



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 16, 2013

WELL WORK PERMIT

Fracture

This permit, API Well Number: 47-10301716, 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: L. S. HOYT 108
Farm Name: DALLISON LUMBER , INC.

API Well Number: 47-10301716

Permit Type: Fracture

Date Issued: 07/16/2013

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. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
2. 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.

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

Well Operator's Report of Well Work

Well name: Dallison Lumber Company Operator Well No.: L.S. Hoyt #108

LOCATION: Elevation: 1,452.00 Quadrangle: Pine Grove

District: Center County: Wetzel
Latitude: 4,900 Feet south of 39 Deg 37 Min 30 Sec.
Longitude: 5,150 Feet west of 80 Deg 37 Min 30 Sec.

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

Agent: PHILIP S. ONDRUSEK

Inspector: Randal Mick

Permit Issued: 10/2/96

Well work Commenced: 10/18/96

Well work Completed: 11/19/96

Verbal plugging

Permission granted on:

Rotary Cable _____ Rig _____

Total Depth (feet) 3625'

Fresh water depths (ft) NA

Salt water depths (ft) NA

Coal being mined in area (Y/N) No

Coal Depths (ft): 1341-1350

Casing & Tubing Size	Used in Drilling	Left in Well	Cement Fill Up Cu. Ft.
8-5/8"	1438'	1438'	600 Sacks
4 1/2"	3496.90'	3496.90'	275 Sacks

RECEIVED
Office of Oil & Gas
Permitting
APR 09 2003
WV Department of
Environmental Protection

PEN FLOW DATA

*Well was drilled as a waterflood injection well. No open-flow data was obtained

Note: Well was drilled directionally N48W 378' to bottom hole location.

Producing formation Gordon Pay zone depth (ft) 3436-3445
 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 & STIMULATING PHYSICAL CHANGE, ETC. 2) THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS, INCLUDING COAL ENCOUNTERED BY THE WELLBORE.

JUN 26 2013

For: PENNZOIL PRODUCTS COMPANY

By: _____

Date: 11/23/96

Treatment :

Perforations:

3439-3443 -4 holes/ft. (20 holes)

Treatment:

Treated via 4.5" Casing with 300 gals. 15% HCl, 220 bbls.

Borate cross-linked gelled water and 13,600 lbs. of 20/40 sand.

Well Log :

Note: Well was drilled directionally N48W 378' to bottom hole location.

All depths given below are measured depths.

Sand & Shale	0	-	260
Sand	260	-	306
Shale	306	-	450
Sand	450	-	498
Shale	498	-	563
Sand	563	-	612
Shale	612	-	726
Sand	726	-	738
Shale	738	-	813
Sand	813	-	915
Sand & Shale	915	-	1116
Sand	1116	-	1256
Sand & Shale	1256	-	1341
Pittsburg Coal	1341	-	1350
Sand & Shale	1350	-	1484
Sand	1484	-	1536
Shale	1536	-	1848
Sand	1848	-	1863
Shale	1863	-	2007
Sand	2007	-	2065
Shale	2065	-	2252
Sand	2252	-	2270
Shale	2270	-	2327
Sand	2327	-	2352
Shale	2352	-	2500
Big Lime	2500	-	2626
Big Injun	2626	-	2822
Shale	2822	-	3401
Gordon Stray	3401	-	3425
Shale	3425	-	3435
Gordon	3435	-	3446
Shale	3446	-	3625

Received

JUN 26 2013

103-01716 F



CONSOL Energy Inc.
Ohio Valley Operations
6126 Energy Road
Moundsville, WV 26041

phone: 304/843-3529
fax: 304/843-3546
e-mail: EricShereda@consolenergy.com
web: www.consolenergy.com

J. ERIC SHEREDA
Manager Engineering

July 2, 2013

Mr. James Martin
West Virginia Department of Environmental Protection
601 57th Street
Office of Oil & Gas
Charleston, West Virginia 25304

RE: HG Energy LLC Proposed L.S. HOYT 104, L.S. HOYT 105, L.S. HOYT 106, and
L.S. HOYT 108 Wells

Dear Mr. Martin,

RESERVE COAL PROPERTIES COMPANY does not object to the proposed well work for the above referenced wells. Attached are the signed coal waiver forms WW-2A approving the well work of the above referenced wells. If you have any questions or require additional information, please contact me at 304-843-3529.

