



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 20, 2015

WELL WORK PERMIT
Rework-Secondary Recovery

This permit, API Well Number: 47-4303507, 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: AUSTIN GRIFFITH # 128

Farm Name: HARLESS, CHARLES

API Well Number: 47-4303507

Permit Type: Rework-Secondary Recovery

Date Issued: 07/20/2015

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. 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 with 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.
8. Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

CK# 3048 650.00 4303507 WS

FORM WW-3 (A)
1/12



1) Date: 05/26/2015
2) Operator's Well No. Austin Griffith 128
3) API Well No.: 47 - -
State County Permit
4) UIC Permit No. UIC2R04301AP

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

5) Surface Owner(S) To Be Served	7) (a) Coal Operator
(a) Name <u>Charles Harless</u>	Name <u>N/A</u>
Address <u>P. O. Box 10211</u>	Address _____
<u>Van Nuys, CA 91410</u>	_____
(b) Name _____	7) (b) Coal Owner(S) With Declaration Of Record
Address _____	Name <u>N/A</u>
_____	Address _____
(c) Name _____	Name _____
Address _____	Address _____
6) Inspector <u>Ralph Triplett</u>	7) (c) Coal Lessee with Declaration Of Record
Address <u>5539 McClellan Hwy</u>	Name <u>N/A</u>
<u>Branchland, WV 25506</u>	Address _____
Telephone <u>304-389-0350</u>	_____

TO THE PERSONS 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 _____ 20 15 .

THE REASON YOU HAVE RECEIVED THESE DOCUMENTS IS THAT YOU HAVE RIGHTS REGARDING THE APPLICATION WHICH ARE SUMMARIZED IN THE "INSTRUCTIONS" ON THE REVERSE SIDE OF THE COPY OF THE APPLICATION [(FORM WW-3(B))] DESIGNATED TO YOU. HOWEVER YOU ARE NOT REQUIRED TO TAKE 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 26101
By: Diane White
Its: Agent

RECEIVED
Office of Oil and Gas

Signature: Diane White

JUN 04 2015

WV Department of
Environmental Protection

WW-2B1
(5-12)

Well No. Austin Griffith 128

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 Sturm Environmental Lab
Sampling Contractor Sturm Environmental Lab

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 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.

- See Attached Form -

West Virginia Department of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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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.

Surface Owners Identified With Water Sources to be Sampled and Tested:

- | | |
|---|---|
| <ul style="list-style-type: none"> * Charles Harless
P. O. Box 10211
Van Nuys, CA 91410 | <ul style="list-style-type: none"> * Steven Wilson
75 Wade Road
Yawkey, WV |
| <ul style="list-style-type: none"> * Leah Sowards
4235 Straight Fork
Yawkey, WV 25573 | <ul style="list-style-type: none"> * Kevin Linville
4817 Straight Fork Road
Yawkey, WV 25573 |
| <ul style="list-style-type: none"> * Tony Politino
4821 Straight Fork, Road
Yawkey, WV 25573 | <ul style="list-style-type: none"> * Thomas Settle
4825 Straight Fork Road
Yawkey, WV 25573 |
| <ul style="list-style-type: none"> * Tony Lewis
3 Breezy Lane
Yawkey, WV | |

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Office of Oil and Gas

JUN 04 2015

WV Department of
Environmental Protection

WW-9
Rev. 5/10

Page 333 of _____
API Number 47 - _____ - _____
Operator's Well No. Austin Griffith 128

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 Straight & Porter Fork Quadrangle Griffithsville 7.5'

Elevation 890' County Lincoln District Duval

Description of anticipated Pit Waste: Fluids encountered while drilling subject well.

