



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 13, 2013

WELL WORK PERMIT
Secondary Recovery Well

This permit, API Well Number: 47-1705273, 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. WRIGHT 7
Farm Name: COASTAL LUMBER COMPANY
API Well Number: 47-1705273
Permit Type: Secondary Recovery Well
Date Issued: 06/13/2013

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 20 mil thickness synthetic liner.

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

Well Operator's Report of Well Work

Farm name: COASTAL LUMBER COMPANY Operator Well No.: C. WRIGHT 7

LOCATION: Elevation: 1,026.00 Quadrangle: CENTERPOINT 7.5'

District: MCCLELLAN County: DODDRIDGE
Latitude: 11,250 Feet south of 39 Deg 27 Min 30 Sec.
Longitude: 10,100 Feet west of 80 Deg 40 Min 00 Sec.

Company: EAST RESOURCES, INC.
P.O. BOX 5519
VIENNA, WV 26105-5519

Agent: PHILIP S. ONDRUSEK

Inspector: MIKE UNDERWOOD

Permit Issued: 08/23/06

Well work Commenced: 01/11/06

Well work Completed: 03/02/07

Verbal plugging permission granted on:

Rotary X Cable _____ Rig _____

Total Depth (feet) 3120'

Fresh water depths (ft) _____

Salt water depths (ft) _____

Is coal being mined in area (Y/N) N

Coal Depths (ft): NA

Casing/ tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
		Office of Coal & Gas Office of Chief MAR - 9 2007	
		WV Department of Environmental Protection	
7"	322'	322'	75 sks
4 1/2"	3059'	3059'	150 sks

OPEN FLOW DATA * WATERFLOOD PRODUCER

Producing formation Gordon Pay zone depth (ft) 2884'-2892'
 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 WELLBORE.

For: EAST RESOURCES, INC.
By: [Signature]
Date: 3/7/07

Treatment :

Treated perforations (2884'-2892') (4SPF) via 4 1/2 casing w/ 250 gals. 15% HCl acid, 296 bbls cross linked gel, and 20,400 # 30/50 sand.

Well Log :

0	394	Sand and Shale
394	416	Sand
416	638	Shale
638	704	Sand
704	826	Shale
826	846	Sand
846	884	Shale
884	934	Sand
934	1022	Shale
1022	1034	Sand
1034	1044	Shale
1044	1058	Sand
1058	1504	Shale
1504	1550	Sand
1550	1620	Shale
1620	1630	Sand
1630	1644	Shale
1644	1666	Sand
1666	1744	Shale
1744	1790	Sand
1790	1910	Shale
1910	1920	Sand
1920	2026	Shale
2026	2040	Sand
2040	2064	Shale
2064	2090	Sand
2090	2162	Big Lime
2162	2298	Big Injun
2298	2858	Shale
2858	2884	Gordon Stray
2884	2892	Gordon
2892	2910	Shale
2910	2914	Sand
2914	2950	Shale
2950	2954	Sand
2954	3120	Shale
3120		TD

WW-3A
10/07



1) Date: December 21, 2012

2) Operator's Well No. Clinton Wright No. 7

3) API Well No. 47 017 - 5273

State County Permit

4) UIC Permit No. UIC2R09501AP

STATE OF WEST VIRGINIA
NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION
FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

5) Surface Owner(s) To Be Served

(a) Name Coastal Lumber Company ✓
 Address P.O. Box 979
Buckhannon, WV 26201

(b) Name James & Martha Cerullo ✓
 Address Route 2, Box 375-3
Buckhannon, WV 26201

(c) Name _____
 Address _____

6) Inspector _____
 Address _____
 Telephone _____

7 (a) Coal Operator
 Name NA
 Address _____

7 (b) Coal Owner(s) With Declaration Of Record
 Name NA
 Address _____

Name _____
 Address _____

7(c) Coal Lessee With Declaration Of Record
NA

TO THE PERSON(S) NAMED ABOVE: You should have received this form and the following documents:

- (1) The Application for a Liquid Injection or Waste Disposal Well Work Permit on Form WW-3(B), which sets out the parties involved in the drilling or other work;
- (2) The plat (surveyor's map) showing the well location on Form WW-6; and
- (3) The Construction and Reclamation Plan on Form WW-9 (unless the well work is only to plug a well), which sets out the plan for erosion and sediment control and for reclamation for the site and access road.