Sincerely,


J. Eric Shereda
Manager Engineering

Received

JUL 8 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

10301716F

WW-2A Coal Waiver

COAL OPERATOR, OWNER, OR LESSEE WAIVER

County: Wetzel

Operator: HG Energy LLC

Operator's Well #: L.S. HOYT 108

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 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.

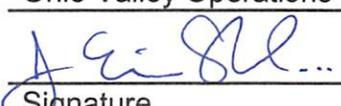
WAIVER

The undersigned coal operator ____ / owner X / 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.

RESERVE COAL PROPERTIES COMPANY approves and authorizes the well work represented by this well work application, provided that HG Energy LLC performs this work on the well located at the WV North NAD27 coordinates of North 406,883.375, East 1,677,853.232.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

		Company Name	RESERVE COAL PROPERTIES COMPANY	
Signature	Date	By	J. Eric Shereda	
		Its	Manager - Engineering	
			Ohio Valley Operations	
				7-2-2013
			Signature	Date

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JUL 8 2013

Office of Oil and Gas
WV Dept. of Environmental Protection

10301716F

Form WW-9
Rev. 10/94

Page 3 of 3
API Number 47- 103 - 1716
Operator's Well No. L. S. Hoyt 108

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 Betsy Run Quadrangle Pine Grove 7.5'
Elevation 1452' County Wetzel District Grant Center
Description of anticipated Pit Waste: Fluids encountered in 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.? 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? Water, soap, KCI