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.? 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, freshwater, oil based, etc. Air, Fresh Water

-If oil based, what type? Synthetic, petroleum, etc. N/A

Additives to be used? Water, Soap, KCl

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 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 White

Company Official (Typed Name) Diane White

Company Official Title Agent

RECEIVED
Office of Oil and Gas

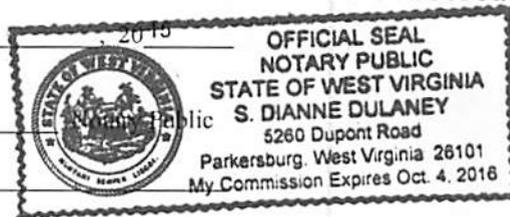
JUN 04 2015

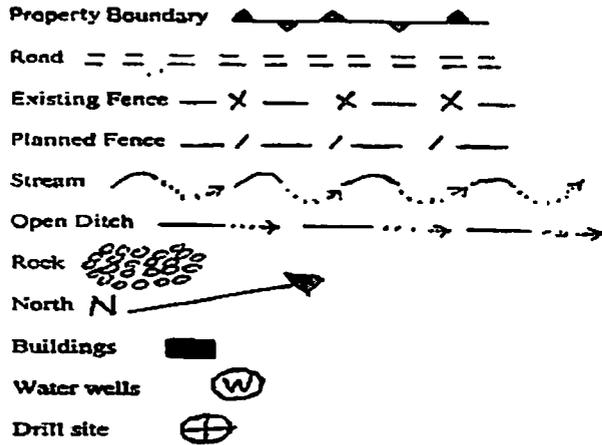
WV Department of
Environmental Protection

Subscribed and sworn before me this 26 day of May

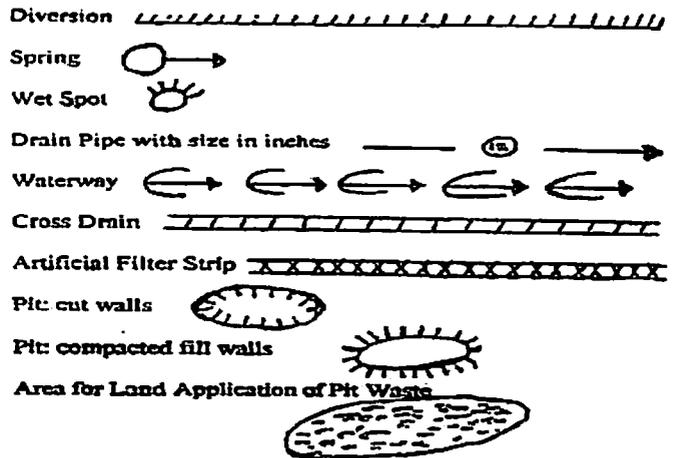
S. Dianne Dulaney

My commission expires 10/4/16





LEGEND



Proposed Revegetation Treatment: Acres Disturbed 1.00 acres 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

Seed Type	Area I	lbs/acre
Tall Fescue		40
Ladino Clover		5

Seed Type	Area II	lbs/acre
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.

