ronald W. Durst, Jr
Company Official (Typed Name) Ronald W. Durst, Jr
Company Official Title President



Subscribed and sworn before me this 12 day of May

Zelma M Meadows

My commission expires December 24, 2017

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Office of Oil and Gas
MAY 14 2014
Notary Public
WV Department of Environmental Protection

Form WW-9

Operator's Well No. Greg Mills #2

Proposed Revegetation Treatment: Acres Disturbed <2ac Prevegetation pH 4.8
 Lime 2 Tons/acre or to correct to pH 6.5
 Fertilizer (10-20-20 or equivalent) 500 lbs/acre (500 lbs minimum)
 Mulch 4 Tons/acre

Seed Mixtures

Area I		Area II	
Seed Type	lbs/acre	Seed Type	lbs/acre
KY 31 Fescue	<u>50</u>	KY 31 Fescue	<u>50</u>

Attach:
Drawing(s) of road, location, pit and proposed area for land application.

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: *Jamie Stevens*

Comments: Watch road for mud.

Title: *Inspector* Date: 5/12/2014

Field Reviewed? Yes No

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 MAY 16 2014
 WV Department of
 Environmental Protection

3503021

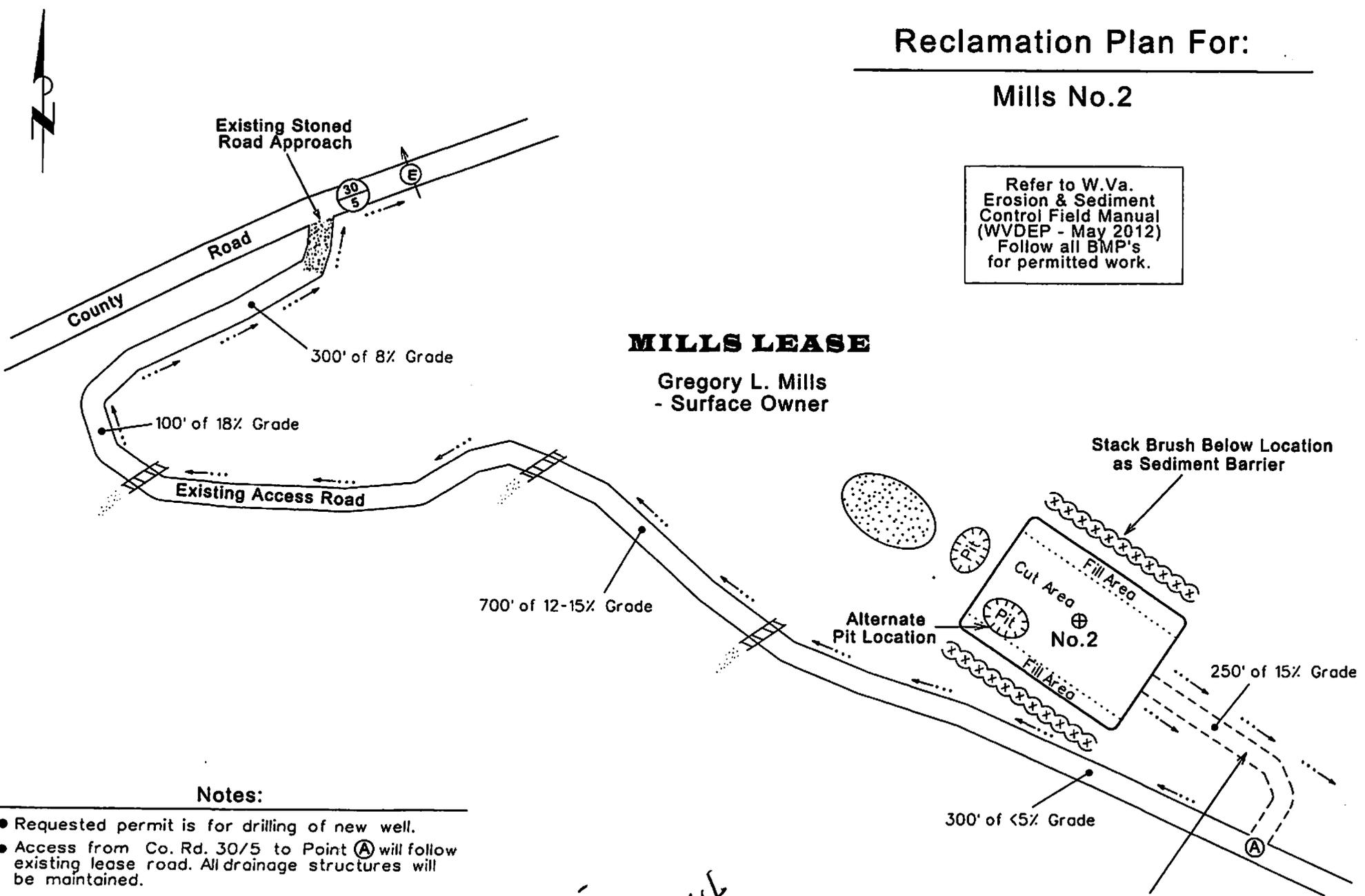
Reclamation Plan For:

Mills No.2

Refer to W.Va. Erosion & Sediment Control Field Manual (WVDEP - May 2012) Follow all BMP's for permitted work.

MILLS LEASE

Gregory L. Mills
- Surface Owner



Notes:

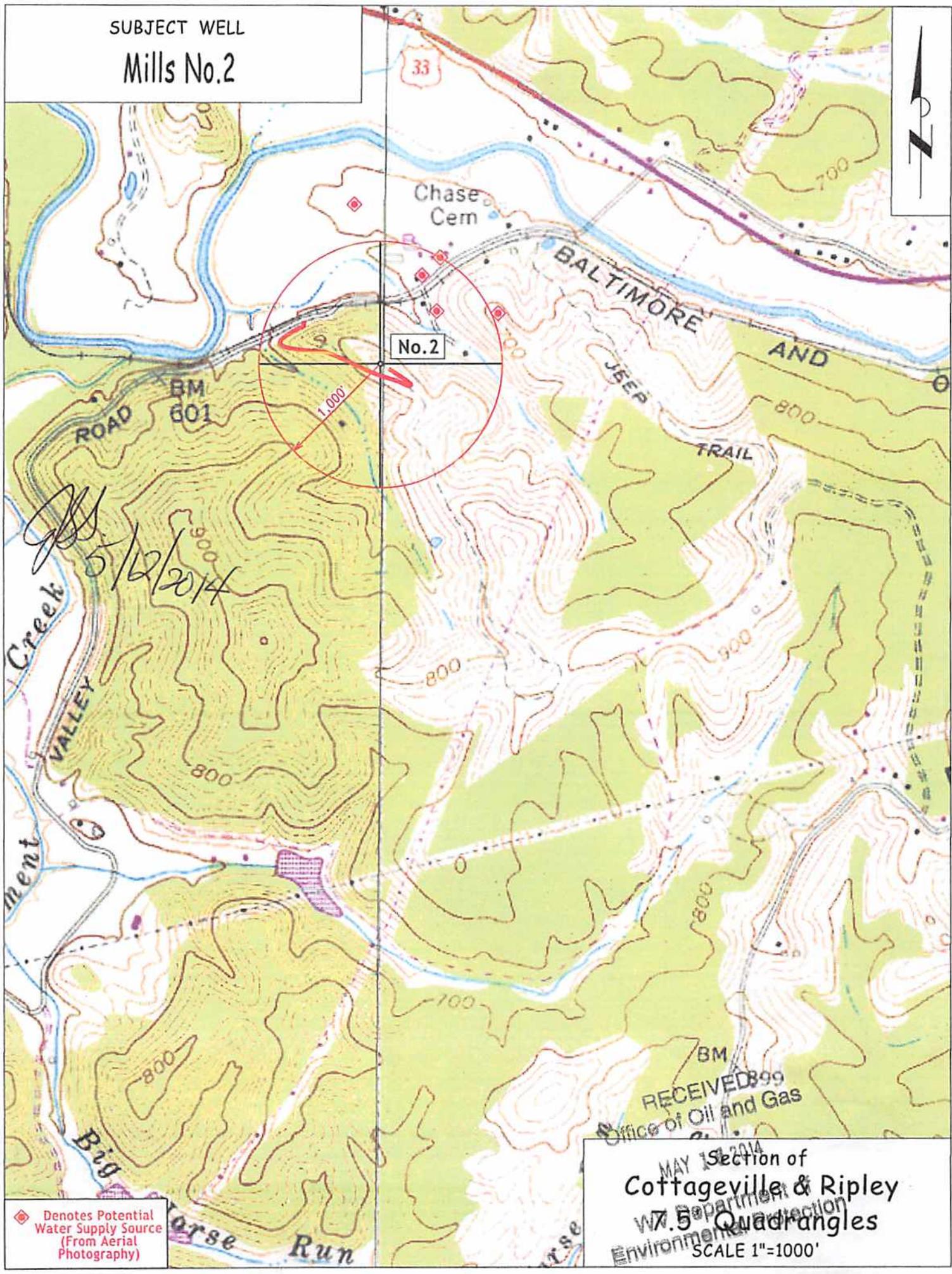
- Requested permit is for drilling of new well.
- Access from Co. Rd. 30/5 to Point (A) will follow existing lease road. All drainage structures will be maintained.
- All disturbed areas will be re-vegetated as outlined on Form WW-9.
- Maintain sediment barriers and drainage structures.
- All road grades <5% except as noted.
- Location of drill pit may be changed based on as-built considerations.