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

DWH
6-23-13

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 14 day of June 2013

Tina L. Pethel Notary Public

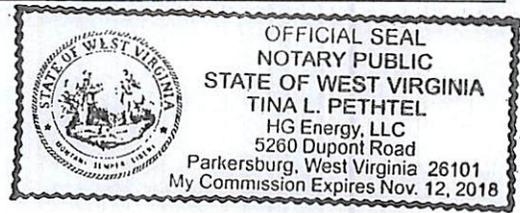
My commission expires 11/02/2018

Form WW-9

Received

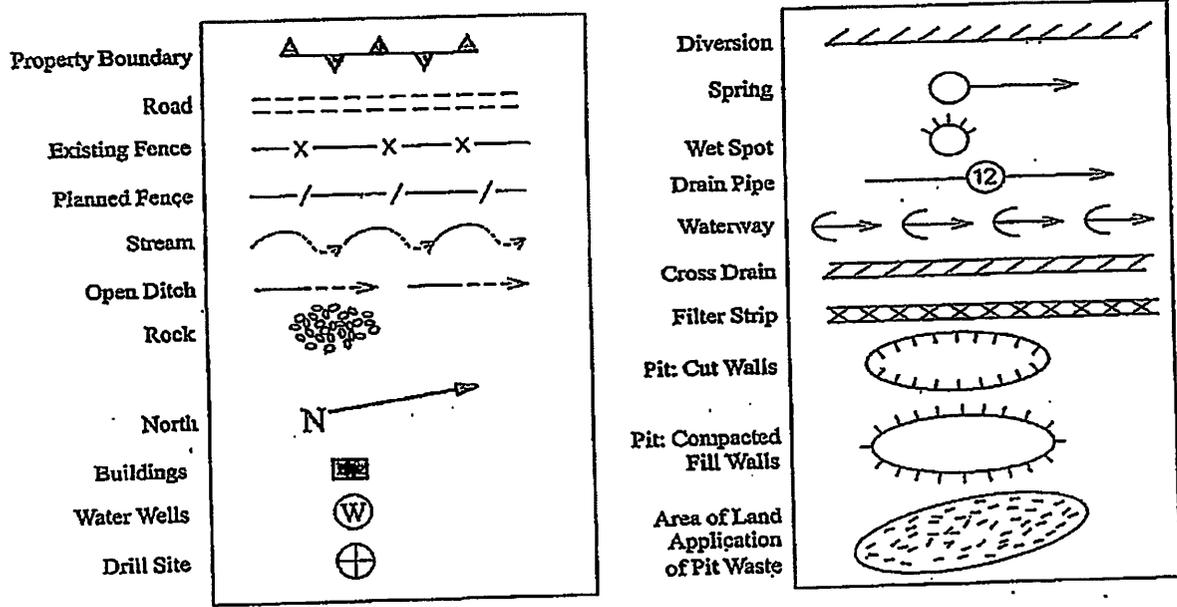
JUN 26 2013

Office of Oil and Gas
WV Dept. of Environmental Protection



WW9-Rack

Legend



Proposed Revegetation Treatment: Acres Disturbed Area I Approx. 