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Office of Oil and Gas

Plan Approved by: Asaph D. Triplett

JUN 04 2015

Comments: _____

WV Department of
Environmental Protection

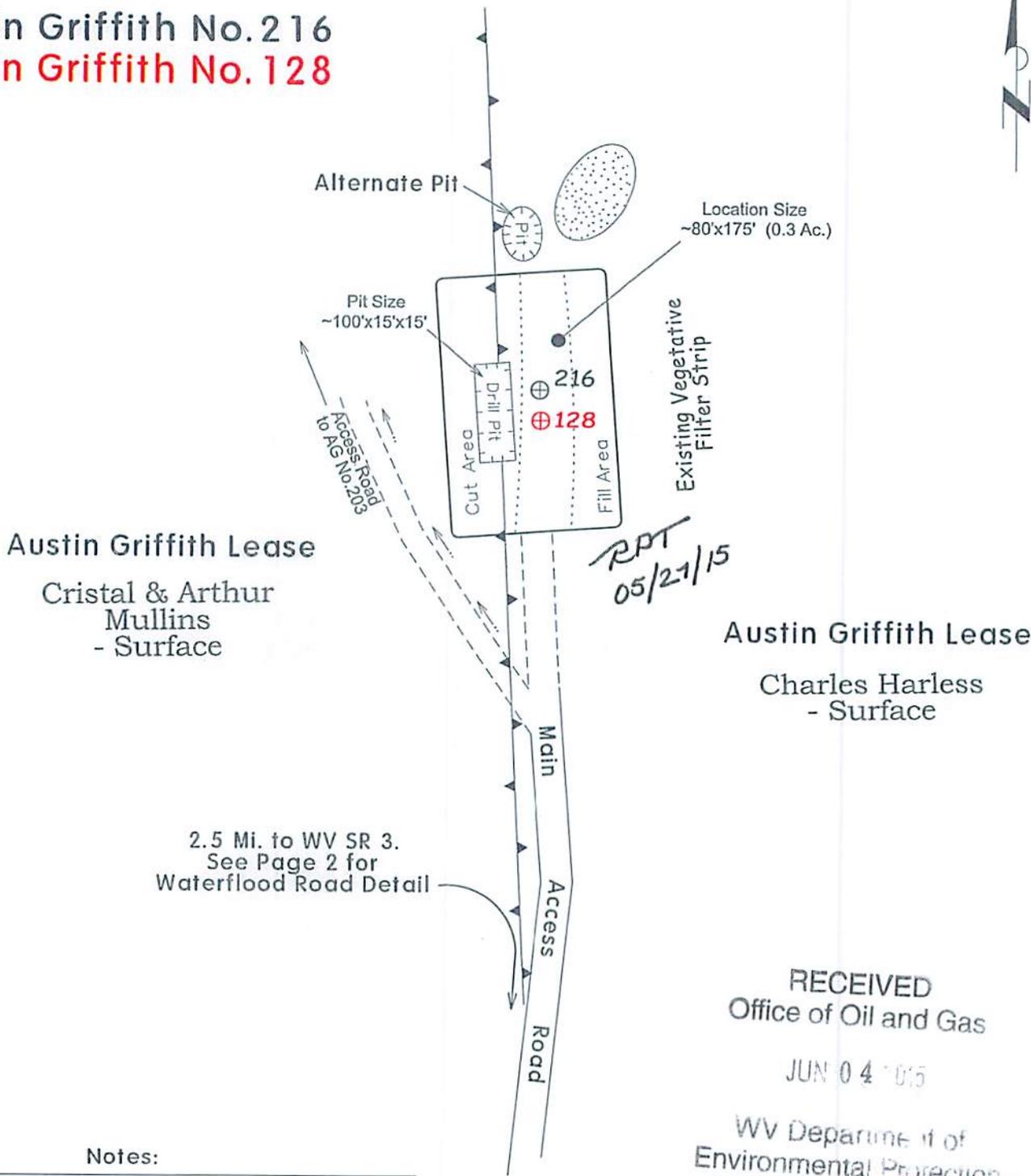
Title: District Inspector

Date: May 27, 2015

Field Reviewed? Lincoln Yes No

Reclamation Plan For:

Austin Griffith No. 216
Austin Griffith No. 128



Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- SOME ACCESS ROADS ARE EXISTING AND WILL BE UPGRADED TO WVDEP STANDARDS. NEW STRUCTURES WILL BE INSTALLED AS SHOWN.
- STOCKPILE TOPSOIL 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.
- STACK BRUSH BELOW DISTURBED AREAS FOR SEDIMENTATION CONTROL.
- DRAWING NOT TO SCALE.

