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

July 10, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-9502118, issued to MONTANI 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: W-1640
Farm Name: SCHUMACHER, LEO M. & NANC
API Well Number: 47-9502118
Permit Type: Vertical Well
Date Issued: 07/10/2013

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.

95-02118

CK# 2401 $650.00

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: Montani Energy LLC

TBD	Tyler	McElroy	Center Point
Operator ID	County	District	Quadrangle
	05	286	

2) Operator's Well Number: W-1640 3) Elevation: 912'

4) Well Type: (a) Oil X or Gas X

(b) If Gas: Production X / Underground Storage _____

Deep _____ / Shallow X

5) Proposed Target Formation(s): Gordon, Fifth Sand Proposed Target Depth: 3,500 ft
6) Proposed Total Depth: 3,550 Feet Formation at Proposed Total Depth: Fifth Sand
7) Approximate fresh water strata depths: 80 feet and 260 feet
8) Approximate salt water depths: 1,300 feet

9) Approximate coal seam depths: None noted in Offset Wells

10) Approximate void depths,(coal, Karst, other): None Noted in Offset Wells

11) Does land contain coal seams tributary to active mine? No

12) Describe proposed well work and fracturing methods in detail (attach additional sheets if needed)
Drill new Oil and Gas well. Anticipate Fracturing formations using a two stage Nitrogen Frac or foam Frac including approximately 700,000 cubic feet of nitrogen and 500 gallons of acid per stage.

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	9-5/8"	R-2	26#	40'	40'	To Surface
Fresh Water	7"		17#	900'	900'	To Surface
Coal	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate	N/A	N/A	N/A	N/A	N/A	N/A
Production	4-1/2"	R-3	9.5#	3,550'	3,550'	250 Sacks/ 2000' fill up
Tubing	N/A	N/A	N/A	N/A	N/A	N/A
Liners	N/A	N/A	N/A	N/A	N/A	N/A

Packers: Kind: N/A
Sizes: N/A
Depths Set N/A

Received
Office of Oil & Gas
JUN 24 2013

6-10-13

9502118

WW-2A
(Rev. 6-07)

1). Date: June 7, 2013

2.) Operator's Well Number W-1640

3.) API Well No.: State 47- County 95 - Permit 02118

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

4) Surface Owner(s) to be served:
(a) Name Leo M. & Nancy M. Schumacher
Address 3618 Laubert Rd
Atwater, OH 44201

(b) Name
Address

(c) Name
Address

6) Inspector Joe Taylor
Address 601 5th St SE
Charleston, WV 25304
Telephone 304 380-7469

5) (a) Coal Operator
Name None
Address

(b) Coal Owner(s) with Declaration
Name
Address

Name
Address

(c) Coal Lessee with Declaration
Name
Address

TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT:

___ Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas

OR

X Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)

I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through ___ on the above named parties by:

___ Personal Service (Affidavit attached)
X Certified Mail (Postmarked postal receipt attached)
___ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

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, 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.

NOTARY PUBLIC OFFICIAL SEAL
ROBERT J. HAUGHT
State of West Virginia
My Commission Expires March 23, 2019
118 Crestwood Dr. Parkersburg, WV 26104

Well Operator Montani Energy LLC
By: B. Daytz Managing Member
Its: Agent
Address HC 68 Box 14
Smithville, WV 26178
Telephone 304 477-3333

Subscribed and sworn before me this 7th day of JUNE, 2013

Notary Public

My Commission Expires MARCH 23, 2019

Received
Office of Oil & Gas
JUN 24 2013

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 normal 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

95-02118

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

County Tyler
Operator Montani Energy LLC Operator's Well Number W-1640

INSTRUCTIONS TO COAL OPERATOR, OWNER, OR LESSEE

To the coal operator, owner, or lessee named on page WW2-A. You are hereby notified that any objection you wish to make or are required to make by WV Code 22-6-15, 16 or 17, must be filed with the Chief of the Office of Oil and Gas within fifteen (15) days after the receipt of this application by the Office. Mail objections to:

Chief, Office of Oil and Gas
Department of Environmental Protection
601 57th St. SE
Charleston, WV 25304
(304) 926-0499 extension 1654

WAIVER

The undersigned coal operator _____/ owner _____/ lessee _____/ of the coal under this well location has examined this proposed well location. If a mine map exists which covers the area of well location, the well location has been added to the mine map. The undersigned has no objection to the work proposed to be done at this location, provided, the well operator has complied with all applicable requirements of the West Virginia Code and the governing regulations.