0.2 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>		<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: 0.1 & 0.2 Acres Impervious Date: 6-23-13

Field Reviewed? () Yes () No

Received

JUN 26 2013

Reclamation Plan For:

L.S. Hoyt No. 108

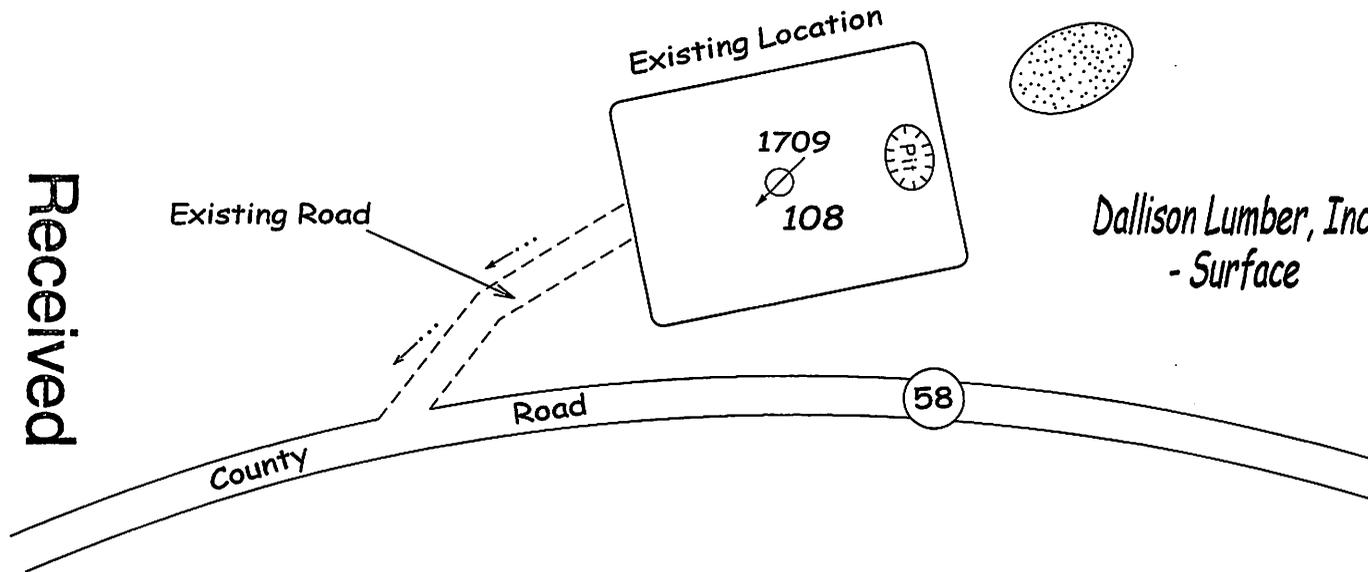
47-103-1716



Office of Oil and Gas
WV Dept. of Environmental Protection

JUN 26 2013

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Notes:

- Requested permit is for workover of existing well.
- Access road from Co. Rd. 58 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.

