



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

October 05, 2015

WELL WORK PLUGGING PERMIT

Plugging

This permit, API Well Number: 47-1705552, issued to DAC 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: PIKE 3
Farm Name: LEMASTERS, JACK C
API Well Number: 47-1705552
Permit Type: Plugging
Date Issued: 10/05/2015

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.

1705552P

WW-4B
Rev. 2/01

1) Date May 11, 2015
2) Operator's
Well No. PIKE LEASE NO.3
3) API Well No. 47- 17-05552 - 01640

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS

APPLICATION FOR A PERMIT TO PLUG AND ABANDON

- 4) Well Type: Oil / Gas / Liquid injection ___ / Waste disposal ___ /
(If "Gas, Production or Underground storage ___) Deep ___ / Shallow
- 5) Location: Elevation 942' Watershed Pike Fork
District McClellan County Doddridge Quadrangle Folsom 7.5'
- 6) Well Operator DAC Energy, LLC 7) Designated Agent Kenneth R. Mason
Address P.O. Box 99 Address P.O. Box 99
Alma, WV 26320-0099 Alma, WV 26320-0099
- 8) Oil and Gas Inspector to be notified
Name Douglas Newlon
Address 4060 Dutchman Road
MacFarlan, WV 26148
- 9) Plugging Contractor
Name Meadows Well Service
Address 45 Meadows Drive
Ravenswood, WV 26164

10) Work Order: The work order for the manner of plugging this well is as follows:
SEE ATTACHED SHEET FOR MANNER OF PLUGGING

Notification must be given to the district oil and gas inspector 24 hours before permit work can commence.

Work order approved by inspector Douglas Newlon

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AUG 20 2015
Date 6-9-2015
WV Department of
Environmental Protection

PIKE LEASE NO.3

47-017-05552

CASING	LEFT IN WELL	CEMENT	TOC (EST.)
9 5/8"	210'	75 sks CTS	
6 5/8"	1265'	100 sks	400'
4 1/2"	2905'	170 sks	923'
TD	3070'		

FORMATIONS	DEPTHS
Gordon	2704'-2754'
Big Injun	1956'-1966'

MANNER OF PLUGGING

<i>SPOT GEL.</i> Plug 1	2700' - 2600'
Plug 2	1950' - 1850'
Free point, cut, & pull 4 1/2" at 920' (Estimated)	
Plug 3	970' - 870'
Free point, cut, & pull 6 5/8" at 400' (Estimated)	
Plug 4	450' - 350'
Plug 5	260' - 160'
Plug 6	100' - Surface

Fill well-bore with 6% gel between cement plugs

Erect Monument with API Number

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WR-35
Rev (5-01)

DATE: 1-30-08
API #: 47-017-05552

State of West Virginia
Department of Environmental Protection
Office of Oil and Gas

Well Operator's Report of Well Work

Farm name: Lemasters, Jack C.
LOCATION: Elevation: 942'

Operator Well No.: Pike #3
Quadrangle: Folsom 7.5'

District: McClellan
Latitude: 10,550' Feet South of
Longitude 4,880' Feet West of

County: Doddridge
39 Deg. 25 Min. 00 Sec.
80 Deg. 32 Min. 30 Sec.

Company: Drilling Appalachian Corporation

	Casing & Tubing	Used in drilling	Left in well	Cement fill up Cu. Ft.
Address:				
P.O. Box 99 Alma WV 26320	9 5/8	247	210	75 sks
Agent: Kenneth Mason				
Inspector: Mike Underwood	6 5/8	1310	1265	100 sks
Date Permit Issued: 12/18/2007				
Date Well Work Commenced: 12/27/07	4 1/2	3070	2905	170 sks
Date Well Work Completed: 01/05/08				
Verbal Plugging:				
Date Permission granted on:				
Rotary X Cable Rig				
Total Depth (feet): 3070'				
Fresh Water Depth (ft.): N/A				
Salt Water Depth (ft.): N/A				
Is coal being mined in area (N/Y)? N				
Coal Depths (ft.): 501', 540', 566', 610', 636', 789', 857',				

OPEN FLOW DATA

Producing formation Gordon5th Sd. Pay zone depth (ft) 2704'-2754'
Gas: Initial open show MCF/d Oil: Initial open flow _____ Bbl/d
Final open flow: 335 MCF/d Final open flow _____ Bbl/d
Time of open flow between initial and final tests _____ Hours
Static rock Pressure 42 # psig (surface pressure) after 48 Hours

Second producing formation Big Injun Pay zone depth (ft) 1956'-1966'
Gas: Initial open show MCF/d Oil: Initial open flow _____ Bbl/d
Final open flow 335 MCF/d Final open flow _____ Bbl/d
Time of open flow between initial and final tests _____ Hours
Static rock Pressure 42# psig (surface pressure) after 48 Hours

* = commingled zones

NOTE: ON BACK OF THIS FORM PUT THE FOLLOWING: 1). DETAILS OF PERFORATED INTERVALS, FRACTURING OR STIMULATING, PHYSICAL CHANGE, ETC. 2). THE WELL LOG WHICH IS A SYSTEMATIC DETAILED GEOLOGICAL RECORD OF ALL FORMATIONS.