FOR EXECUTION BY A NATURAL PERSON

_____ Date _____
Signature

FOR EXECUTION BY A CORPORATION, ETC.

Company Name _____
By _____
Its _____ Date

_____
Signature Date

*No Coal Operators Located on property

Received
Office of Oil & Gas
JUN 24 2013

95-02118

WW-2A1
(Rev. 1/11)

Operator's Well Number W-1640

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
Leo M. & Nancy M. Schumacher	Montani Energy LLC	15%	385/165

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.

Received
Office of Oil & Gas

Well Operator: Montani Energy LLC
By: Its: Agent

2013

9502118

WW-2B1
(5-12)

Well No. W-1640

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	Microbac Laboratories
Sampling Contractor	158 Starlight Dr, Marietta, OH 45750

Well Operator	Montani Energy LLC
Address	HC 68 Box 14
	Smithville, WV 26178
Telephone	304 477-3333

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.

No water wells within 1000 feet of proposed location, will sample water well within 2,000 feet of wellbore
Surfaces owners Contacted:
Leo M. & Nancy M. Schumacher
3618 Laubert Rd
Atwater, OH 44201

Received
Office of Oil & Gas
2013

95 02118

WW-9
Rev. 5/10

Page _____ of _____
API Number 47 - 95 - 02118
Operator's Well No. W-1640

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 Name Montani Energy LLC OP Code TBD

Watershed Walnut Fork Quadrangle Center Point

Elevation 912' County Tyler District McElroy

Description of anticipated Pit Waste: Drilling Water/Fluid

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

Will a synthetic liner be used in the pit? Yes. If so, what mil.? ~~6 mil thickness~~ 20 MIL

Proposed Disposal Method For Treated Pit Wastes:

X 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, freshwater, oil based, etc. Air
-If oil based, what type? Synthetic, petroleum, etc. NA
Additives to be used? TD 200 Drilling Soap (Only if Necessary)
Will closed loop system be used ? NO
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 Lime
-Landfill or offsite name/permit number? NA

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 D. Haught

Company Official (Typed Name) Douglas Haught

Company Official Title Agent

NOTARY PUBLIC OFFICIAL SEAL
ROBERT J. HAUGHT
State of West Virginia
My Commission Expires March 23, 2019
118 Crestwood Dr. Parkersburg, WV 26104