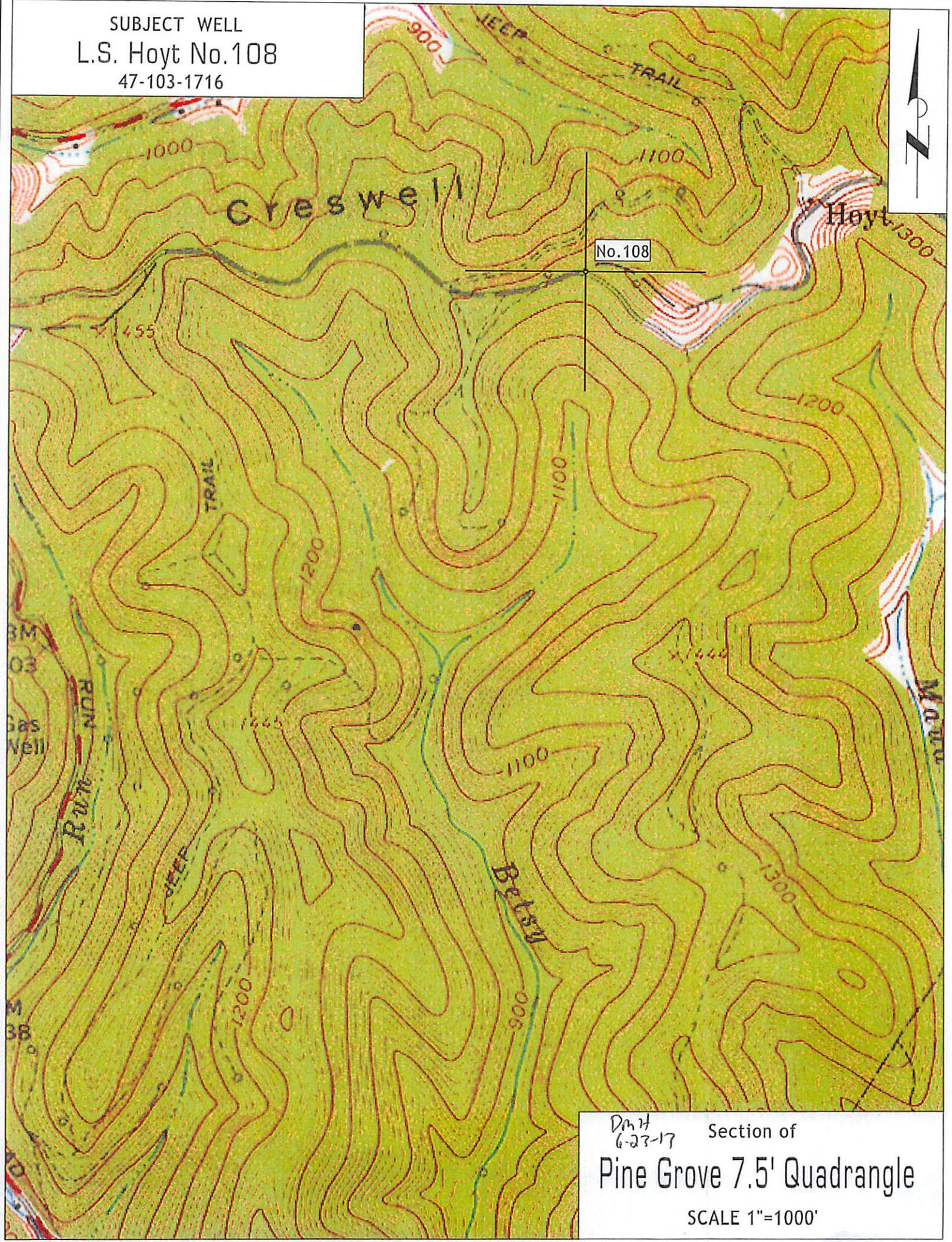
Note: Drawing not to Scale

DMH
6-23-17

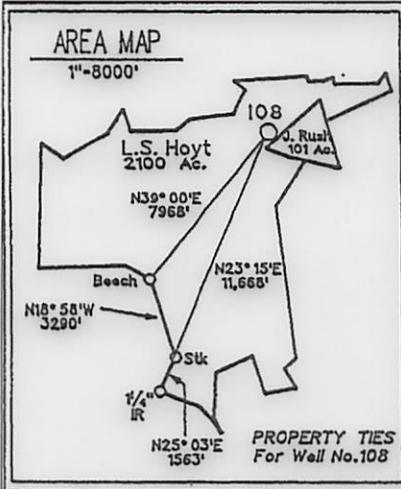
REFER TO THE WVDEP
EROSION AND SEDIMENT CONTROL
FIELD MANUAL VER. MAY 2012 FOR
BMPs CONTROLLING EROSION AND
SEDIMENT FROM SOIL-DISTURBING
OPERATIONS.

