



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

February 24, 2015

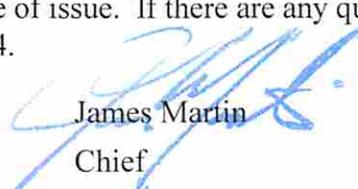
WELL WORK PLUGGING PERMIT

Plugging

This permit, API Well Number: 47-8703017, 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.

Upon completion of the plugging well work, the above named operator will reclaim the site according to the provisions of WV Code 22-6-30. The above named operator will also file, as required in WV Code 22-6-23, an affidavit on form WR-38 by two experienced persons in the operator's employment and the Oil and Gas inspector that the work authorized under this permit was performed and a description given. Failure to abide by all statutory and regulatory provisions governing all duties and operations here under may result in suspensions or revocation of this permit and in addition may result in civil and/or criminal penalties being imposed upon the operator.

This permit will expire in two (2) years from date of issue. If there are any questions, please free to contact me at (304) 926-0499 ext. 1654.


James Martin
Chief

Operator's Well No: 1
Farm Name: KINCAID, S. B.
API Well Number: 47-8703017
Permit Type: Plugging
Date Issued: 02/24/2015

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.
3. Well work activities shall not constitute a hazard to the safety of persons.

8703017P

Production First 24 Hours from **Big Injum Sand** Bbls. Approved. **Sand** Bbls. By _____ Sept. _____

SMITHFIELD & BURNS CO., DANBURG, W. VA.

S.B. Kincaid Farm, No. of Lease _____ No. Acres _____
Smithfield District **Boone** County **West Va.** State _____
 Well No. **One** Date of Location _____ 19____
Big Commenced _____ 19____ } _____ Contractor.
Big Completed _____ 19____ } _____ Contractor.
Drilling Commenced _____ 19____ } _____ Contractor.
Drilling Completed **September 16th,** 19 **10** } _____ Contractor.

CASING RECORD

| Size | CHANGED TO WELL | | PUT IN WELL | | BOTTOM OF CASING | | PULLED OUT OF WELL | | LEFT IN WELL | | TRANSFERRED BEFORE COMPLETION | | LEFT AT WELL NOT IN USE | |
|--------|-----------------|-----|-------------|-----|------------------|-----|--------------------|-----|--------------|-----|-------------------------------|-----|-------------------------|-----|
| | Feet | In. | Feet | In. | Feet | In. | Feet | In. | Feet | In. | Feet | In. | Feet | In. |
| 10 | 203 | | 203 | | 203 | | 203 | | | | | | | |
| 8 1/2 | 865 | | 865 | | 865 | | 865 | | | | | | | |
| 6-5/8 | 1880 | | 1880 | | 1880 | | | | 1880 | | | | | |
| 5-5/16 | 1950 | | 1950 | | 1950 | | | | 1950 | | | | | |

| FORMATION | TOP | BOTTOM | THICKNESS | SHOT RECORD | | | | | | | |
|--------------------|------|--------|-----------|-------------|-----|-----|-----------|--------------------------------|-------------|----------------|--|
| | | | | Month | Day | Yr. | Size Shot | Length of Shell | Top of Shot | Bottom of Shot | |
| Dunkard Sand | 860 | 960 | | | | | | | | | |
| Salt Sand | 1650 | 1700 | | | | | | | | | |
| Pencil Cave | 1875 | 1878 | | 9 | 16 | 10 | 30 | | | | |
| Big Lime | 1678 | 2001 | | 11 | 15 | 44 | 60 | 10 Ft. Fluid in hole when shot | 2046' | 2053' | |
| Big Injum Sand | 2001 | 2053 | | | | | | | | | |
| Big Injum Sand Oil | 2030 | 2050 | | | | | | | | | |

REMARKS:
 Water at 1600'
 Water at 1918'
 Small Show Gas at 2010'

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 Office of Oil & Gas
 JAN 07 2015

ABANDONED _____

| Size | Casing Pulled | Casing Left In |
|------|---------------|----------------|
| | | |
| | | |
| | | |
| | | |

REMARKS:
 EI = 944.00

Total Depth,

2057

CK 2862 \$10000
87 03017P

WW-4A
Revised 6-07

1) Date: December 3, 2014
2) Operator's Well Number
SB Kinkead 1

3) API Well No.: 47 - 087 - 03017

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE OF APPLICATION TO PLUG AND ABANDON A WELL