Subscribed and sworn before me this 7th day of JUNE, 2013

Received
Office of Oil & Gas
JUN 24 2013

Notary Public

My commission expires MARCH 23, 2019

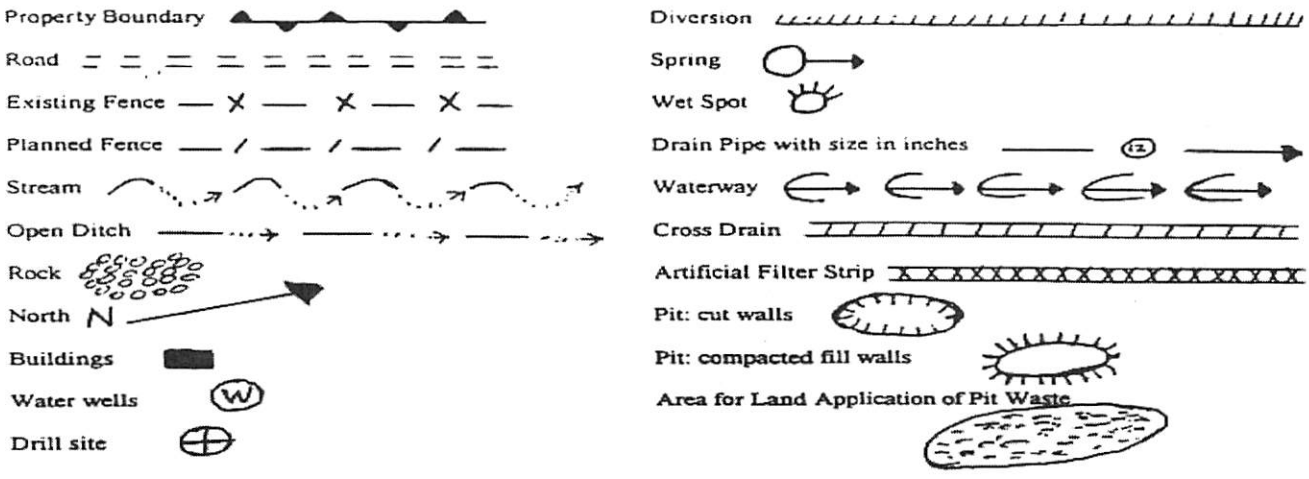
6-10-13

95-02118

Form WW-9

Operator's Well No. W-1640

LEGEND



Proposed Revegetation Treatment: Acres Disturbed 2 AC +/- Prevegetation pH 5.5

Lime 2 Tons/acre or to correct to pH 6.5

Fertilizer (10-20-20 or equivalent) 600 lbs/acre (500 lbs minimum)

Mulch 90 Bales Tons/acre

Seed Mixtures

Area I		Area II	
Seed Type	lbs/acre	Seed Type	lbs/acre
Pasture Mix	100	Pasture Mix	100
(Orchard Grass, Rye Grass, Timothy, Clover)		(Orchard Grass, Rye Grass, Timothy, Clover)	

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

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by:

Comments:

