



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

August 28, 2013

WELL WORK PERMIT

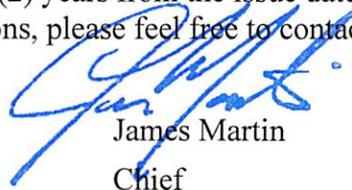
Vertical Well

This permit, API Well Number: 47-3305783, 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: J.M. FULTZ NO. 245
Farm Name: MYERS, EDGAR LEE JR.
API Well Number: 47-3305783
Permit Type: Vertical Well
Date Issued: 08/28/2013

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 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.

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

- 1) Well Operator: HG Energy, LLC
2) Operator's Well Number: J. M. Fultz No. 245 3) Elevation 1134'
4) Well Type: (a) Oil X or Gas
(b) If Gas: Production Underground Storage
5) Proposed Target Formation(s): Fifth Sand
6) Proposed Total Depth: 2875' TVD 3075' TMD ft.
7) Approximate fresh water strata depths: 40'
8) Approximate salt water depths: 1235'
9) Approximate coal seam depths: 435'
10) Does land contain coal seams tributary to active mine? Yes No X
11) Proposed Well Work: Drill and stimulate production well in Fifth Sand, well to be drilled directionally N 71° W 365'

CASING AND TUBING PROGRAM

Table with 7 columns: TYPE, SPECIFICATIONS (Size, Grade, Weight Per Ft.), FOOTAGE INTERVALS (For Drilling, Left in Well), CEMENT (Fill-up (Cu. Ft.)). Rows include Conductor, Fresh Water, Coal, Intermediate, Production, Tubing, and Liners.

SDW 6/27/2013

Packers: Kind Sizes Depths set

For Office of Oil and Gas Use Only

- Fee(s) Paid Well Work Permit Reclamation Fund WPCP
Plat WW-9 WW-2B Bond Agent

(Type) Received Office of Oil & Gas

JUL 1 2013

1) Date: June 20, 2013
2) Operator's Well Number
J. M. Fultz No. 245
3) API Well No: 47 - 033 -
State County Permit

STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS

CK# 2269
\$650.00

NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:
(a) Name Edgar Lee Myers ✓
Address RR 4, Box 532
Salem, WV 26426
(b) Name Brian V. Huffman ✓
Address RR 4, Box 530
Salem, WV 26426
(c) Name _____
Address _____
6) Inspector Sam Ward
Address P.O. Box 2327
Buckhannon, WV 26201
Telephone (304) - 389-7583

5) (a) Coal Operator:
Name NA
Address _____
(b) Coal Owner(s) with Declaration
Name NA
Address _____
(c) Coal Lessee with Declaration ✓
Name Wolf Run Mining
Address 2708 Cranberry Square
Morgantown, WV 26505

TO THE PERSON(S) 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)

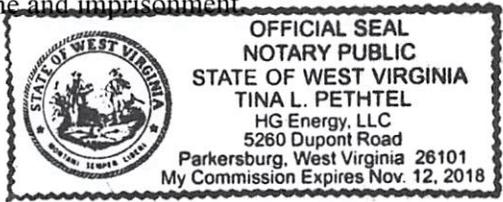
I certify that as required under Chapter 22 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through 4 on the above-named parties, by:

_____ 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 38 CSR 11-18, 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.



Well Operator HG Energy, LLC
By: Diane C White *Diane C White*
Its: Accountant
Address 5260 Dupont Road
Parkersburg, WV 26101
Telephone (304) 420-1119

Received
Office of Oil & Gas

Subscribed and sworn before me this 20 day of June 2013
Tina L Pethel
Notary Public

My commission expires Nov 12, 2018

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 Branch of Lick Run Quadrangle Salem 7.5' 596
Elevation 1134' County Harrison 33 District Ten Mile 09

Description of anticipated Pit Waste: Fluids encountered in drilling shallow 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)

*SDW
6/27/2013*

Drilling medium anticipated for this well? Air, fresh water, oil based, etc. Air, Fresh Water

- If oilbased, what type? Synthetic, petroleum, etc.

Additives to be used? Water, soap, KCl

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 Native soil, cement, lime

- 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.