The date proposed for the first injection or waste disposal is _____

THE REASON YOU RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON FORM WW-3(A) DESIGNATED TO YOU. HOWEVER YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT ALL.

Take notice that under Chapter 22-6 of the West Virginia Code, the undersigned well operator proposes to file or has filed this Notice and Application and accompanying documents for a Well Work Permit with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental Protection, with respect to a well at the location described on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, the Application, the plat, and the Construction and Reclamation Plan have been mailed by registered or certified mail or delivered by hand to the person(s) named above (or by publication in certain circumstances) on or before the day of the mailing or delivery to the Chief.

The person signing this document shall make the following certification:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments 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 and imprisonment."

Well Operator HG Energy, LLC
 Address 5260 Dupont Road
Parkersburg, WV 26105

By: Diane C. White
 Its: Accountant

Signature Diane White

Oil and Gas Privacy Notice

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 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: depprivacyofficer@wv.gov

WW-2B1

Well No. Clinton Wright No. 7

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

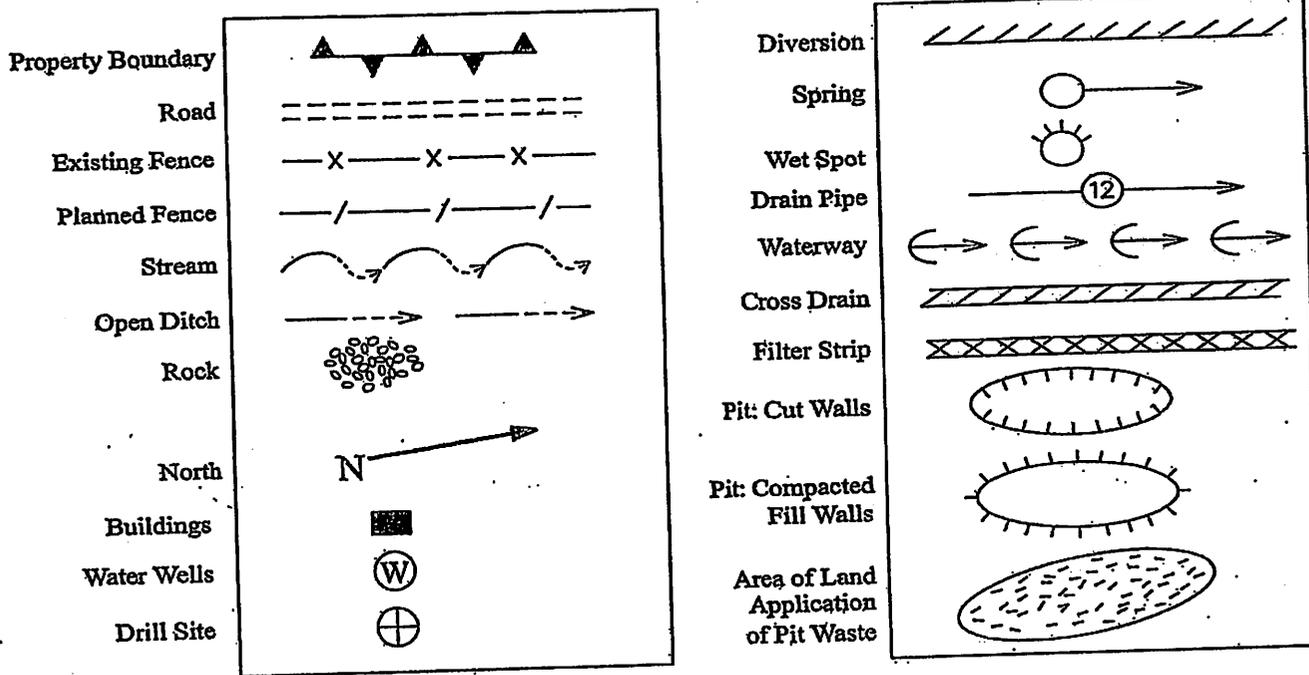
FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underlining which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site please indicate such.

RECEIVED
OFFICE OF OIL AND GAS
APR 15 2013

No known Water Supply Sources are located within 1000' of proposed well.

Office of
Environmental Protection

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I Approx. 0.3 Ac. Prevegetation pH _____

Area II
Approx. 0.1 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>	
Seed Type	Lbs./Ac.
Tall Fescue	40
Ladino Clover	5

<u>Area II (Road)</u>	
Seed Type	Lbs./Ac.
Tall Fescue	40
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: S. D. Ward

Comments: Upgrade E&S to WUDEP E&S manual.