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Oil and Gas

Signed: Drilling Appalachian Corporation
By: Kenneth Mason
Date: January 30, 2008

AUG 20 2015

WV Department of
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Pike #3
1-30-08
47-017-05552

Stage #1	perfs	sand	avgrate	isip
Gordon	2704-2754	152.21 sks	19.3 bpm	2696#
Stage #2	perfs	sand	avgrate	isip
Big Injun	1956-1966	159.45 sks	21.8 bpm	2041#

Drillers Log

Sh	0	337
Sand	337	352
Sh	352	383
RR	383	390
Sh	390	450
RR/Sh	450	501
Coal	501	510 —
Sh	510	540
Coal	540	547 —
Sh	547	566
Coal	566	576 —
Sh	576	610
Coal	610	615
RR/Sh	615	636
Coal	636	661 —
RR/Sh	661	789
Coal	789	798 —
Sh	798	857
Coal	857	863 —
RR/Sh	863	1310
Big Lime	1890	2007
Big Injun	2007	2097
Sh	2097	2594
Gordon St.	2594	2601
Sh	2601	2620
Gordon St.	2620	2644
Sh	2644	2727
Gordon	2727	2743
Sh	2743	2750
5 th Sand	2750	2760
Sh	2760	2808
4 th Sand	2808	2811
T.D.	3070	

Electric Log Tops

Big Lime	1886'
Berea	2010'
Gordon	2664'

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WV Department of
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WW-4A
Revised 6-07

1) Date: May 11, 2015
2) Operator's Well Number PIKE LEASE NO.3
3) API Well No.: 47 - 017 - 05552

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>Statoil</u>	Name _____
Address <u>2103 City West Blvd.</u>	Address _____
<u>Suite 800</u>	
(b) Name <u>Houston, TX 77042</u>	(b) Coal Owner(s) with Declaration
Address _____	Name <u>Murray Energy</u>
	Address <u>46226 National Road</u>
	<u>St. Clairsville, OH 43950</u>
(c) Name _____	Name _____
Address _____	Address _____
6) Inspector <u>Douglas Newlon</u>	(c) Coal Lessee with Declaration
Address <u>4060 Dutchman Road</u>	Name _____
<u>MacFarlan, WV 26148</u>	Address _____
Telephone <u>304-932-8049</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 DAC Energy, LLC
 By: Kenneth R. Mason Kenneth R. Mason
 Its: President
 Address P.O. Box 99
Alma, WV 26320-0099
 Telephone 304-758-4638

Subscribed and sworn before me this 18th day of August 2015
Betty Fletcher Notary Public
 My Commission Expires May 21, 2019

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 Office of Oil and Gas
 AUG 20 2015

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.

WV Department of Environmental Protection

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name DAC ENERGY, LLC OP Code 494496257

Watershed (HUC 10) Pike Fork Quadrangle Folsom 7.5'

Elevation 942' County Doddridge District McClellan

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

Will a pit be used for drill cuttings? Yes _____ No X

If so, please describe anticipated pit waste: Fluids encountered in plugging subject well

Will a synthetic liner be used in the pit? Yes X No _____ If so, what ml.? 20 ml

DCW

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 _____)

Will closed loop system be used? _____

Drilling medium anticipated for this well? Air, freshwater, oil based, etc. _____

-If oil based, what type? Synthetic, petroleum, etc. _____

Additives to be used in drilling medium? _____

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) _____

-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 *Kenneth R. Mason*

Company Official (Typed Name) Kenneth R. Mason

Company Official Title President

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Office of Oil and Gas

Subscribed and sworn before me this 15th day of August, 20 15

Betty Fletcher

Notary Public W. Dept. of Env. Protection

My commission expires May 21, 2019

Environmental Protection



DAC ENERGY, LLC

Proposed Revegetation Treatment: Acres Disturbed ~ 0.5 Prevegetation pH _____

Lime 2 Tons/acre or to correct to pH _____

Fertilizer type 10-20-20

Fertilizer amount 500 lbs/acre

Mulch Straw 2 Tons/acre

Seed Mixtures

Temporary

Permanent

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5

Seed Type	lbs/acre
Tall Fescue	40
Ladino Clover	5

Attach:

Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided)