Game
5/12/2014

Approximately 250' of New Road Construction

Note: Drawing not to Scale

SUBJECT WELL
Mills No.2



AS
5/12/2014

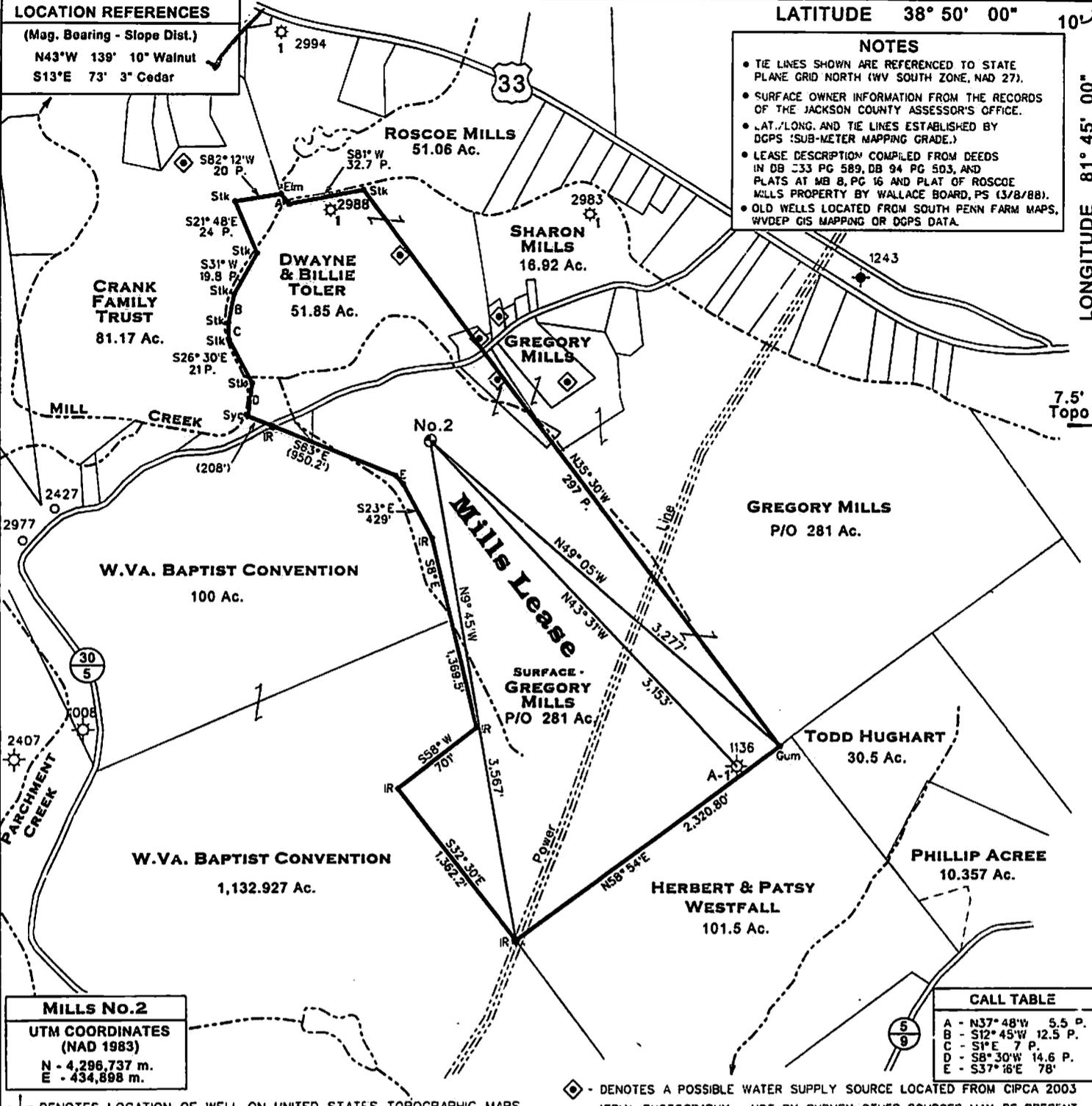
◆ Denotes Potential Water Supply Source (From Aerial Photography)