Title: Oil & Gas Inspector

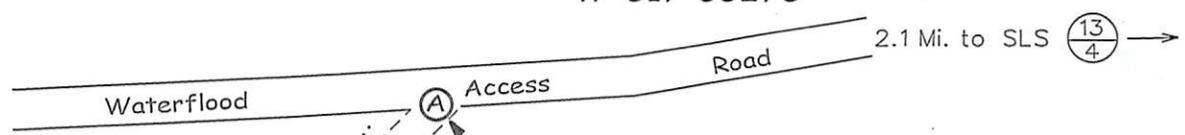
Date: 2/28/2013

Field Reviewed?

Yes

No

Reclamation Plan For: Clinton Wright No.7 & No.8 47-017-05273



600' of 15-18%

Begin New Road Construction

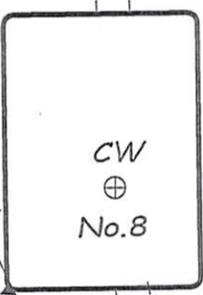
*SPC
2/28/2013*

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

Unit

200' of 5-10%

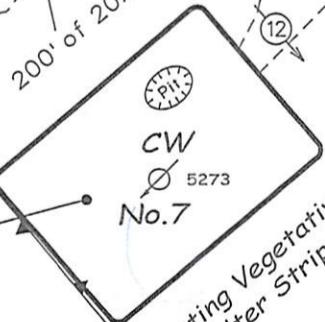
Clinton Wright Lease
Coastal Lumber Co.
- Surface Owner



Existing Vegetative Filter Strip

300' of 15%

Swiger & Wright Lease
James Cerullo
- Surface Owner



Existing Vegetative Filter Strip

200' of 20%

350' of 17-20%

Line

Existing Road



Camp

To Waterflood Access Roads 2.0 Mi. to SLS

NOTE:
WELL LOCATION WAS BUILT AND RECLAIMED UNDER DRILLING PERMIT No.47-033-5273. 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 LINED WORKOVER PIT WILL BE CONSTRUCTED TO CAPTURE ANY FLOWBACK FLUIDS AND CONTENTS WILL BE TREATED AND LAND APPLIED AS PER THE NPDES GENERAL PERMIT.

Notes:

- Requested permit is for stimulation of existing well.
- Access road from Co. Rd. 13/4 to Location is existing. Structures will be maintained.
- Scalp topsoil and stockpile for re-dressing location during reclamation.
- 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.