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: Douglas Newlin

Comments: install ETS as required

Title: Oil & Gas Inspector

Date: 6-9-2015

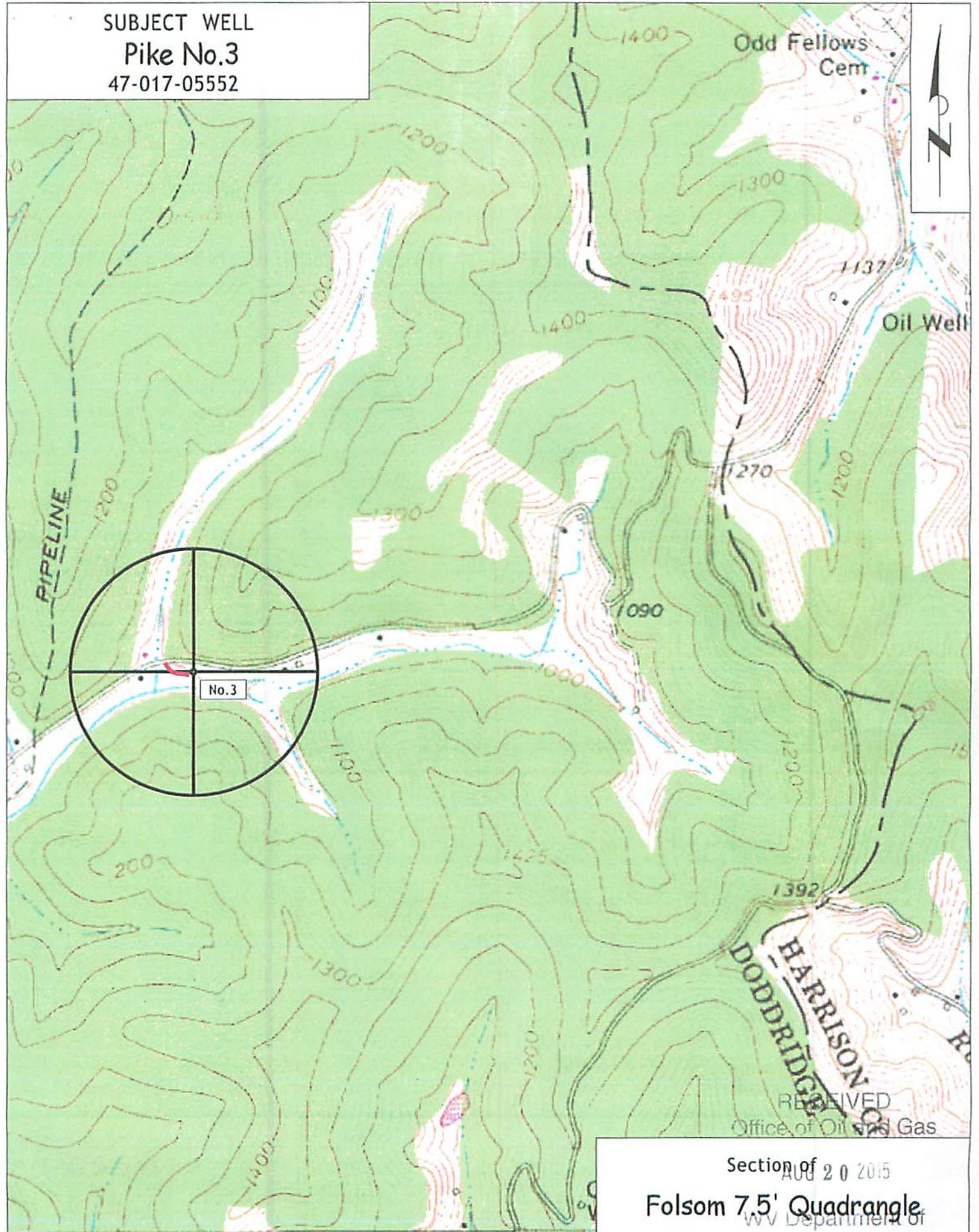
Field Reviewed? () Yes () No

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SUBJECT WELL
Pike No.3
47-017-05552



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Section of 20 2015
Folsom 7.5' Quadrangle
U.S. Department of
Environmental Protection
SCALE 1"=1000'

(SALEM) 538

West Virginia Department of Environmental Protection
Office of Oil & Gas

WELL LOCATION FORM: GPS

API: 47- 017 - 5552 WELL NO: 3

FARM NAME: Pike Lease

RESPONSIBLE PARTY NAME: DAC Energy, LLC

COUNTY: Doddridge DISTRICT: McClellan

QUADRANGLE: Folsom 7.5'

SURFACE OWNER: Statoil

ROYALTY OWNER: C. Jack Lemasters Hrs.

UTM GPS NORTHING: 4,359,906 (NAD 83)

UTM GPS EASTING: 538,017 (NAD 83) GPS ELEVATION: 287 m. (942')

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"/>

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.


Signature Kenneth R. Mason

May 11, 2015
Date

President RECEIVED
Title Office of Oil and Gas

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