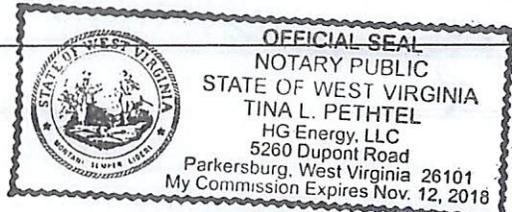
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is 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 Diane C White
Company Official (Typed Name) Diane C. White
Company Official Title Accountant

Subscribed and sworn before me this 20 day of June 2013
Tina L. Pethel Notary Public

Received
Office of Oil & Gas

My commission expires Nov 12, 2018
Form WW-9



JUL 1 2013

Legend

Property Boundary		Diversion	
Road		Spring	
Existing Fence		Wet Spot	
Planned Fence		Drain Pipe	
Stream		Waterway	
Open Ditch		Cross Drain	
Rock		Filter Strip	
North		Pit: Cut Walls	
Buildings		Pit: Compacted Fill Walls	
Water Wells		Area of Land Application of Pit Waste	
Drill Site			

Proposed Revegetation Treatment: Acres Disturbed

Area I	Approx. 1.0 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	
_____		_____	
_____		_____	

Received

JUL - 1 2013

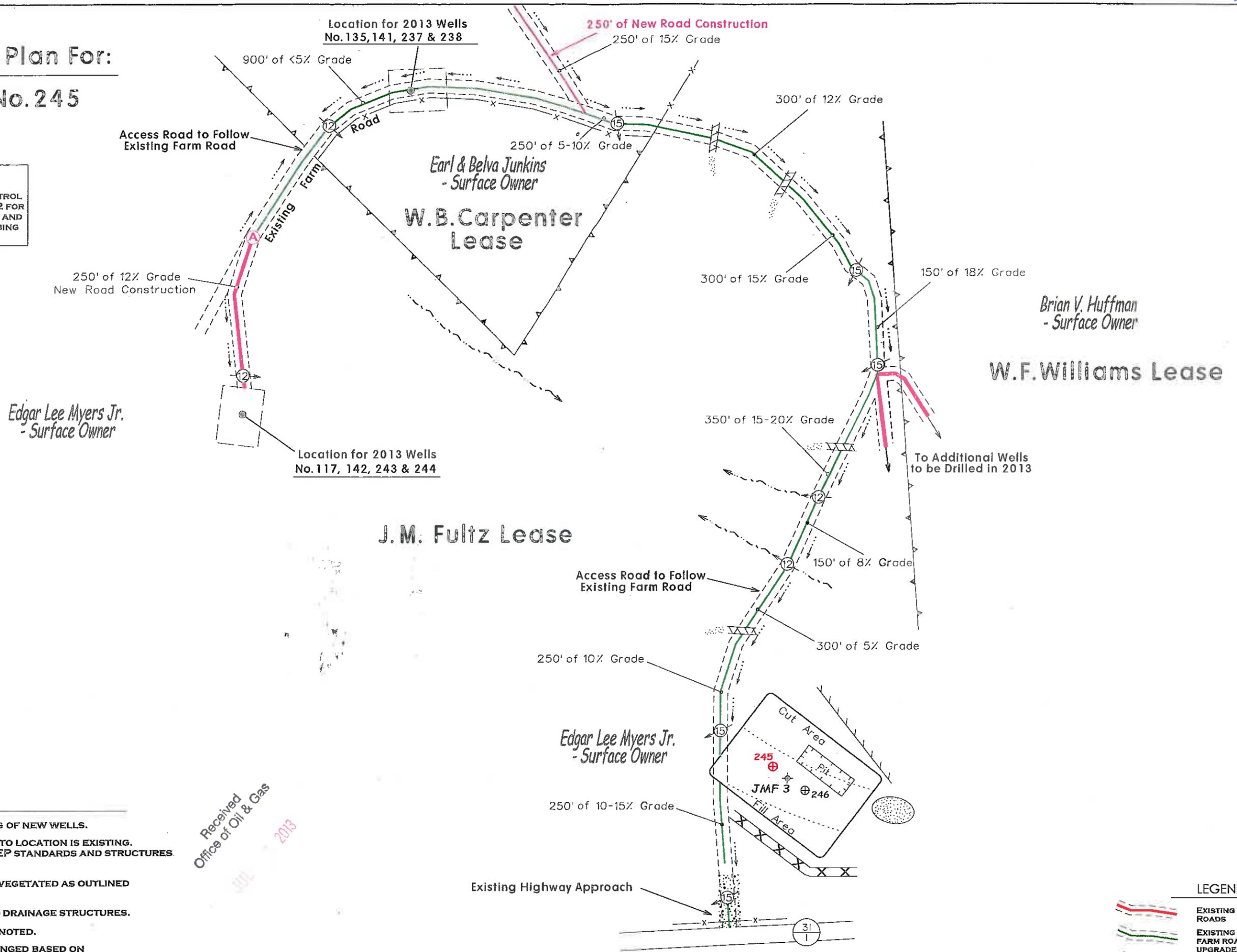
Attach:
 Drawing(s) of road, location, pit and proposed area for land application
 Photocopied section of involved 7.5' topographic sheet.