RECEIVED
MAY 10 2013

MAY 5 2013

Department of
Environmental Protection

Note: Drawing not to Scale

170527367

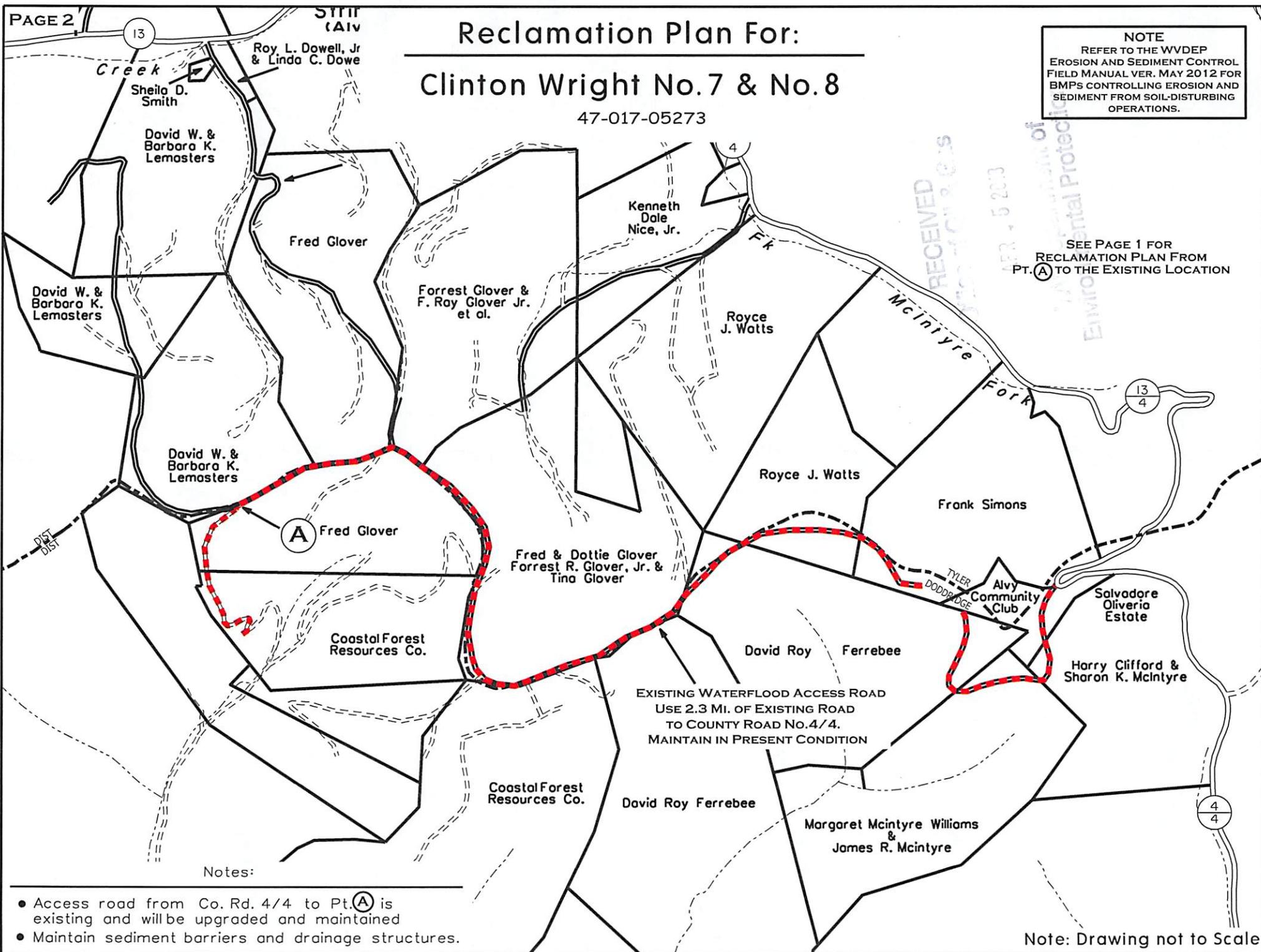
Reclamation Plan For: Clinton Wright No.7 & No.8