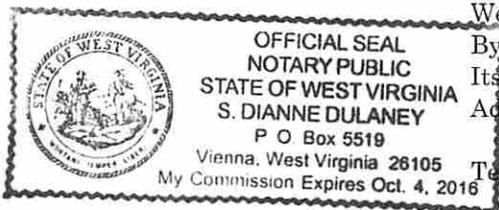
| | |
|-------------------------------------|------------------------------------|
| 4) Surface Owner(s) to be served: | 5) (a) Coal Operator |
| (a) Name <u>Holly L. Cottrell</u> | Name _____ |
| Address <u>88 Edgle Fork Road</u> ✓ | Address _____ |
| <u>Spencer, WV 25276</u> | _____ |
| (b) Name _____ | (b) Coal Owner(s) with Declaration |
| Address _____ | Name _____ |
| _____ | Address _____ |
| (c) Name _____ | Name _____ |
| Address _____ | Address _____ |
| _____ | _____ |
| 6) Inspector <u>Ed Gainer</u> | (c) Coal Lessee with Declaration |
| Address <u>P. O. Box 821</u> | Name _____ |
| <u>Spencer, WV 25276</u> | Address _____ |
| Telephone <u>304-389-7582</u> | _____ |

TO THE PERSONS NAMED ABOVE: You should have received this Form and the following documents:

- (1) The application to Plug and Abandon a Well on Form WW-4B, which sets out the parties involved in the work and describes the well its and the plugging work order; and
- (2) The plat (surveyor's map) showing the well location on Form WW-6.

The reason you received these documents is that you have rights regarding the application which are summarized in the instructions on the reverses side. 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 permit to plug and abandon a well with the Chief of the Office of Oil and Gas, West Virginia Department of Environmental Protection, with respect to the well at the location described on the attached Application and depicted on the attached Form WW-6. Copies of this Notice, the Application, and the plat 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 mailing or delivery to the Chief.



| | |
|---------------|---------------------------------------|
| Well Operator | <u>HG Energy, LLC</u> |
| By | <u>Diane White</u> <i>Diane White</i> |
| Its | Agent |
| Address | <u>5260 Dupont Road</u> |
| | <u>Parkersburg, WV 26101</u> |
| Telephone | <u>304-420-1119</u> |

Received
Office of Oil & Gas
JAN 07 2015

Subscribed and sworn before me this 3rd day of December, 2014
S. Dianne Dulaney Notary Public
My Commission Expires Oct. 4, 2016

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 depprivacyoffier@wv.gov.

8703017A

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OFFICIAL USE

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| | |
|---|---------------|
| Postage | \$ 1.40 |
| Certified Fee | 3.30 |
| Return Receipt Fee (Endorsement Required) | 2.70 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$7.40 |



SBK1 - P

Sent To Holly L. Cottrell

Street, Apt. No.,
or PO Box No. 88 Edgle Fork Rd. ✓

City, State, ZIP+4 Spencer, WV 25276

PS Form 3800, August 2005

See Reverse for Instructions

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Office of Oil & Gas
JAN 07 2015

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 HG Energy, LLC OP Code 494497948

Watershed Rush Run Quadrangle Looneyville 7.5'

Elevation 991 County Roane District Smithfield

Description of anticipated Pit Waste: Fluids encountered while plugging subject well

Will a synthetic liner be used in the pit? Yes 20 ml.

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 _____)

Proposed Work For Which Pit Will Be Used:

- Drilling
- Workover
- Other (Explain _____)
- Swabbing
- Plugging

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.