RECEIVED 99
Office of Oil and Gas
MAY 15 2014
Section of
Cottageville & Ripley
W. 7.5 Quadrangles
Environmental
SCALE 1"=1000'

LOCATION REFERENCES
 (Mag. Bearing - Slope Dist.)
 N43°W 139' 10" Walnut
 S13°E 73' 3" Cedar

NOTES

- TIE LINES SHOWN ARE REFERENCED TO STATE PLANE GRID NORTH (WV SOUTH ZONE, NAD 27).
- SURFACE OWNER INFORMATION FROM THE RECORDS OF THE JACKSON COUNTY ASSESSOR'S OFFICE.
- LAT./LONG. AND TIE LINES ESTABLISHED BY DGPS (SUB-METER MAPPING GRADE.)
- LEASE DESCRIPTION COMPILED FROM DEEDS IN DB 33 PG 589, DB 94 PG 503, AND PLATS AT MB 8, PG 16 AND PLAT OF ROSCOE MILLS PROPERTY BY WALLACE BOARD, PS (3/8/88).
- OLD WELLS LOCATED FROM SOUTH PENN FARM MAPS, WVDEP GIS MAPPING OR DGPS DATA.



MILLS No.2
 UTM COORDINATES (NAD 1983)
 N - 4,296,737 m.
 E - 434,898 m.

CALL TABLE

A	- N37°48'W	5.5 P.
B	- S12°45'W	12.5 P.
C	- S1°E	7 P.
D	- S8°30'W	14.6 P.
E	- S37°16'E	78'

— DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS. * DENOTES A POSSIBLE WATER SUPPLY SOURCE LOCATED FROM CIPCA 2003 AERIAL PHOTOGRAPHY - NOT BY SURVEY. OTHER SOURCES MAY BE PRESENT.

FILE NO. 116-18
 DRAWING NO. 2
 SCALE 1" = 1,000'
 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*
 TIMOTHY P. ROUSH PS 793



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



DATE April 30, 2014
 FARM Mills No.2
 API WELL NO. 47-035-03021

WELL TYPE: OIL GAS LIQUID INJECTION ___ WASTE DISPOSAL ___
 (IF "GAS") PRODUCTION STORAGE ___ DEEP ___ SHALLOW
 LOCATION: ELEVATION 736' WATERSHED Mill Creek
 DISTRICT Ripley COUNTY Jackson
 QUADRANGLE Cottageville 7.5'
 SURFACE OWNER Gregory L. Mills ACREAGE 281 Ac.
 OIL & GAS ROYALTY OWNER Gregory L. Mills et al. LEASE ACREAGE 183 Ac.
 LEASE NO. _____
 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 Brown Shale ESTIMATED DEPTH 4,250'
 WELL OPERATOR Durst Oil & Gas Cr., Inc. DESIGNATED AGENT Ronald W. Durst
 ADDRESS Route 2, Box 538 ADDRESS Route 2, Box 538
Point Pleasant, WV 25550 Point Pleasant, WV 25550