47-017-05273

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

SEE PAGE 1 FOR
RECLAMATION PLAN FROM
PT. (A) TO THE EXISTING LOCATION

RECEIVED
APR 5 2013
Environmental Protection

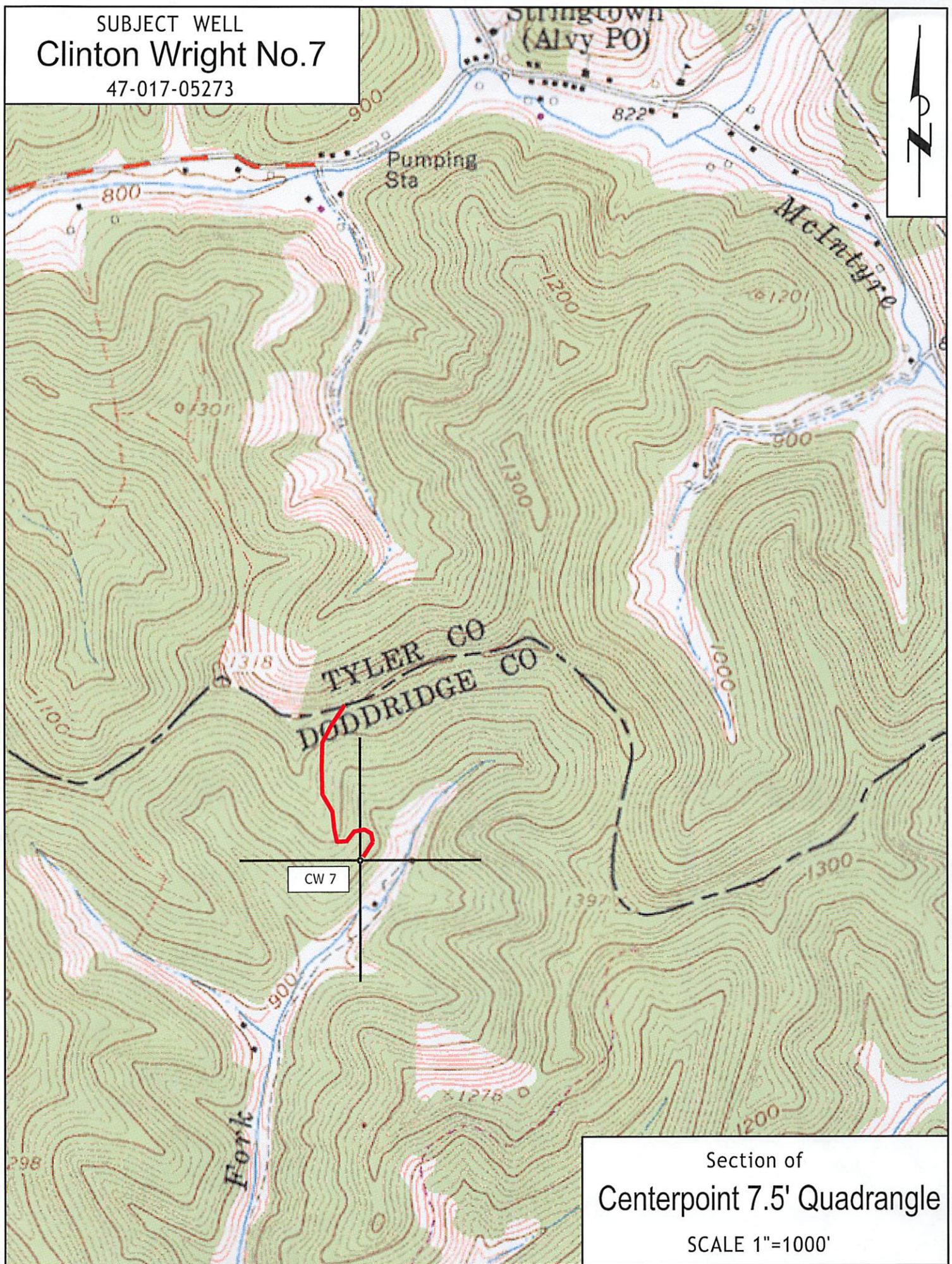


Notes:

- Access road from Co. Rd. 4/4 to Pt. (A) is existing and will be upgraded and maintained
- Maintain sediment barriers and drainage structures.