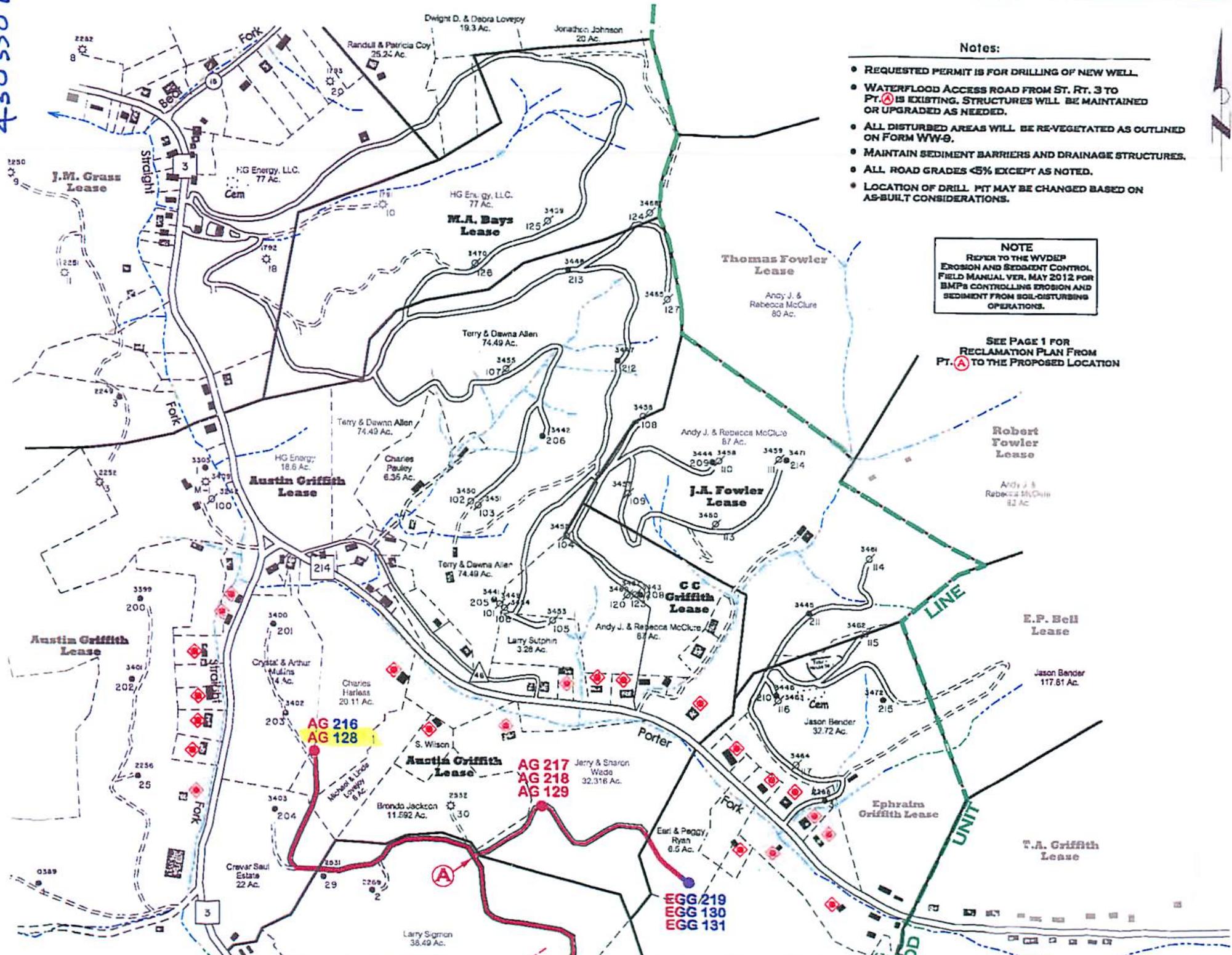
RECEIVED
 Office of Oil and Gas

JUN 04 2015

WV Department of
 Environmental Protection

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

4303507 W



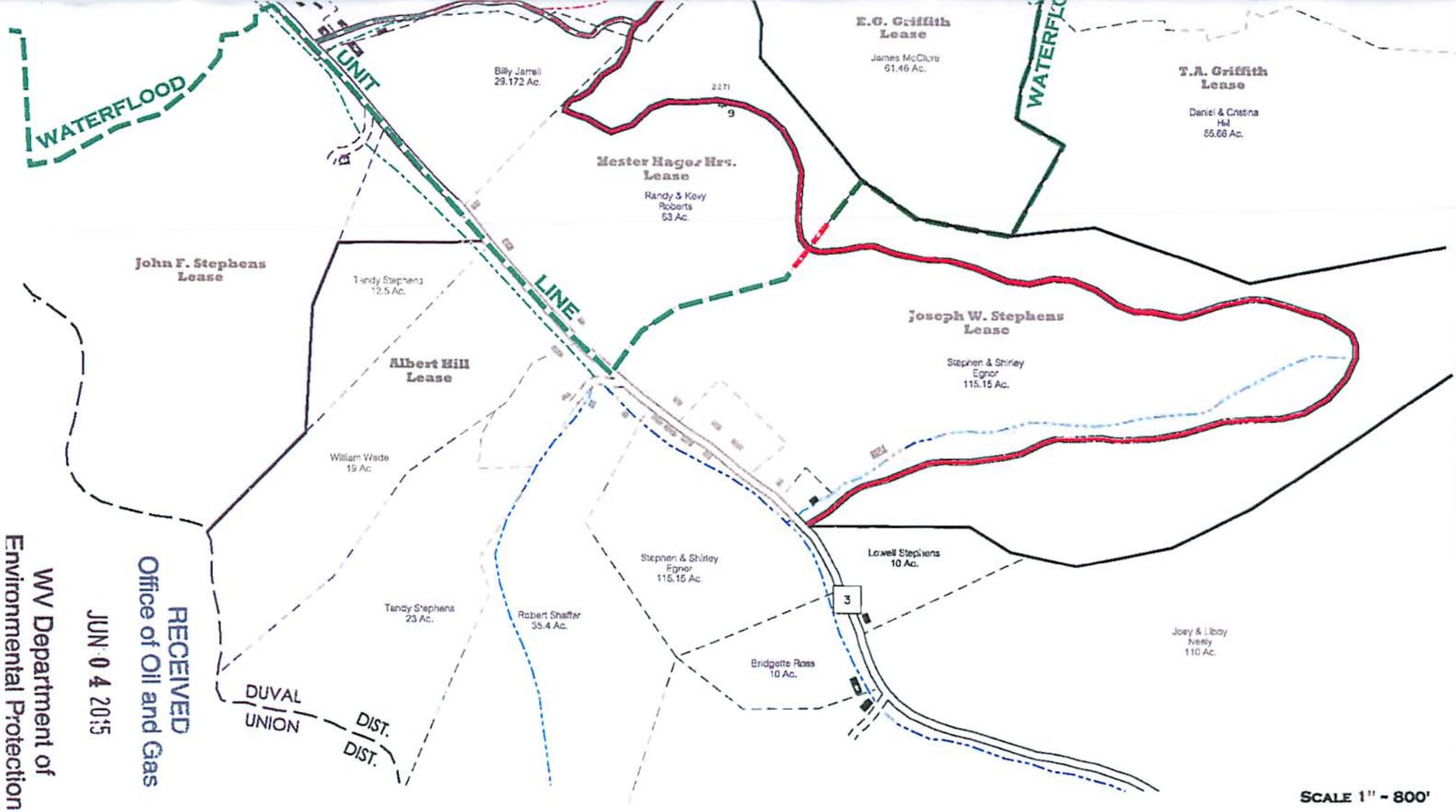
Notes:

- REQUESTED PERMIT IS FOR DRILLING OF NEW WELL.
- WATERFLOOD ACCESS ROAD FROM ST. RT. 3 TO PT. A IS EXISTING. STRUCTURES WILL BE MAINTAINED OR UPGRADED AS NEEDED.
- 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.

NOTE
 REFER TO THE WVDPEP
 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 PROPOSED LOCATION





GRIFFITHSVILLE WATERFLOOD

Lincoln County, W.Va.

RECLAMATION PLAN SHOWING ROAD SYSTEMS TO BE USED FOR 2015 DRILLING PROGRAM (SOUTH)

NOTES

1. REFER TO THE WVDEP EROSION AND SEDIMENTATION CONTROL MANUAL (VER. MAY 20, 2013) FOR BMP'S CONTROLLING EROSION AND SEDIMENTATION FROM ALL SOIL-DISTURBING OPERATIONS.

2. SEE PAGE ONE OF RECLAMATION PLAN FOR DETAILS OF NEW ROAD CONSTRUCTION AND ROAD UPGRADES FROM POINT **(A)** TO DRILL SITE LOCATION.