Received
Office of Oil & Gas
JUN 24 2013

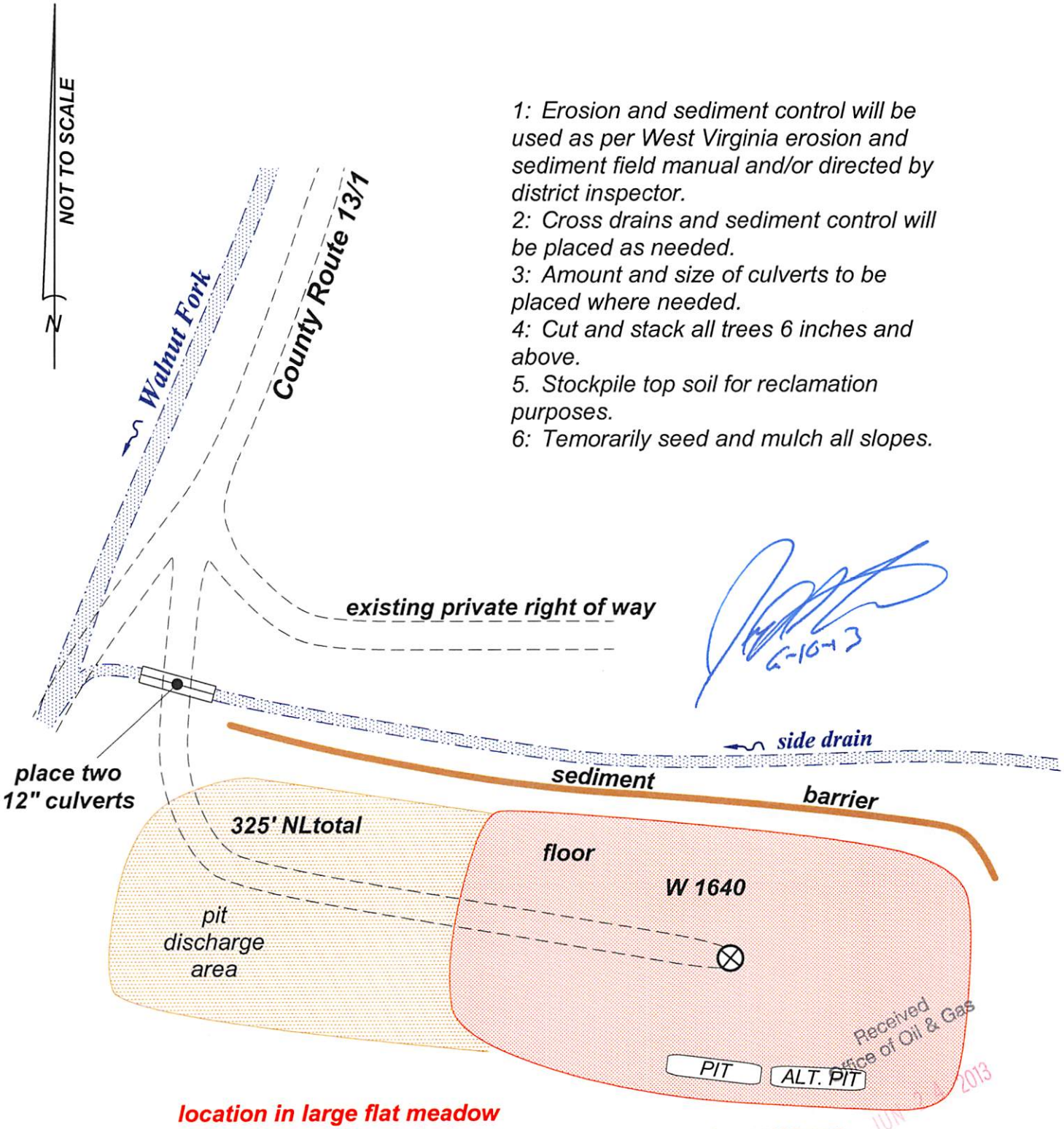
Title: Inspector Date: 6-10-13

Field Reviewed? (X) Yes ( ) No

95-02118

MONTANI ENERGY LLC

Well: W-1640
Leo Schmacher 99.94 Acre Lease
McElroy District Tyler County West Virginia