10381716F

SUBJECT WELL
L.S. Hoyt No.108
47-103-1716

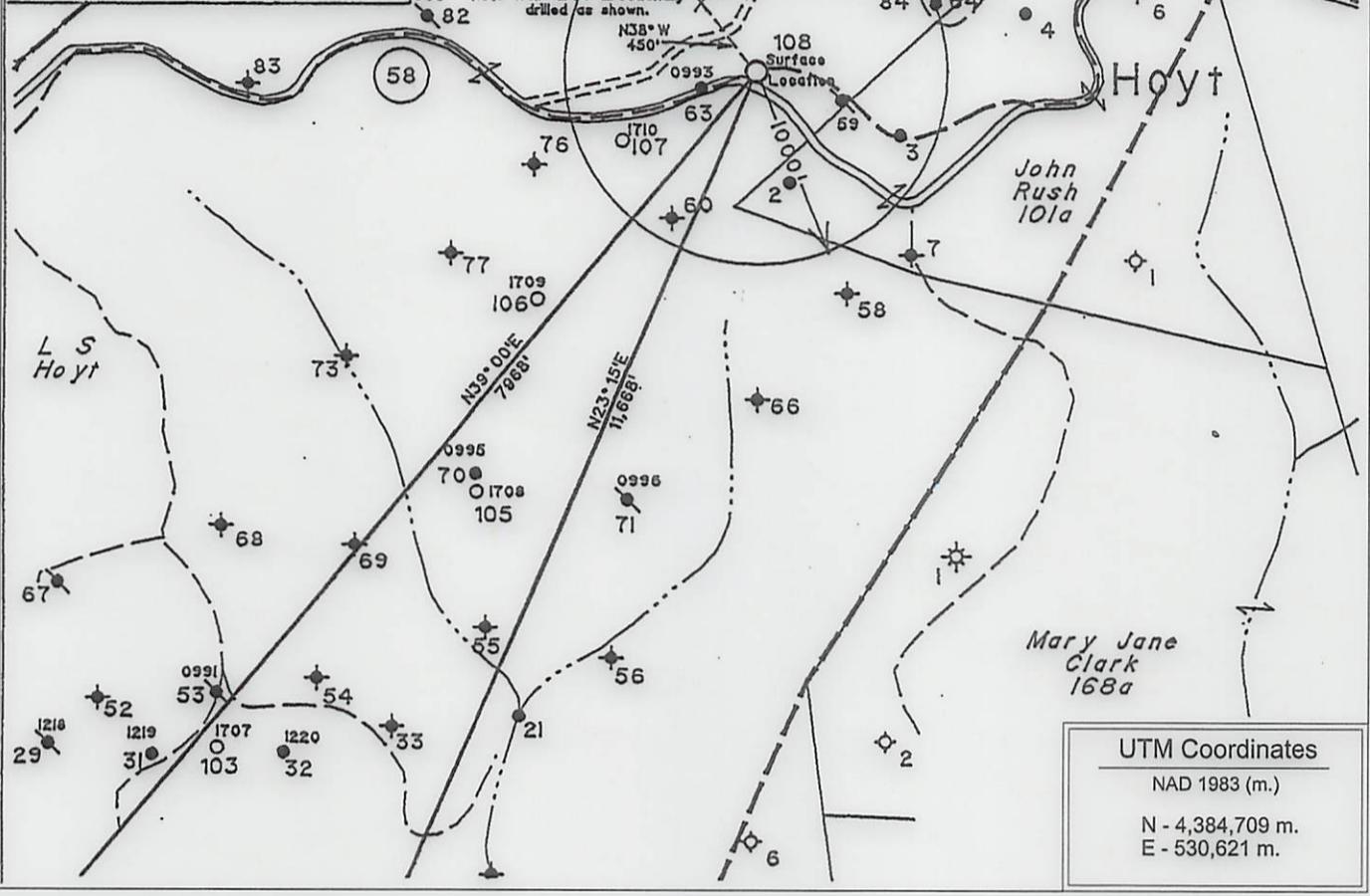


Dm 4
6-23-17 Section of
Pine Grove 7.5' Quadrangle
SCALE 1"=1000'



PLAT NOTES

- The drawing shown hereon is from the original drilling permit plat dated 8/30/96.
- 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 - 4,384,709 m.
 E - 530,621 m.

— DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS.

LONGITUDE 80° 37' 30"
 Latitude - 39° 36' 41.4" 4,900'

FILE NO. _____
 MAP NO. _____ N _____ S _____ E _____ W _____
 SCALE 1" = 1000'
 MINIMUM DEGREE OF ACCURACY _____ Sub-Meter
 PROVEN SOURCE OF ELEVATION WVDEP Records

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



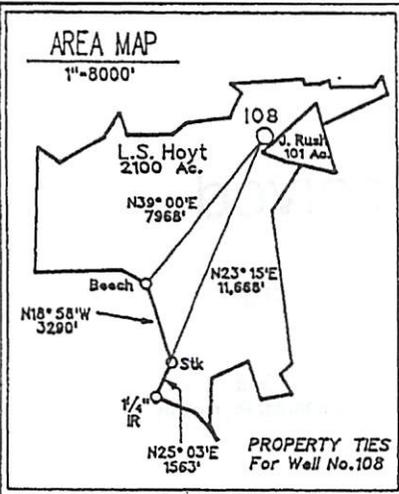
WEST VIRGINIA
 Division of Environmental Protection
 Office of Oil and Gas
 601 57th Street
 Charleston, West Virginia 25304