3. EXISTING WATERFLOOD ACCESS ROADS WILL BE MAINTAINED IN PRESENT CONDITION. THESE ROADS WERE CONSTRUCTED UNDER CONDITIONS SET FORTH IN VARIOUS DRILLING PERMITS ISSUED BY WVDEP-OOG PRIOR TO 2015 (AS SHOWN). SEE PERMITS ON FILE FOR MORE DETAIL.



AG 216



LEGEND

EXISTING WATERFLOOD ROADS TO BE USED.

OTHER EXISTING MAIN WATERFLOOD ROADS (POSSIBLE ACCESS).

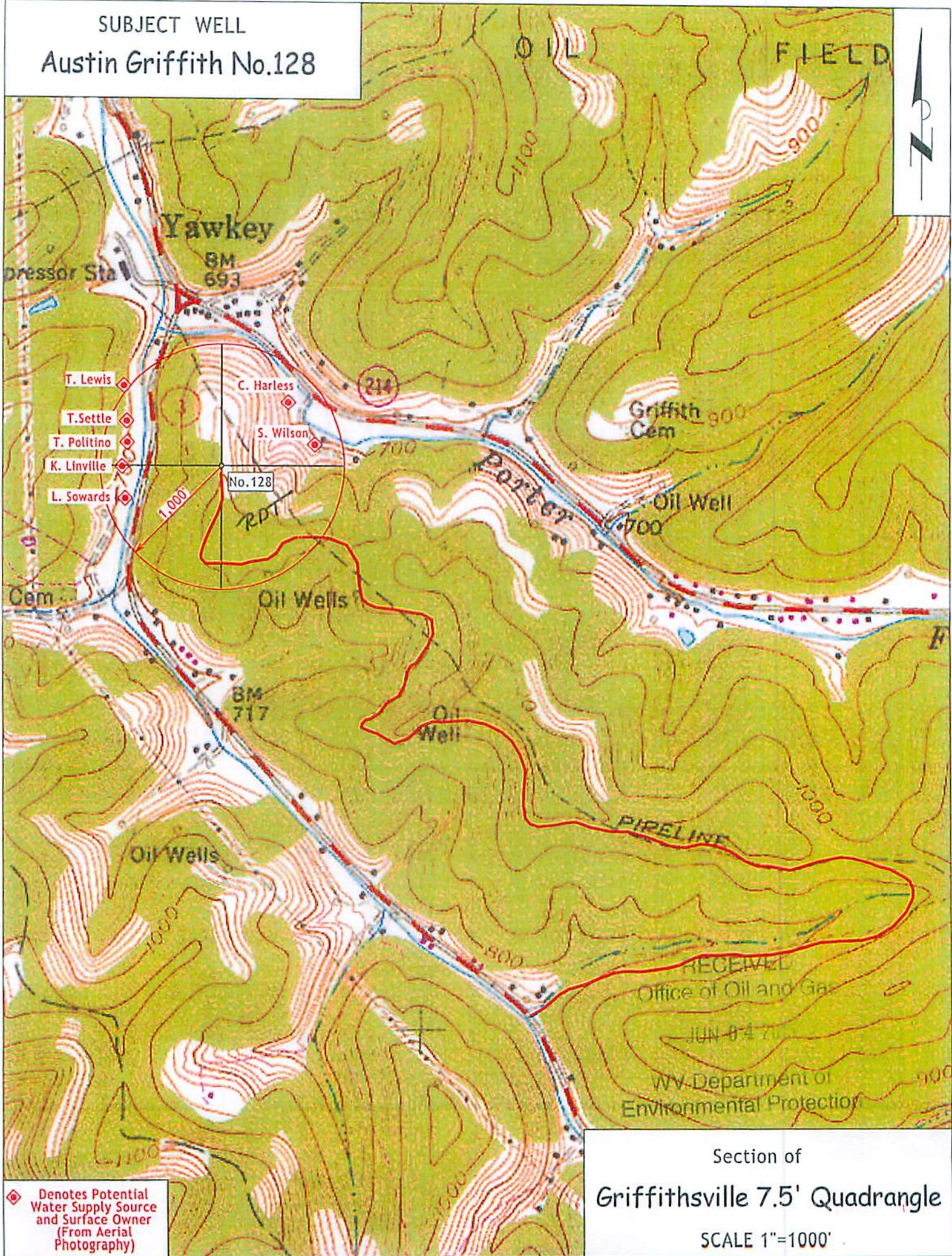
EXISTING LEASE OR FARM ROADS TO BE UPGRADED.