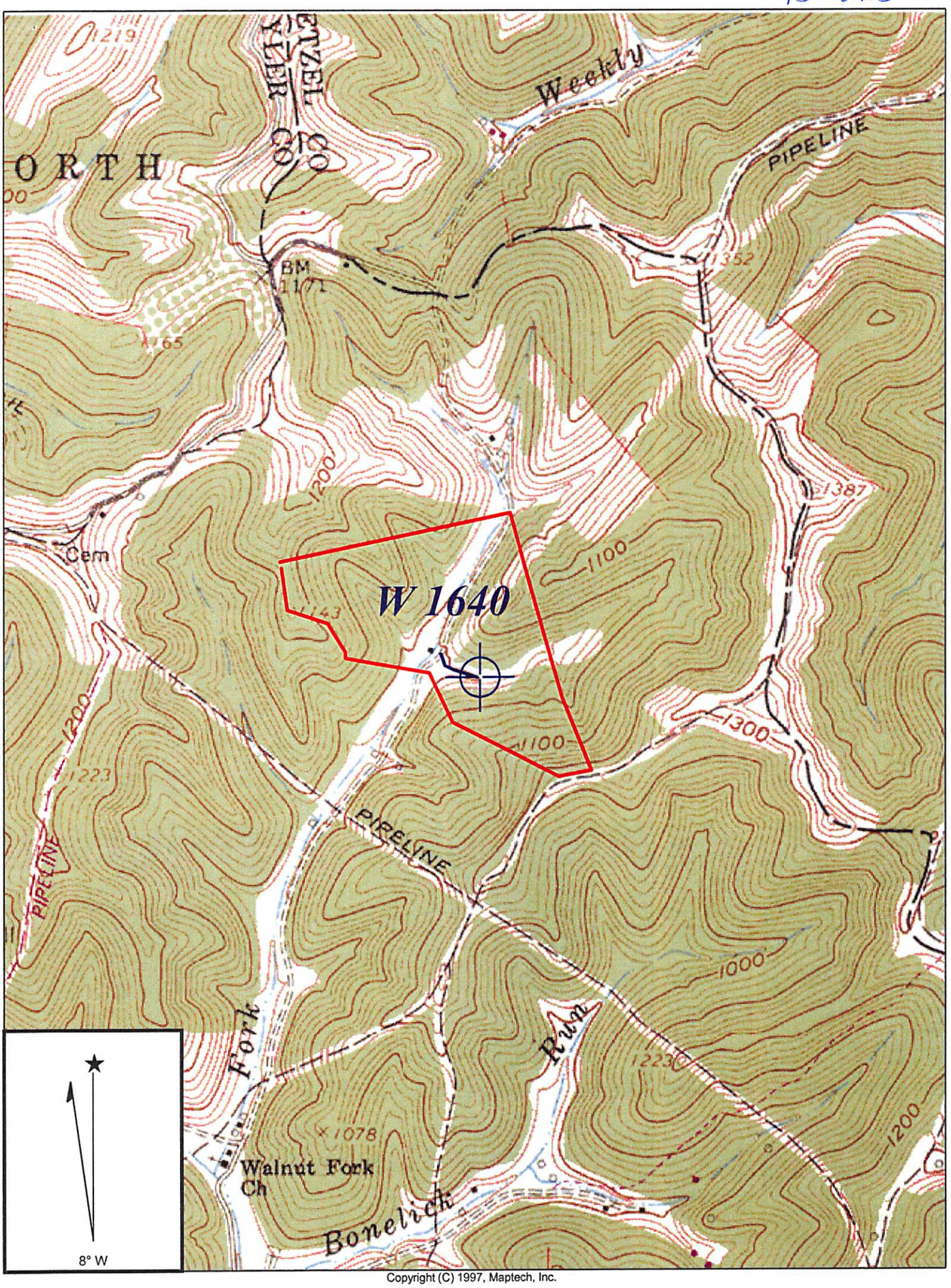


1: Erosion and sediment control will be used as per West Virginia erosion and sediment field manual and/or directed by district inspector.
2: Cross drains and sediment control will be placed as needed.
3: Amount and size of culverts to be placed where needed.
4: Cut and stack all trees 6 inches and above.
5. Stockpile top soil for reclamation purposes.
6: Temorarily seed and mulch all slopes.

G-10-3

PLACE E&S CONTROLS BEFORE BUILDING LOCATION.

95-02118



Copyright (C) 1997, Maptech, Inc.

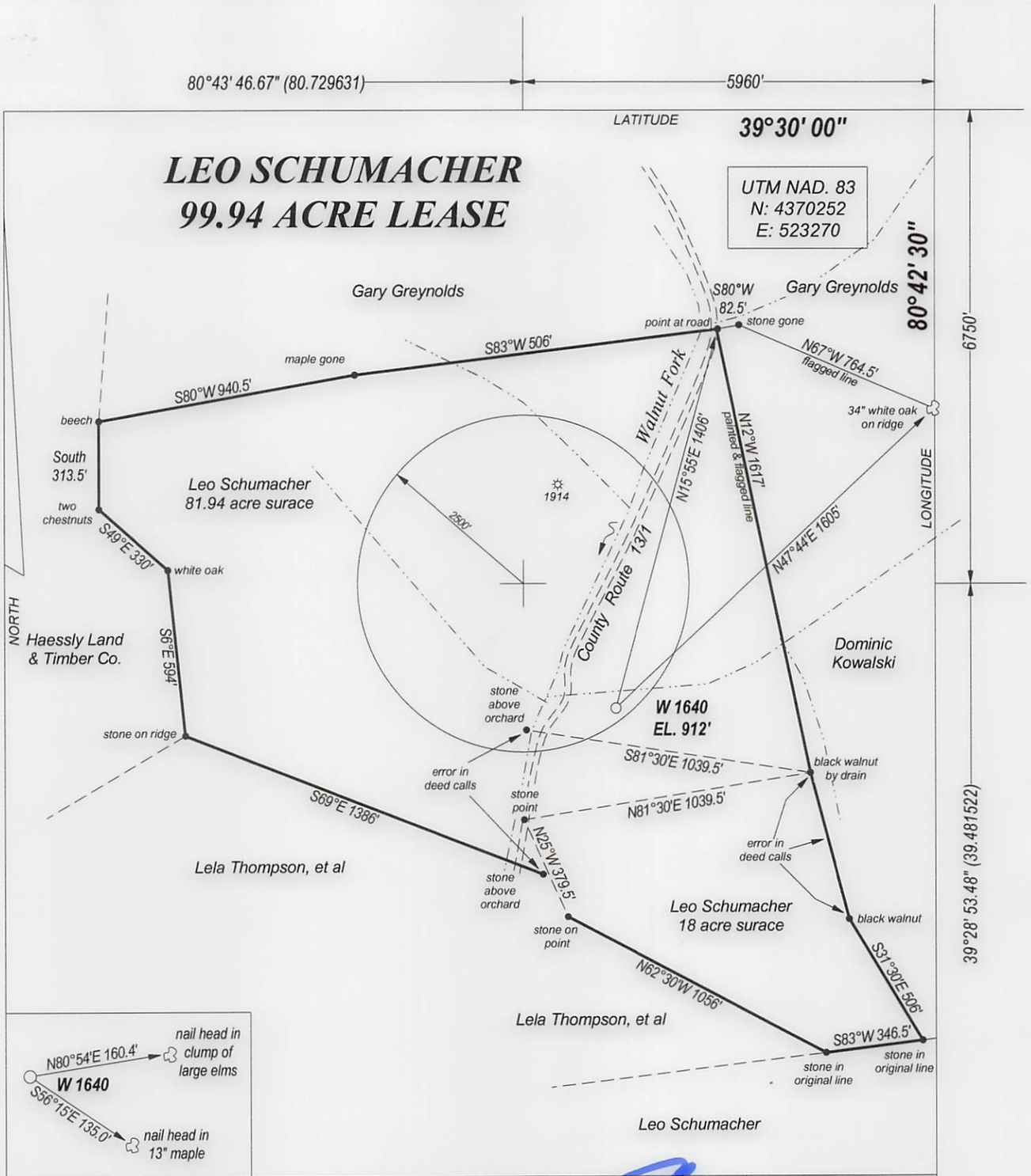
CENTER POINT QUADRANGLE

SCALE 1" = 1000'