DATE June 5, 2013
 FARM L.S. Hoyt No. 108
 API WELL NO. 47-103-01716 F

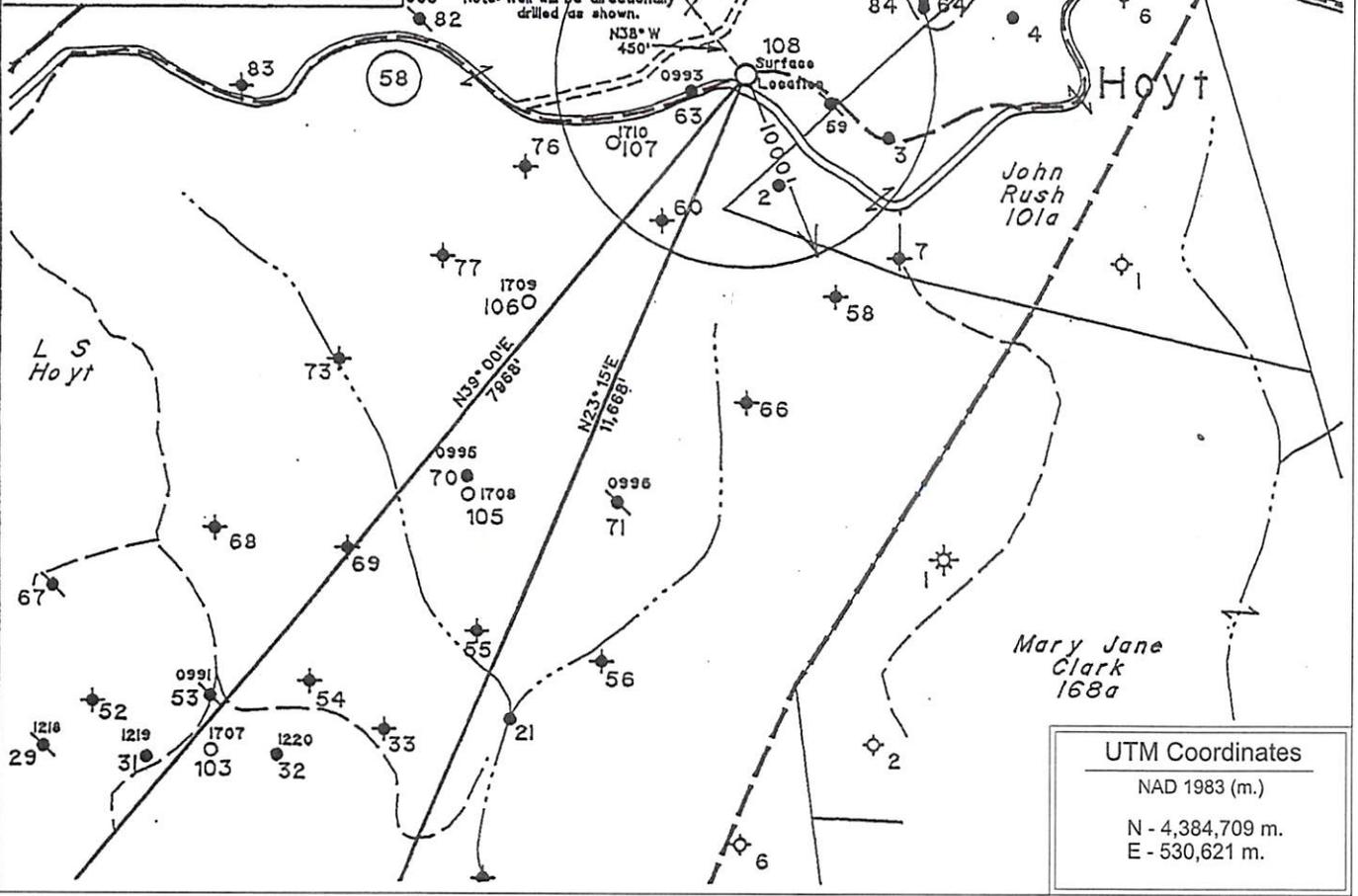
WELL TYPE: OIL ___ GAS ___ LIQUID INJECTION WASTE DISPOSAL ___
 (IF "GAS") PRODUCTION ___ STORAGE ___ DEEP ___ SHALLOW ___
 LOCATION: ELEVATION 1,452' WATERSHED Little Fishing Creek
 DISTRICT Center COUNTY Wetzell
 QUADRANGLE Pine Grove 7.5'
 SURFACE OWNER Dallison Lumber, Inc. ACREAGE 2099.3 Ac.
 OIL & GAS ROYALTY OWNER The Hoyt Foundation LEASE ACREAGE 2,100 Ac.
 LEASE NO. 52265-50
 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 3,625'
 WELL OPERATOR HG Energy, LLC DESIGNATED AGENT Mike Kirsch
 ADDRESS 5260 Dupont Road ADDRESS 5260 Dupont Road
 Parkersburg, WV 26101 Parkersburg, WV 26101



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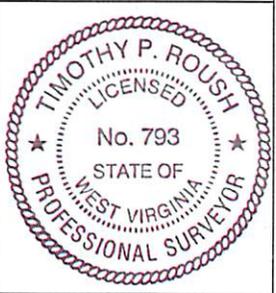
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LONGITUDE 80° 37' 30"
 LONGITUDE - 39° 36' 41.4"
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(SIGNED) *Timothy P. Roush*
 TIMOTHY P. ROUSH PS 793



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



DATE June 5, 2013
 FARM L.S. Hoyt No. 108
 API WELL NO. 47-103-01716F

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