NEW ROADS TO BE CONSTRUCTED.

LOCATION FOR PROPOSED WELLS

POTENTIAL WATER SUPPLY SOURCE TO BE SAMPLED (LOC. APPROX.)

SUBJECT WELL
Austin Griffith No.128



◆ Denotes Potential Water Supply Source and Surface Owner (From Aerial Photography)

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

(BOT. HL: LON:-81°57'44.0") LON: -81°57'50.8" -1665'

LAT:38°15'00"

LON:81°57'30" LAT:38°13'15.7" (BOTTOM HOLE: LAT:38°13'15.2")

1 - Well ties and Latitude and Longitude were measured by DGPS (Sub-meter Mapping Grade). Bearings are referenced to UTM Grid North (Zone 17 North - NAD 1983).

2 - Surface owners and adjacent information obtained from the Lincoln County Assessor's tax records.

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

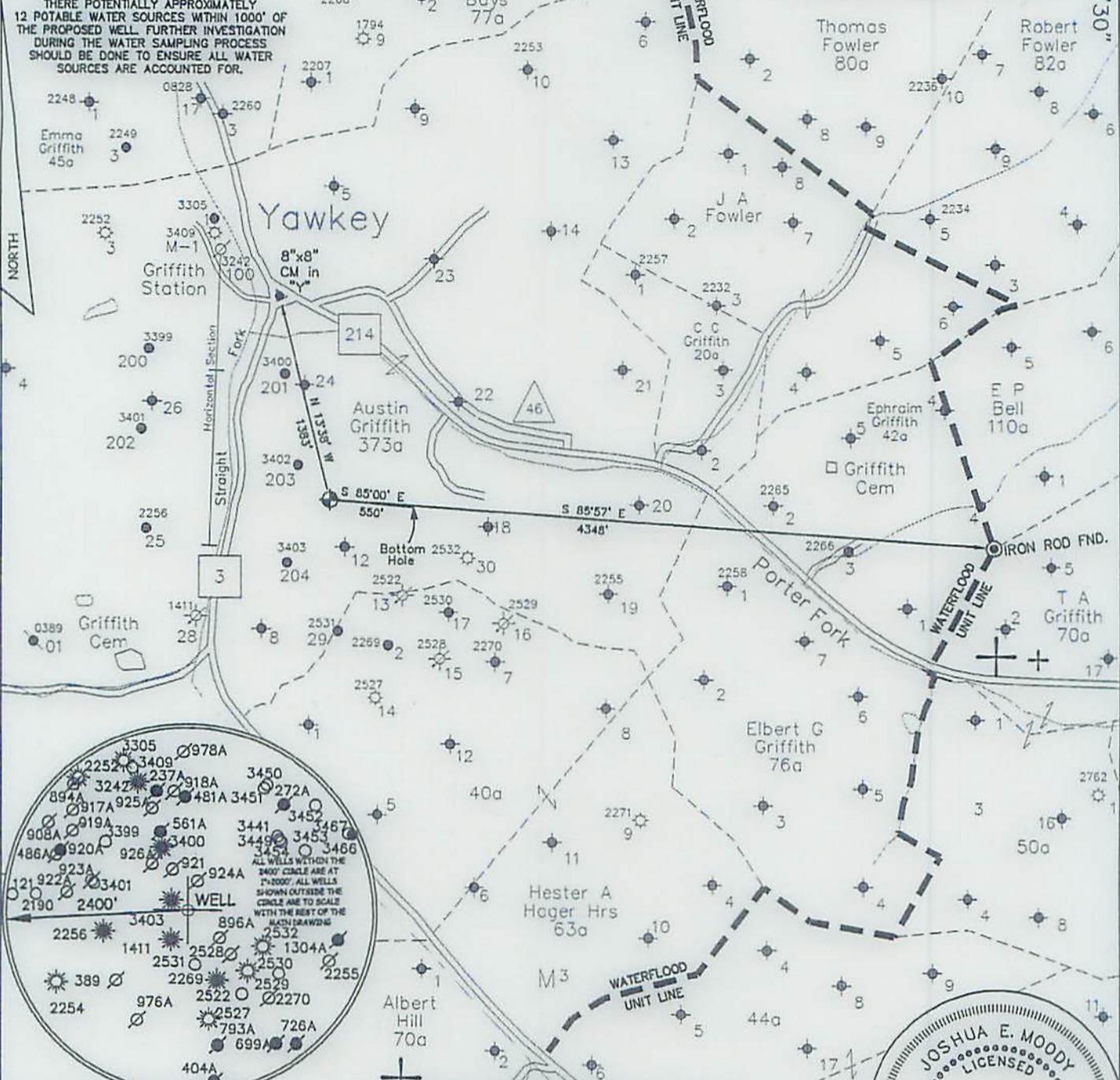
4 - Existing well spots from H6E or Seneca Tech, Inc. data