Note: Drawing not to Scale

SUBJECT WELL
Clinton Wright No.7
47-017-05273

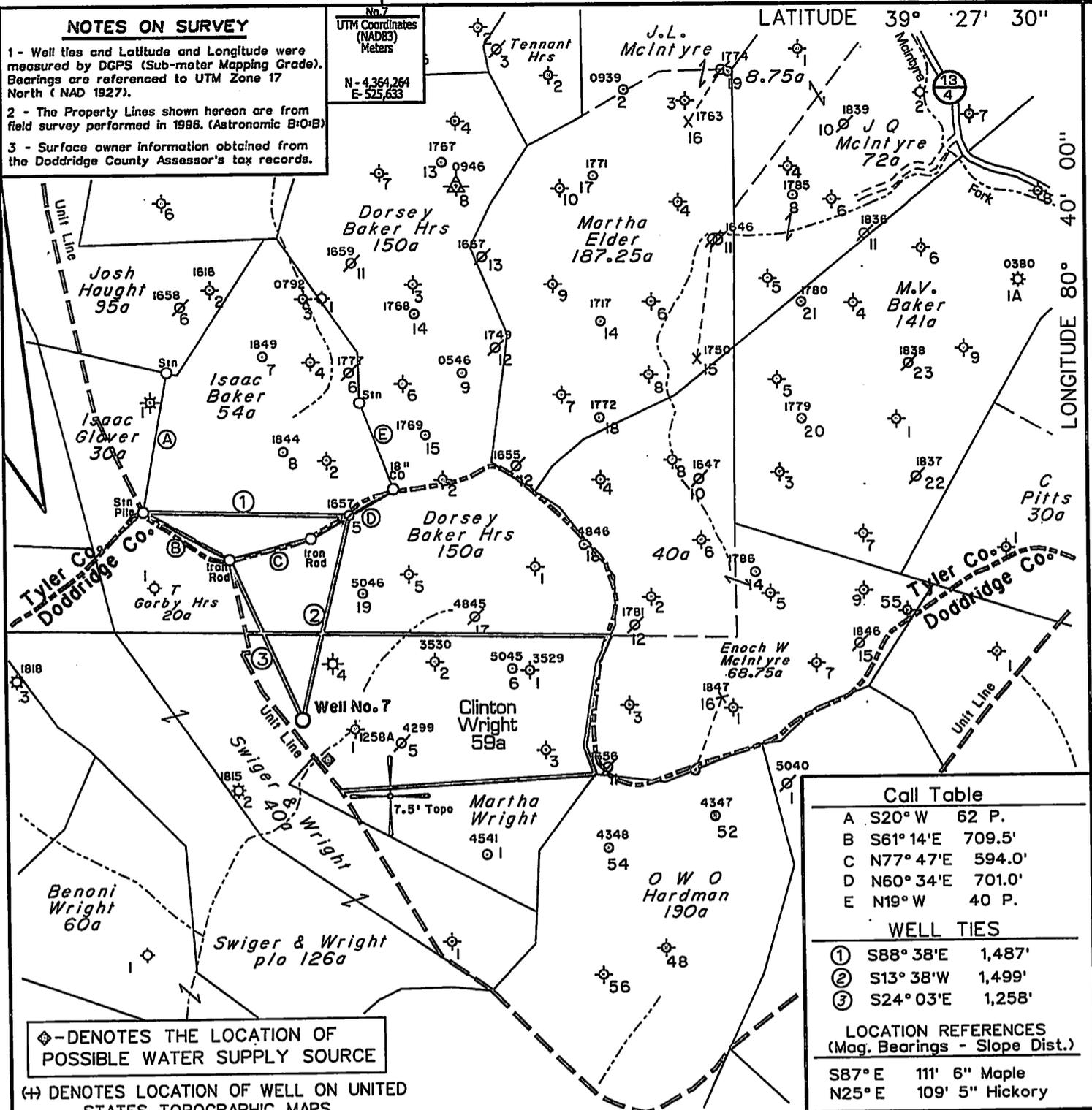


Section of
Centerpoint 7.5' Quadrangle
SCALE 1"=1000'

NOTES ON SURVEY

- 1 - Well ties and Latitude and Longitude were measured by DGPS (Sub-meter Mapping Grade). Bearings are referenced to UTM Zone 17 North (NAD 1927).
- 2 - The Property Lines shown hereon are from field survey performed in 1986. (Astronomic B.O.B)
- 3 - Surface owner information obtained from the Doddridge County Assessor's tax records.

No. 7
 UTM Coordinates (NAD83) Meters
 N-4264264
 E-525633



Call Table	
A	S20° W 62 P.
B	S61° 14'E 709.5'
C	N77° 47'E 594.0'
D	N60° 34'E 701.0'
E	N19° W 40 P.
WELL TIES	
①	S88° 38'E 1,487'
②	S13° 38'W 1,499'
③	S24° 03'E 1,258'
LOCATION REFERENCES (Mag. Bearings - Slope Dist.)	
S87° E	111' 6" Maple
N25° E	109' 5" Hickory

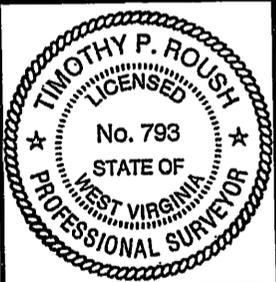
⊕ - DENOTES THE LOCATION OF POSSIBLE WATER SUPPLY SOURCE

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. 1041-45
 MAP NO. N S E W
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY Sub-Meter
 PROVEN SOURCE OF ELEVATION DGPS Survey (Post-Processed 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) *[Signature]*
 TIMOTHY P. ROUSH PS 793



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



DATE November 5, 2012
 FARM Clinton Wright No. 7
 API WELL NO. 47-017-052738

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
 LOCATION: ELEVATION 1,034' WATERSHED Laughery Fork
 DISTRICT McClellan COUNTY Doddridge
 QUADRANGLE Centerpoint 7.5'
 SURFACE OWNER Coastal Lumber Co. ACREAGE 82.5 Ac.
 OIL & GAS ROYALTY OWNER HG Energy LLC. LEASE ACREAGE 59 Ac.
 LEASE NO. 99297-00
 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 3,120'
 WELL OPERATOR HG Energy LLC. DESIGNATED AGENT Mike Kirsch
 ADDRESS P. O. Box 5519 ADDRESS P. O. Box 5519
 Vienna, W.Va. 26105 Vienna, W.Va. 26105

FORM IV-9

Longitude - 80° 42' 08.5" Latitude - 39° 25' 38.8"