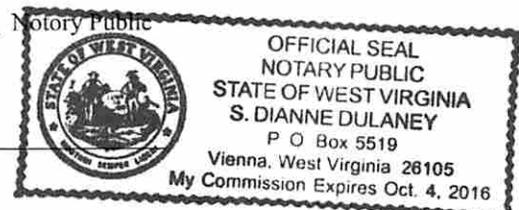
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

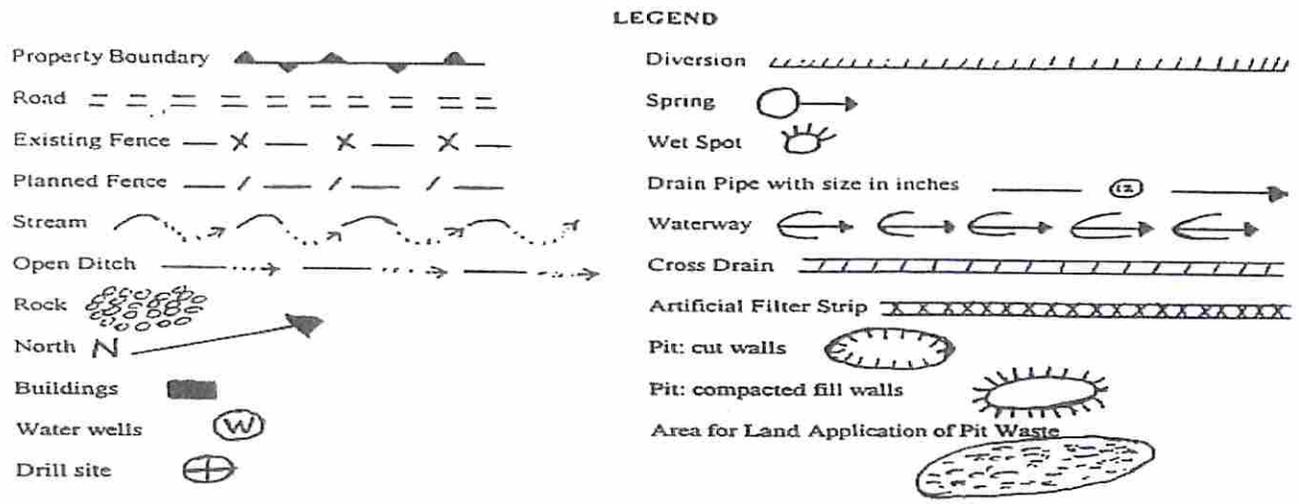
Company Official Signature Diane White Received
 Company Official (Typed Name) Diane White Office of Oil & Gas
 Company Official Title Agent JAN 07 2015

Subscribed and sworn before me this 3rd day of December, 2014

[Handwritten Signature]

My commission expires Oct. 4, 2016





Proposed Revegetation Treatment: Acres Disturbed 0.7 acre Prevegetation pH _____

Lime 3 Tons/acre or to correct to pH 6.5

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

Mulch Straw 2 Tons/acre

Seed Mixtures

| Area I | | Area II | |
|---------------|----------|---------------|----------|
| Seed Type | lbs/acre | Seed Type | lbs/acre |
| 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.