SURVEY NOTES

UTM Coordinates (Zone 17N-NAD 1983)	
Surface	N-4,230,787m. E-415,619m.
Bottom Hole	N-4,230,773m. E-415,786m.

LOCATION REFERENCES	
MAGNETIC BEARING	
S 59° E 109.0'	5° POPLAR
N 48° E 103.7'	6° CHERRY

**MAP OF
H.G. ENERGY, LLC
-WATERFLOOD UNIT-
AUSTIN GRIFFITH 128**



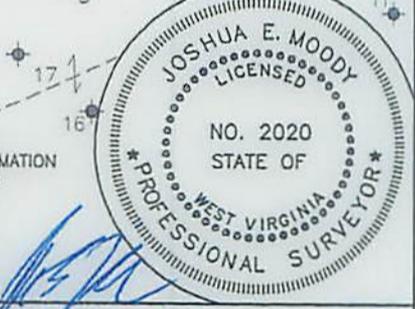
JOB # 14-023
DRAWING # 15HG LC FOLDER
SCALE 1" = 1000'
MINIMUM DEGREE OF ACCURACY 1/200
PROVEN SOURCE OF ELEV. MAPPING GRADE GPS

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



JOSHUA E. MOODY, P.S. 2020
DATE 3/10/15
OPERATOR'S WELL
AUSTIN GRIFFITH # 128

WELL TYPE: OIL GAS LIQUID INJECTION WASTE DISPOSAL HORIZONTAL
(IF "GAS") PRODUCTION STORAGE DEEP SHALLOW
LOCATION: ELEVATION 890' WATERSHED STRAIGHT & PORTER FORK API WELL # 47-043-03507 WS
DISTRICT DUVAL COUNTY LINCOLN STATE 47 COUNTY 043 PERMIT 03507 WS
QUADRANGLE GRIFFITHSVILLE 7.5'

SURFACE OWNER CHARLES HARELESS ACREAGE 20.11 ACRES +/-
OIL & GAS ROYALTY OWNER HG ENERGY, LLC ET AL LEASE ACREAGE 375 ACRES +/-
PROPOSED WORK: DRILL CONVERT DRILL DEEPER REDRILL FRACTURE OR STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW FORMATION
OTHER PHYSICAL CHANGE IN WELL (SPECIFY) WELL WILL BE DRILLED DIRECTIONALLY (S 85°00' E 550')
PLUG & ABANDON CLEAN OUT & REPLUG
TARGET FORMATION BEREA ESTIMATED DEPTH TVD=2,535' MD=3,061'
WELL OPERATOR H.G. ENERGY, LLC DESIGNATED AGENT D. WHITE
ADDRESS 5260 DuPONT ROAD ADDRESS 5260 DuPONT ROAD
PARKERSBURG, WV 26101 PARKERSBURG, WV 26101

FORM WW-6 JUN 04 2015 LEASE # 56489-50