MONTANI ENERGY LLC

WELL: W 1640
LEO & NANCY SCHUMACHER 99.94 ACRE LEASE

MCELROY DISTRICT TYLER COUNTY WEST VIRGINIA



FILE NO.
DRAWING NO.
SCALE 1" = 500'
MINIMUM DEGREE OF ACCURACY 1 : 200
PROVEN SOURCE OF ELEVATION GPS / OBSERVATION

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 ENERGY.

(SIGNED) _____
PROFESSIONAL SURVEYOR: 551

WILLIAM R. MOSSOR LICENSED No. 551 STATE OF WEST VIRGINIA PROFESSIONAL SURVEYOR

STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY
DIVISION OF OIL AND GAS

DATE JUNE 15TH, 2012
OPERATORS WELL NO. W 1640

API 47 - 095 -02118
STATE COUNTY PERMIT

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

LOATION: ELEVATION 912' WATER SHED WALNUT FORK
DISTRICT MCELROY COUNTY TYLER QUADRANGLE CENTER POINT

SURFACE OWNER LEO M. SCHUMACHER & NANCY M. SCHUMACHER ACREAGE 81.94
OIL & GAS ROYALTY LEO M. SCHUMACHER & NANCY M. SCHUMACHER LEASE AC. 99.94

PROPOSED WORK: DRILL XX CONVERT ___ DRILL DEEPER ___ REDRILL ___
FRACTURE OR STIMULATE ___ PLUG OFF OLD FORMATION ___
PERFORATE NEW FORMATION ___
OTHER PHYSICAL CHANGE IN WELL ___
PLUG AND ABANDON ___ CLEAN OUT AND REPLUG ___

TARGET FORMATION GORDON / FIFTH SAND ESTIMATED DEPTH [redacted]

WELL OPERATOR MONTANI ENERGY LLC / [redacted] ENERGY CORP
ADDRESS HC 68, BOX 14
SMITHVILLE, WV 26178

DESIGNATED AGENT DOUGLAS [redacted] WARREN HAUGHT
ADDRESS HC 68, BOX 14
SMITHVILLE, WV 26178

FORM WW - 6

COUNTY NAME

PERMIT

9502118

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 25, 2013

FINAL INSPECTION REPORT

New Well Permit Cancelled

HAUGHT ENERGY CORPORATION,

The FINAL INSPECTION REPORT for the CANCELLED permit, API Well Number: 47-9502059, issued to HAUGHT ENERGY CORPORATION, and listed below has been received in this office. The permit has been cancelled as of 6/25/2013.

James Martin
Chief

Operator: HAUGHT ENERGY CORPORATION
Operator's Well No: W-1640
Farm Name: SCHUMACHER, LEO M. AND NA
API Well Number: 47-9502059
Date Issued: 09/14/2012

Date Cancelled: 06/25/2013

Promoting a healthy environment.

9502118

Haught Energy Corporation

June 21, 2013

To: WVDEP - Office of Oil and Gas
601 57th Street, SE
Charleston, WV 25304

Check #2461
$650.00

RE: Schumacher W-1640
Well Permit

To whom it may concern,

Per various recommendations, Haught Energy Corporation is requesting to cancel the well work permit known as API # 47-095-02059. Montani Energy LLC is currently in a joint development program with Haught Energy Corporation and has completed a new permit package for the same well location as the previously mentioned permit. This permit package along with the application for a single well bond as required by the state is attached. Please let me know if there is any additional information that you may need to complete the issuance of this new permit in the name of Montani Energy LLC.

Thanks,

Bobby Haught

Received
Office of Oil & Gas
JUN 24 2013

Haught Energy Corporation | 12864 Staunton Turnpike Smithville, WV 26178
P – (304) 477 3333
F – (304) 477 3336