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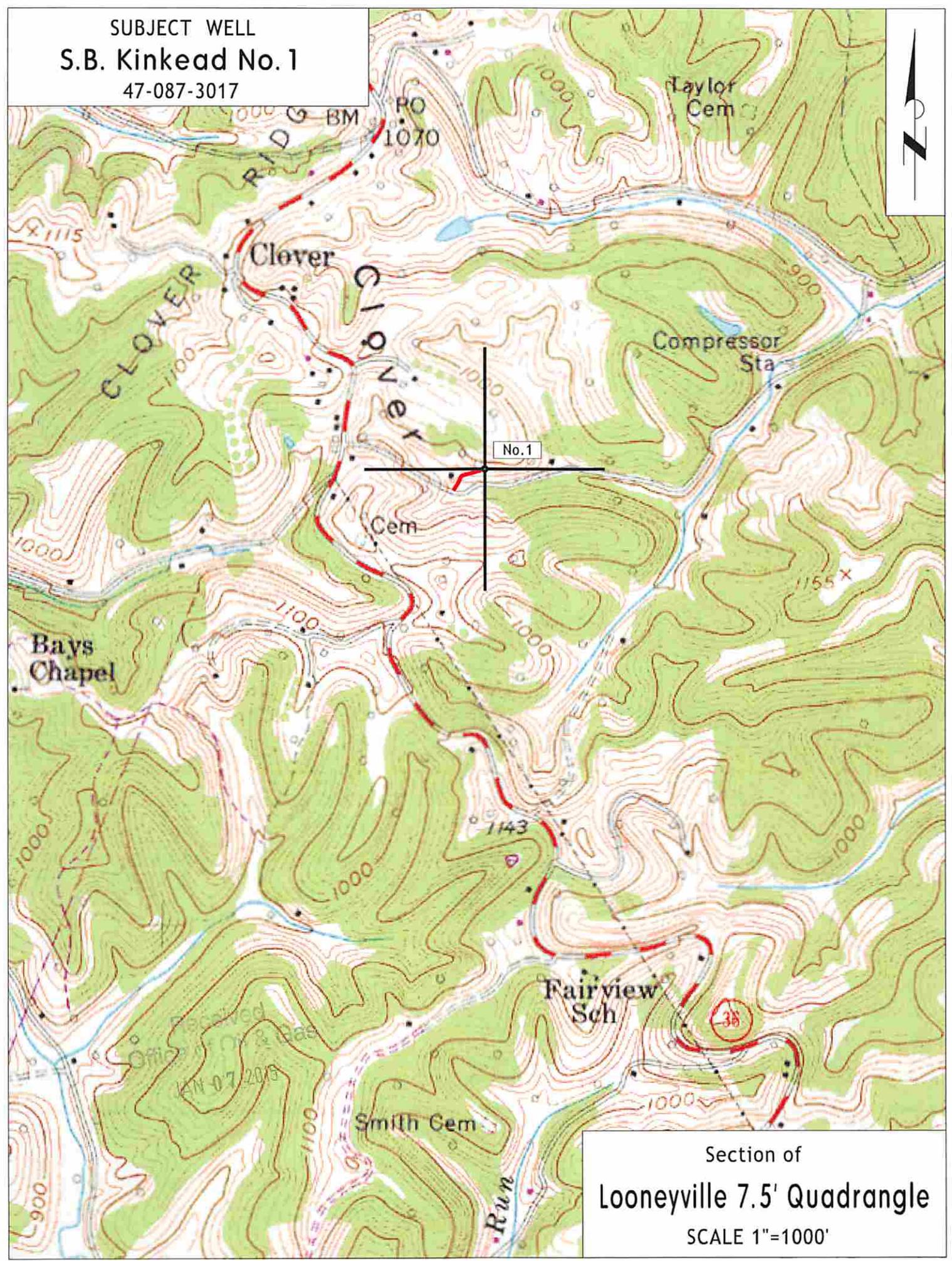
Plan Approved by:

Comments: _____

Title: Inspector Date: 1/5/15

Field Reviewed? () Yes (X) No

SUBJECT WELL
S.B. Kinkead No. 1
47-087-3017



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

8703017A

WW-7
5-02

West Virginia Department of Environmental Protection
Office of Oil & Gas

WELL LOCATION FORM: GPS

API: 47- 087 - 3017 WELL NO: No.1

FARM NAME: S.B. Kinkead

RESPONSIBLE PARTY NAME: HG Energy, LLC

COUNTY: Roane DISTRICT: Smithfield

QUADRANGLE: Looneyville 7.5'

SURFACE OWNER: Holly L. Cottrell

ROYALTY OWNER: HG Energy LLC et al.

UTM GPS NORTHING: 4,285,604

UTM GPS EASTING: 475,479 GPS ELEVATION: 302 m. (991')

The Responsible Party named above has chosen to submit GPS coordinates in lieu of preparing a new well location plat for a plugging permit on the above well. The Office of Oil & Gas will not accept GPS coordinates that do not meet the following requirements:

1. Datum: NAD 1983, Zone:17 North, Coordinate Units: meters, Altitude: height above mean sea level (MSL) - meters.
2. Accuracy to Datum - 3.05 meters
3. Data Collection Method:

| | | | |
|-------------------|-------------------------------------|-----------------------------|-------------------------------------|
| Survey Grade GPS | <input type="checkbox"/> | Post Processed Differential | <input type="checkbox"/> |
| | | Real-Time Differential | <input type="checkbox"/> |
| Mapping Grade GPS | <input checked="" type="checkbox"/> | Post Processed Differential | <input checked="" type="checkbox"/> |
| | | Real-Time Differential | <input type="checkbox"/> |

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Office of Oil & Gas
JAN 07 2015

I the undersigned, hereby certify this data 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 Office of Oil and Gas.

Diane White Diane White
Signature

Designated Agent
Title

December 2, 2014
Date