Office of Oil and Gas
 WV Dept. of Environmental Protection

Plan approved by: S. J. Dwan
 Title: Oil & Gas Inspector Date: 6/27/2013
 Field Reviewed? X Yes _____ No

Reclamation Plan For: J.M. Fultz No. 245

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



SDW
8/27/2013

Received
Office of Oil & Gas
JUL 2013

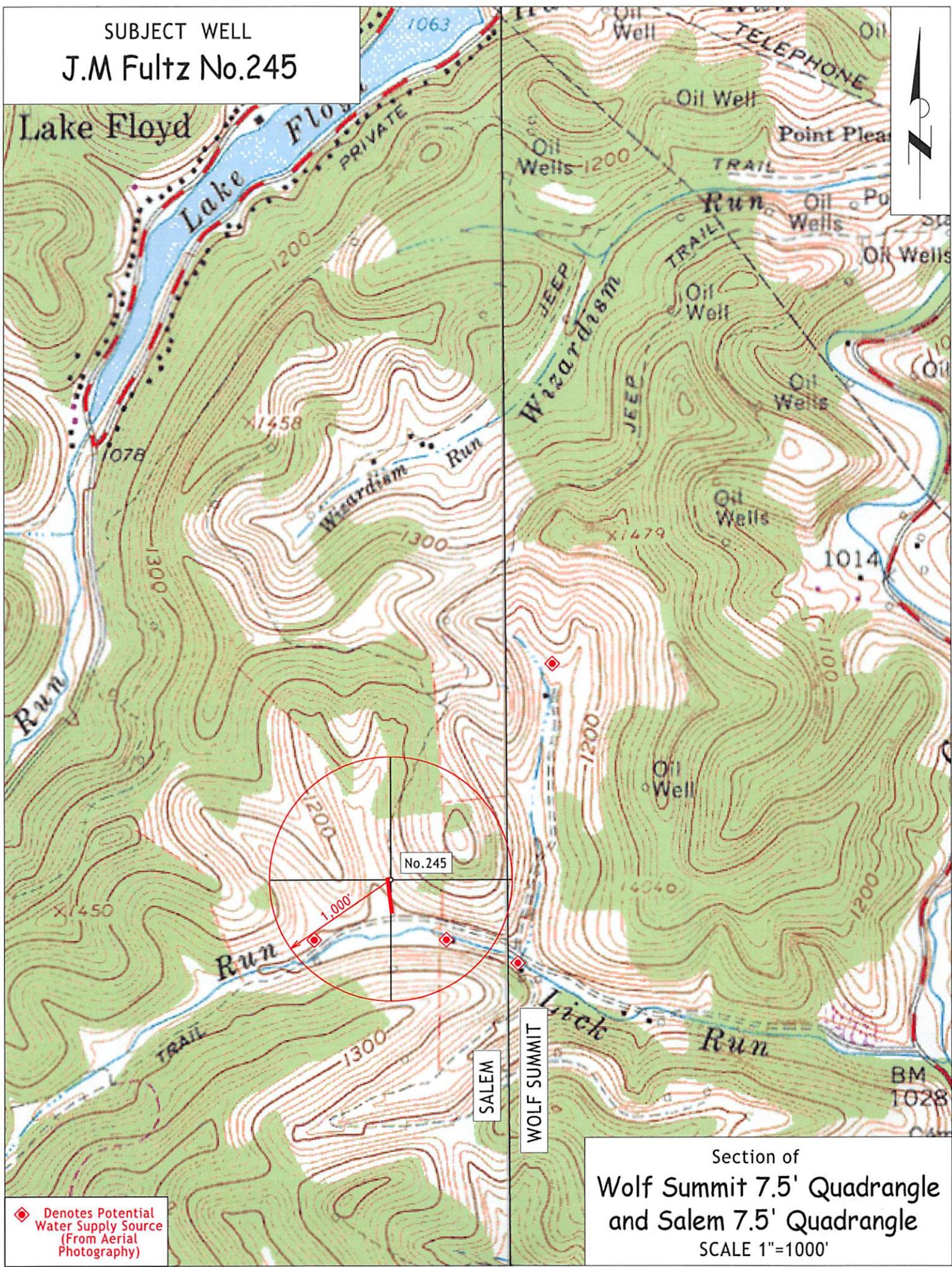
Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELLS.
- ACCESS ROAD FROM Co. Rd. 31/1 TO LOCATION IS EXISTING. ROAD WILL BE UPGRADED TO WVDEP STANDARDS AND STRUCTURES INSTALLED AS SHOWN.
- ALL DISTURBED AREAS WILL BE RE-VEGETATED AS OUTLINED ON FORM WW-9.
- MAINTAIN SEDIMENT BARRIERS AND DRAINAGE STRUCTURES.
- ALL ROAD GRADES <math><5\%</math> EXCEPT AS NOTED.
- LOCATION OF DRILL PIT MAY BE CHANGED BASED ON AS-BUILT CONSIDERATIONS.
- DRAWING NOT TO SCALE.

LEGEND

- EXISTING WATERFLOOD ROADS
- EXISTING LEASE OR FARM ROADS TO BE UPGRADED.
- NEW ROADS TO BE CONSTRUCTED

SUBJECT WELL
J.M Fultz No.245



◆ Denotes Potential Water Supply Source (From Aerial Photography)

Section of
Wolf Summit 7.5' Quadrangle
and Salem 7.5' Quadrangle
SCALE 1"=1000'

(BOTTOM HOLE: LON:-80°30'16.4")

LON:-80°30'12.0"

945

1 - Well ties and Latitude and Longitude were measured by Topcon Hiper GA survey grade GPS. Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1927).

2 - Surface owners, adjoining information, Lease names, & line mapping obtained from HGE GIS system. No survey was performed to determine lines within the Waterflood Unit-reference: HGE GIS system.

3 - No Title Opinion was provided to the Surveyor during this survey. This survey is subject to a complete title Opinion.

SURVEY NOTES		UTM Coordinates (Zone 17N-NAD 1983)
Surface	N-4,346,753m. E-542,860m.	
Bottom Hole	N-4,346,789m. E-542,755m.	

LOCATION REFERENCES	
UTM 27	
S 7°14' E 10.9' EX: WELL	N 81°47' E 109.9' 30" WO
Brg. Direction is prop. well to the ref.	

LAT: 39°17'30"
MAP OF
H.G. ENERGY, LLC
-WATERFLOOD UNIT-
J.M. FULTZ 245



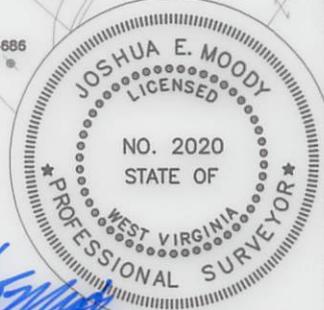
⊕ DENOTES LOCATION OF WELL ON U.S. TOPO MAPS.

JOB # 13-014
 DRAWING # 13LAKEFLOYD FOLDER
 SCALE 1" = 1500'
 MINIMUM DEGREE OF ACCURACY 1/2500
 PROVEN SOURCE OF ELEV. BENCH MARK H-80

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 PERSCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.



WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
MOODY LAND SURVEYING, LLC
 ST. MARYS, WV 26170



WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
 (IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
 LOCATION: ELEVATION 1134' WATERSHED BRANCH OF LICK RUN API WELL # 47-033-05783
 DISTRICT TEN MILE COUNTY HARRISON STATE 47 COUNTY 033 PERMIT 05783
 QUADRANGLE SALEM 7.5'

SURFACE OWNER EDGAR LEE MYERS, JR. ACREAGE 108.78 ACRES +/-
 OIL & GAS ROYALTY OWNER W.V.A. BAPTIST EDUC. SOC. ET AL LEASE ACREAGE 146 ACRES +/-
 PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW FORMATION
 OTHER PHYSICAL CHANGE IN WELL (SPECIFY) WILL BE DRILLED DIRECTIONALLY (N 71° W 365')
 PLUG & ABANDON CLEAN OUT & REPLUG
 TARGET FORMATION 5TH SAND
 WELL OPERATOR H.G. ENERGY, LLC ESTIMATED DEPTH MD= 3,075'
 ADDRESS 5260 DuPONT ROAD DESIGNATED AGENT MIKE KIRSCH
PARKERSBURG, WV 26101 ADDRESS 5260 DuPONT ROAD
PARKERSBURG, WV 26101

COUNTY NAME PERMIT